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

TO: Local Agency Formation Commission
FROM: Stephen Betts, Deputy Executive Officer
SUBJECT: *LAFCo File 17-02 – City of Oroville – Riverview Terrace Annexation No. 1 (Public Hearing)*
DATE: October 26, 2016, for the November 3, 2016, LAFCo Meeting

Summary

The City of Oroville has initiated an island annexation of 14 parcels totaling approximately 7 acres in size. The territory is 60% surrounded by the City of Oroville and is identified as a disadvantaged unincorporated community (DUC). The proposed annexation will also detach the territory from County Service Area 164 (Butte County Animal Control District) and from the Butte County Resource Conservation District. The annexation proposal conforms to the island annexation provisions of California Government Code §56375.3 and with Butte LAFCo policy, and the Executive Officer recommends approval of this proposal.

Application Submitted: September 19, 2016

Application Deemed Complete: October 11, 2016

100% Landowner Consent: No. Pursuant to Government Code §56375.3, the City of Oroville has initiated this annexation by Resolution No. 8543, 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 Oroville, Resolution No. 8543, adopted on September 6, 2016

Landowners: Numerous. **See Exhibit C**

Location: The subject territory consists of the 14 parcels that comprise the Riverview Terrace Unit No. 1 Subdivision, which is located on the east side of Table Mountain Boulevard, north and south of Riverview Terrace, in the north Oroville area (**Exhibit A**). The territory is located in Supervisorial District 1.

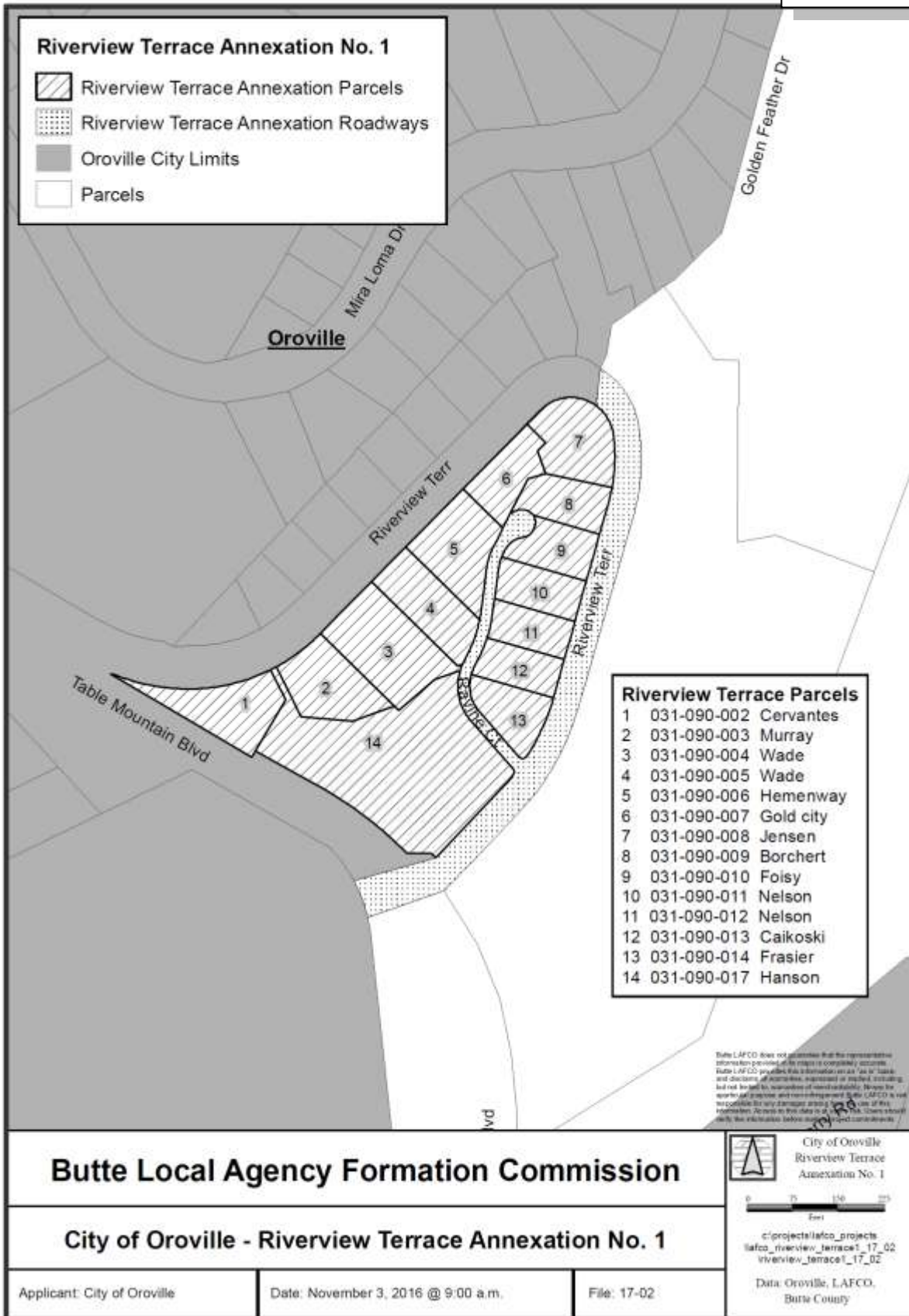
Proposal:

1. Annexation of 14 parcels and adjacent road right-of-way totaling approximately 7 acres to the City of Oroville 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 06 2016/17 (**Exhibit B**) approving the annexation.

Exhibit A



DISCUSSION AND ANALYSIS

Background

The territory proposed for annexation consists of 14 parcels within the Riverview Terrace Unit No. 1 Subdivision. The territory meets the definition of a disadvantaged unincorporated community (DUC) pursuant to California Government Code §56033.5. This annexation will fulfill the intent and purpose of the DUC law and environmental justice goals to promote the annexation of such DUC's to cities to enhance the provision of services to the community and enfranchise the citizens to participate in city affairs. The annexation will resolve a number of concerns including replacing existing septic tanks with sewer connections; creating logical agency boundaries; and encouraging more efficient service delivery patterns/functions.

Twelve of the parcels within the territory are developed with single-family dwellings, one of which (67 Riverview Terrace) is utilized as a 5-bed assisted living facility (Wade Care Home). Two of the parcels within the territory are undeveloped. The parcels within the territory range in size from 0.2 to 1.5 acres, with most of the parcels being 0.2 to 0.4 acres in size. The territory contains moderate to steep slopes.

Access to most of the parcels is from Riverview Terrace, which is a paved public road. The north side of Riverview Terrace between Table Mountain Boulevard and Gold Feather Drive is improved with curbs, gutters, and sidewalks, while the remaining sections of Riverview Terrace do not have these improvements. Some of the parcels within the territory are also accessed from Ravine Court, which is a private gravel/dirt road that appears to function more as an alleyway than as a road. There is no street sign for Ravine Court and all of the homes within the territory have Riverview Terrace addresses.

Wastewater disposal for most of the parcels in the territory is handled by individual on-site septic systems. One of the parcels in the territory (67 Riverview Terrace) was recently authorized by the LAFCo Executive Office to connect to the City of Oroville's sanitary sewer system due to a failing septic system. Domestic water for the territory is provided by the California Water Service Company.

Land uses on surrounding parcels include the Oroville Fish Hatchery to the south and east, public and residential uses to the north, and the four-lane Table Mountain Boulevard to the west. No agricultural uses are found within the territory or on any of the adjacent/nearby parcels.

All of the parcels within the territory are designated by the Butte County General Plan as Medium Density Residential (3 to 6 units per acre) and are zoned MDR (Medium Density Residential - 3 to 6 units per acre), which allows for a minimum parcel size of 6,000 square feet. The City of Oroville's General Plan designates the parcels within the territory as Medium Density Residential (3 to 6 dwelling units per acre). The City has prezoned the parcels within the territory as RL (Large-Lot Residential), which allows for a minimum parcel size of 8,000 square feet.

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 Oroville City Council on September 6, 2016.
- The annexation is proposed by resolution adopted by the affected City;
The Oroville City Council adopted Resolution No. 8543 on September 6, 2016, 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 7 acres in size and constitutes the entire Riverview Terrace Unit No. 1 Subdivision unincorporated island area.
- The area is totally or substantially surrounded, as such has been defined by Commission policy;
The affected territory is 60% surrounded by the City of Oroville. Butte LAFCo Policy states that an area that is more than 50% surrounded by a city is considered to be substantially surrounded.
- The study area is substantially developed or developing, based on findings that there is the availability of public services, there is the presence of public improvements in the area, and there are physical improvements on most of the properties;
The territory is highly urbanized and most (86%) of the parcels within the territory are developed. Electrical, natural gas, sewer lines, domestic water, and telephone services extend to the territory. Access to the territory is via paved public roads. Police and fire protection services for the territory are primarily provided by Butte County, with City of Oroville 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 almost completely built out and is not utilized for any agricultural uses, has long been designated for residential uses by Butte County and the City of Oroville, 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 Oroville as a whole. The residents of the territory functionally are a part of the Oroville community, even if they do not live within the city limits. Residents of the territory must pass through the City of Oroville, 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 Oroville 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.

Under automatic and mutual aid agreements with the County of Butte, fire engines from the City of Oroville respond to emergency calls in the territory if County fire engines are unable to quickly respond. The City of Oroville police department already provides emergency response to the territory because of the territory's location adjacent to City limits. The Butte County Sheriff's Office is the primary law enforcement responder to the territory. However, in an emergency the City of Oroville police may respond first because City police units may be in closer proximity to the territory than a County Sheriff's unit.

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

The subject island existed on January 1, 2014.

Annexation

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

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 territory consists of the Riverview Terrace Unit No. 1 Subdivision, which consists of 14 single-family residential lots. Twelve (or 86%) of the 14 parcels within the territory are developed with a residential use. There are no significant natural features that would affect the annexation.

The territory contains 12 households and is estimated to have a population of approximately 35 people. Population growth within the territory is not expected to be significant because almost all of the parcels within the territory are developed with a residential use.

(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 incremental future residential development consistent with the City of Oroville General Plan. The present cost and adequacy of governmental services and controls in the area are the County's responsibility, however, the City of Oroville 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 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 Oroville'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 Oroville is consistent with the planned, orderly, and efficient patterns of urban development within the adopted Sphere of Influence of the City of Oroville. The annexation will result in the elimination of a 7-acre, 14-parcel 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.

Almost all of the parcels with the territory are developed and no agricultural uses are found in the territory or on the surrounding parcels. 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.

The City of Oroville's General Plan designates the parcels within the territory as Medium Density Residential (3 to 6 dwelling units per acre) and the City has rezoned the parcels within the territory as RL (Large-Lot Residential), which allows for a minimum parcel size of 8,000 square feet. The existing residential uses within the territory are consistent with the RL zoning. Upon annexation, any uses identified as nonconforming would be allowed to continue, assuming that they were legally established under Butte County jurisdiction.

(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 Oroville. 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 Oroville. 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.

(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>
<u>Butte Co. Assessor's Office</u>	No substantive comments provided.
<u>Butte Co. Elections Office</u>	AB 8 negotiations are not required.
<u>Butte Co. Fire Department/Calfire</u>	<p>The Oroville-Riverview Terrace Annexation is within the Automatic Aid boundary between Oroville Fire Department and Butte County Fire Department. Automatic Aid is for prompt emergency intervention based on the closest resource regardless of jurisdiction. After annexation by the City of Oroville, Butte County Fire Department will be required to send one engine, as the closest resource into the Riverview Terrace Annexation as per the Automatic Aid Agreement Operational Letter of Understanding.</p> <p>Butte County Fire also notes that the area within the annexation includes a wildland component, which will need to be addressed by the City.</p>
<u>Environmental Health Division</u>	<p>California Water Service provides domestic water. Existing developed parcels have either on-site septic systems or sewer connection.</p> <p>This annexation is an extremely positive benefit to the community from a public health standpoint. Having the option for the two remaining undeveloped parcels to connect to sewer, and the existing developed parcels to connect to sewer as on-site wastewater systems fail will continue to reduce impacts to groundwater.</p>
<u>Butte Co. Public Works Department</u>	<p>Butte County Public Works Department believes that some additional parcels should be annexed. We believe that this would help to normalize the boundary of the City and eliminate confusion as to where the City Limits lie. The list of parcels that should be added are as follows: APN 031-070-013; Privately owned and currently developed. APN 031-070-049; State owned (DFG) APN 031-070-014; State owned (DWR) APN 033-010-036; State owned (DWR) APN 033-010-017; UPRR owned APN 033-010-037; State owned (DWR)</p>

Optionally we would also suggest that the following parcels be considered for annexation:

APN 031-070-011; State owned (DWR)
APN 031-070-080; State owned (DWR)
APN 033-010-087; Privately owned and currently not developed
APN 033-010-088; Privately owned and currently not developed

(Note: Exhibit C shows the parcels that the County recommends be added to the annexation proposal.)

Butte Co. Land Development Division

The annexation should include the portion of Table Mountain Blvd. that includes the existing motor vehicle bridge and the green pedestrian bridge.

The annexation should include a number of other parcels that would normalize the boundary. A number of these proposed parcels are State owned.

Butte Co. Planning Division

Land use designation/density is Medium Density Residential/0-6 units/acre. Zoning is MDR (Medium Density Residential). Memorandum from Deputy Public Works Director Thomas Fossum identifies additional parcels for annexation to the City of Oroville.

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

Butte Co. Animal Control Office; Butte Co. Sheriff's Office; CalTrans; Butte Co. Resource Conservation District; Feather River Recreation & Park District; Oroville Mosquito Abatement District; Butte-Glenn Community College District; Thermalito Union Elementary School District, and Oroville Union High School District.

With regards to the Butte County Public Works Department recommendation that ten additional parcels be added to the annexation proposal, Staff recommends that these parcels not be added to the annexation for the following reasons:

- Adding the parcels would result in an annexation area greater than 150 acres, so the island annexation law could not be used. The City would need to initiate a new, non-island annexation proposal to include the additional parcels.
- Since the island annexation law could not be used, adding the parcels may trigger the need to hold a protest hearing, which could result in termination of the annexation.
- A majority of the parcels are State-owned lands that do not necessarily need City municipal services. Additionally, the large (81 acres) parcel on the east side of the Feather River will someday be annexed to the City in conjunction with development of that parcel.
- Annexation of the section of Table Mountain Boulevard that includes the two bridges would result in the City being responsible for maintenance of these structures, which may be very difficult for the City to accomplish given the current fiscal issues facing the City.
- The present island annexation proposal submitted by the City was due to a failed septic system on one of the parcels within the island area. Because of the failed septic system, the Executive Officer authorized the City to provide sanitary service to the effected parcel, with the understanding that the City would need to initiate an

annexation of that parcel. The City, to its credit, elected to initiate an annexation of all the parcels within the Riverview Terrace subdivision, utilizing the island annexation law. Adding any additional parcels to the annexation proposal may jeopardize the annexation of the island area, and could result in only the parcel that experienced the failed septic system being annexed to the City, resulting in illogical and inefficient jurisdictional boundaries.

Staff recommends that the City of Oroville consider annexing some or all of the parcels on the west side of the Feather River in the not too distant future to ensure the creation of logical and efficient jurisdictional boundaries. Staff also recommends that the City of Oroville and the County should work together to come up with a plan for the City to ultimately take over maintenance of the bridges, and at that time that section of Table Mountain Boulevard could be annexed to the City.

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

The City of Oroville provides general administration, community development, public works, sewer, police, fire protection, code enforcement, animal control, and other services within its incorporated area.

The City experienced significant fiscal problems during the recent recession, but until recently appeared to be rebounding due to increased revenue flow in the last few years. However, the City's current (Fiscal Year 2016-17) budget includes a \$1 million deficit in the City's General Fund, which will require use of the General Fund fund balance to balance the budget.

The proposed annexation is not expected to have a significant impact to the City's current service levels. The territory is developed with twelve single-family dwellings, which may create a minor increase in City law enforcement and fire protection service levels. The roads within the territory are in generally good condition and the annexation does not require the City to perform any road improvements, such as the installation of sidewalks or street lights.

The voters within the City of Oroville will soon vote on whether to approve Measure R, which would create a temporary sales tax increase of 1% to fund public services such as police protection, fire suppression, vehicle repair and maintenance, finance analyst and human resources services for the City of Oroville. If approved, Measure R would generate approximately \$3.6 million annually for these services, thus increasing levels of services.

(k) Availability of adequate water supplies.

The California Water Service Company (CalWater) already provides domestic water service to the territory and has adequate water sources and infrastructure to provide service to any future development within the 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.

Almost 86% of the parcels within the territory are developed with a residential use. As most of the parcels within the territory are developed with a residential use, this proposal makes no significant impact on the ability of Butte County or the City of Oroville 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 Oroville City Council's September 6, 2016, hearing on the proposal and were also sent a notice of the November 3, 2016, LAFCo public hearing on the annexation proposal. Notices for the Commission's November 3, 2016, 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, 2016, public hearing on the annexation proposal was placed in the Oroville Mercury Register on Friday, October 14, 2016. 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 residential uses within the territory are consistent with the City of Oroville's General Plan land use designation of Medium Density Residential and with the City's rezoning of RL (Large-Lot Residential),

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

The territory, for all practical purposes, is a part of the City of Oroville and many of the residents within the territory may already consider themselves residents of the city. The only way to access the territory is via City-maintained streets. Residents in the territory patronize commercial uses (with the City receiving the resident's sales tax dollars) and recreational facilities in the City of Oroville and many residents work at businesses within the city. Additionally, the City of Oroville Fire Department and the Police Department respond to emergencies in the territory under automatic and mutual aid agreements with Butte County. However, as citizens of the unincorporated area, residents within the territory are not permitted to participate in City of Oroville municipal affairs, such as voting in city elections, and they cannot run for city office or serve on city commissions or boards. Annexation of the territory to the City of Oroville will provide residents the opportunity to participate fully in City of Oroville municipal affairs, have a voice in city affairs, and be a full part of the City of Oroville.

This project strongly promotes environmental justice by annexing the area to the City of Oroville and providing additional services and enfranchising voters within a disadvantaged unincorporated community.

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 existing land uses in the territory are consistent with the City of Oroville's General Plan land use designation of Medium Density Residential.*
- The creation of logical boundaries. (2.11.2): *The annexation will eliminate an unincorporated island area, resulting in orderly and logical jurisdictional boundaries and provide for the delivery of more effective and efficient public municipal services.*
- Consistency of a proposal with the Sphere of Influence and Municipal Service Review of the affected jurisdiction(s). (4.1.1): *The territory is located within the Sphere of Influence of the City of Oroville. The City of Oroville's MSR was approved by Butte LAFCo in 2015, and reflects current City operations.*
- Contiguity of a proposed annexation area to the jurisdictional boundaries of the annexing city. (4.1.3): *The territory is contiguous to the jurisdictional boundaries of the City of Oroville.*

- The proposal is consistent with LAFCo Policy 4.1.5, which states: *Proposals to annex islands and to otherwise correct illogical distortion of boundaries will be approved unless they would violate another provision of these standards.*
- The proposal is consistent with LAFCo Policy 4.1.7, which states in part: *It is the policy of LAFCO to encourage the most efficient delivery of public services through the elimination of island areas, promote orderly city boundaries and reduce the cost and time of processing applications and to this end, all annexations to cities require that applications for lands meeting the criteria of the island annexations law shall be so configured and supported by the appropriate resolution of application.*
- Determination of the most efficient service provider. (4.2): *The City of Oroville police and fire departments already provide emergency response to the territory under automatic aid and mutual aid agreements with Butte County. The City of Oroville is the only provider of public sanitary service in this portion of the Oroville Sphere of Influence and therefore is the most logical provider of sewer services to the territory.*
- The proposal is consistent with LAFCo Policy 4.3.1, which states that annexations shall reflect logical allocation of streets and rights of way.
- The territory is an integral part of the social and economic interests of the City of Oroville as a whole and the annexation will allow the inhabitants of the territory to participate in the civic affairs of the City of Oroville.
- The Proposal would carry out LAFCo’s purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the County and its communities.

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 Oroville
Police Protection	County of Butte	City of Oroville
Code Enforcement	County of Butte	City of Oroville
Sewer Service	Septic System/City of Oroville	No change
Domestic Water Service	Cal Water	No change
Animal Control	County of Butte (CSA 164)	City of Oroville
Solid Waste	Private Collector	Private Collector
Road/Street Maintenance	County of Butte	City of Oroville
Power Infrastructure	PG&E	No change
Street Lighting	None	City of Oroville
Planning & Zoning	County of Butte	City of Oroville
Schools	Thermalito Union Elementary and Oroville Union High School Districts	No change
Resource Conservation	Butte Co. Resource Conservation District	None
Mosquito Abatement	Oroville Mosquito Abatement 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 Oroville and the Butte County Board of Supervisors on February 5, 1980. The agreement provides for the County to receive 42% of the property tax revenues and the City to receive 58%.

Support/Protest

The Oroville City Council conducted a noticed public hearing on September 6, 2016, at which time the annexation proposal was initiated by Resolution No. 8543. The City's hearing on the annexation was publicly noticed in the *Oroville Mercury Register*.

Individual notices for the Commission's November 3, 2016, public hearing on the annexation proposal were mailed to all landowners and registered voters within the area proposed for annexation and to all landowners and registered voters within 300 feet of the boundaries of the territory. Additionally, a legal notice regarding the Commission's November 3, 2016, public hearing on the annexation proposal was placed in the *Oroville Mercury Register*.

The Commission retains the responsibility to hear any public testimony at the Commission hearing, but does not have the ability to reject the annexation unless findings can be made that the annexation does not meet the island criteria as listed in §56375.3. If the Commission finds the proposal does not meet the requirements of §56375.3, staff would need to reevaluate the proposal and schedule the project for future consideration. Staff recommends that the Commission accept the proposal as submitted and order the annexation complete.

Environmental Analysis

The City of Oroville 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 Oroville determined that the proposed annexation is exempt from environmental review pursuant to CEQA Guidelines Section 15061(b)(3) – General Rule Exemption, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

The City of Oroville also determined that the proposal is Categorically Exempt from the California Environmental Quality Act under Guidelines Section 15319 – “Annexations of Existing Facilities and Lots for Exempt Facilities.” This section allows an exemption to CEQA for annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

The Section 15061(b)(3) and 15319 exemptions are appropriate for this proposal because almost all of the parcels within the territory are developed at a density consistent with the City of Oroville's Medium Density Residential General Plan land use designation and with the City's RL

prezoing of the territory. The City of Oroville prepared a Notice of Exemption for this proposal, which is inserted as **Exhibit “D”** of this report.

CONCLUSION

The proposed annexation represents a positive step forward in implementing the CKH concerning annexations in that:

1. It is a logical extension of the City’s boundaries and services;
2. Will eliminate a 14-parcel, 7-acre unincorporated island area, which will result in orderly and logical jurisdictional boundaries and provide for the delivery of more effective and efficient public municipal services;
3. Will address environmental justice concerns by allowing the residents of the territory to participate in the civic affairs of the City; and
4. Will have no adverse impacts on any other agency’s ability to provide services;
5. 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, the Executive Officer 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 Oroville:

- A. Find that the proposed annexation is Categorically Exempt from the California Environmental Quality Act per Section 15061(b)(3) – General Rule Exemption, and per Section 15319, Annexations of Existing Facilities and Lots for Exempt Facilities.
- B. Adopt Resolution 06 2016/17 making determinations approving the proposed *City of Oroville – Riverview Terrace Annexation No. 1*.
- C. Find that the proposed annexation conforms to the criteria for an “island” annexation as described in California Government Code §56375.3, and waive the Protest Hearing Proceedings for this action as required in California Government Code §56375.3.

Respectfully submitted,

Stephen Betts

Stephen Betts
Deputy Executive Officer

Attachments:

Exhibit A: Annexation Area Map - Page 2

Exhibit B: Draft LAFCo Resolution No. 06 2016/17 – Page 15

Exhibit C: Area Recommended by the Butte County Public Works Department to be Added to the Annexation Proposal – Page 19

Exhibit D: Parcel/Landowner Data – Page 20

Exhibit E: CEQA Notice of Exemption – Page 21

RESOLUTION NO. 06 2016/17

DRAFT

Exhibit B

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE
MAKING DETERMINATIONS AND ORDERING THE ANNEXATION OF
TERRITORY DESIGNATED AS 17-02
CITY OF OROVILLE
RIVERVIEW TERRANCE ANNEXATION NO. 1**

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

WHEREAS, the Oroville City Council conducted a noticed public hearing on September 6, 2016, and adopted Resolution No. 8543, 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 Oroville in the County of Butte was heretofore filed by the City of Oroville and accepted for filing on October 11, 2016, 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, 2016, 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, 2016, 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 Oroville, acting as “Lead Agency”, determined that the proposal is Categorical Exempt from the California Environmental Quality Act under CEQA Guidelines Section 15061(b)(3) – “General Rule Exemption” The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

The City determined that the Section 15061(b)(3) exemption is appropriate because the City’s existing pre-zoning designation for the territory, which is generally consistent with Butte County’s zoning of the territory, was previously analyzed by the Environmental Impact Report (EIR) (State Clearinghouse No. 2008022024) for the Oroville 2030 General Plan, and which was certified by the

Oroville City Council on June, 2, 2009, along with the adoption of the Oroville 2030 General Plan. The City determined that there is no change in the pre-zoning designations analyzed by the EIR and any new development in the territory will require the appropriate level of environmental review in accordance with CEQA.

The City of Oroville also determined that the proposal is Categorical Exempt from the California Environmental Quality Act under Guidelines Section 15319 – “Annexations of Existing Facilities and Lots for Exempt Facilities.” This section allows an exemption to CEQA for annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

- B. As a “Responsible Agency” under CEQA Guidelines, prior to approving the proposed annexation, the Commission is required to consider the information in the Categorical Exemption for the project on which the Lead Agency based its Finding of Exemption.
- C. Acting as a “Responsible Agency” under CEQA Guidelines, the Commission considered the information in the Categorical Exemption prepared for this project by the City of Oroville prior to making its determination.
- D. The Commission finds that the Lead Agency’s Categorical Exemption 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 15061(b)(3) and 15319.

Section 2. General Findings and Determinations:

- A. 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 Oroville Sphere of Influence and Municipal Service Review, The Lake Oroville Area Public Utility District SOI Plan and Municipal Service Review, the Domestic Water and Wastewater Service Providers Municipal Service Review, the Wastewater Service Providers-Oroville Region Municipal Service Review, the City of Oroville 2030 General Plan and 2030 General Plan EIR, the City of Oroville Zoning Ordinance, the Butte County General Plan 2030 and Zoning Ordinance, and other factors specified in Government Code §56375.3 and as described in the staff report dated October 26, 2016, for the meeting of November 3, 2016.
- B. 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 26, 2016, for the meeting of November 3, 2016. 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.

- C. The annexation area shall consist of fourteen (14) parcels and the adjacent road right-of-way, totaling approximately 7 acres in size, as submitted by the City of Oroville, and described in LAFCo Exhibit “A.”
- D. The subject island annexation area is found to be inhabited and is assigned the following short form designation: 17-02 – City of Oroville – Riverview Terrace Annexation No. 1.
- E. 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 sewer service, 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 Oroville civic affairs.
- F. The territory is identified as a Disadvantaged Unincorporated Community (DUC). The annexation of this area is consistent with the requirements of California Government Code §56375(a)(8)(A) and Butte LAFCo Policies.
- G. The annexation is consistent with the environmental justice requirements of California Government Code §56668(o), and the disadvantaged unincorporated community provisions of Government Code §§ 56325 and 56375. Annexation of the territory to the City of Oroville will provide residents of the territory the opportunity for additional municipal services and allow them to fully participate in City of Oroville municipal affairs, have a voice in city affairs, and be a full part of the City of Oroville.
- 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 Oroville for medium density residential uses; and the territory and surrounding parcels are not designated for agricultural or open space uses as primary uses under the current City of Oroville 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 Oroville will be performed in accordance with the Master Tax Exchange Agreement approved by the City of Oroville (Resolution No. 3514 on February 4, 1980) and by the County of Butte (Resolution No. 80-15 on January 22, 1980).
- J. The proposal is consistent with the City of Oroville Sphere of Influence.
- 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. The City of Oroville should consider annexing the parcels located on the west side of the Feather River, as identified in Exhibit “C” of the staff report dated October 6, 2016, at some point in the near future to eliminate islands of unincorporated parcels.
- E. The City of Oroville and Butte County should work together to plan for the City to ultimately take over maintenance of the pedestrian bridge and the motor vehicle bridge on Table Mountain Boulevard that cross the Feather River. If such plan is approved, the City of Oroville should initiate an annexation of that section of the Table Mountain Boulevard right-of-way to the City.

Section 4. The boundaries, as set forth in the proposal, are hereby approved as submitted and are as described in Exhibits “A” and “B” 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 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission

Exhibit C

Area Recommended by the Butte County Public Works Department to be Added to the Annexation Proposal

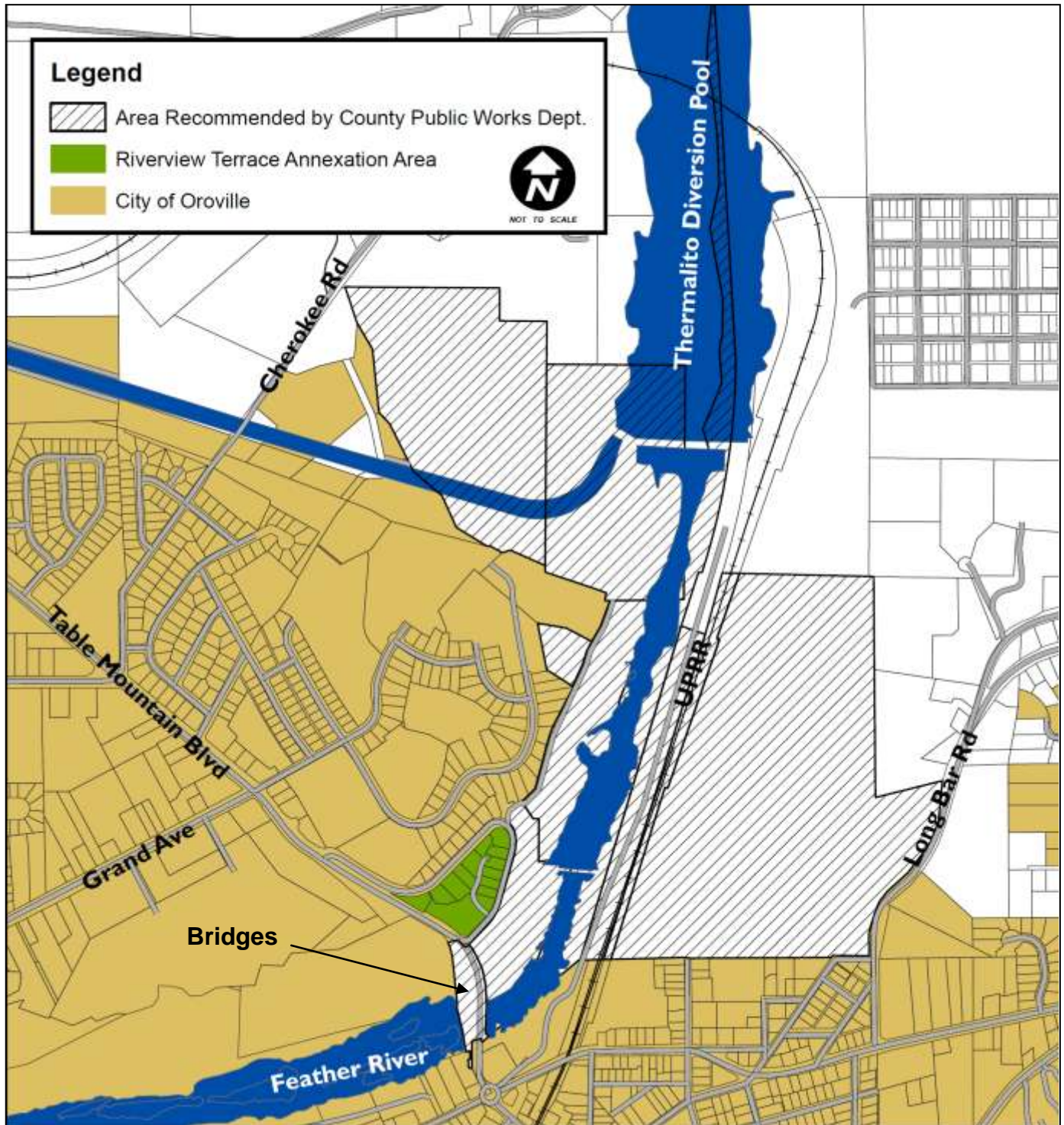


Exhibit D

Parcel/Landowner Data						
APN	Parcel Address	Owner Name	Owner Address (Mailing)	Acres	City Pre-Zoning	County Zoning
031-090-014	17 Riverview Terrace	Frasier, William E Etal	PO Box 2385, Oroville, CA 95965	0.24	RL	MDR
031-090-012	23 Riverview Terrace	Nelson, Jay D Revocable Living Trust	115 Acacia Ave, Oroville, CA 95965	0.2	RL	MDR
031-090-013	27 Riverview Terrace	Caikoski, Lynne	2640 Guynn Ave, Chico, CA 95973	0.2	RL	MDR
031-090-010	31 Riverview Terrace	Foisy, Sarah M	31 Riverview Terrace, Oroville, CA 95965	0.23	RL	MDR
031-090-009	35 Riverview Terrace	Borchert, Dianne	35 Riverview Terrace, Oroville, CA 95965	0.24	RL	MDR
031-090-008	39 Riverview Terrace	Jensen, David & Lia	75 Dads Ln, Oroville, CA 95965	0.36	RL	MDR
031-090-007	55 Riverview Terrace	Gold City Properties	248 Martens Ave, Mountain View, CA 94040	0.24	RL	MDR
031-090-006	57 Riverview Terrace	Hemenway, Brit	57 Riverview Terrace, Oroville, CA 95965	0.39	RL	MDR
031-090-005	65 Riverview Terrace	Wade, Lynette	67 Riverview Terrace, Oroville, CA 95965	0.35	RL	MDR
031-090-004	67 Riverview Terrace	Wade, Lynette	67 Riverview Terrace, Oroville, CA 95965	0.52	RL	MDR
031-090-003	75 Riverview Terrace	Murray, Benjamin O & Ruth C Living Trust	75 Riverview Terrace, Oroville, CA 95965	0.36	RL	MDR
031-090-002	81 Riverview Terrace	Cervantes, Carole Trust	10013 NE Hazel Dell Ave #420, Vancouver, WA 98685	0.39	RL	MDR
031-090-011	No address	Nelson, Jay D Revocable Living Trust	115 Acacia Ave, Oroville, CA 95965	0.23	RL	MDR
031-090-017	No address	Hanson, Joan M Trust	4115-B Butte House Rd, Yuba City, CA 95993	1.51	RL	MDR

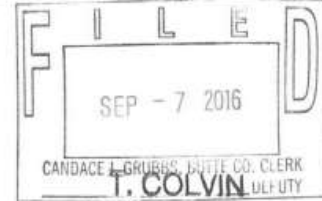
Exhibit E



City of Oroville

COMMUNITY DEVELOPMENT DEPARTMENT

1735 Montgomery Street
 Oroville, CA 95965-4897
 (530) 538-2430 FAX (530) 538-2426
www.cityoforoville.org



Donald Rust
 DIRECTOR

NOTICE OF EXEMPTION

TO: Butte County Clerk
 25 County Center Drive
 Oroville, CA 95965

FROM: City of Oroville
 1735 Montgomery Street
 Oroville, CA 95965

Project Title: ANX16-01: Resolution of Application for the Annexation of Terrace Drive

Project Location – Specific: The approximately 5.46 acre proposed annexation area is bounded by Riverview Terrace Drive to the north, west, and east and by Table Mountain Boulevard to the south. The properties proposed for annexation are as follows:

Address	Assessor's Parcel Number	Acres
17 Riverview Terrace Drive	031-090-014-000	0.24
23 Riverview Terrace Drive	031-090-012-000	0.20
27 Riverview Terrace Drive	031-090-013-000	0.20
31 Riverview Terrace Drive	031-090-010-000	0.23
35 Riverview Terrace Drive	031-090-009-000	0.24
39 Riverview Terrace Drive	031-090-008-000	0.36
55 Riverview Terrace Drive	031-090-007-000	0.24
57 Riverview Terrace Drive	031-090-006-000	0.39
65 Riverview Terrace Drive	031-090-005-000	0.35
67 Riverview Terrace Drive	031-090-004-000	0.52
75 Riverview Terrace Drive	031-090-003-000	0.36
81 Riverview Terrace Drive	031-090-002-000	0.39
Vacant / Undeveloped	031-090-011-000	0.23
Vacant / Undeveloped	031-090-017-000	1.51

Project Location - City: City of Oroville

Project Location – County: Butte

Description of Nature, Purpose, and beneficiaries of project: The City of Oroville desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, commencing with §56000 of the California Government Code, for the annexation of the properties identified above as. The annexation to the City, as proposed, is consistent in all respects with the Sphere of Influence adopted by the Butte Local Agency Formation Commission for the City of Oroville pursuant to California Government Code Section 56425. The City of Oroville has pre-zoned the areas to be annexed and the pre-zoning designations are generally consistent with Butte County's zoning designation for the properties. Additionally, the City's 2030 General Plan has identified this proposed annexation area as a Disadvantaged Unincorporated Community, in accordance with Senate Bill (SB) 244. Pursuant to Government Code 56375.3, this proposed annexation area meets the criteria for an "island."

Name of Public Agency Approving Project: City of Oroville

Name of Person or Agency Carrying Out Project: City of Oroville

Exempt Status (Check One):

- Ministerial (Sec. 21080(b)(1); 15268)
- Declared Emergency (Sec. 21080(b)(3); 15269(a))
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c))
- Categorical Exemption: State type & section number:
 - Annexations of Existing Facilities and Lots for Exempt Facilities; Title 14, CCR, §15319
 - General Rule Exemption; Title 14, CCR, §15061(b)(3)
- Statutory Exemption: State code number:

Reasons why project is exempt: The existing pre-zoning designations have been previously analyzed by the Environmental Impact Report (EIR) (State Clearinghouse #: 2008022024) which was certified by the Oroville City Council on June 2, 2009 along with the adoption of the Oroville 2030 General Plan. A Supplemental EIR (State Clearinghouse #: 2014052001) was subsequently prepared and certified on March 31, 2015 for the adoption of the City's "Sustainable Code Updates" which included, among other things, updates to the 2030 General Plan and Zoning Ordinance. There are no changes in the pre-zoning designations analyzed by the EIR. Any new development project in the proposed annexation areas will require the appropriate level of environmental review in accordance with the California Environmental Quality Act (CEQA).

This resolution of application for the annexation of Terrace Drive (ANX 16-01) has been determined to be exempt from CEQA review as follows:

Annexations of Existing Facilities and Lots for Exempt Facilities; Title 14, CCR, Section 15319

Section 21084 of the Public Resources Code requires these Guidelines to include a list of classes of projects which have been determined not to have a significant effect on the environment and which shall, therefore, be exempt from the provisions of CEQA. Class 19 consists of annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facility.

General Rule Exemption; Title 14, CCR, Section 15061(b)(3)

A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. It has been determined that there is no possibility that the annexation will have a significant effect on the environment that was not previously analyzed under the EIR specified above.

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project? Yes No

Lead Agency Contact Person: Luis A. Topete

Telephone: (530) 538-2408

Signature: 

Date: 9/7/2016

- Signed by Lead Agency
- Signed by Applicant