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

TO: Local Agency Formation Commission
FROM: Shannon Costa, Deputy Executive Officer
SUBJECT: *LAFCo File 23-02 – City of Chico – El Monte Avenue Annexation No. 1*
DATE: October 19, 2022 for the November 3, 2022 LAFCo Meeting

Summary

The City of Chico has initiated an island annexation of 69 parcels totaling approximately 83 acres in size. The territory is 100% surrounded by the City of Chico jurisdiction. Staff recommends that the proposal be modified such that the annexation territory be detached 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: August 8, 2022

Application Deemed Complete: September 8, 2022

100% Landowner Consent: No. Pursuant to Government Code §56375.3, the City of Chico has initiated this annexation by Resolution No 47-22, 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. 47-22, adopted August 2, 2022

Landowners: Numerous.

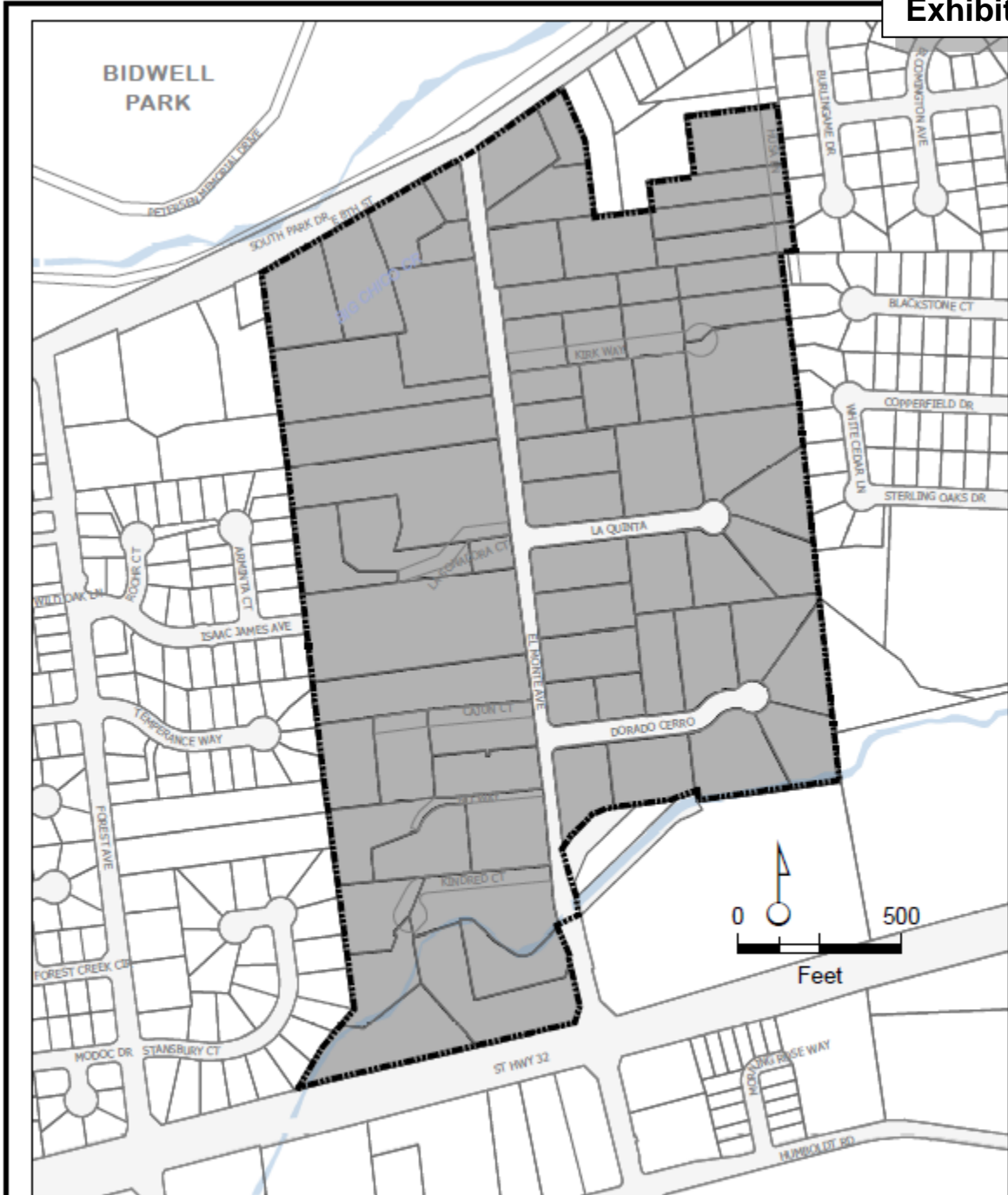
Location: The annexation territory is generally located between E. 8th Street and Deer Creek Highway (SR 32), west of Bruce Road and east of Forest Avenue (**Exhibit A**). The territory is located in Supervisorial District 5.

- Proposal:
1. Annexation of 69 parcels and adjacent road right-of-way totaling approximately 83 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.



Requested

Action: Adopt Resolution 05 2022/23 (**Exhibit B**) approving the annexation.

Exhibit A



**Butte Local Agency Formation Commission
City of Chico - El Monte Avenue
Annexation No. 1**

-  City / County Boundary
-  El Monte Anexation Parcels



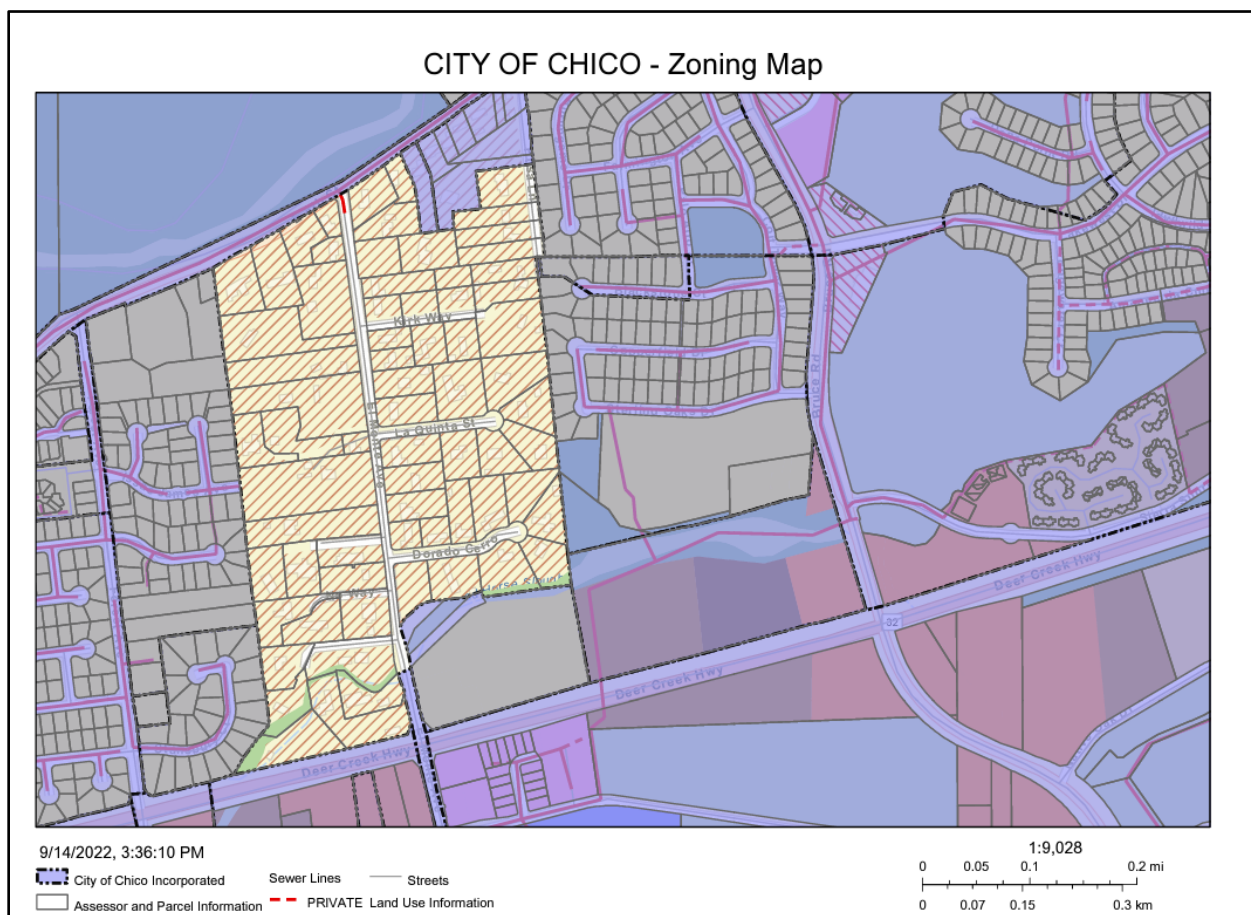
Applicant: City of Chico Date: November 6, 2022

BACKGROUND

On March 15, 2022, in an effort to consolidate the City's jurisdictional boundaries and encourage the efficient delivery of urban services, the Chico City Manager and Butte LAFCo Chair, entered into the Island Annexation Agreement. The agreement obligated the City of Chico to submit an application for annexation to Butte LAFCo that includes all four remaining island areas within the City. As such, Butte LAFCo has agreed to stagger the recordation of the annexation to allow the City reasonable time to prepare for the provision of services to the areas.

The third area proposed for annexation is the El Monte Avenue Island Annexation Area, scheduled for annexation in 2025. The annexation territory is generally located between E. 8th Street and Deer Creek Highway (SR 32), west of Bruce Road and east of Forest Avenue.

The primary land use designation in the area is identified in the Butte County General Plan Land Use Diagram as Very Low Density Residential, and zoning is Very Low Density Country Residential. Some parcels located in the southern portion of the annexation territory are zoned Very Low Density Residential. The City of Chico has prezoned the area RS-20 (Rural Suburban, 20,000 square foot minimum lot size), which is applied to areas that remain predominantly rural or agricultural in character. For this zoning designation, typical lot sizes range from 20,000 square feet to 2 acres and allowed land uses included animal keeping (large and small), crop production, and community gardens. Land uses in the area are predominantly large-lot single-family homes with hobby farms, animal keeping uses, and vacant or underdeveloped land.

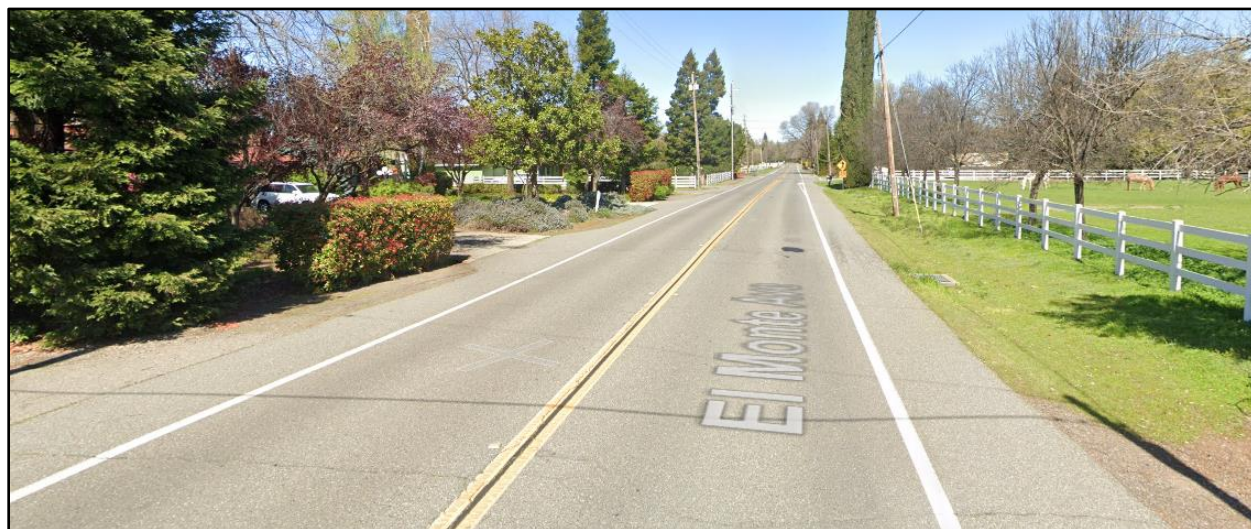


The annexation territory is accessed to the south by Deer Creek Highway (SR 32) and from E. 8th Street from the north. A series of public and private streets serve the interior of the site, including

Dorado Cerro, Cajun Court, La Quinta Street and Kirk Way. El Monte Avenue is identified as an urban collector roadway by the City of Chico General Plan, and lacks sidewalks and streetlights.

Wastewater disposal in the territory is handled by individual on-site septic systems, as City sewer service is not yet available. Stormwater runoff is captured in road-side ditches and drained into Dead Horse Slough, which runs through the southerly portion of the annexation territory. Domestic water for the annexation territory is provided by a combination of private wells and by California Water Service (CalWater).

Recreation and park services are provided by the City of Chico and Chico Area Recreation and Park District (District). The District owns or operates 27 public parks in and around the Chico area, totaling approximately 467 acres of land. Nearest to the annexation, territory would be Bidwell Park, which also includes the Chico Creek Nature Center.



El Monte Avenue – Google Maps

DISCUSSION AND ANALYSIS

Of LAFCo's core objectives is the logical formation and determination of local agency boundaries in order to prevent sprawl and promote the efficient extension of government services. As such, staff recommends the proposal be modified to include the detachment of the territory from County Service Area 164 (Butte County Animal Control) as this service will be assumed by the City of Chico, and from the Butte County Resource Conservation District as this District serves only unincorporated territory. All public rights-of-way serving the annexation territory would be annexed, including El Monte Avenue and any remaining portions of E. 8th Street adjacent to the annexation territory.

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 City Council on August 2, 2022.

- The annexation is proposed by resolution adopted by the affected City;

The Chico City Council adopted Resolution No. 47-22 on August 2, 2022, 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 83 acres in size and constitutes the entire El Monte Avenue unincorporated island area.

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

The affected territory is 100% 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 urbanized with residential uses on larger lots. The area has the potential for further urbanization consistent with City of Chico zoning regulations. Electrical, natural gas, domestic water, and telephone services extend to the territory. Access to the territory is via paved public and private 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 is defined by LAFCO statutes;

The subject island area is built with residential uses and is not utilized for any commercial agricultural uses, has long been designated for residential uses by Butte County and the City of Chico General Plans, 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 generally located between E. 8th Street and Deer Creek Highway (SR 32), west of Bruce Road and east of Forest Avenue. The annexation territory is urban-rural in nature. Surrounding land uses include single-family housing developments to the east and west, built to urban densities required by the City of Chico zoning regulations. Significant growth in the area is limited to further development of under-developed parcels, including second dwelling units consistent with the City's Accessory Dwelling Unit regulations. Some larger parcels have the potential to be subdivided, although the City's rezoning limits the minimum parcel size to 20,000 square feet (0.45 acres).

The primary land use designation in the area is identified in the Butte County General Plan Land Use Diagram as Very Low Density Residential, and zoning is Very Low Density Country Residential. Some parcels located in the southern portion of the annexation territory are zoned Very Low Density Residential. The City of Chico has rezoned the area RS-20 (Rural Suburban, 20,000 square foot minimum lot size), which is applied to areas that remain predominantly rural or agricultural in character. For this zoning designation typical lot sizes range from 20,000 square feet to 2 acres and allowed land uses included animal keeping (large and small), crop production, and community gardens. Land uses in the area are predominantly large-lot single-family homes with hobby farms, animal keeping uses, and vacant land.

(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 development in the territory. The present cost and adequacy of governmental services and controls in the area are the County's responsibility, however, the City of Chico is the only provider of sanitary sewer services in the area and City police units and fire vehicles respond to emergencies in the territory under automatic and mutual aid agreements with Butte County. If the annexation is approved, the territory would then be able to receive full City services that can be best provided by the City and at a level exceeding the current capacity of the County. The City would provide a higher level of service to the area in terms of road maintenance, stormwater services, as well as fire and police services.

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

The area would be removed from the County's unincorporated area and be within the City of Chico's incorporated service area. The eventual impact would be minimal to the City. The City would be responsible for providing services to the area. The existing residents already contribute to local businesses and to the social and economic interests of the area. There will be no significant changes to the territory brought by annexation.

(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 Sphere of Influence of the City of Chico. The annexation will result in the elimination of an 83-acre, unincorporated island area. The annexation will result in more effective, efficient, and logical jurisdictional boundaries and will provide more effective and efficient services to the residents of the area.

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

The annexation territory is rural in nature, developed with single-family homes on larger lots. The Butte County General Plan Land Use Diagram identifies the area for Very Low Density Country Residential. This land use is most appropriate for residential transition neighborhoods. Commercial agricultural uses are not allowed within the zoning district, and no known agricultural uses are found within the annexation territory. The annexation territory is not adjacent to any agriculture uses. The territory is not identified as Prime Agriculture land.

(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 annexation area is located in the City's Sphere of Influence and is supported by the Chico General Plan's policies that support maintaining the City's compact urban form, managing how and where growth and conservation occur, and maintaining balanced growth of the City.

The primary land use designation in the area is identified in the Butte County General Plan Land Use Diagram as Very Low Density Residential, and zoning is Very Low Density Country Residential. Some parcels located in the southern portion of the annexation territory are zoned Very Low Density Residential. The City of Chico has rezoned the area RS-20 (Rural Suburban, 20,000 square foot minimum lot size), which is applied to areas that remain predominantly rural or agricultural in character. For this zoning designation typical lot sizes range from 20,000 square feet to 2 acres and allowed land uses included animal keeping (large and small), crop production, and community gardens. Land uses in the area are predominantly large-lot single-family homes with hobby farms, animal keeping uses, and vacant land.

(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.

The territory is within, and would remain within, the bounds of the Butte County Mosquito and Vector Control District and Chico Area Recreation and Park District.

(i) The comments of any affected local agency.

On September 26, 2022, 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.

<u>Agency</u>	<u>Comment</u>
<i>Butte Co. Elections</i>	<i>This annexation lies between Chico City Council Districts 6 and 7. The city will need to identify to which of these districts the annexed area will belong.</i>
<i>Butte County Animal Control</i>	<i>No objections</i>
<i>Butte County Planning Division</i>	<i>Proposed annexation area encompasses parcels both conforming and nonconforming to the VLDCR zone's parcel area minimum standard of 1 acre. The City of Chico's pre-zoning would impose a VLDR zone upon annexation, allowing a density limit of 2.0 du/acre. No sewer/water service connections required for annexation. Parcels may be built out to City density standards after annexation (2.0 du/acre density standard).</i>
<i>Butte County Environmental Health</i>	<i>Annexation is within Chico Nitrate Compliance Area. Parcels are currently using on-site septic. Any future sewer connections that do occur will require a septic tank destruction permit from the Environmental Health Division of Public Health.</i>
<i>Public Works, Land Development Division</i>	<i>Area of Annexation is within CSA 114 (Chico Urban Area Nitrates)</i> <i>Portions of the area of annexation are located within CSA 24 (Mud Creek Drainage) (excluding parcels north of La Quinta St and accessed from Kirk Way).</i> <i>Applicant to verify that roads serving properties in annexation to be annexed to city and included in city maintained mileage system.</i>

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

City of Chico; Butte County Supervisor District 4; Butte County Fire/CAL Fire; Chico Area Recreation and Park District; Butte County Mosquito and Vector Control District; Chico Unified School District, and; Butte County Sheriff.

(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 a majority of the annexation territory and has adequate water sources and infrastructure to provide service to continue to serve the area. Substantial growth and development in the area requiring new water service is limited due to the built-out nature of the annexation territory.

(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.

Development potential does exist on larger undeveloped parcels, or underdeveloped parcels. Subdivision of parcels could occur when consistent with the City's zoning regulations that require a minimum lots size of 20,000 square feet (0.45 acres). This development would go towards to the City's share of regional housing needs.

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

All landowners and registered voters within the territory were sent a notice for the Chico City Council's August 2, 2022 hearing on the proposal. On October 13, 2022, all landowners and registered voters within the district were also sent a notice of the November 3, 2022 LAFCo public hearing on the annexation proposal. Notices for the Commission's November 3, 2022 public hearing on the annexation proposal were also mailed to all landowners and registered voters within 300 feet of the territory. Additionally, a legal notice regarding the Commission's November 3, 2022, public hearing on the annexation proposal was placed in the Chico Enterprise Record on Friday, October 14, 2022. As of the date of this report, no written comments have been received from any landowner, registered voter, or resident within the territory.

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

The City of Chico has rezoned the area Very Low Density Residential (0.2 - 2 units per acre), consistent with the existing land use pattern for the area. Lands surrounding the annexation territory are developed with single-family homes at urban densities, consistent with the City of Chico zoning designation of R-1 (2.1 – 7 units per acre). Bidwell Park, to the north, is zoned Open Space.

(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).

Based upon the above responses, the proposal is reasonably consistent with the listed factors.

Applicable Butte LAFCo Policies

Section 2.0 (LAFCo General Policies and Standards), Section 4.0 (Annexation and Detachments) 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);
- Annexations to eliminate islands (4.1.5 and 4.1.7)

Accordingly, 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	No change
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	None	City of Chico
Stormwater Maintenance	County of Butte	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
Parks and Recreation	Chico Area Recreation and Park 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.

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 August 2, 2022, at which time the annexation proposal was initiated by Resolution No 47-22. Opposition was raised by at least one resident within the El Monte Island Area. .

On October 13, 2022, hearing notices for the Commission’s November 3, 2022, public hearing on the annexation were mailed to all landowners and registered voters within 300 feet of the territory. On October 14, 2022, a legal notice regarding the Commission’s October 6 hearing on the annexation proposal was published in the *Chico Enterprise-Record* on October 13, 2022, and placed on Butte LAFCo’s webpage. No written 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 an 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 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 05 2022/23 making determinations approving the proposed *City of Chico – El Monte Avenue Annexation No. 1*, which includes: 1) Annexation of 69 parcels and adjacent public rights-of-way to the City of Chico; and, 2) Detachment of the parcels from CSA 164 (Butte County Animal Control) and, 3) Detachment of the parcels from the Butte Resource Conservation District.
- 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.

- D. Pursuant to Section 1.03 of the *Island Annexation Agreement* between Butte LAFCo and the City of Chico, the effective date of the annexation is fixed on August 1, 2025, at which time the Certificate of Completion for the annexation will be recorded and filed with the State Board of Equalization. Prior to the above time limits for filing the Certificate of Completion, the City of Chico may request that LAFCO immediately record the Certificate of Completion. Any such accelerated annexation would require the immediate payment of any outstanding LAFCO charges remaining due.

Respectfully submitted,

Shannon Costa

Shannon Costa
Deputy Executive Officer

Attachments:

Exhibit A: Annexation Area Map - Page 2
Exhibit B: Draft LAFCo Resolution No. 05 2022/23
Exhibit C: City of Chico Resolution No. 47-22

Distribution:

Brendan Vieg, City of Chico (brendan.vieg@chicoca.gov)

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE MAKING DETERMINATIONS AND
ORDERING THE REORGANIZATION OF TERRITORY DESIGNATED AS
23-02 - CITY OF CHICO – EL MONTE AVENUE ANNEXATION NO. 1**

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

WHEREAS, the Chico City Council conducted a noticed public hearing on August 2, 2022, and adopted Resolution No. 47-22 which initiated the proposed annexation utilizing the island annexation provisions of California Government Code §56375.3; and

WHEREAS, a proposal for the annexation of the subject territory to the City of Chico in the County of Butte was heretofore filed by the City of Chico and accepted for filing on September 8, 2022 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 Executive Officer, pursuant to Government Code §56658, set November 3, 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 §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 November 3, 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

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 is the Lead Agency for the proposal under the California Environmental Quality Act (CEQA). 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.
- B. As a “Responsible Agency” under CEQA Guidelines, prior to approving the proposed annexation, the Commission is required to consider the information in

the Chico 2030 General Plan Update EIR for the project on which the Lead Agency based its environmental findings.

- C. Acting as a “Responsible Agency” under CEQA Guidelines, the Commission considered the information in the Chico 2030 General Plan Update EIR prior to making its determination.
- D. The Commission finds that the Lead Agency’s environmental determination was prepared 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 Sections 15132 (Subsequent EIRs and Negative Declarations)

Section 2. General Findings and Determinations:

- A. In an effort to consolidate the City’s jurisdictional boundaries and encourage the efficient delivery of urban services, the Chico City and Butte LAFCo, entered into the Island Annexation Agreement on March 15, 2022. The agreement obligates the City of Chico to submit an application for annexation to Butte LAFCo that includes all four remaining island areas within the City. As such, Butte LAFCo has agreed to stagger the recordation of the annexation to allow the City reasonable time to prepare for the provision of services to the areas.
- B. The Commission has considered the factors determined by the Commission to be relevant to this island annexation proposal, including, but not limited to, Butte LAFCo Policies and Procedures, City of Chico Sphere of Influence and Municipal Service Review, the City of Chico 2030 General Plan and 2030 General Plan EIR, the City of Chico Zoning Ordinance, the Butte County General Plan 2030 and Zoning Ordinance, and other factors specified in Government Code §56375.3 and s described in the staff report dated September 29, 2022 for the meeting of October 6, 2022.
- C. 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 October 27, 2022, for the meeting of November 3, 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.
- D. The annexation area shall consist of 69 parcels and the adjacent public rights-of-way totaling approximately 83 acres in size, as submitted by the City of Chico, and depicted in LAFCo Exhibit “A.”
- E. The subject island annexation area is found to be inhabited and is assigned the following short form designation: 23-02 – City of Chico – El Monte Avenue Annexation No. 1.
- F. The purpose of the annexation of the parcels is to eliminate an island of unincorporated territory, to support orderly jurisdictional boundaries, and for the

provision of efficient and effective municipal services, such as police, and fire protection services for existing and future development on the parcels within the territory. The annexation of the island area will also assist in reducing jurisdictional confusion between the City's limits and the County's unincorporated area and allow residents of the territory to participate in City of Chico civic affairs.

- G. The Commission determines that agricultural and/or open space lands will not be adversely affected by this proposal as the territory is mostly developed; there are no agricultural lands associated with the proposal; the territory is designated by the City of Chico for Rural Suburban residential uses; and the territory and surrounding parcels are not designated for agricultural uses as primary uses under the current City of Chico or County zoning and General Plan designations. Therefore, no conversion of designated agricultural or open space lands will occur as a result of the requested annexation.
- H. The exchange of property tax revenues between the County of Butte and the City of Chico will be performed in accordance with the Master Tax Exchange Agreement approved by the City of Chico and the Butte County Board of Supervisors on November 4, 1987.
- I. The proposal is consistent with the City of Chico Sphere of Influence.
- J. Waive the application of Government Code Section 25210.90, and find that the exclusion of any parcels in this area from CSA 24 (Chico Mud Creek Drainage) would deprive this area of needed services to ensure the health and safety of the residents of the area, and find that a waiver would not affect the ability of the City of Gridley to provide any service.
- K. The parcels identified in this annexation will be detached from the following districts:
 - 1. County Service Area 164 (Butte County Animal Control District); and
 - 2. Butte County Resource Conservation District.

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 requirements and if rejected by the State Board of Equalization, shall be revised at the expense of the applicant.
- D. Pursuant to Section 1.03 of the *Island Annexation Agreement* between Butte LAFCo and the City of Chico, the effective date of the annexation is fixed on August 1, 2025, at which time the Certificate of Completion for the annexation will be recorded and filed with the State Board of Equalization. Prior to the above time limits for filing the Certificate of Completion, the City of Chico may request that LAFCO immediately record the Certificate of Completion. Any such accelerated

annexation would require the immediate payment of any outstanding LAFCO charges remaining due.

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

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 3rd day of November 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Clerk of the Commission

BILL CONNELLY, Chair
Butte Local Agency Formation Commission

1
2
3 programmatically and comprehensively analyzed impacts associated with implementation of the
4 General Plan, including future annexations consistent with the Land Use Diagram; and

5 WHEREAS, adoption of the resolution to initiate annexation proceedings for El Monte
6 Avenue District No. 1 to the incorporated territory of the City of Chico was considered by this
7 Council at a public hearing, notice of which was provided through publication pursuant to
8 Government Code Sections 56153 and 56154, as required by Section 56755.

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

- 10 1. This Council proposes to annex to the incorporated territory of City all of the Property
11 now located in the unincorporated territory of the County depicted in Exhibit I.
- 12 2. This annexation proposal is being made pursuant to the Act.
- 13 3. The reason for this annexation proposal is to provide logical City boundaries and
14 encourage the efficient delivery of urban services.
- 15 4. A plan for providing municipal services to the Property following its annexation to City
16 has been prepared in the manner required by California Government Code Section 56653
17 and set forth in Exhibit II attached hereto.
- 18 6. The annexation of the Property to City, as proposed, is consistent in all respects with the
19 sphere of influence developed, determined and adopted by LAFCo for City pursuant to
20 California Government Code section 56425.
- 21 7. The annexation of the Property to the incorporated territory of City meets all other
22 requirements of the Act and is in all respects consistent with the objectives and purposes
23 of the Act.
- 24 8. Pursuant to CEQA Section 15162 (Subsequent EIRs and Negative Declarations), no
25 subsequent environmental review is required because there are no new or increased
26 environmental effects anticipated by the proposed annexation, or any new information
27 about the annexation revealed since City Council certification in April 2011 of the Chico
28 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.

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3 9. The Council finds that the annexation and proposed use of the Property is consistent with
4 the City's General Plan.

5 10. By reason of the foregoing, this Council requests LAFCo to commence proceedings on
6 annexation of the Property to the incorporated territory of City within the time and in the
7 manner required by law.

8 11. Further, the Council finds the annexing territory to be an island of less than 150 acres in
9 size and the annexation be conducted pursuant to Government Code Section 56375.3, the
10 island annexation law.

11 12. The City Clerk is directed to submit a copy of this Resolution to the Executive Officer of
12 LAFCo.

13 The foregoing resolution was adopted by the Council of the City of Chico at its meeting
14 held on August 2, 2022, by the following vote:

15
16 AYES: Bennett, Brown, Morgan, O'Brien, Tandon, Coolidge

17 NOES: Reynolds

18 ABSENT: None

19 ABSTAINED: None

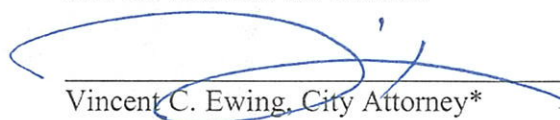
20 DISQUALIFIED: None

21
22 ATTEST:

23 

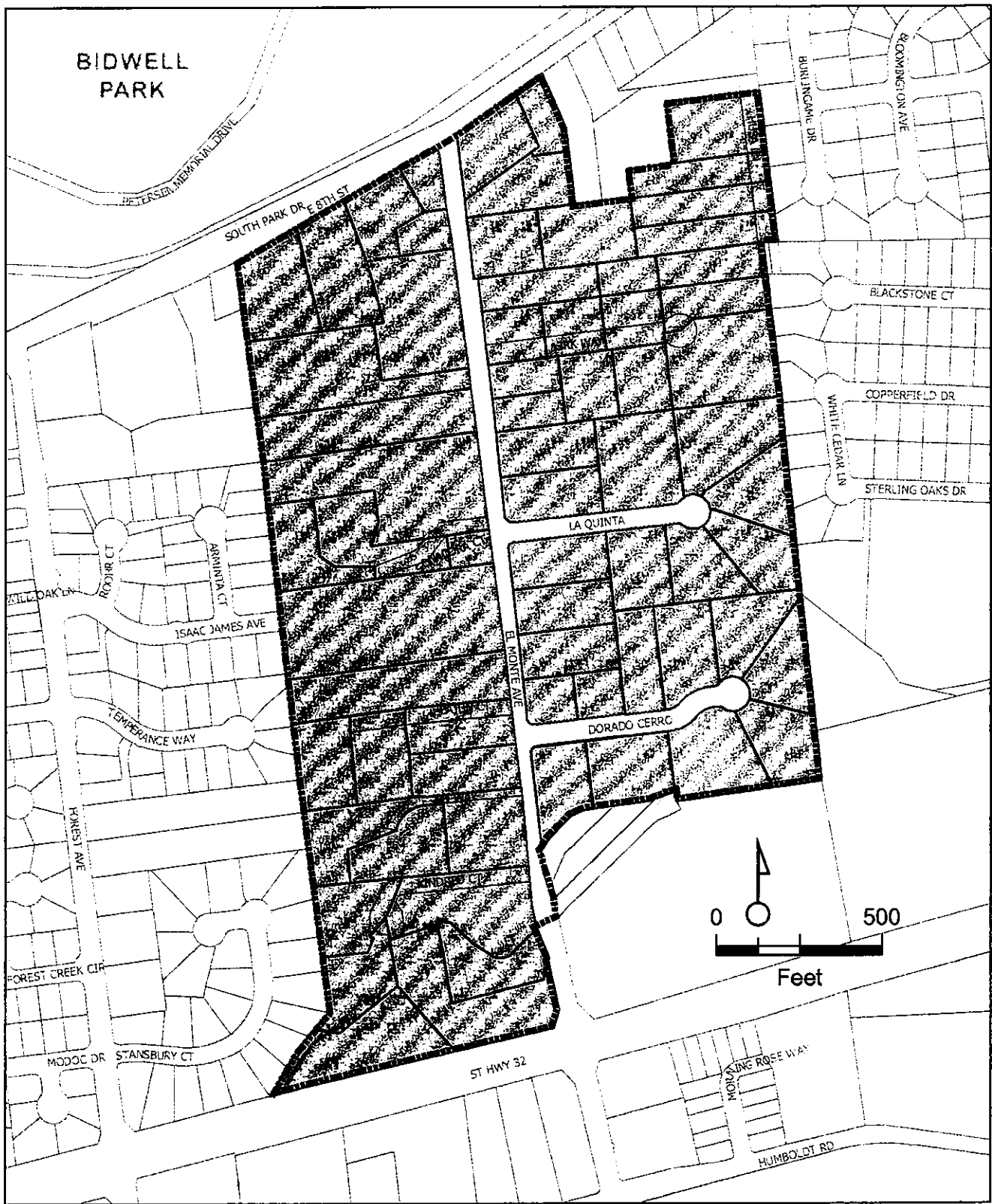
24 Deborah R. Presson
25 City Clerk

APPROVED AS TO FORM:

26 
27 Vincent C. Ewing, City Attorney*

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

BIDWELL
PARK



**EL MONTE AVENUE ANNEX
DISTRICT NO 1**



City / County Boundary



El Monte Anexation Parcels

