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

TO: Local Agency Formation Commission
FROM: Craig Sanders, Deputy Executive Officer
SUBJECT: LAFCo File 18-08 – City of Chico – Extension of Services – 1587 Shady Glen Ct.
DATE: January 24, 2018, for the meeting of February 1, 2018

Summary

The City of Chico on behalf of the owner of 1587 Shady Glen Ct., (APN 043-710-008) is requesting approval to extend sanitary sewer services to a single unincorporated parcel that is currently undeveloped (**Exhibit A**). The Butte County Environmental Health Department has approved the lot for the installation of a septic system with the restriction that the house can be no more than 3 bedrooms. The owner of the parcel is interested in building a house that contains more bedrooms to accommodate his family with 6 children. The parcel is not contiguous to City of Chico jurisdictional boundaries. Annexation could be feasible by the inclusion of three additional parcels to create contiguity however, that configuration wouldn't be an ideal boundary. A logical annexation boundary to annex the subject property would require the inclusion of 14 to 15 parcels.

Staff recommends that the Commission approve the extension of services request. Draft Resolution 08 2017/18 (**Exhibit B**) contains recommended conditions of approval.

General Information

Application Submitted: December 13, 2017

Application Deemed Complete: December 20, 2017

100% Landowner Consent: Yes

Notice and Hearing Required: No

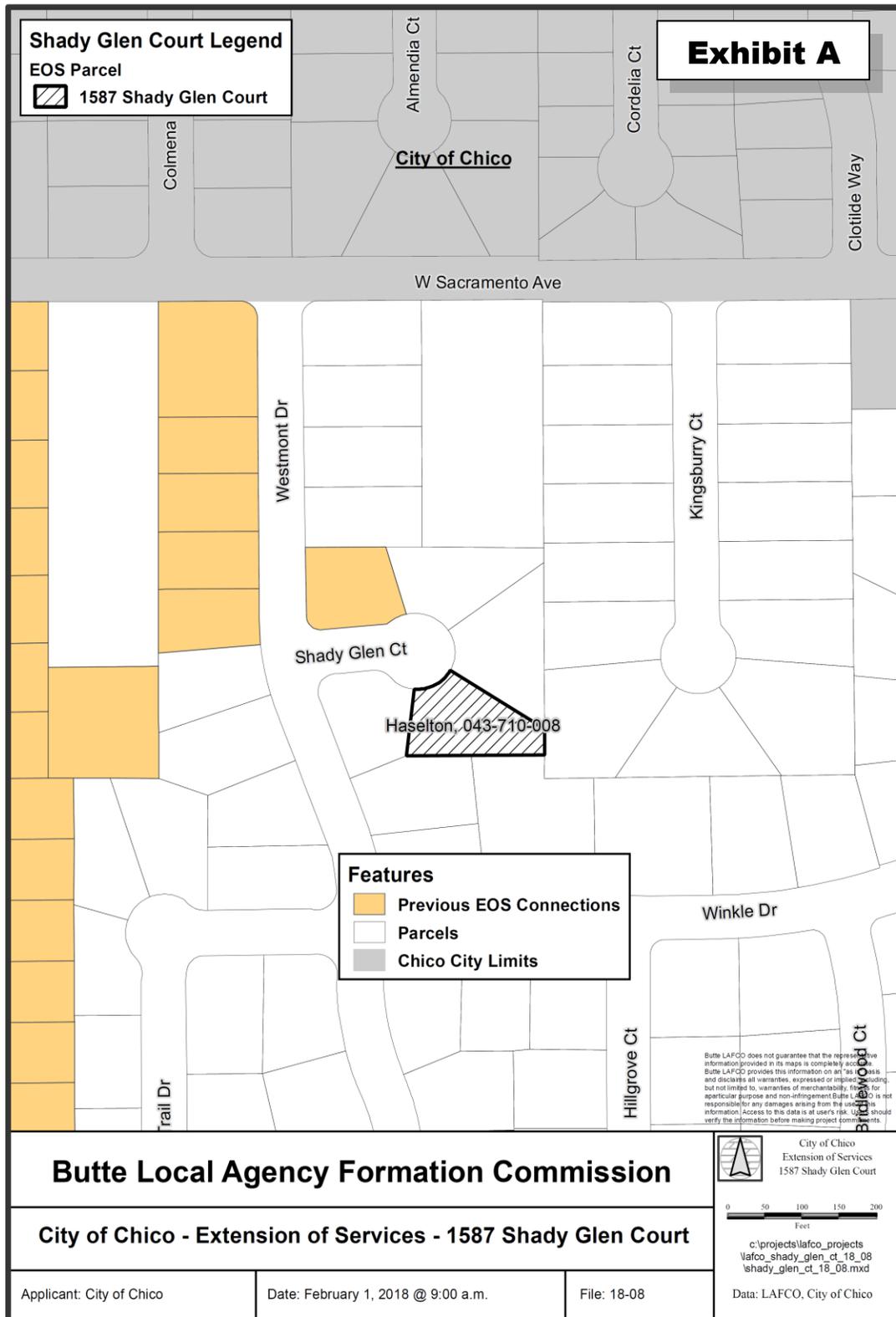
Proponent: City of Chico

Landowner: Curt Haselton

Location: The subject parcel is identified as Assessor’s Parcel Number 043-710-008 (1587 Shady Glen Ct.), Chico, CA. The parcel is located near the southeasterly side of Shady Glen Court off Westmont Drive in the Big Chico Creek Estates area of west Chico, Supervisorial District 2.

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

Requested Action: Adopt Resolution 08 2017/18 (**Exhibit B**) approving the extension of City of Chico sanitary sewer services.



DISCUSSION AND ANALYSIS

Background

The subject parcel is 0.33 acres in size and is the only undeveloped parcel on Shady Glen Ct. and may be the last undeveloped lot in Big Chico Creek Estates. Domestic water supply for the property would be provided by the California Water Service Company. Shady Glenn Ct. is a paved road with full frontage improvements (curbs, gutters and sidewalks) on the entire street. Land uses on the surrounding parcels are all single-family dwellings. A 10" City of Chico sewer line is located in the Westmont Drive right-of-way. The sewer line will be extended approximately 300 feet to Shady Glen Ct. The extension would also accommodate the future connection of three additional parcels on Shady Glen Ct. which are still on septic systems.

The Butte County Environmental Health Division has approved the installation of a new septic system on this lot with the restriction that the home can have no more than 3 bedrooms. Typical homes in the area are 3 to 4 bedrooms and are 2,000 to 3,000 square feet in size. The property owner wishes to build a 4 or 5 bedroom home to accommodate a family with 6 children. Given that the parcel is in a high nitrate area and the general public policy is to reduce the number of septic systems in high nitrate areas not add new systems, the extension of service would be in the overall public interest.

The parcel is not contiguous to the City of Chico jurisdictional boundaries. The nearest City of Chico boundary is located approximately 500 feet north of the subject parcel, with several intervening parcels. Annexation of the subject parcel would most likely require the annexation of 14 to 15 parcels to create a somewhat logical boundary which would include the 6 parcels in the vicinity that are already receiving sewer service. The parcel is part of a larger unincorporated area that covers 237 acres with 634 parcels. Approximately 225 parcels within this area are already receiving sewer service from the City under prior contracts. This larger area is also the subject of several annexation discussions that will result in eventual annexation. LAFCo staff had considered recommending an annexation be pursued in order to effect the provision of sewer service to this parcel, but this would burden the applicant with thousands of dollars of additional cost and a significant time delay to provide sewer to one undeveloped lot. The parcel owner is willing to pay for the cost of extending the sewer which is more costly than a septic system but it's unlikely that he would find that the additional cost of an annexation would make economic sense and will likely end up installing the septic system.

Land Use/Zoning Designations

The Butte County General Plan designates the subject parcel as Medium Density Residential (up to 6 dwelling units per acre) and the parcel is zoned Medium Density Residential (up to 6 dwelling units per acre). The City of Chico's General Plan designates the parcel as Low Density Residential (1 to 7 units per acre) and the City has prezoned the parcel as R1.

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 is generally defined by LAFCo as meaning the area is located within the agency's Sphere of Influence (Butte LAFCo Policy 4.5.4.A.5).
- Annexations to cities and special districts are generally preferred for providing public services (Butte LAFCo Policy 4.5.4.A.1).
- Local circumstances, health and safety, emergency service, or other 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 considered 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 immediately feasible, and in anticipation of a future annexation (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).

Requests 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 determines to condition the approval upon a later annexation of the affected property, the condition shall normally include a requirement that the owner record an agreement consenting to annex the territory, which agreement shall bind future owners of the property. A signed, notarized annexation agreement was not submitted with the extension of services application but will be required to be executed before the resolution is signed.

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 often 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 2006), 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 Westmont Drive right-of-way approximately 200 feet from the subject parcel.

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 undeveloped but is zoned to allow a single-family dwelling which what the applicant is proposing. 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 proposed use is also consistent with the County's General Plan land use designation of Low Density Residential and the County's zoning of Low 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 development of possibly the last undeveloped parcel in the Big Chico Creek Estates Subdivisions and will not drive or foster any additional development or change in land use which is well established as a single-family residential area.

- 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 or in the area. 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 located within the 237-acre, 634-parcel island area #8 (West Chico/Big Chico Creek Estates), which is approximately 52% surrounded by the City of Chico. The nearest City of Chico boundary is located approximately 500 feet to the north of the subject parcel, separated by several intervening parcels. As the island area is within the SOI, it is considered by policy to be anticipated for later annexation. The area is part of an on-going discussion for with the City of Chico regarding annexation.

A Butte LAFCo Annexation Consent Agreement and Covenant will be required to be executed which binds the current and future owners of the parcel to the future annexation of the parcel. The annexation consent agreement and covenant will be recorded with the Butte County Recorder's Office and all prospective buyers of the parcel will be aware of annexation requirement.

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 there is no possibility that the activity in question may have a significant effect on the environment, and is therefore exempt from CEQA review. The General Rule exemption is appropriate for this proposal because: 1) the issuance of a building permit for a single family dwelling is a ministerial action; 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.

Staff Recommendation

This proposal meets all of the five criteria established to review service extensions in that:

- 1) The City has documented its ability to provide service;
- 2) The proposal is consistent with current land use plans for the City;
- 3) The proposal will have an insignificant effect on growth and development;
- 4) The proposal will not cause impacts to agricultural land.
- 5) The parcel is located in the City of Chico SOI which is considered to be sufficient to make a finding that it's anticipated for later annexation.

This extension of services authorization is intended only for development on the affected parcel, which for this project is a single-family dwelling use. Staff recommends that the Commission approve the extension of City of Chico sanitary sewer services to the subject parcel, but with the following condition that prohibits new development that requires additional sewer service:

The authorization to extend City of Chico sewer services to the subject parcel (APN 043-710-008 - 1587 Shady Glen Ct.) is explicitly restricted to the development of the parcel in conformance with the current, zoning and development requirements of the County of Butte for a single-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.

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:

- 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. 08 2017/18 authorizing the City of Chico to provide sanitary sewer service outside the City's boundary to the property located at 1587 Shady Glen Ct. (APN 043-710-008) in the unincorporated Chico area.

OPTION 2 - DENY the proposal.

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

ACTION REQUESTED: Approve OPTION 1.

Respectfully submitted,

Craig Sanders

Craig Sanders
Deputy Executive Officer

Attachments:

Exhibit A: Area Map – pg. 2

Exhibit B: Draft LAFCo Resolution No. 08 2017/18 – pg. 7

Exhibit B

DRAFT

RESOLUTION NO. 08 2017/18

**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 1587 SHADY GLEN CT. (APN 043-710-008), 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 1587 Shady Glen Ct. (APN 043-710-008), 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 December 20, by the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, Part 1, Chapter 3, Section 56133 of the Government Code; and

WHEREAS, the subject parcel is not contiguous to the City of Chico's jurisdictional boundaries Chico; and

WHEREAS, the subject parcel has been authorized for the installation of a new on-site septic system for wastewater disposal, which would incrementally contribute to the high levels of nitrates found in the groundwater in the Chico area; and

WHEREAS, it is in the public interest to minimize the number of on-site wastewater disposal systems in the Chico Urban area due to high nitrate concentrations in the shallow groundwater aquifer; and

WHEREAS, a City of Chico sanitary sewer line is installed within 300 feet of the parcel to be served and the 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 February 1, 2018, 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 February 1, 2018, 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 January 24, 2018, for the meeting of February 1, 2018.
- B. The Commission authorizes the City of Chico to extend sanitary sewer service outside the City's boundary to the property located at 1587 Shady Glen Ct. (APN 043-710-008), in the unincorporated Chico area.
- C. The proposal is assigned the following short form designation: 18-08 - City of Chico – Extension of Services – 1587 Shady Glen Ct..
- D. The purpose of the extension of services is to allow the City of Chico to provide public sanitary sewer service to the subject parcel.
- E. The City of Chico's sanitary sewer system has adequate capacity to serve a new dwelling and a City of Chico sanitary sewer line is located within the Westmont Avenue right-of-way approximately 300 feet from the subject parcel.
- 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 to support the development of a single family dwelling on the subject parcel in accordance with County zoning and building regulations in effect at the time of building permit application.

Section 3. Conditions requested by LAFCo:

- A. All LAFCo fees must be paid in full prior to the extension of service authorization becoming effective.
- B. The authorization to extend City of Chico sewer services to the subject parcel (APN 043-710-008 – 1587 Shady Glen Ct.), allows the development of a single-family dwelling in accordance with the planning and building regulations of the County of Butte Development Services Department. Prior to the City of Chico or County of Butte authorizing or otherwise allowing any new or additional

development on the parcel, 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 1st day of February 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

ATTEST:

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission