
**BUTTE LOCAL AGENCY FORMATION COMMISSION (LAFCO)
EXECUTIVE OFFICER’S REPORT**

TO: Local Agency Formation Commission
FROM: Shannon Costa, Local Government Planning Analyst
SUBJECT: *LAFCo File 22-06 – City of Chico – Glenwood Avenue Annexation No. 3*
DATE: March 30, 2022 for the April 7, 2022 LAFCo Meeting

Summary

The City of Chico has initiated an island annexation of 75 parcels totaling approximately 43 acres in size. The territory is substantially surrounded by the City of Chico jurisdictional boundary to the north, east, and south. Portions of the territory are within County Service Area (CSA) 36 (Glenn Haven Lighting District), which provides financing for the provision of street lighting services. As a result of the annexation, CSA 36 would be dissolved and the City would assume responsibility for lighting service. The proposed annexation would also detach the territory from County Service Area 164 (Butte County Animal Control District) and from the Butte County Resource Conservation District. The annexation proposal conforms to the island annexation provisions of California Government Code §56375.3 and with Butte LAFCo policy, and the Executive Officer recommends approval of this proposal.

Application Submitted: October 25, 2021

Application Deemed Complete: November 17, 2021

100% Landowner Consent: No. The City of Chico has initiated this annexation by Resolution No. 52-21 (**Exhibit C**), finding that the island area conforms to the island annexation standards of Government Code §56375.3. The City is requesting that LAFCO approve the annexation specifically including the waiver of protest hearing pursuant to Government Code §56375.3(a).

Notice and Hearing Required: Yes

Proponent: City of Chico, Resolution No. 52-21, adopted on October 5, 2021

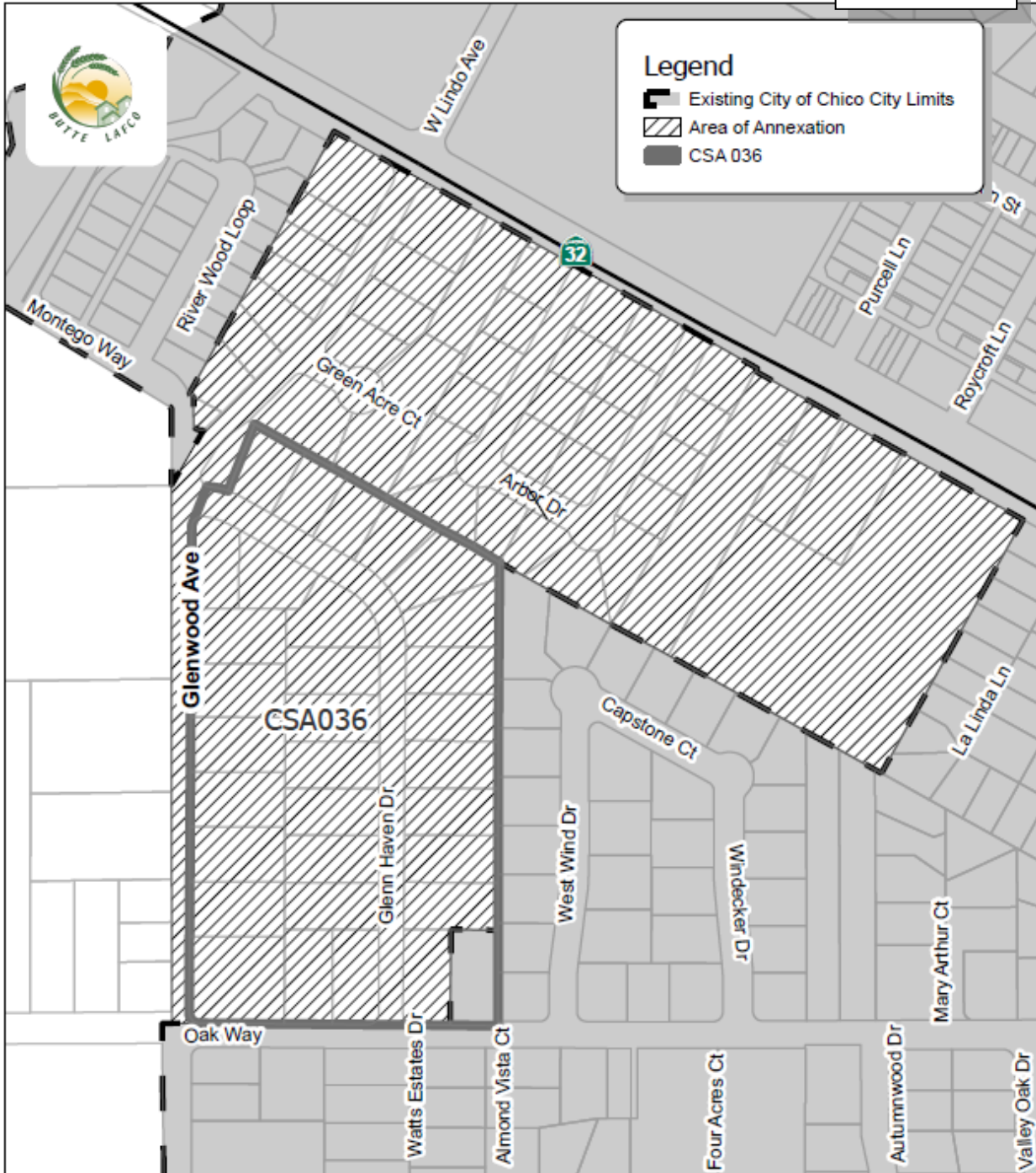
Landowners: Numerous.

Location: The subject territory consists of the 75 parcels generally located on the western boundary of the City of Chico, between Nord Avenue and Oak Way (**Exhibit A**). The territory is located in Supervisorial District 2.

- Proposal:
1. Annexation of 75 parcels and adjacent road right-of-way totaling approximately 43 acres to the City of Chico utilizing the island annexation provisions of Government Code §56375.3;
 2. The detachment of the parcels from CSA 164 (Butte County Animal Control District) and from the Butte County Resource Conservation District; and
 3. Dissolution of CSA 36 (Glen Haven Lighting) involving 31 parcels.

Requested Action: Adopt Resolution 09 2021/22 (**Exhibit B**) approving the annexation.

Exhibit A



Legend

- Existing City of Chico City Limits
- Area of Annexation
- CSA 036

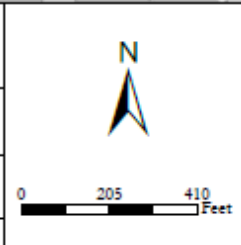
Butte Local Agency Formation Commission

22-06 - Glenwood Avenue Annexation No. 3

Applicant: City of Chico

Date: April 7, 2022

File: 22-06



Map Project File: \\GIS\DEPTS\LAFCO\PROJECTS\IFile 22-06 CityOfChico_GlenwoodAveAnnex #3 - File_22-06.aprx

DISCUSSION AND ANALYSIS

Background

The proposed annexation would facilitate the extension of City of Chico municipal services to the subject territory to support existing residential and commercial uses. Staff recommends the proposal be modified to include the dissolution of County Service Area 36 (Glenn Haven Lighting), and detachment of the parcels from County Service Area No. 164 (Butte County Animal Control), and from the Butte County Resource Conservation District.

Following annexation:

- The subject territory will be detached from CSA No. 164 (Butte County Animal Control), as this service will be provided by the City of Chico;
- The subject territory will be detached from the Butte County Resource Conservation District, as this service is confined to unincorporated parcels only;
- County Service Areas 36 (Glenn Haven Lighting) will be dissolved as these CSA's territory will be wholly annexed to the City of Chico and the CSA services will be provided by the City of Chico.

Project Site

The subject territory is within the 43-acre, 75-parcel Glenwood unincorporated island area, which is substantially surrounded by the City of Chico. The site is generally located along the westerly edge of the City of Chico on the west side of Nord Avenue (State Route 32) and east of Glenwood Avenue.

The territory is developed at suburban densities, with the primary use being single-family homes on lots ranging in size from 0.25 to 0.55 acres in size. Some multi-family housing uses exist in the territory, including apartments near the intersection of Glenwood Avenue and Nord Avenue, and at the southeasterly border of the territory is a 6.4-acre mobile home park with 60 manufactured homes. Other uses within the territory include a limited number of commercial uses, such as a personal storage facility, gas station with convenience store, and appliance resale store. The territory is bound to the west by Glenwood Avenue, which constitutes the Greenline, established in both the City of Chico's and County of Butte's General Plan; the line is demarcation between Chico's urbanized area to the east and agricultural uses to the west.

The Butte County General Plan designates the parcels within the territory as one of the following land use designations:

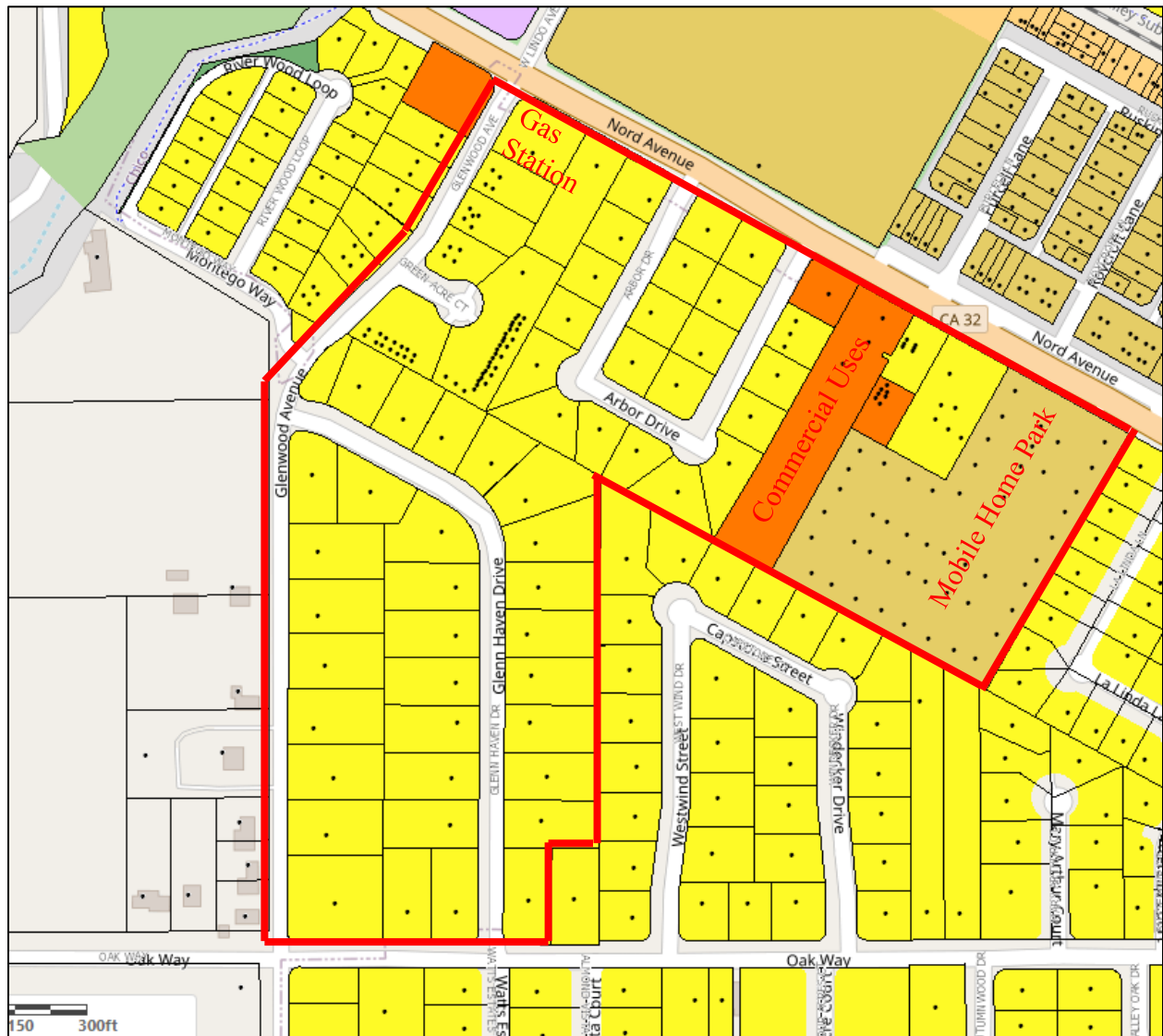
- Very Low Density Residential (up to 1 dwelling units per acre)
- Medium High Density Residential (up to 14 dwelling units per acre)
- General Commercial (no dwelling units allowed)

The City has prezoned all of the parcels in the territory. The City of Chico General Plan designates the parcels within the territory as one of the following land use designations:

- Low Density Residential (2.1 to 7.0 dwelling units per acre)
- Medium Density Residential (6.0 to 14.0 dwelling units per acre)
- Commercial Services (no residential uses allowed)

The differences in land use designations, zoning, and densities do not appear to be significant as all of the parcels within the territory are developed. The potential for new development within the

territory is low and is expected to consist of residential accessory uses (ADUs) or redevelopment of commercially zoned parcels consistent with the City's land use and zoning designations.



City of Chico Zoning Map

Streets and Roadways

The territory is primarily accessed from Nord Avenue (SR 32), which is identified as a major arterial roadway in the Chico 2030 General Plan. A series of local, public roadways serve the interior of the territory and would be annexed to the City as part of the project. These local roadways are developed to County of Butte improvement standards and are lacking curbs and sidewalks.

Street lighting for the territory is funded by CSA 36 (Glenn Haven Lighting). CSA revenue is used to pay the Pacific Gas and Electric Company (PG&E) for the electricity used to power the lights. PG&E owns and maintains the streetlights; any problems with a streetlight, such as a burned out lamp or a damaged light pole is the responsibility of PG&E to repair, and CSA funds are not used for those purposes.



Intersection of Glenwood Avenue and Oak Way – Google Maps

Water and Wastewater

Cal Water Service, which provides domestic water to the citizens of Chico, currently serves portions of the annexation territory, while many parcels remain dependent on private wells for domestic water. Cal Water would not proactively extend its service to the territory upon annexation and any future connection would need to be initiated by the landowner to Cal Water.

All parcels in the annexation territory are identified as within CSA 114 (Chico Urban Area Nitrates) and will remain in the CSA upon annexation. CSA 114 was formed in 1988 to provide for the financing of feasibility and planning studies, engineering studies, groundwater well monitoring, and environmental studies related to nitrate compliance in the Chico Urban Area, which ultimately resulted in the adoption of the Chico Urban Area Nitrate Compliance Plan. Utilizing CSA 114 funding, sewer system infrastructure has been extended to “hotspot” areas, which have been prioritized due to high levels of nitrates in the groundwater resulting from widespread use of septic tanks.

The majority of the uses within the territory utilize individual, on-site septic systems for wastewater disposal. Several parcels in the territory (1437, 1417, and 1447 Glenwood Avenue), identified as “nitrate hotspots” in CSA 114, have been authorized by LAFCo to connect to the City of Chico’s sanitary sewer system due to a failing septic system. Pursuant to an agreement between the City and LAFCo, each authorization was accompanied by an Annexation Consent Agreement and Covenant, signed and notarized by the property owner consenting to future annexation of the property.

Dissolution of CSA 36 (Glenn Haven Lighting)

Pursuant to LAFCo policies, the Commission can approve the dissolution of a district only if it determines that: 1) the services offered or authorized are no longer necessary, 2) the services can be provided by another agency or provider and that agency agrees to provide the services, or, 3) the agency is insolvent and unable to provide the services. As previously discussed, portions of the annexation territory are overlaid by CSA 36 (Glenn Haven Lighting), which provides a mechanism for funding electric service to four pole-mounted light fixtures on Glenn Haven Drive. Government Code Section 22613 (Streets and Highways Code) requires that when any territory of an assessment district is included within a city by annexation, that territory shall be excluded from the assessment district. Because CSA 36 is fully within the bounds of the annexation

territory, all of which would be excluded from the district upon annexation to the City pursuant to this code section, the CSA would no longer serve any parcels. As such, CSA 36 (Glenn Haven Lighting) would be dissolved, as the City will assume responsibility for this service.



Pole Mounted Light Fixture – Google Maps

Annexation and Dissolution

The proposed annexation utilizes the island annexation provisions of the CKH. The island annexation provisions state that a commission must approve an island annexation if it meets certain criteria and waives the necessity of conducting a protest proceeding among the affected landowners and registered voters.

Government Code Sections 56375(a) and 56375.3 (Island Annexations)

Government Code Sections 56375(a) and 56375.3 require the Commission to approve the annexation of island territory if several basic findings are made, concerning: 1) The size of the island; 2) The configuration of city boundaries; 3) The lack of prime agricultural land within the island area; 4) The presence of development in the area; and 5) The ability of the island area to benefit from or use municipal services from the City. The Commission is required to evaluate the island against the criteria outlined and make specific determinations regarding its compliance with these provisions. An evaluation of these criteria as they relate to the proposed island annexation follows.

- The change of organization or reorganization is initiated on or after January 1, 2000.
The change in organization was initiated by the City of Chico on October 5, 2021.
- The annexation is proposed by resolution adopted by the affected City;
The City of Chico City Council adopted Resolution No. 52-21 on October 5, 2021, stating the City's intent to annex the territory utilizing the island annexation provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
- The area does not exceed 150 acres, and constitutes the entire island of unincorporated territory;

The affected territory is 43 acres in size.

- The area is totally or substantially surrounded, as such has been defined by Commission policy;

The affected territory is substantially surrounded by the City of Chico. Butte LAFCo Policy states that an area that is more than 50% surrounded by a city is considered to be substantially surrounded.

- The study area is substantially developed or developing, based on findings that there is the availability of public services, there is the presence of public improvements in the area, and there are physical improvements on most of the properties;

The territory is highly urbanized and all (~100%) of the parcels within the territory are developed. Electrical, natural gas, sewer lines, and telephone services extend to the territory. Access to the territory is via paved public roads. Police and fire protection services for the territory are primarily provided by Butte County, with City of Chico police and fire departments providing assistance under automatic and mutual aid agreements.

- The study area is not prime agricultural land as such as defined by LAFCO statutes;

The subject island area is completely built out and is not utilized for any agricultural uses, has long been designated for residential uses by Butte County and the City of Chico, and is not considered to be prime agricultural land as defined by Government Code §56064.

- The study area will benefit from the annexation or is receiving benefits from the annexing city; and

The territory is an integral part of the social and economic interests of the City of Chico as a whole. The residents of the territory functionally are a part of the Chico community, even if they do not live within the city limits. Residents of the territory must pass through the City of Chico, utilizing streets maintained by the City, to reach their homes. The residents of the territory rely heavily on the numerous commercial, public, and recreational services and uses found within the City of Chico to meet their shopping, business, educational, and recreational needs. Annexation of the territory would allow the residents the opportunity to participate in the civic affairs of the City, which includes voting on City measures and offices, serve on city boards, commissions and committees, and hold City office.

- The island was not created after January 1, 2014;

The subject island existed on January 1, 2014.

Individual Factors for Consideration

California Government Code §56668 provides a list of factors to be considered in the review of a proposal. The Commission's review shall include, but is not limited to, consideration of these factors:

(a) Population; land use; topography; proximity to other populated areas; the likelihood of significant growth in the area.

The annexation territory is located on the western boundary of the City of Chico, south of Nord Avenue and north of Oak Way. The territory is bound to the west by Glenwood Avenue, which constitutes the Greenline established in both the City of Chico's and County of Butte's General

Plan; the line is demarcation between Chico's urbanized area to the east and agricultural uses to the west.

Land uses within the district are primarily residential with some commercial uses.

All parcels within the district are developed and further development of the territory would be limited to residential accessory structures and redevelopment of existing commercial sites. The site and surrounding area are level with no significant natural features that would affect the annexation.

(b) The need for organized community services; probable effect of the proposed annexation on the cost and adequacy of services and controls in the area and adjacent areas.

The need for organized community services in the territory is to support existing and future residential and commercial uses in the territory, consistent with the City of Chico General Plan. The City of Chico MSR/SOI Plan, adopted by the Commission in 2018, indicates that the City has made progress in improving its financial standing by implementing financially prudent policies, adopting a philosophy of "live within its means" and cutting costs when possible. Overall, the City's fiscal health is sound and the cost to provide service to the annexation territory is inconsequential.

(c) The effect of the proposed action and of alternative actions.

The annexation area proposed by the City of Chico will allow the extension of City municipal service services to existing and future uses within the territory. The proposed annexation will promote the efficient delivery of services with respect to law enforcement, fire protection, sanitary sewer, and road maintenance as well as eliminating the existing 43-acre unincorporated island area. Impact to local government is nominal.

(d) The conformity of the proposal with the adopted commission policies on providing planned, orderly, efficient patterns of urban development.

The annexation of the subject territory to the City of Chico is consistent with the planned, orderly, and efficient patterns of urban development within the adopted Spheres of Influences of the affected agencies. The annexation will result in the provision of more effective and efficient municipal services to the territory and will eliminate a 43-acre unincorporated island area.

LAFCo Policy 5.6.1 provides that "LAFCO will approve a proposal for dissolution only if it determines that the services offered or authorized are no longer necessary, the services can be provided more efficiently by another agency or provider and that agency agrees to provide the services, or the agency is insolvent and unable to provide the services." CSA 36 (Glenn Haven Lighting) would be dissolved because of this annexation because street lighting services provided by the District would be assumed by the City of Chico and the District is no longer necessary.

(e) The effect of the proposal on agricultural lands.

None of the parcels within the territory are designated or utilized for agricultural uses. The parcels located on the east side of Glenwood Avenue, which is identified as the Greenline in the Chico 2030 General Plan and the Butte County General Plan as the demarcation between ag-uses to the west and urban development to the east. The nearest agricultural use to the site is approximately 650 feet westerly. The territory is not identified as Prime Agricultural land. Annexation of the subject territory would not contribute to the loss of agricultural lands or effect nearby existing agricultural lands.

(f) Boundaries of the territory.

The subject territory is parcel specific, with definite and certain boundaries. There are no conflicts with lines of assessment or ownership.

(g) Consistency with city or county general and specific plans.

The proposal is consistent with the land use policies of the City of Chico. The City of Chico's General Plan designates the territory primarily as Low Density Residential (R1) and three parcels are designated as Community Commercial (CC). All parcels are within Airport Overflight Zone C, which limits noise sensitive uses like schools and churches. Existing uses within the territory appear to be consistent with the City's General Plan land use designations.

(h) The sphere of influence of any local agency, which may be applicable to the proposal being reviewed.

The proposed annexation is consistent with the Sphere of Influence for the City of Chico. The territory is within County Service Area No. 164 (Butte County Animal Control) and the territory will be detached from this district, as this service will be provided by the City of Chico. The territory is within the boundaries of the Butte County Resource Conservation District and the territory will be detached from this district as the services provided by this district are confined to the unincorporated areas of Butte County.

Portions of the annexation territory are overlaid by CSA 36 (Glenn Haven Lighting) which provides a funding mechanism for four pole-mounted light fixtures on Glenn Haven Drive. Because CSA 36 is fully within the bounds of the annexation territory, all of which would be excluded from the district upon annexation to the City, the CSA would no longer serve any parcels. As such, CSA 36 (Glenn Haven Lighting) would be dissolved, as the City will assume responsibility for this service. All remaining fund balance for the district would be used to wind up affairs (pay any outstanding bills) and the remaining funds would be transferred to the City of Chico.

(i) The comments of any affected local agency.

On November 16, 2021, LAFCo staff circulated the proposal for review and comment from local public agencies. The following table lists the agencies that responded to LAFCo's request for comments and their response.

Agency	Comment Provided
<u>Butte Co. Assessor's Office</u>	<i>The proposed annexation boundary does not split any assessment parcels.</i>
<u>Butte Co. Elections Office</u>	<i>There are approximately 277 registered voters in the territory. The Chico City Council will need to integrate this area into one of their 7 council districts.</i>
<u>Environmental Health Division</u>	<i>Proposed project is within the Chico Nitrate Compliance Area; parcels are on individual wastewater systems and private wells. Applicant proposing extensions of municipal services (water and sewer). Future sewer connections would require a septic tank destruction permit; connection required within 250 feet to sewer line. Well destructions required if wells are abandoned and not maintained for more than one year. All wastewater system and well permits to be obtained from Butte County Public Health Environmental Health Division. Annexation includes Royal Palms Mobile Home Park for which a sewer connection application was received but tank destruction or repair</i>

paperwork and verification of connection never completed.

Butte Co. Public Works Department

Glenwood Avenue right-of-way should be included in the annexation proposal. CSA 36 should be managed by the City upon annexation.

Staff response: Glenwood Avenue right-of-way will be annexed as part of this proposal. CSA 36 will be dissolved.

The following agencies were also sent a request for comments, but who did not respond or did not provide substantive comments:

City of Chico, Butte County Ag Commissioner, Butte County Animal Control, Butte Co. Sheriff's Office, CAL Fire/Butte County Fire, Butte Co. Resource Conservation District, Butte Community College, CAL Water Chico District, Chico Area Recreation and Park District, Chico Unified School District, and Butte Mosquito and Vector Control District.

(j) The ability of the receiving entity to provide the services.

The City of Chico provides general administration, community development, public works, sewer, police, fire protection, and other services within its incorporated area. The City of Chico, through its resolution of application, attests to its ability to extend municipal services to the territory without impact to existing City residents. The City of Chico's financial difficulties have significantly improved over the last few years and the proposed annexation is not expected to have any positive or negative impact on the City's ability to provide adequate municipal services to the territory.

(k) Availability of adequate water supplies.

The California Water Service Company (CalWater) already provides domestic water service to portions the annexation territory. Many parcels rely on private wells for domestic water. Cal Water has adequate water sources and infrastructure to continue to provide service to parcels within the annexation territory. No overall increase in water demands is expected as a result of the annexation.

(l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs.

As most of the parcels within the territory are developed with a residential use, this proposal makes no significant impact on the ability of Butte County or the City of Chico to meet its regional housing needs determination.

(m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

A legal notice of the public hearing for the proposed annexation was placed in the Chico Enterprise-Record and mailed to landowners and registered voters within 300 feet of the territory. As of the date of this staff report, no comments were received.

(n) Any information relating to existing land use designations.

The residential and commercial uses within the territory are consistent with the City of Chico's General Plan land use designation of Low Density Residential, Medium Density Residential, and Community Commercial. The rezoning and General Plan Land Use Designations for the territory are substantially similar to current Butte County General Plan Land Use Designations.

(o) The extent to which the proposal will promote environmental justice.

The proposed reorganization is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups. The territory is not within a disadvantaged unincorporated community (DUC).

Applicable Butte LAFCo Policies

Section 2.0 (LAFCo General Policies and Standards), Section 4.0 (Annexation and Detachments), and Section 5.0 (Incorporations, Formations, Provision of New Services by Districts, Consolidations, Dissolutions, and Disincorporation) of Butte LAFCo Policies and Procedures provides the Commission with general standards for annexation proposals. The proposal is substantially consistent with the relevant policies for consideration and guidance as summarized below:

- Consistency of the proposal with the General Plan of the applicable planning jurisdiction (2.10.1);
- The creation of logical boundaries (2.11.2);
- Consistency of a proposal with the Sphere of Influence and Municipal Service Review of the affected jurisdiction(s) (4.1.1);
- Contiguity of a proposed annexation area to the jurisdictional boundaries of the annexing city (4.1.3);
- Determination of the most efficient service provider (4.2); and
- Disincorporation/dissolution only if it determines that the services offered or authorized are no longer necessary, the services can be provided more efficiently by another agency or provider and that agency agrees to provide the services, or the agency is insolvent and unable to provide the services (5.6.1).

The Proposal is consistent with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code 56000 et seq.), and Butte LAFCo Policies and Procedures.

Existing Service Agencies and Proposed Service Changes

The following table shows the services that are currently provided to the territory and the changes in service providers as a result of annexation to the City of Oroville.

<u>Service</u>	<u>Presently Provided By</u>	<u>Proposed Provider</u>
Fire Protection	County of Butte	City of Chico
Police Protection	County of Butte	City of Chico
Code Enforcement	County of Butte	City of Chico
Sewer Service	Septic System/City of Chico	City of Chico
Domestic Water Service	Cal Water/Onsite Wells	No change
Animal Control	County of Butte (CSA 164)	City of Chico
Solid Waste	Private Collector	Private Collector
Road/Street Maintenance	County of Butte	City of Chico
Power Infrastructure	PG&E	No change
Street Lighting	CSA 36 (Glenn Haven Lighting)	City of Chico
Planning & Zoning	County of Butte	City of Chico
Schools	Chico Unified School District	No change
Resource Conservation	Butte Co. Resource Conservation District	None
Mosquito Abatement	Butte County Mosquito and Vector Control District	No change

The territory will be detached from the following districts:

- County Service Area No. 164 (Butte County Animal Control), as this service will be provided by the City of Oroville.
- The Butte County Resource Conservation District, as this service is restricted to unincorporated parcels only.
- CSA 36 all parcels detached, district dissolved.

ADDITIONAL BACKGROUND

Property Tax Agreement

In accordance with provisions of Revenue and Taxation Code §99, an Amended Master Property Tax Exchange Agreement was executed between the City of Chico and the Butte County Board of Supervisors on November 4, 1987. The agreement provides for the County to receive 55% of the property tax revenues, and the City to receive 45%.

Support/Protest

The City of Chico conducted a noticed public hearing on October 5, 2021, at which time the annexation proposal was initiated by Resolution No 52-21. There was no known opposition to the City's proposal at that time.

On March 17, 2022, hearing notices for the Commission's April 7, 2022, public hearing on the annexation were mailed to all landowners and registered voters within 300 feet of the territory. On March 17, 2022, a legal notice regarding the Commission's April 7 hearing on the annexation proposal was published in the *Chico Enterprise-Record* and placed on Butte LAFCo's webpage. No comments were received as of the date of this report.

Environmental Analysis

The City of Chico is the Lead Agency for the proposal under the California Environmental Quality Act (CEQA). Butte LAFCo is a Responsible Agency for environmental review. The City of Chico determined that the proposal is consistent with determinations made in the Final EIR prepared and certified for the Chico 2030 General Plan Update (SCH#2008122038), which programmatically and comprehensively analyzed impacts associated with implementation of the General Plan, including future annexations consistent with the Land Use Diagram. Pursuant to CEQA Guidelines Section 15132 (Subsequent EIRs and Negative Declarations), no subsequent environmental review is required because no new environmental effects are anticipated by the proposed annexation, nor has any new information about the annexation been revealed since the City Council Certification in April 2011 of the Chico 2030 General Plan Program Environmental EIR. LAFCo staff concurs with the City's environmental determination.

CONCLUSION

The proposed annexation represents a positive step forward in implementing the CKH Act concerning annexations in that it will eliminate a 75-parcel unincorporated island area which will result in the orderly and logical jurisdictional boundaries and provide for the delivery of more effective and efficient public municipal services. The proposed annexation is not anticipated to have adverse impacts on the City of Chico's or any other agency's ability to provide services. The dissolution of CSA 36 (Glenn Haven Lighting) is consistent with LAFCo policies that encourage the dissolution of districts when the service can be provided more efficiently by another provider.

The proposal Conforms to Butte LAFCo policy, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, and the island annexation provisions of Government Code 56375.3. Based upon the findings and determinations in this report, staff recommends approval of this proposal.

COMMISSION ACTION

After reviewing this report and any testimony or materials that are presented, staff recommends that the Commission approve the annexation by taking the following actions.

APPROVE the proposal as submitted by the City of Chico:

- A. Find that no subsequent environmental review is required pursuant to CEQA Guidelines Section 15132 (Subsequent EIRs and Negative Declarations).
- B. Adopt Resolution 09 2021/22 making determinations approving the proposed *City of Chico – Glenwood Avenue Annexation No. 3*, which includes: 1) Annexation of 75 parcels totaling approximately 43-acres to the City of Chico; and, 2) Dissolution of CSA 36 (Glenn Haven Lighting).
- C. Find that the proposed annexation conforms to the criteria for an “island” annexation as described in California Government Code §56375.3, and waive the Protest Hearing Proceedings for this action as required in California Government Code §56375.3.

Respectfully submitted,

Shannon Costa

Shannon Costa
Local Government Planning Analyst

Attachments:

- Exhibit A: Annexation Area Map - Page 2
- Exhibit B: Draft LAFCo Resolution No. 09 2021/22
- Exhibit C: City of Chico Resolution No. 52-21

RESOLUTION NO. 09 2021/22

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE MAKING DETERMINATIONS AND ORDERING THE
REORGANIZATION OF TERRITORY DESIGNATED AS
22-06 CITY OF CHICO GLENWOOD AVENUE ANNEXATION NO. 3
AND DISSOLUTION OF CSA 36 (GLENN HAVEN LIGHTING)**

RESOLVED, by the Local Agency Formation Commission of the County of Butte, State of California, that

WHEREAS, a proposal for the annexation of 75 parcels totaling 43-acres to the City of Chico in the County of Butte was heretofore submitted by the City of Chico and accepted for filing on November 17, 2021 by the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

WHEREAS, the City of Chico Resolution of Application requests the proposed annexation be considered subject to Government Code Section 56375.3 to include a waiver of protests or an election; and

WHEREAS, the proposal is amended to include the dissolution of County Service Area 36 (Glenn Haven Lighting) because all of the parcels within this CSA will, as a result of this annexation, be within the City of Chico and the City of Chico will provide this service without direct assessment of fees to property owners; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56658, set April 7, 2022, as the hearing date on this proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56665, has reviewed this proposal and prepared a report, including recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, this Commission called for and held a hearing on April 7, 2022, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56668; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of Butte **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. Environmental Action:

- A. The City of Chico, acting as "Lead Agency", determined that no subsequent environmental review is necessary pursuant to CEQA Guidelines Section 15162 – Subsequent EIRs and Negative Declarations. No subsequent environmental review is required because there are no new or increased environmental effects anticipated by the proposed annexation or any new information about the annexation revealed since City Council certification in April 2011 of the 2030 General Plan Program Environmental Impact Report (EIR) (SCH#2008122038)

which programmatically and comprehensively analyzed impacts associated with future annexations consistent with the Land Use Diagram.

- B. As a “Responsible Agency” under CEQA Guidelines, prior to approving the proposed annexation, the Commission is required to consider the information for the project on which the Lead Agency based its Environmental Determination.
- C. Acting as a “Responsible Agency” under CEQA Guidelines, the Commission considered the information in the Environmental Determination prepared for this project by the City of Chico prior to making its determination.
- D. The Commission finds that the Lead Agency’s Environmental Determination is in accordance with the requirements of CEQA Guidelines and is consistent with State law and that the City’s environmental document prepared for this annexation is determined to be legally adequate pursuant to CEQA Guidelines Section 15162.
- E. Additionally, the Commission finds that the territory is fully developed with multi-family dwellings, which is consistent with the City of Chico’s General Plan land use designation of Low Density Residential and Community Commercial for the territory. The City’s General Plan land use designation of Low Density Residential and Community Commercial for the territory was previously analyzed by the Environmental Impact Report (EIR) (State Clearinghouse No. 2008122038) for the Chico 2030 General Plan, which was certified by the Chico City Council on April 12, 2011, along with the adoption of the Chico 2030 General Plan. There is no change in the land use designations analyzed by the EIR and any new development in the territory will require the appropriate level of environmental review in accordance with CEQA.

Section 2. General Findings and Determinations

- A. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Butte LAFCo Policies and Procedures, Sphere of Influence and General Plan consistency, the City of Chico Municipal Service Review and other factors specified in Government Code Section 56668 and as described in the staff report dated March 30, 2022 for the meeting of April 7, 2022.
- B. The annexation area shall consist of 75 parcels and the adjoining road right-of-ways, totaling approximately 43 acres, as submitted by the City of Chico and described in Exhibit “A.”
- C. The subject area is assigned the following short form designation: 22-06 – City of Chico – Glenwood Annexation No. 3.
- D. The parcels proposed for annexation will be detached from the following districts:
 - 1. County Service Area No. 164 (Butte County Animal Control), and
 - 2. The Butte County Resource Conservation District; and
 - 3. CSA 36 (Glenn Haven Lighting District) to be dissolved.
- E. The purpose of the annexation to the City of Chico is to support orderly jurisdictional boundaries and allow for the provision of City of Chico municipal services for existing and future commercial and industrial development within the territory.

- F. The proposal is consistent with the City of Chico Sphere of Influence.
- G. Pursuant to Butte LAFCO Policy 2.13.1, the Commission determines that agricultural and/or open space lands will not be adversely affected by this proposal as the territory is developed and is contiguous to lands that have been developed with urban uses and the territory does not contain any agricultural uses and is not considered to be "prime agricultural land" as defined in California Government Code §56064. Therefore, no conversion of designated agricultural or open space lands will occur as a result of the proposed annexation.
- H. The exchange of property tax revenues between the County of Butte and the City of Chico will be performed in accordance the Amended Master Property Tax Exchange Agreement, executed between the City of Chico and the Butte County Board of Supervisors on November 4, 1987.
- I. County Service Area 36 (Glenn Haven Lighting District) will be dissolved because all of the parcels within this CSA will, as a result of this annexation, be within the City of Chico and the City of Chico will provide this service without direct assessment of fees to property owners. The dissolution/annexation area shall consist of 31 parcels as described in Exhibit "A."
- J. The County of Butte shall be named the successor agency in order to wind up the affairs of CSA 36 (Glenn Haven Lighting).

Section 3. Conditions requested by LAFCo:

- A. All LAFCO, County of Butte and State of California fees must be paid in full prior to filing the Certificate of Completion.
- B. The legal description and map, if amended by action of the Commission, will be revised at the expense of the applicant, prior to filing the Certificate of Completion.
- C. The map and legal description shall comply with the State Board of Equalization requirement and if rejected by the State Board of Equalization, will be revised at the expense of the applicant.
- D. Pursuant to Government Code Sections 57451, 56452, 57453, and 56476, the Commission determines the County of Butte to be the Successor Agency for the purposes of winding up the affairs of the CSA 36 (Glenn Haven Lighting).
- E. Pursuant Government Code Sections 56886(r) and 57463, the County of Butte as the successor agency is permitted to use any unspent funds within the former CSA 36 (Glenn Haven Lighting) territory for the benefit of its residents.

Section 4. The boundaries, as set forth in the proposal, are hereby approved as submitted and are as described in Exhibit "A" attached hereto and by this reference incorporated herein.

Section 5. Waiver of Protest Proceedings:

- A. Pursuant to Government Code §56375.3(a) and adopted Commission policies, the Commission makes the findings related to the proposed island annexation as

described in the staff report dated March 30, 2022, for the meeting of April 7, 2022. Having made said determinations, the Commission finds that the proposed annexation of the single island as depicted on Exhibit "A" conforms to the criteria for an "island" annexation as described in California Government Code §56375.3, and the Commission hereby waives the Protest Hearing Proceedings for this action as required in California Government Code §56375.3.

Section 5. The Executive Officer is hereby authorized and directed to mail certified copies of this Resolution as provided in Section 56882 of the Government Code.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 7th day of April 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Stephen Lucas
Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission

1 WHEREAS, this Council certifies that an Amended Master Property Tax Transfer
2 Agreement, pursuant to Section 99(b) of the California Tax Revenue Code, was executed by City
3 and County of Butte on November 4, 1987, and remains in full force and effect; and

4 WHEREAS, the annexation of this Property has been addressed in the Final EIR prepared
5 and certified for the Chico 2030 General Plan update (SCH#2008122038), which
6 programmatically and comprehensively analyzed impacts associated with implementation of the
7 General Plan, including future annexations consistent with the Land Use Diagram; and

8 WHEREAS, adoption of the resolution to initiate annexation proceedings for Glenwood
9 Avenue District No. 3 to the incorporated territory of the City of Chico was considered by this
10 Council at a public hearing held on October 5, 2021, notice of which was provided through
11 publication pursuant to Government Code Sections 56153 and 56154, as required by Section
12 56755.

13 NOW THEREFORE, BE IT RESOLVED by the Council of the City of Chico as follows:

- 14 1. This Council proposes to annex to the incorporated territory of City all of the Property
15 now located in the unincorporated territory of the County depicted in Exhibit I.
- 16 2. This annexation proposal is being made pursuant to the Act.
- 17 3. The reason for this annexation proposal is to provide logical City boundaries and
18 encourage the efficient delivery of urban services.
- 19 4. A plan for providing municipal services to the Property following its annexation to City
20 has been prepared in the manner required by California Government Code Section 56653
21 and set forth in Exhibit II attached hereto.
- 22 5. Waive the application of the Streets and Highway Code Section 22613, and find that the
23 exclusion of any parcel in this area from CSA 36 (Glen Haven Street Lighting) would
24 deprive this area of needed services to ensure the health and safety of the residents of the
25 area, and find that a waiver would not affect the ability of the City of Chico to provide
26 any services.

- 1 6. That the City of Manager is hereby authorized to execute a letter agreement with Butte
2 County to provide a portion of the fund collected through CSA 36 to the City of Chico in
3 exchange for providing the services of CSA 36 to the parcels within the City limits.
- 4 7. The annexation of the Property to City, as proposed, is consistent in all respects with the
5 sphere of influence developed, determined and adopted by LAFCo for City
6 pursuant to California Government Code section 56425.
- 7 8. The annexation of the Property to the incorporated territory of City meets all other
8 requirements of the Act and is in all respects consistent with the objectives and purposes
9 of the Act.
- 10 9. Pursuant to CEQA Section 15162 (Subsequent EIRs and Negative Declarations), no
11 subsequent environmental review is required because there are no new or increased
12 environmental effects anticipated by the proposed annexation, or any new information
13 about the annexation revealed since City Council certification in April 2011 of the Chico
14 2030 General Plan Program Environmental Impact Report (EIR) (SCH#2008122038),
15 which programmatically and comprehensively analyzed impacts associated with future
16 annexations consistent with the Land Use Diagram.
- 17 10. The Council finds that the annexation and proposed use of the Property is consistent with
18 the City's General Plan.
- 19 11. By reason of the foregoing, this Council requests LAFCo to commence proceedings on
20 annexation of the Property to the incorporated territory of City within the time and in the
21 manner required by law.
- 22 12. Further, the Council finds the annexing territory to be an island of less than 150 acres in
23 size and the annexation be conducted pursuant to Government Code Section 56375.3, the
24 island annexation law.
- 25 13. The City Clerk is directed to submit a copy of this Resolution to the Executive Officer of
26 LAFCo.

27 The foregoing resolution was adopted by the Council of the City of Chico at its meeting
28 held on October 5, 2021, by the following vote:

1 AYES: Bennett, Brown, Morgan, O'Brien, Tandon, Reynolds, Coolidge

2 NOES: None

3 ABSENT: None

4 ABSTAINED: None

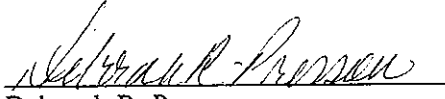
5 DISQUALIFIED: None

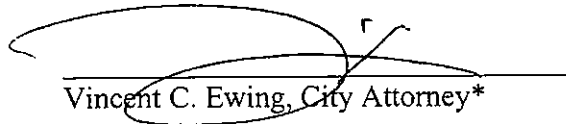
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7 ATTEST:

APPROVED AS TO FORM:

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Vincent C. Ewing, City Attorney*

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Deborah R. Presson
City Clerk

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*Pursuant to The Charter of
the City of Chico, Section 906(E)

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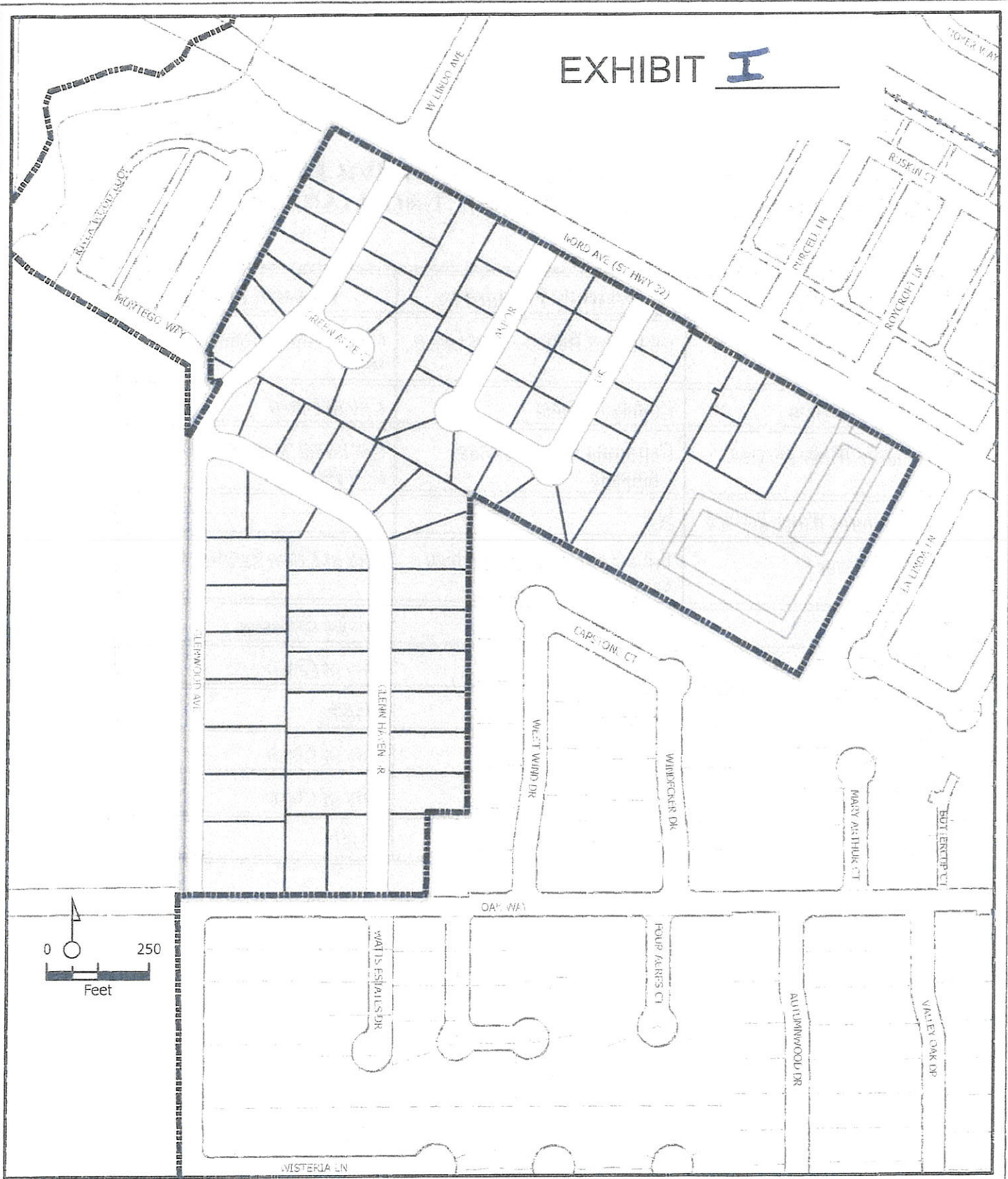
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EXHIBIT I



Glenwood Avenue Annexation



-  Current City Boundary
-  Glenwood Annexation Parcels



EXHIBIT II

PLAN FOR PROVISION OF SERVICES NORTH CHICO ANNEXATION DISTRICT NO. 1 (ANX 18-01)

Service	Presently Provided by	Proposed Provider
<i>Fire Protection</i>	County of Butte/City of Chico	City of Chico/County of Butte
<i>Police Protection</i>	County of Butte	City of Chico
<i>Domestic Water Service</i>	California Water Service Company	California Water Service Company
<i>Agricultural Water Service</i>	NA	NA
<i>Sewer Service</i>	Private Septic, City of Chico Sanitary Sewer	City of Chico Sanitary Sewer
<i>Solid Waste</i>	Private Collector	Private Collector
<i>Road/Street Maintenance</i>	County of Butte	City of Chico
<i>Power</i>	PG&E	PG&E
<i>Street Lighting</i>	County of Butte	City of Chico
<i>Planning & Zoning</i>	County of Butte	City of Chico
<i>Schools</i>	CUSD	CUSD