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

TO: Local Agency Formation Commission
FROM: Shannon Costa, Deputy Executive Officer
SUBJECT: *LAFCo File 23-03 – City of Chico – Chico Canyon Road Annexation No. 8*
DATE: January 26, 2023 for the February 2, 2023 LAFCo Meeting

Summary

The City of Chico has initiated an annexation of 112 parcels totaling approximately 177 acres. The territory is 100% surrounded by the City of Chico. The annexation territory is generally located on the easterly edge of the City of Chico, south of Bidwell Park and north of California Park Subdivision. As a result of the annexation, the territory would be detached from County Service Area 164 (Butte County Animal Control District) this service are provided by the City of Chico.

One property owner (Leslie Depweg) has requested that three parcels be removed from the Chico Canyon Road Annexation and be considered separately. If the project involving the Depweg parcels is approved (project 23-07 City of Chico – Depweg – Centennial Avenue Annexation No. 3), staff recommends that the Commission adopt an amended exhibit with the affected parcels removed.

The annexation proposal conforms to Butte LAFCo policies, and the Executive Officer recommends approval of this proposal.

Application Submitted: August 8, 2022

Application Deemed Complete: September 8, 2022

100% Landowner Consent: No

Notice and Hearing Required: Yes

Proponent: City of Chico, Resolution No. 46-22, adopted August 2, 2022

Landowners: Numerous.

Location: The annexation territory is generally located on the easterly edge of the City of Chico, south of Upper Bidwell Park and north of California Park Subdivision (**Exhibit A**). The territory is located in Supervisorial District 3.

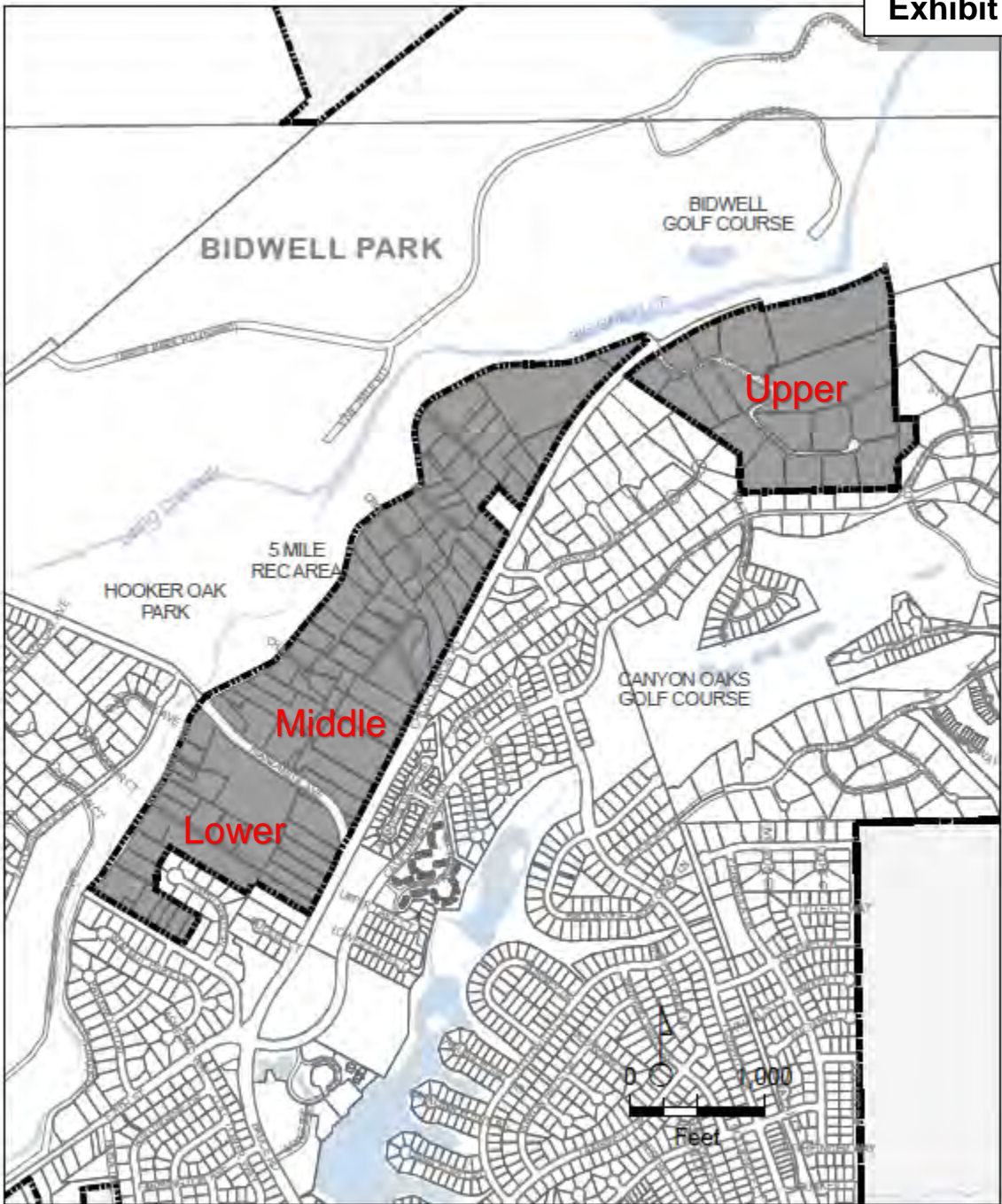
Proposal:

1. Annexation of 112 parcels and adjacent road right-of-way totaling approximately 177 acres to the City of Chico;
2. The detachment of the parcels from CSA 164 (Butte County Animal Control District), and;
3. Remove APNs 018-010-135, -027, -080, -081, and -082 from the proposed annexation territory if the Commission approves project 23-07 – City of Chico – Depweg – Centennial Avenue Annexation No. 1

Requested


Action: Adopt Resolution 06 2022/23 (**Exhibit B**) approving the annexation.

Exhibit A



Butte Local Agency Formation Commission

22-03 - City of Chico - Chico Canyon Road Annexation No. 8

-  City / County Boundary
-  Chico Canyon Parcels



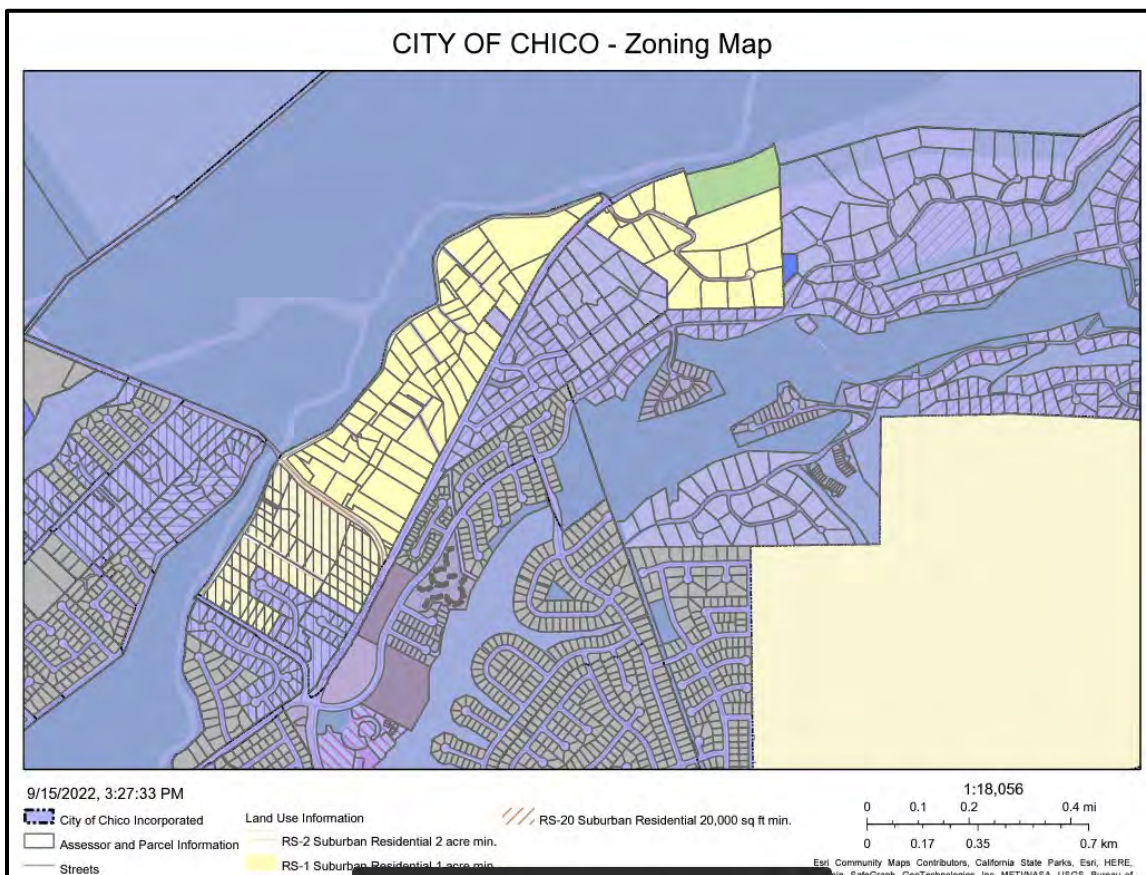
Applicant: City of Chico Meeting Date: February 2, 2023

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 on Butte LAFCo Chair, entered into the Chico Island Annexation Agreement. 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. If the proposed annexation is approved, it would be the final island area and is scheduled for annexation in 2026.

The annexation territory, referred to as the Chico Canyon Road area, is generally located in east Chico, south of Bidwell Park and north of California Park subdivision. The annexation territory is 100% surrounded by the City's jurisdiction. The annexation territory has three geographic segments: the smaller area south of Manzanita Avenue contains lots ranging in size from 0.5 – 7.0 acres in size. Development is rural residential in nature, including single-family homes, hobby farms, and animal keeping. The area is rezoned R1-10 (Low Density Residential, 10,000 square foot minimum lots size) by the City of Chico. Allowed land uses for the R1-10 zoning district include small animal keeping, community gardens, and low-intensity commercial uses with use permit approval.

The central segment of the territory is located north of Manzanita Avenue, between Chico Canyon Road and Centennial Avenue. Lot sizes in the area range from 0.29 – 8.0 acres in size. This area is rezoned RS-1 (Suburban Residential, 1-acre minimum). Lots that take access from Centennial Avenue contain single-family homes, while some lots accessed from Chico Canyon Road remain vacant or under-developed. Allowed land uses in the RS zoning district included large and small animal keeping and community gardens.



The northerly segment of territory is the Falcons Pointe Drive neighborhood; a gated subdivision on lots ranging in size from 1.8 – 9 acres in size. This area is zoned RS-1-FDSD (Suburban Residential, 1-acre minimum, Foothill Design Standards Overlay). Future development of vacant parcels in this area would be required to conform to the City's Foothill Design regulations that require special considerations for parcels on steep inclines and overlooking Bidwell Park. A single parcel in this area is rezoned Public Quasi and contains two water tanks owned by CalWater. An area rezoned Open Space is reserved for a private community septic and leach system for the residents on Falcons Pointe Drive.



Intersection of Falcons Point Drive, Centennial Avenue, and Chico Canyon Road – Google Earth

The annexation territory is accessed primarily by Manzanita Avenue. The lower section of the annexation territory contains one rural, private roadway (Hostick Way) from Centennial Avenue. The middle section is accessed by Chico Canyon Road to the west, which extends from the intersection of Chico Canyon Road and Manzanita Avenue to Falcons Pointe Drive. Centennial Avenue, which borders Bidwell Park, extends from the lower portion of the annexation territory to the entrance to Bidwell Park. Chico Canyon Road is within the City of Chico's jurisdiction as it provides primary access to several subdivisions in California Park. As such, portions of the westerly side of the road are built to City of Chico standards including separated sidewalk, curbs, and gutters. The remaining portions are rural in nature, lacking sidewalks and curbs. Falcons Pointe Drive, in the northerly segment, is a private roadway maintained by property owners. Centennial Avenue is a primary access point to Bidwell Park, but does not appear to be within the City's jurisdiction. Several private, rural roads take access from Centennial Avenue in the middle annexation area, including Chad's Place, Parkside Court and Crow Canyon Place.

Wastewater disposal for most of the parcels in the territory is handled by a combination of individual on-site septic systems and community leach and septic systems. City of Chico sewer lines are not installed within the annexation territory.

Domestic water is provided by individual private wells. The California Water Service (CAL Water), which provides domestic water to a majority of the City of Chico's residents, serves only portions of the territory.



Centennial Avenue looking south – Google Earth



Chico Canyon Road looking north – Google Earth

DISCUSSION AND ANALYSIS

Annexation

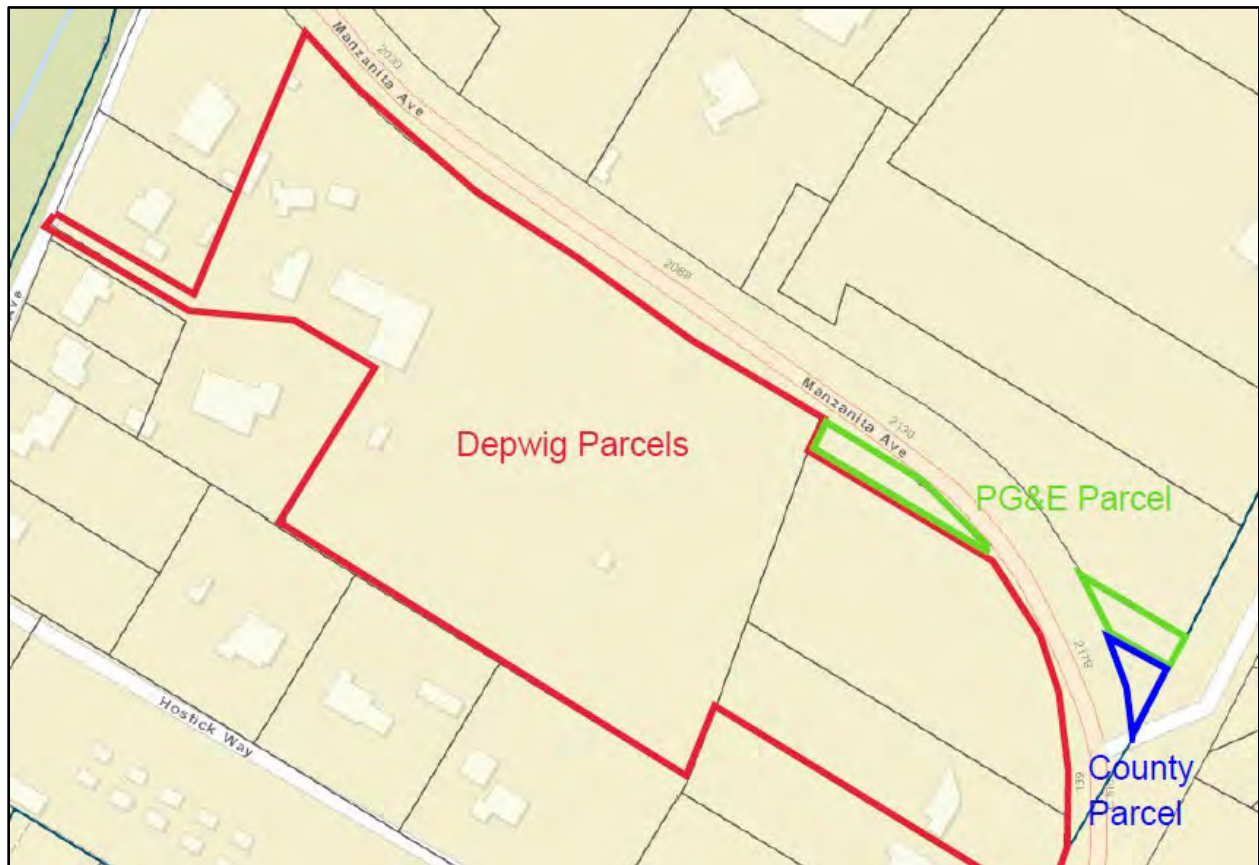
The proposed annexation would facilitate the extension of municipal services to the territory, including provisions for police, fire, sewer, and road maintenance. The annexation territory is 100% surrounded by the City of Chico's jurisdiction as a result of a series of annexations occurring from the 1970's to the early 2000's to facilitate urban-level development in the area.

Proposal Modification

Of LAFCos 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. Portions of the territory are within CSA 24 (Mud Creek Drainage) which provides a funding mechanism for the ongoing flood control works for Mud Creek and Sandy Gulch. Staff recommends that the Commission waive Section 22613 of the Streets and Highways Code to allow the area to remain with the CSA, finding that the services are needed to ensure the health, safety and welfare of the residents in the area.

All public rights-of-way serving the annexation territory would be annexed, including any remaining portions Centennial Avenue and Manzanita Avenue. All private rights-of-way within the annexation territory would remain under private ownership until such time that the City accepts the road from the private landowners, should the private landowners decide to dedicate the road in the future.

As previously mentioned, one property owner (Depweg) requests that three parcels be removed from the annexation proposal and considered separately. Staff has recommended that two parcels be added to the Depweg annexation area in order to achieve a logical boundary. The property owner requests that the parcels be removed so that the site can be developed under the City's development standards prior to the recordation date of 2026 for the Chico Canyon Road Area annexation. If the project involving the three Depweg parcels and parcels added by staff was approved (23-07 – City of Chico – Depweg – Centennial Avenue Annexation No. 1), staff recommends that the Commission adopt a modified exhibit with the parcels removed (see image).



Disapproval Limitations

Government Code Section 56375(4) requires the Commission to approve the annexation of island territory when certain findings can be made. The Chico Canyon annexation area qualifies for this code section in that: the area is substantially surrounded by the city to which the annexation is proposed; the territory is substantially developed or developing; is not prime agricultural land; is designated for urban growth by the annexing city; and is not within the sphere of influence of another city.

An evaluation of these criteria as they relate to the proposed island annexation follows.

- The area is substantially surrounded by the city to which the annexation is proposed
The annexation territory is 100% surrounded by the City of Chico jurisdiction.
- The territory is substantially developed or developing
The annexation territory is developed with residential uses and is rezoned by the City of Chico for residential uses. The area is serviced by public roads, and all utilities are available to the annexation territory.
- The area is no prime agricultural land
The annexation territory is not identified as prime agricultural land.
- The area is designated for urban growth by the annexing city
The annexation territory is identified for residential uses by the City of Chico General Plan and is within the sphere of influence for the City of Chico.
- Is not within the sphere of influence of another city
The annexation territory is not within the sphere of influence of another city.

The Chico Canyon annexation area qualifies for each of the criteria, and therefore cannot be disapproved by the Commission.

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 in east Chico, south of Bidwell Park and north of California Park subdivision. The annexation territory is 100% surrounded by the City's jurisdiction. The annexation territory has three geographic segments: the smaller area south of Manzanita Avenue contains lots ranging in size from 0.5 – 7.0 acres in size. Development is rural residential in nature, including single-family homes, hobby farms, and large animal keeping. The area is rezoned R1-10 (Low Density Residential, 10,000 square foot minimum lots size) by the City of Chico. Allowed land uses for the R1-10

zoning district include small animal keeping, community gardens, and low-intensity commercial uses with use permit approval.

The central segment of the territory is located north of Manzanita Avenue, between Chico Canyon Road and Centennial Avenue. Lot sizes in the area range from 0.29 – 8.0 acres in size. This area is rezoned RS-1 (Suburban Residential, 1-acre minimum). Lots that take access from Centennial Avenue contain single-family homes, while many of the lots accessed from Chico Canyon Road remain vacant or under-developed. Allowed land uses in the RS zoning district included large and small animal keeping and community gardens.

The northerly segment of territory is the Falcons Point Drive neighborhood; a gated subdivision on lots ranging in size from 1.8 – 9 acres in size. This area is zoned RS-1-FDSD (Suburban Residential, 1-acre minimum, Foothill Design Standards Overlay). Future development of vacant parcels in this area would be required to conform to the City's Foothill Design regulations that require special considerations for parcels on steep inclines and overlooking Bidwell Park.

Growth and development in the area would include development of undeveloped or underdeveloped lots with residential uses, including accessory dwellings, single-family homes, or residential accessory structures. Residential subdivisions in the area would be limited by the City's minimum lots size regulation.

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. 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 wastewater services as well as fire and police services.

The annexation will facilitate the eventual connection of the parcels in the territory to the City's sanitary sewer system, which will allow the abandonment of the existing septic systems in the territory.

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. A sewer line is constructed along Manzanita Avenue, and could be extended to serve the annexation territory. 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 a 177-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.

The proposal is consistent with LAFCo policies that encourage the elimination of islands (4.1.5 and 4.1.7) and the logical allocation of streets (4.3.1).

e) The effect of the proposal on agricultural lands.

The territory is not identified as Prime Agricultural land. Annexation of the subject territory would not contribute to the loss of 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.

City of Chico has rezoned the area consistent with the existing land use patterns. The proposal is consistent with Chico General Plan goals and policies that encourage compatible infill development (LU-4), maintaining a balanced growth plan (LU-1.3), and directing growth into complete neighborhoods.

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 in, the bounds of

i) The comments of any affected local agency.

On September 26, 2016, 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>
Butte Co. Elections Office	We will be adding the proposed annexations to the Chico City Council District 6.
Butte Co. Environmental Health	Annexation within Chico Nitrate Compliance Area. Parcels are currently using on-site septic. Future sewer connections will require a septic tank destruction permit from this office.
Butte Co. Public Works Department	City to verify roads included in annexation will be included in city's maintained mileage for future maintenance.

Butte Co. Planning Division

Proposed annexation area contains parcels conforming and nonconforming to the VLDCR zone's parcel minimum standard of one acre. Prezone of approximately 177 acres to the City of Chico VLDR (Very Low Density Residential) zoning designation (2.0 units/acre). Minimal impacts posed by annexation. Some parcels may support additional development at City standards after annexation.

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

Butte Co. Animal Control Office; City of Chico; County Supervisor District 3; Butte County Assessor; Butte County Auditor; CAL Fire; Chico Area Recreation and Park District; Butte County Mosquito and Vector Control District; Chico Unified School District; Butte Resource Conservation District; Butte-Glenn Community College 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) provides domestic water service to a portion of the annexation territory and has adequate water sources and infrastructure to provide service to continue to serve the area. Domestic water is otherwise provided by on-site domestic wells. No dry wells have been reported in the area.

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.

Much of the annexation territory is built-out with residential uses. Further development in the area would be limited to single-family homes on undeveloped parcels, or accessory dwelling units on underdeveloped parcels. 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.

*All landowners and registered voters within the territory were sent a notice for the City of Chico of Chico City Council's August 2, 2022, hearing on the proposal and were sent a notice of the February 2, 2023, LAFCo public hearing on the annexation proposal. Notices for the Commission's February 2, 2023, 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 public hearing on the annexation proposal was placed in the Chico Enterprise Record on Thursday January 12. As of the date of this report, a single letter was received from a landowner outside of the annexation territory expressing concern about the potential for multi-family development within annexation area (**Exhibit D**).*

n) Any information relating to existing land use designations.

The area is rezoned R1-10 (Low Density Residential, 10,000 square foot minimum lots size) and RS-1(Rural Suburban, 1-acre minimum lot size) by the City of Chico Land Use Diagram. Further development of the area is limited by the City’s minimum lots size regulations and the availability of sewer/water services to the area.

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*), 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

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	No change
Planning & Zoning	County of Butte	City of Chico

Schools	Chico Unified School District	No change
Resource Conservation	None	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 Chico

Portions of the territory will remain in CSA 24 (Mud Creek Drainage) which provides a funding mechanism for flood works associated with Mud Creek and Sandy Gulch. As such, staff recommends that the Commission waive Section 22613 of the Streets and Highways Code to allow the area to remain with the CSA, finding that the services are needed to ensure the health, safety and welfare of the residents in the area.

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 48-22. Several citizens of the Chico Canyon neighborhood spoke at the meeting, and voiced their opposition to the proposal, citing concerns about solid waste disposal, burning regulations, animal keeping regulations, and further development in the area.

As of the date of this report, a single letter was received from a landowner outside of the annexation territory expressing concern about the potential for multi-family development within annexation area. Public comments received are attached as **Exhibit D**.

The 107 parcels (less the Depweg parcels) proposed for annexation have a total assessed land value of \$19,433,138 and contain 196 registered voters. As this annexation area is inhabited (12 or more registered voters) and there is not confirmation of 100% support, the annexation, if approved by LAFCo and written protest is received prior to the close of the public hearing, a protest hearing will be set by the Executive Officer. Pursuant to Government Code Section 57075, following the Protest Hearing, the Commission must either:

1. Terminate proceedings if 50% (98) or more of the registered voters residing in the affected territory file a written protest; or
2. Order the annexation subject to the confirmation of the registered voters residing in the affected territory if written protests have been filed by at least 25% (49) but less than 50% (98) of the registered voters residing in the territory, OR 25% of the number of landowners who also own at least 25% (\$4,858,284) of the assessed land value of land in the affected territory; or

3. Order the annexation without an election if written protests have been filed by less than 25% (48) of the registered voters in the affected territory and less than 25% of the landowners who own at least 25% (\$4,858,284) of the assessed land value in the affected territory.

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 177-acre 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(4). 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.

OPTION 1 – Adopt Resolution No. 06 2022/23 APPROVING the AMENDED proposal as recommended by staff, and subject to the recommended conditions therein.

OPTION 2 – Adopt Resolution No. 06 2022/23 APPROVING the proposal as submitted by the City of Chico and subject to the recommended conditions therein.

OPTION 3 – DENY the proposal.

OPTION 4 – CONTINUE this proposal to a future meeting for additional information.

PROPOSED MOTION

I recommend that the Commission adopt resolution 06 2022/23 making determinations approving the amended annexation identified as City of Chico – Chico Canyon Road Annexation No. 8, finding that no subsequent environmental review is necessary pursuant CEQA Guidelines section 15132, and waiving protest provisions pursuant to Government Code Section 56663.

Respectfully submitted,

Shannon Costa

Shannon Costa
Deputy Executive Officer

Attachments:

Exhibit A: Annexation Area Map - Page 2
Exhibit B: Draft LAFCo Resolution No. 06 2022/23
Exhibit C: City of Chico Resolution No. 48-22
Exhibit D: Public Comments Received

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
23-03 - CITY OF CHICO – CHICO CANYON ROAD ANNEXATION NO. 8**

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. 46-22 which initiated the proposed annexation utilizing the island annexation provisions of California Government Code §56375; 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 February 2, 2023, 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 February 2, 2023, 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 January 26, 2023 for the meeting of February 2, 2023.
- C. 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, 2026, 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.
- D. Pursuant to Government Code §56375 and adopted Commission policies, the Commission makes the findings related to the proposed island annexation as described in the staff report dated January 26, 2023, for the meeting of February 2, 2023. 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 and shall not be disapproved for annexation to the City of Chico.

- E. The annexation area shall consist of 112 parcels and the adjacent public rights-of-way totaling approximately 177 acres in size, as submitted by the City of Chico, and depicted in LAFCo Exhibit "A."
- F. The subject island annexation area is found to be inhabited and is assigned the following short form designation: 23-03 – City of Chico – Chico Canyon Road Annexation No. 8.
- G. 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.
- H. 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.
- I. 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.
- J. The proposal is consistent with the City of Chico Sphere of Influence.
- K. 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 Chico to provide any service.
- L. 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 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.

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. Waiver of Protest Proceedings

- A. Pursuant to California Government Code §56663 (Waiver of Protest Proceedings) the Commission waives protest proceedings for the annexation if no written objections to the proposed annexation are received from any landowner or registered voter within the territory prior to the close of the public hearing on the annexation.
- B. If written objections to the proposed annexation are received from any landowner or registered voter within the territory prior to the close of the public hearing on the annexation, the Commission directs the Executive Officer to set the proposal for a protest hearing and give public notice of said hearing pursuant to Butte LAFCo Policy and California Government Code Section 57002.

Section 6. 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 2nd day of February 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Clerk of the Commission

BILL CONNELLY, Chair
Butte Local Agency Formation Commission

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3 **RESOLUTION NO. 48-22**

4 **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHICO**
5 **INITIATING PROCEEDINGS TO ANNEX PROPERTY NOW LOCATED IN THE**
6 **UNINCORPORATED TERRITORY OF THE COUNTY OF BUTTE TO THE**
7 **INCORPORATED TERRITORY OF THE CITY OF CHICO;**
8 **CHICO CANYON ROAD ANNEXATION DISTRICT NO. 8**
9 **(CITY OF CHICO; ANX 22-04; VARIOUS APNs)**

10 WHEREAS, there exists within the unincorporated territory of the County of Butte
11 (“County”) certain inhabited properties (more than 12 registered voters) depicted in Exhibit I,
12 attached hereto and by this reference incorporated herein (“Property”), which Property is
13 contiguous to, and generally surrounded by, the existing boundaries of the City of Chico
14 (“City”), is within the logical boundaries of the territory of City as defined by the sphere of
15 influence adopted by the Butte Local Agency Formation Commission (“LAFCo”) for the City,
16 and in all other respects meets the requirements of law for annexation of property located in the
17 unincorporated territory of a county to the incorporated territory of a city; and

18 WHEREAS, this Council, by this Resolution, now desires to initiate proceedings to
19 annex Property to City, all as provided for by the Cortese-Knox-Hertzberg Local Government
20 Reorganization Act of 2000 (“the Act”), as set forth in Division 3, Title 5 of the California
21 Government Code section 56000 et seq.; and

22 WHEREAS, notice of intention to adopt the resolution initiating this annexation has been
23 provided to LAFCo, interested agencies, and subject agencies; and

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

27 WHEREAS, the annexation of this Property has been addressed in the Final EIR prepared
28 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; and

 WHEREAS, adoption of the resolution to initiate annexation proceedings for Chico
Canyon Road District No. 8 to the incorporated territory of the City of Chico was considered by

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3 this Council at a public hearing, notice of which was provided through publication pursuant to
4 Government Code Sections 56153 and 56154, as required by Section 56755.

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

- 6 1. This Council proposes to annex to the incorporated territory of City all of the Property
7 now located in the unincorporated territory of the County depicted in Exhibit I.
- 8 2. This annexation proposal is being made pursuant to the Act.
- 9 3. The reason for this annexation proposal is to provide logical City boundaries and
10 encourage the efficient delivery of urban services.
- 11 4. A plan for providing municipal services to the Property following its annexation to City
12 has been prepared in the manner required by California Government Code Section 56653
13 and set forth in Exhibit II attached hereto.
- 14 5. The annexation of the Property to City, as proposed, is consistent in all respects with the
15 sphere of influence developed, determined and adopted by LAFCo for City pursuant to
16 California Government Code section 56425.
- 17 8. The annexation of the Property to the incorporated territory of City meets all other
18 requirements of the Act and is in all respects consistent with the objectives and purposes
19 of the Act.
- 20 9. Pursuant to CEQA Section 15162 (Subsequent EIRs and Negative Declarations), no
21 subsequent environmental review is required because there are no new or increased
22 environmental effects anticipated by the proposed annexation, or any new information
23 about the annexation revealed since City Council certification in April 2011 of the Chico
24 2030 General Plan Program Environmental Impact Report (EIR) (SCH#2008122038),
25 which programmatically and comprehensively analyzed impacts associated with future
26 annexations consistent with the Land Use Diagram.
- 27 10. The Council finds that the annexation and proposed use of the Property is consistent with
28 the City's General Plan.

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

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

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

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


NOES: Reynolds

ABSENT: None

ABSTAINED: None

DISQUALIFIED: None

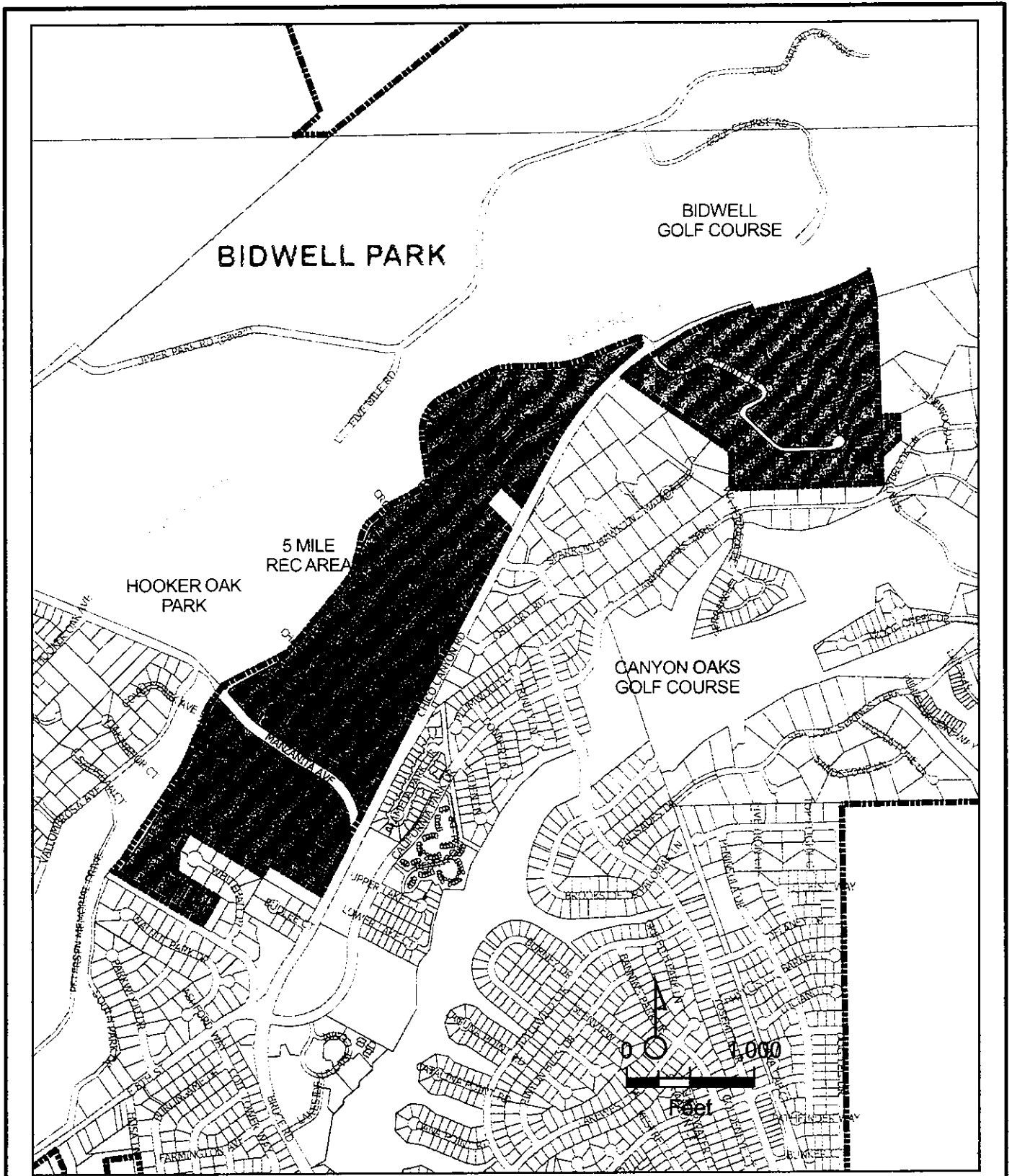
ATTEST:


Deborah R. Presson
City Clerk



APPROVED AS TO FORM:


Vincent C. Ewing, City Attorney*

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



**CHICO CANYON ANNEX
DISTRICT NO 1**

-  City / County Boundary
-  Chico Canyon Parcels



MICHAEL BECHTOL

378 Chico Canyon Road Chico, CA 95928 | 530 774-6357 | mikebechtol@gmail.com

January 17, 2023

Butte LAFCO
Executive Officer
Butte County, CA
1453 Downer St. Suite C
Oroville, CA 95965-4950



RE: LAFCo File 23-03 – City of Chico – Chico Canyon Road Annexation No. 8

I am a home owner within 300 feet of parcels included in the proposed annexation. I am writing to express my concern about potential housing density on the vacant parcel directly across from my residence.

At present all parcels in the immediate vicinity of my home are at least 1 acre in size. I want to be sure that the City of Chico stays consistent with their zoning of the area including the triangular-shaped parcel across Chico Canyon Road from my home.

If the city intends to keep zoning at no less than 1 acre lots on the that parcel, then I have no objections. If they intend to rezone it for multi-family or high-density single-family homes, completely inconsistent with adjacent properties, I object to this annexation.

I would also want a reasonable height restriction imposed on structures built on that property, so not to completely obstruct my view of Bidwell Park. If the City of Chico does not intend to enforce such a building restriction, I would oppose the annexation.

I have attached a copy of the annexation map and highlighted my home location and the parcel I am writing about. Thank you for considering my input.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Bechtol".

Michael Bechtol