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

TO: Local Agency Formation Commission
FROM: Shannon Costa, Deputy Executive Officer
SUBJECT: **LAFCo File No. 23-03 - Certification of Protest Hearing - City of Chico – Chico Canyon Road Annexation No. 8**
DATE: April 25, 2023 for the May 4, 2023 LAFCo Meeting

Background

At its February 2, 2023 meeting, the Commission adopted Resolution No. 06 2022/23 (**Exhibit B**) approving the annexation of LAFCO file 23-03 Chico Canyon Road Annexation No. 8 subject to conditions of approval, and the completion of the Conducting Authority Proceedings. The proposal involves the annexation of 107 parcels approximately 167 acres in size to the City of Chico, and detachment of the parcels from the Butte Resource Conservation District and CSA 164 (Butte County Animal Control). The territory is 100% surrounded by the City of Chico.

Protest Proceedings

As the annexation did not have 100% consent of the affected landowners, the approval was subject to Protest Proceedings. A Protest Hearing was held on March 29, 2023 at the City of Chico City Council Chambers and was publicly noticed pursuant to Government Code Section 57025, consisting of newspaper publication in the Chico Enterprise Record and individual mailed notice to the affected landowners and registered voters within the annexation territory. Protest ballots were collected by LAFCo staff via mail, email, and in-person, until the close of the hearing at 5:30 p.m. on March 29, 2023.

Pursuant to Government Code Section 57075, following the Protest Hearing, the Commission must either:

1. Terminate proceedings if 50% 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% but less than 50% of the registered voters residing in the territory, OR 25% of the number of landowners who also own at least 25% 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% of the registered voters in the affected territory and less than 25% of the landowners who own at least 25% of the assessed land value in the affected territory.

The Executive Officer has caused the protest forms to be compared to the current Equalized Assessment Roll maintained by the County Assessor and the current Register of Voters maintained by the County Elections Official. Below is a summary of the total number of protest ballots collected from both registered voters and landowners in the annexation territory:

April 25, 2023

Total Registered Voters in territory	210 (100%)	Registered Voter ballots received	86 (40%)
Total Number of Landowners	107 (100%)	Number of ballots received by landowners	68 (63%)
Total Assessed Land Value in territory	\$19,798,938 (100%)	ALV of ballots received by landowners	\$11,062,559 (55%)

CONCLUSION

Based on the above information, the Protest Proceedings resulted in valid protest ballots received from 40% of the registered voters in the affected territory and 63% of the landowner’s owners owning 55% of the assessed land value of the affected territory. Accordingly, pursuant to Government Code Section 57091, the annexation must be confirmed by the registered voters residing within the effected territory at an election. Pursuant to Government Code Section 57000, when the Commission makes a determination that will require an election to be conducted, it shall inform the elections official of the affected city of the determination and request the city council to direct the elections official to conduct the necessary election (**Exhibit C**).

COMMISSION ACTION

The Executive Officer recommends that after reviewing this report and any testimony or materials that are presented, the Commission hold a public hearing, and:

OPTION 1 – Adopt Resolution 22 2022/23 (**Exhibit A**) confirming the results of the protest proceedings, informing the Chico City Council of the results of the protest proceedings, and requesting that the Chico City Council direct the Elections Official to conduct the necessary election.

OPTION 2 – CONTINUE this proposal to a future meeting for additional information.

Respectfully submitted,

Shannon Costa

Shannon Costa
 Deputy Executive Officer

Attachments:

- Exhibit A: Resolution 06 2022/23 Approving Annexation of 23-03 Chico Canyon Road Annexation No. 8
- Exhibit B: Draft LAFCo Resolution No 22 2022/23 Certifying Results of the Protest Proceedings and Requesting that the Chico City Council Direct the Elections Official to Conduct the Necessary Election
- Exhibit C: Letter Calling for Election

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:

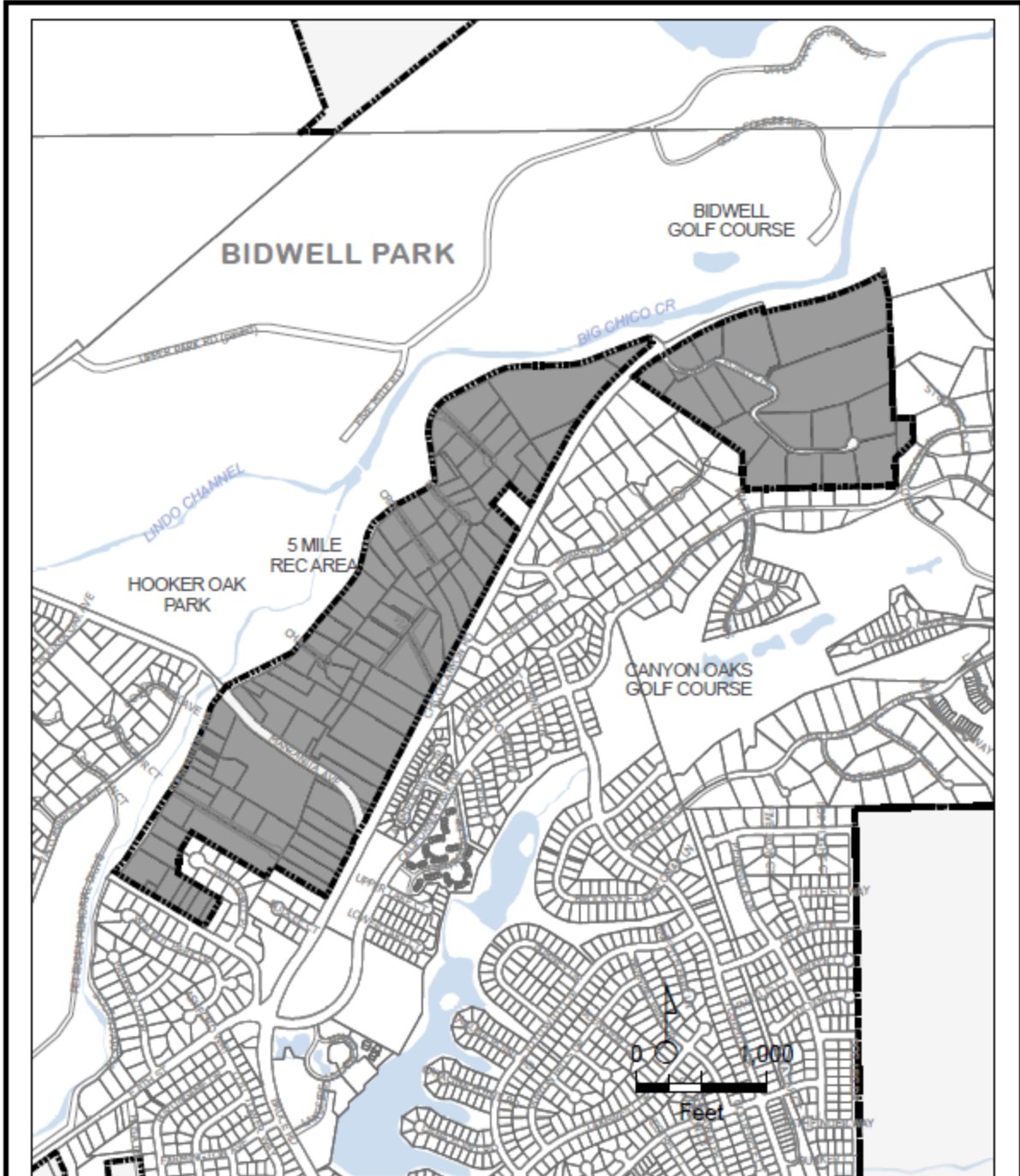
NOES:

ABSENT:

ABSTAINS:



Clerk of the Commission

BILL CONNELLY, Chair
Butte Local Agency Formation Commission



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

RESOLUTION NO. 22 2022/23

**RESOLUTION OF THE BUTTE LOCAL AGENCY FORMATION COMMISSION
CONFIRMING RESULTS OF THE PROTEST PROCEEDINGS FOR
23-01- CITY OF CHICO – CHICO CANYON ROAD ANNEXATION NO. 8 AND
REQUESTING THE CHICO CITY COUNCIL TO DIRECT THE ELECTIONS
OFFICIAL TO CONDUCT THE NECESSARY ELECTION**

WHEREAS, pursuant to Part 4 of Division 3 of Title 5 of the Government Code of the State of California, commencing with Section 56000, the City Council of the City of Chico adopted Resolution No. 46-22 on August 8, 2022 requesting the Local Agency Formation Commission of the County of Butte to begin proceedings for the proposed annexation of property to the incorporated territory of the City of Chico; and

WHEREAS, the Local Agency Formation Commission (LAFCO) has adopted Resolution No. 06 2022/23 making determinations and approving the Chico Canyon Road Annexation No. 8 as described in Exhibit "A" attached hereto and by this reference incorporated herein; and

WHEREAS, 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; and,

WHEREAS, the annexation was approved subject to the following terms and conditions:

- 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 (Exhibit A), 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.

WHEREAS, the regular County assessment roll is to be utilized by the City of Chico; and

WHEREAS, the Commission finds that 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.

RESOLUTION NO. 22 2022/23

WHEREAS, the Commission concurs with the City’s environmental determination; and

WHEREAS, protest proceedings for the change of organization or reorganization were conducted pursuant to Chapter 1, commencing with Section 57000, of Part 4 of Division 3 of Title 5 of the Government Code; and

WHEREAS, a protest hearing was held on March 29, 2023, notice of which was given in the manner required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BUTTE LOCAL AGENCY FORMATION COMMISSION AS FOLLOWS (Pursuant to 57100, 57115, 57125):

- A. The Commission hereby finds and determines that the value of written protests against this annexation which were filed and not withdrawn by registered voters within the annexation area is greater than 25 percent and less than 50 percent of the total number of registered voters within the affected territory and therefore the Commission approves the annexation subject to the confirmation of the registered voters located within the affected territory.
- B. The election will be conducted by mailed ballots within the territory of the proposed annexation (Exhibit A)
- C. The ballot question for the election shall read as follows: *“Shall the order adopted on January 26, 2023, by the Butte Local Agency Formation Commission ordering the annexation to the City of Chico of the territory described in that order and designated as the City of Chico – Chico Canyon Road Annexation No.8 be confirmed subject to the terms and conditions specified in the order?”*
- D. The election will be determined by a majority (50%+1) of the registered voter ballots cast.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 4TH day of May 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Clerk of the Commission

BILL CONNELLY, Chair
Butte Local Agency Formation Commission



BUTTE LOCAL AGENCY FORMATION COMMISSION

1453 Downer Street, Suite C • Oroville, California 95965-4950
(530)538-7784 • Fax (530)538-2847 • www.buttelafco.org

April 25, 2023

City of Chico City Council
PO Box 3420
Chico, CA 95927

Email: debbie.presson@chicoca.gov

Re: Call for Election for Chico Canyon Road Annexation No. 8

Dear Councilmembers,

The Butte Local Agency Formation Commission adopted Resolution 06 2022/23 (attached) approving the application for annexation of LAFCO file 23-03 Chico Canyon Road Annexation No. 8 subject to completion of protest proceedings. The proposal involves the annexation of 107 parcels approximately 167 acres in size to the City of Chico, and detachment of the parcels from the Butte Resource Conservation District and CSA 164 (Butte County Animal Control).

The Protest Proceedings were concluded on March 29, 2023 and subsequently confirmed by the Commission on May 4, 2023 (attached), resulting in 40% of registered voters within the effected territory filing written protests against the annexation. Therefore, pursuant to Government Code Section 57091, the annexation must be confirmed by the registered voters residing within the effected territory. Pursuant to Government Code Section 57000, when the Commission makes a determination that will require an election to be conducted, it shall inform the elections official of the affected city of the determination and request the city council to direct the elections official to conduct the necessary election. The elections official will utilize GC Section 57125, Chapter 6, Part 4 Division 3 of Title 5.

The Butte LAFCo respectfully requests the City Council of the City of Chico call for an election on the matter of the annexation of the Chico Canyon Road Annexation No. 8 and direct the elections official to conduct a mailed ballot election.

Sincerely,

Shannon Costa

Shannon Costa
Deputy Executive Officer

Attachment: A. Butte LAFCo Resolution No. 06 2022/23
B. Butte LAFCo Resolution No. 22 2022/23

cc: Keaton Denlay, Clerk-Recorder/Butte County Elections Official

Exhibit C