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

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**TO:** Local Agency Formation Commission  
**FROM:** Stephen Lucas, Executive Officer  
**SUBJECT:** **LAFCo File 20-03 – City of Chico – Extension of Services – 1447 Glenwood Avenue**  
**DATE:** October 29, 2019, for the meeting of November 7, 2019

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**Summary**

The City of Chico is requesting approval to extend sanitary sewer services to a single unincorporated parcel that is developed with a multi-family residential use (**Exhibit A**). The parcel is contiguous to City of Chico jurisdictional boundaries and annexation is both logical and feasible although not required.

Staff recommends that the Commission approve the extension of services request and adopt Draft Resolution 05 2019/20 (**Exhibit B**) which contains recommended conditions of approval.

**General Information**

Application Submitted: September 19, 2019

Application Deemed Complete: September 19, 2019

100% Landowner Consent: Yes

Notice and Hearing Required: No

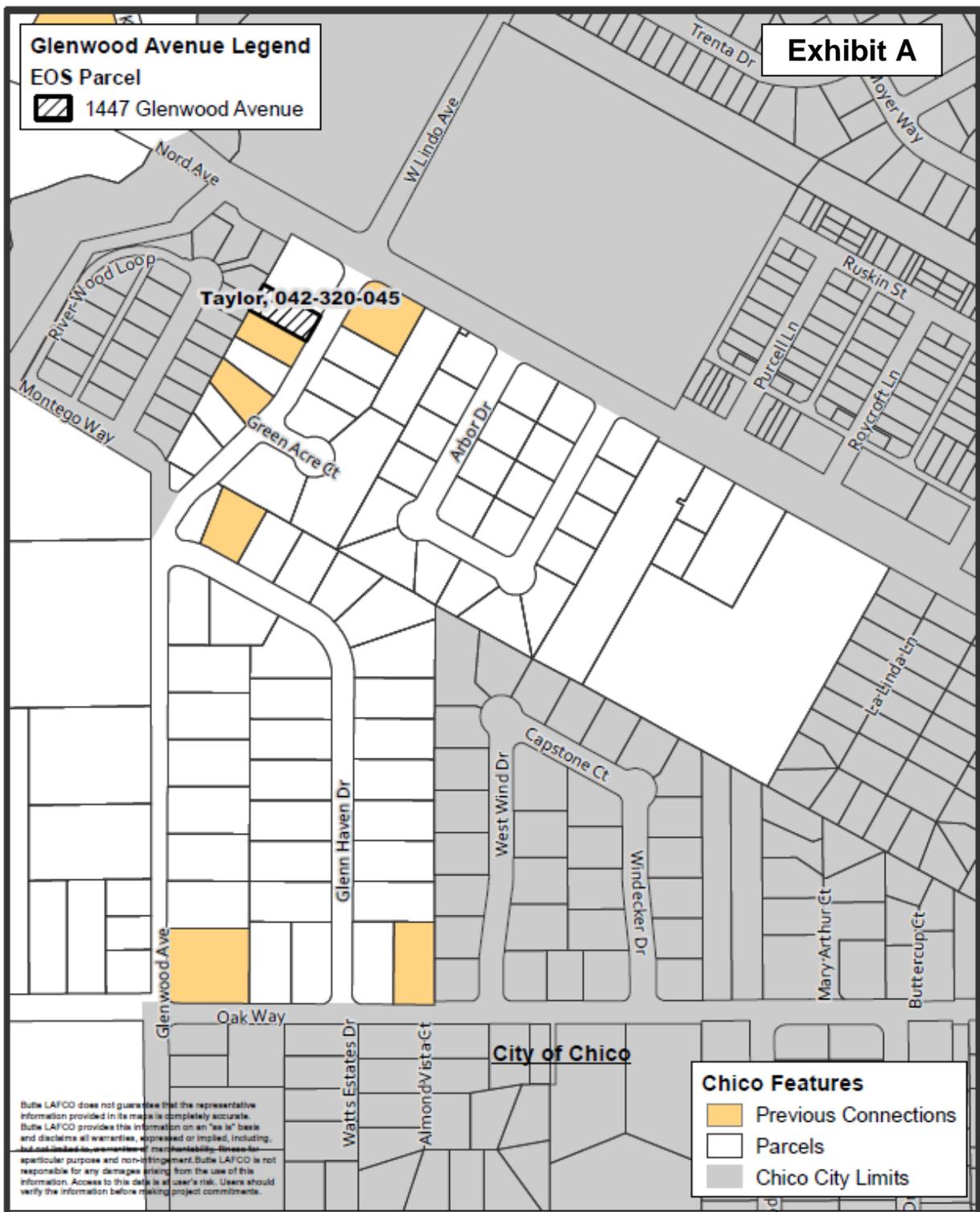
Proponent: City of Chico

Landowners: Marjan Taylor

Location: The subject parcel is located south of Nord Avenue, west of Glenwood Avenue, north of Montego Way and east of River Wood Loop in the unincorporated Chico area. The subject parcel is identified as Assessor's Parcel Number 042-320-045 (1447 Glenwood Avenue), Chico, CA. The territory is located in Supervisorial District 2.

Proposal: Extension of City of Chico sanitary sewer service to a single parcel.

**Requested Action:** Adopt Resolution 05 2019/20 (**Exhibit B**) approving the extension of City of Chico sanitary sewer services.



<b>Butte Local Agency Formation Commission</b>		 City of Chico Extension of Services 1447 Glenwood Avenue
<b>City of Chico - Extension of Services - 1447 Glenwood Avenue</b>		
Applicant: City of Chico	Date: November 7, 2019 @ 9:00 a.m.	File: 20-03  Data: LAFCO, City of Chico

## DISCUSSION AND ANALYSIS

### Background

The subject parcel, which is approximately 0.26 acres in size, is developed with a duplex unit. The duplex has 4 bedrooms and 2 baths and is approximately 2,104 sq. feet. Domestic water supply for the dwelling is provided by the California Water Service Company. The parcel fronts on Glenwood Avenue, which is a public county road. Glenwood Avenue is partially improved with curbs, gutters, and sidewalks. Land uses on the surrounding parcels are primarily multi-family dwellings. A City of Chico sewer line is located within the Glenwood Avenue.



Project Site – 1447 Glenwood Avenue (#1 & #2) (Photo – Google Maps)

As shown on the map (Exhibit A) on page 2, the parcel is contiguous to the City of Chico jurisdictional boundaries on the west side. Annexation of the parcel is very feasible given the contiguity to the City's boundaries. The City has not indicated a desire to annex this area at this time, preferring rather to initiate the annexation of the entire 43 acre island area as a part of a comprehensive annexation program to begin in July 2020.

Currently sewage disposal for the dwelling on the subject parcel is handled by an on-site septic system which is failing. A recent inspection (**Exhibit C**) of the septic system determined that the septic tank leach field was not discharging liquid from the tank and was considered failed. However, Butte County Environmental Health Division policies require, in the event of a failed or failing septic system, connection of the parcel to a public sanitary sewer if there is a sewer line within 250 feet of the parcel. On December 17, 2018, the City of Chico staff submitted an emergency extension of services application to allow the City of Chico to connect the parcel to the City's sanitary sewer system. The LAFCO Executive Officer determined that an emergency did not exist as the septic system while failing remained operational and the dwelling was still able to be occupied by tenants. The parcel owner has signed the Annexation Consent and Covenant which consents to the annexation of the parcel at any future date.

### Land Use/Zoning Designations

The Butte County General Plan designates the subject parcel as Medium High Density Residential (up to 14 dwelling unit per acre) and the parcel is zoned Medium High Density Residential (up to 14 dwelling unit per acre). The City of Chico's General Plan designates the parcel as Low Density Residential (2.1 up to 7 units per acre) and the City has prezoned the

parcel as R1 (2.1 to 7 units per acre). The multi-family residential use on the subject parcel is consistent with both the County's and the City's General Plans and zoning ordinances.

### Governing Law and LAFCo Policy

Provisions for extension of service requests are found in Government Code §56133 and in Section 4.5 of the Commission Policies and Procedures. In brief, the law permits the Commission to authorize a city or district to provide new or extended service outside its jurisdictional boundaries but within its sphere of influence (SOI) *in anticipation of a later change of organization*. These documents offer the following guidance:

- Extensions of service are to be in *anticipation of annexation*, which at a minimum requires the parcel to be located within the agency's Sphere of Influence (Butte LAFCo Policy 4.5.4.A.5; GC56133(b)).
- Annexations to cities and special districts are generally preferred for providing public services (Butte LAFCo Policy 4.5.4.A.1).
- Health, safety, or emergency concerns may warrant the approval of an extension of service where annexation is *not practical or deemed undesirable* for other policy reasons (Butte LAFCo Policy 4.5.4.A.1).
- Extension of service agreements are usually considered to be a *temporary measure*, typically in response to an existing or impending public health and safety threat (e.g., failing septic system or domestic water well) or when annexation is not feasible (Butte LAFCo Policy 4.5.4.A.1).
- The Commission gives great weight to properly documented existing health and safety needs when considering justification of such extensions (Butte LAFCo Policy 4.5.4.A.1).
- The Commission discourages use of contract service extensions for the purpose of extending services to new development and will approve such extensions only under extraordinary circumstance and may apply strict limitations on such services (Butte LAFCo Policy 4.5.4.A.1).

### **Criteria for Approval**

In accordance with State law, requests and approvals for extensions of service are to be filed and acted upon prior to an agency providing services. All requests *shall explain the specific circumstances that make annexation infeasible* and justify extension of service by contract. The Commission may condition any extension of services where it finds local circumstances warrant applying greater scrutiny and guidance.

Whenever the Commission approves a service extension it generally requires the owner of record to execute an Annexation Consent Agreement and Covenant consenting to annex the territory which is then recorded and binds future owners of the property.

Pursuant to Butte LAFCo Policy 4.5.4.D, the Executive Officer is required to evaluate the following five factors when reviewing an extension of services request. The factors are intended to provide the Commission with information about certain topics that are relevant to extension of services request. No single factor is determinative. An evaluation of these factors as it relates to the proposed extension of service request follows.

- 1) The ability of the local agency to provide service to the proposal area without detracting from current service levels.

*The City of Chico owns and maintains a wastewater collection, treatment, and disposal system. As indicated in the City’s Municipal Service Review (adopted by the Commission in 2018), and the City’s General Plan (adopted by the City in 2011), the City of Chico’s wastewater system has sufficient capacity to provide service to the affected parcel without detriment to current service recipients. A City of Chico sanitary sewer line is located within the Glenwood Avenue.*

*The City does not, and will not, provide any other parcel specific service, such as fire protection and law enforcement services, to the subject parcel. The existing public services provided to the subject parcel by Butte County will not change as a result of this proposal until such time as the parcel is annexed to the City of Chico.*

2) The proposal’s consistency with the policies and general plans of all affected local agencies.

*The affected parcel is developed with a multi-family duplex dwelling unit. This use is consistent with the City of Chico’s General Plan land use designation of Low Density Residential and with the City’s R1 rezoning of the parcel. The existing use is also consistent with the County’s General Plan land use designation of Medium High Density Residential and the County’s zoning of Medium High Density Residential.*

3) The proposal’s effect on growth and development within and adjacent to the affected land.

*The proposal to connect to the City of Chico’s sanitary sewer system will facilitate the continued use of the parcel for multi-family residential purposes. The extension of services will be conditioned to state that the extension of sewer services is for existing development only. Any additional development on the parcel, such as a replacement dwelling or a third dwelling unit, will not be allowed unless the parcel is first annexed to the City of Chico.*

4) Whether the proposal contributes to the premature conversion of agricultural land or other open space land.

*No agricultural uses are found on the subject parcel. The proposed extension of sanitary sewer service to the subject parcel will not affect agricultural lands.*

5) The likelihood of a later change of organization being initiated by the affected agency.

*The subject parcel is contiguous to the City of Chico jurisdictional boundaries and annexation to the City is feasible. A Butte LAFCo Annexation Consent Agreement and Covenant was submitted with the extension of services application, which binds the current and future owners of the parcel to the future annexation of the parcel.*

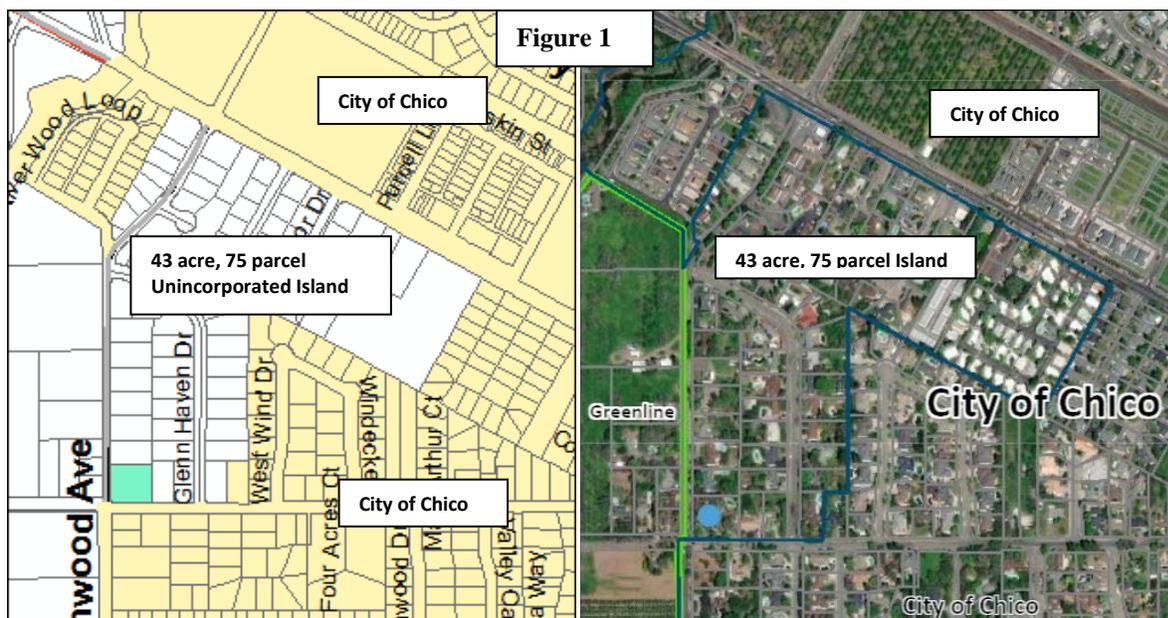
*The City of Chico does not support the annexation of the affected parcel at this time and provided the following response in its application:*

*“While the property is officially contiguous to the City’s boundary, in reality, the parcel is simply adjacent to the backyards of homes located in the City limits along River Wood Loop. The City does not currently provide City services to any homes along Glenwood Avenue, and a single-parcel annexation would not result in improved logical boundaries or the enhanced provision of public services. Further, the City is not contemplating any significant annexation at this time due to concerns related to its ability to provide adequate services community-wide (especially in light of the tremendous strains put on City services with the influx of over 19,000 survivors of the Camp Fire). Add to that the City just annexed the 411-acre North Chico area, and will be annexing the Chapman and Mulberry neighborhoods in July 2020. City sewer lines were extended down Glenwood Avenue as part of the larger Nitrate Compliance Program. The provision of sewer service in the street in front of the property is an existing condition, and it makes sense*

to allow this parcel with a failing septic to hook-up to the more efficient and environmentally sensitive sanitary sewer system.”

### Discussion/Recommendation

Staff does concur with the City's comment that this single parcel annexation may not be the best approach in this scenario. Given the past sewer extensions approved in this area (1904 Oak Way, 1212 Glenwood Ave, 1417 Glenwood Ave & 1437 Glenwood Ave) it would be reasonable and logical for the City to initiate the entire 43 acre island area as shown in Figure 1 below, that is fully developed and it appears unlikely that a new development will be proposed in this area that would trigger an annexation. An island annexation of this area would allow all landowners to connect to the City sewer system at their convenience without any further LAFCO involvement. This would no doubt assist the owners of numerous multi-family units on the north end of Glenwood Avenue with smaller lots on existing septic systems as well as the manufactured home park fronting Nord Avenue (SR32) on the northeast corner of the island area.



This island annexation would be a part of comprehensive plan to provide for a fixed annexation schedule that the City and LAFCO can rely upon and that allows the City to integrate the annexation area into their service plans over a period of years. This is especially important in light of the large 400 acre/690 parcel North Chico Annexation that was approved in June of 2019 and the pending annexation of the Chapman and Mulberry neighborhood (205 acre/472 parcel), which will be effective July 1, 2020.

Aside from the large annexations discussed above, the City continues to struggle with the population increases and related service impacts resulting from the relocation of 10,000 - 15,000 persons displaced by the Camp Fire. The next few years will remain fiscally challenging for the City to meet its responsibilities and provide effective services. It is the City's hope that a fixed annexation plan will provide some stability to how quickly it assumes jurisdictional responsibility for additional residents.

The Commission has previously conditioned the sewer extensions on 1212 & 1417 Glenwood Avenue to require the City of Chico to initiate through a resolution of application the entire 43 acre island area by January 7, 2020, which will include this parcel and be the first annexation to be a part of the proposed comprehensive plan.

#### Action Requested

- Consistent with the Commissions previously approved actions for sewer extension for 1212 and 1417 Glenwood Ave, Staff recommends the Commission consider the City's comments above and approve the sewer service request and determine that annexation is not desirable or practical at this time and would place a burden on the City which will be annexing the Chapman/Mulberry annexation in July 2020 and has recently (June 2019) annexed the 411 acre North Chico island area.
- The authorization to extend City of Chico sewer services to the subject parcel (APN 042-320-045 – 1447 Glenwood Avenue) is explicitly restricted to the current, existing use on the parcel as of the date of the LAFCo authorization, which is a 4 bedroom, 2 bath, 2,104 square foot multi-family duplex residential dwelling. Prior to the City of Chico or County of Butte authorizing or otherwise allowing any new or additional development on the parcel that alters the existing use, the City or County shall provide such proposals to the LAFCo Executive Officer for review of compliance with this sewer extension authorization.

#### Environmental Analysis

The proposed extension of service is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) – General Rule Exemption. This section can be used when the activity is covered by the general rule that CEQA applies only to projects that 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 General Rule exemption is appropriate for this proposal because: 1) the subject parcel is developed with a multi-family residential use; 2) the residential use is consistent with the City's General Plan and rezoning and with the County's General Plan and Zoning Ordinance; and 3) the City has already extended sewer infrastructure to the area.

#### **ALTERNATIVES FOR COMMISSION ACTION**

After reviewing this report and any testimony or materials that are presented, the Commission can take one of the following actions:

OPTION 1 – APPROVE the proposal as submitted and determine that annexation is not desirable or practical at this time.

- A. Find that the extension of services request is not subject to the provisions of the California Environmental Quality Act per Section 15061(b)(3), General Rule Exemption.
- B. Adopt Resolution No. 05 2019/20 authorizing the City of Chico to provide sanitary sewer service outside the City's boundary to the property located at 1447 Glenwood Avenue (APN 042-320-045) in the unincorporated Chico area.

- C. Notify the City that this parcel shall be included in the annexation of the entire 43 acre island area that was previously required as a part of the approval for the sewer extensions to 1212 & 1417 Glenwood Avenue and to be initiated by January 7, 2020.

OPTION 2 - DENY the proposal.

OPTION 3 - CONTINUE this proposal to a future meeting for additional information.

ACTION REQUESTED: Approve OPTION 1.

Respectfully submitted,

*Stephen Lucas*

Stephen Lucas  
Executive Officer

Attachments:

Exhibit A: Area Map – pg. 2

Exhibit B: Draft LAFCo Resolution No. 05 2019/20 – pg. 9

Exhibit C: Septic Pumper Report – pg. 12

Exhibit B

RESOLUTION NO. 05 2019/20

**DRAFT**

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF BUTTE  
AUTHORIZING THE CITY OF CHICO TO  
PROVIDE OUT-OF-AGENCY SANITARY SEWER SERVICES  
TO 1447 GLENWOOD AVENUE (APN 042-320-045), CHICO, CA**

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

**WHEREAS**, a proposal for the extension of public sanitary sewer services by the City of Chico to 1447 Glenwood Avenue (APN 042-320-045), Chico, CA, located outside of the Chico city limits but within the City of Chico's Sphere of Influence, in the County of Butte, was heretofore filed by the City of Chico and accepted for filing on September 19, 2019, 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 subject parcel is contiguous to the City of Chico's jurisdictional boundaries on one side and annexation of the parcel to the City of Chico is highly feasible due to this contiguity. Annexation of the subject parcel would result in logical, efficient, and effective jurisdictional boundaries; and

**WHEREAS**, a City of Chico sanitary sewer line is installed within the Glenwood Avenue right-of-way and the City of Chico's sanitary sewer system and wastewater treatment plant have adequate capacity to serve the subject parcel; and

**WHEREAS**, the Executive Officer, pursuant to Government Code Section 56658, set October 7, 2019, as the hearing date on this proposal; and

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

**WHEREAS**, this Commission called for and held a hearing on November 7, 2019, 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 Commission finds that the extension of services request is not subject to the provisions of the California Environmental Quality Act per Section 15061(b)(3) (General Rule Exemption).

**Section 2.** Determinations:

- A. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Sphere of Influence and City of Chico General Plan and zoning consistency, the City of Chico Municipal Service Review, and other factors specified in Government Code Section 56133, and as described in the staff report dated October 29, 2019, for the meeting of November 7, 2019.
- B. The Commission authorizes the City of Chico to extend sanitary sewer service outside the City's boundary to the property located at 1447 Glenwood Avenue (APN 042-320-045), in the unincorporated Chico area.
- C. The proposal is assigned the following short form designation: 20-03 - City of Chico – Extension of Services – 1447 Glenwood Avenue.
- D. The purpose of the extension of services is to allow the City of Chico to provide public sanitary sewer service to the existing development on the subject parcel.
- E. The City of Chico's sanitary sewer system has adequate capacity to serve the dwelling on the subject parcel and a City of Chico sanitary sewer line is located within the Glenwood Avenue.
- F. The territory is located within the City of Chico's Sphere of Influence and is not within the Sphere of Influence or the district of any other sanitary sewer service provider.
- G. This extension of sanitary sewer services is only to support development on the subject parcel that existed at the time of application to LAFCo.

**Section 3.** Conditions requested by LAFCo:

- A. The City of Chico shall initiate, through a resolution of application, the annexation of the subject parcel or the entire 43 acre island area by January 7, 2020.
- B. All LAFCo fees must be paid in full prior to the extension of service authorization becoming effective.
- C. The authorization to extend City of Chico sewer services to the subject parcel (APN 042-320-045 – 1447 Glenwood Avenue), is explicitly restricted to the current, existing use on the parcel as of the date of the LAFCo authorization, which is a 4 bedroom, 2 bath, 2,104 square foot multi-family dwelling. Prior to the City of Chico or County of Butte authorizing or otherwise allowing any new or additional development on the parcel that alters the existing use, the City or County shall provide such proposals to the LAFCo Executive Officer for review of compliance with this sewer extension authorization. This condition will become inapplicable following a future annexation to the City of Chico.

**PASSED AND ADOPTED** by this Local Agency Formation Commission of the County of Butte, on the 7<sup>th</sup> day of November 2019, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINS:**

**ATTEST:**

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Clerk of the Commission

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**CARL LEVERENZ**, Chair  
Butte Local Agency Formation Commission

Exhibit C

**THRIFTY ROOTER**

**SERVICE AND PLUMBING COMPANY**  
226 Meyers Street Chico, CA 95928  
Chico • 891-4445 Paradise • 872-8720  
Fax • 343-4507

INVOICE NO. **174782**  
Job **1447 Glenwood Chico**  
Date **12-14-18**  
Serviceman **Billy-Zac**

Name \_\_\_\_\_ #284  
Street \_\_\_\_\_  
City \_\_\_\_\_  
Phone \_\_\_\_\_ Ordered by **Marjan**  
Service Performed **inspect and pump**  
Cause of stoppage: Roots \_\_\_\_\_ Grease \_\_\_\_\_ Other \_\_\_\_\_  
Length of line \_\_\_\_\_ ft., Total ft. cleaned \_\_\_\_\_ ft., Pipe diameter \_\_\_\_\_ in. gal. pumped **2000**

SERVICE CHARGE	<b>400 -</b>
INSPECTION FEE	
VACUUM TRUCK	<b>975 -</b>
MATERIALS	
SALES TAX	
PLEASE PAY	<b>1375<sup>00</sup> -</b>

Customer Signature \_\_\_\_\_

Remarks: **tank is 1500 gal and was completely full of solids We pumped out and tested leach lines but lines do not take any water. Jotted Leach Lines - Lines failed. tank depth 18" overtime Pumping**

TERMS: NET 10 DAYS. A FINANCE CHARGE will be computed on the unpaid balance at the rate of 1 1/2% per month.  
CONTRACTOR LICENSE NO. 712800