

M E M O R A N D U M

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer

SUBJECT: **Agenda Item 7.1 - Executive Officer's Report**

DATE: May 28, 2014 for the meeting of June 5, 2014

ADMINISTRATION: None

PROJECT NOTES:

1. Staff has provided comments (Attachment 1) to the County on the 118 acre/139 unit Durham Villas Planned Development being processed by the County and generally located at the southeast corner of the intersection of the Midway and Durham Dayton Highway in "downtown" Durham. Of chief concern to Staff are: 1) the conversion of agricultural lands; 2) the provision of water services from the Durham Irrigation District which will require a MSR/SOI update and 3) the proposal to form one or more governance entities (County Service Area, Community Service District) to manage on-site services. The Commission is asked to consider the comments and offer any additional thoughts to staff for future consideration.

2. Staff has provided comments (Attachment 2) to the City of Chico on the proposed Pomona Avenue Annexation No. 6 which would annex a 7.5 acre parcel for the construction of 152 unit student housing complex located on the south side of Pomona Avenue on the southern boundary of the City abutting the Greenline. Of chief concern to Staff are: 1) the proposed boundaries of the annexation and 2) impacts to the neighboring agricultural processing facilities operated by Blue Diamond Growers and North State Hulling. The Commission is asked to consider the comments and offer any additional thoughts to staff for future consideration.

GENERAL NOTES:

On May 8, 2014, Staff accompanied by Supervisor/Commissioner Connelly, met with representatives from the City of Oroville (Mayor/City Manager/Development Services Director) and the Friends of Southside to discuss an annexation strategy/plan for the south Oroville area commonly referred to as Southside. All participants demonstrated an interest in seeing Southside annexed before the end of 2014 and the City indicated support for initiating a resolution of application by October 1, 2014. A critical component of this process is the annexation feasibility study currently being prepared by a consultant under contract to the County which is not expected to be completed until the end of June. With the completion of this study, the true costs of annexation to the City will be known allowing for the City and County to develop potential agreements concerning fiscal impacts to the City, most notably, law enforcement.

Concurrently with these efforts, the Friends of Southside have submitted a letter (Attachment 3) stating their intent to circulate a petition in support of annexation in order to keep the annexation process moving should the City or County fail to do so. The Executive Officer has met regularly with this group to advise of City/County progress and provide guidance on the petition process. It is expected the "Friends" will submit a formal Notice of Intent to Circulate Petition within the next few weeks.

LEGISLATIVE NOTES:

1. The Executive Officer, as a part of his CALAFCO functions, participated in the Special Districts Legislative Days on May 21, 2014. This forum allowed special district board members to meet CALAFCO staff and discuss legislation (current/future) related to LAFCOs that may affect districts. Most notably changes in the manner special district representatives are selected, LAFCOs oversight of joint powers authorities and various water bills intended to increase LAFCOs role in evaluating water supplies to DUCs.

2. The Executive Officer (on the same day) also met with representatives of the Governor's Office of Planning and Research to discuss the Governor's proposals that address groundwater management. Most notably, the expedited creation of groundwater management districts in counties where no such entities exist or where there is a lack of coordination between cities, a county and affected special districts. This issue has very real consequences in that the state is becoming increasingly insistent that if effective "local" controls are not implemented, the State may impose such controls from Sacramento. Current proposals addressing the issue of groundwater provide for varying degrees of LAFCo involvement from sharing information from MSRs to taking a lead role in the formation of new districts. This issue is very fluid at this point and as proposals are vetted more thoroughly, the Commission will be provided with updates.

FINANCIAL REPORT: See Exhibit 1.

APPLICATION ACTIVITY See Exhibit 2

Attachments: 1. LAFCO Staff comments on the proposed Durham Villas Subdivision
2. LAFCO Staff comments on the Proposed Pomona Avenue Annexation
3. May 12, 2014 letter from Friends of Southside

Exhibit 1 - FINANCIAL REPORT

		2013/14				
		Adopted	Special Projects	Total	As of 5/27/2014	%
Funding Sources:						
101001	Fund Balance	93,986.00	6,224.00	100,210.00	-	
4410101	Interest	7,000.00	-	-	2,734.90	
4410103	*Unrealized Gain/Loss	-	-	-	1,266.33	
4547970	County Funding	218,628.00	-	-	218,628.00	
4547971	Cities Funding	218,628.00	-	-	218,628.00	
4547972	Special Districts' Funding	48,584.00	-	-	48,586.00	
4617230	Filing Fees	35,000.00	-	-	21,155.94	
4712523	Miscellaneous	-	-	-	248.81	
4711308	SOI Trust Fund Transfers	50,000.00	-	-	-	
4712531	Reimbursement of P/Y Expenditures	-	-	-	-	
Total Funding Sources		671,826.00	6,224.00	678,050.00	511,247.98	75.40%
Expenditures:						
511	Salaries & Wages	338,870.00	-	338,870.00	259,081.48	
518	Employee Benefits	138,540.00	-	138,540.00	120,039.35	
523	Communications	3,740.00	-	3,740.00	3,458.33	
526	Household Expense	750.00	-	750.00	31.57	
527	General Insurance	4,096.00	-	4,096.00	4,035.98	
528	Compensation Insurance	2,000.00	-	2,000.00	1,242.06	
533	Memberships	4,220.00	-	4,220.00	4,072.00	
535	Office Expense	3,750.00	11,000.00	14,750.00	2,910.32	
536	Professional & Specialized Services	46,350.00	6,224.00	52,574.00	56,092.68	
537	Publications & Legal Notices	1,900.00	-	1,900.00	1,402.43	
538	Rents & Leases - Buildings	23,419.00	-	23,419.00	17,433.45	
539	Rents & Leases - Equipment	300.00	-	300.00	225.00	
541	Special Departmental Expense	3,500.00	-	3,500.00	1,587.00	
542	Data Processing	-	-	-	5,010.00	
543	Transportation & Travel	19,750.00	-	19,750.00	15,003.49	
544	Utilities	3,300.00	-	3,300.00	2,636.42	
554	**County Support Services	26,341.00	-	26,341.00	-	
580	Appropriation for Contingencies	30,000.00	-	30,000.00	-	
101001	Appropriation for Reserve	10,000.00	-	10,000.00	-	
Total Expenditures		660,826.00	17,224.00	678,050.00	494,261.56	72.89%

* Unrealized gain/loss is based on cash @ years' end and is a requirement of audited financial statements. Figure is booked and reversed in new year.

**Beginning in FY 2013/14, County Support Services have been integrated within Services & Supplies.

Exhibit 2 - APPLICATION ACTIVITY

Project Status As of May 28, 2014

File	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCO Hearing Date	Certificate of Completion	SBE Submittal Date	Additional Comments
11-06	Butte County	CSA No. 114 - Expansion of Powers	02/02/11	N/A	pending	N/A	N/A	Incomplete - On Hold
11-22	Oroville	SOI Plan Update	06/21/12	N/A		N/A	N/A	Incomplete
13-15	Chico	Stewart Ave. Annexation No. 3	05/02/13	12/09/13	02/06/14			Need updated map & legal descrip.
13-21	Chico	Ext. of Services - 1420 Boucher St.	02/07/13	N/A		N/A	N/A	Incomplete -Ck for Fees Returned
14-02	Chico	Boucher Street Annexation No. 06	11/13/13	02/03/14	04/01/14			landowner petition
14-05	Chico	Ext. of Services - 1406 Boucher St.	12/17/13	N/A	03/06/14	N/A	N/A	applicant: landowner
14-06	Chico	Ext. of Services - 970 Wisconsin St.	03/24/14	N/A	05/01/14	N/A	N/A	Approved
14-07	Chico	Ext. of Services - 710 Oak Lawn Ave.	04/07/14	N/A	06/05/14	N/A	N/A	
14-08	Chico	Ext. of Services - 733 Colorado St.	04/18/14	N/A	06/05/14	N/A	N/A	
14-09	Chico	Ext. of Services - 1349 Guill St.	04/23/14	N/A	06/05/14	N/A	N/A	
14-10	Chico	Ext. of Services - 792 Cleveland Ave.	04/14/14	N/A	06/05/14	N/A	N/A	
14-11	Chico	Ext. of Services - 877 Cleveland Ave.	05/07/14	N/A	06/05/14	N/A	N/A	
14-12	Chico	Ext. of Services - 558 East 23rd St.	05/07/14	N/A	06/05/14	N/A	N/A	
14-13	Chico	Ext. of Services - 867 Cleveland Ave.	05/12/14	N/A	06/05/14	N/A	N/A	
14-14	Chico	Ext. of Services - 1221 Martin St.	05/28/14	N/A	07/03/14	N/A	N/A	
SP-57	LAFCo	Gateway at Butte Creek						Consultation



BUTTE LOCAL AGENCY FORMATION COMMISSION

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May 22, 2014

Sent Via Email to: cthistlethwaite@buttecounty.net

Chuck Thistlethwaite, Planning Manager
Butte County Department of Development Services
7 County Center Drive
Oroville, CA 95965

RE: TSM 10-0001 - Durham Villas - Notice of Preparation Comments

Dear Chuck,

Thank you for the courtesy of requesting comments concerning the Notice of Preparation for the Durham Villas Subdivision - TSM 10-0001. Attached are our previous comments for TSM10-0001, dated January 12, 2010, and revised January 24, 2012. These comments are applicable to the preparation of the draft environmental impact report for this project. We do want to provide additional comments as follows.

The NOP and the initial study note the following:

1. A sphere of influence amendment and annexation to the Durham Irrigation District (DID);
2. The formation of a County Service Area (CSA) for the management of wastewater collection and disposal in a community leach field; and
3. The formation of a Landscape and Lighting District and a Community Services District (CSD) for the maintenance of a proposed community center, park, walking path around the project site and public open space areas.

It is not clear in the NOP/Initial Study as to what services will be provided by the proposed CSD and what services will be provided by the proposed Landscape and Lighting District. The formation of a CSA, a CSD, and a Landscape and Lighting District appears to be redundant, as either the CSA or the CSD could be the sole mechanism to provide all of the services noted in paragraphs 2 and 3 above. LAFCo policy supports - and staff recommends - that only one special district be formed to provide the noted services to the proposed PUD. The formation of a special district will require the preparation of Sphere of Influence Plan and a Municipal Service Review by LAFCo. The mechanism to provide these services (CSA or CSD) should be identified prior to the preparation of the DEIR and analyzed in the DEIR. Formation of a new district will require the applicant to provide all necessary application processing fees to LAFCo to accomplish this task.

It should be noted that LAFCo staff supports the future creation of one CSD that encompasses the whole Durham community area, including the Durham Villas PUD. The CSD could provide much needed services to the Durham community, including but not limited to domestic water, wastewater collection and treatment, street lighting, and parks and recreation services. All existing districts within the Durham area (DID, Durham Recreation and Parks District, various CSAs, and the CSA/CSD/Landscaping and Lighting District(s) created for the Durham Villas PUD) would be consolidated to form the new CSD. This would provide for a unified and

consistent governance approach that could maximize citizen participation and provide for a more streamlined delivery of services.

The sphere of influence amendment and annexation to DID will require LAFCo to review and update the District's current SOI through the preparation of a Sphere of Influence Plan for the District and an update to the District's current Municipal Service Review. The District must formally request that LAFCo update their Sphere of Influence and update the District's Municipal Service Review. The District will be responsible for providing funding for these projects to LAFCo.

Section N of the initial study notes that formation of a Landscape and Lighting District requires LAFCo approval. However, a Landscape and Lighting District is a type of benefit assessment district created by a city or a county, subject to approval by a majority vote of the effected property owners. LAFCo does not play a role in the creation of a Landscape and Lighting District.

Section 4.17 (Utilities and Service Systems) notes that the developer proposes the formation of a County Services District. I believe that this should be "County Service Area" as noted correctly in Mitigation Measure Util-1. As also noted previously, this section does not state what specific service(s) will be provided by each proposed district and this needs to be clearly stated in the DEIR.

Thank you for the opportunity to provide comments on this proposal. Should you have any questions or require additional comments, please contact myself or LAFCo Executive Officer Stephen Lucas at 538-7784.

Sincerely,

Steve Betts

Stephen Betts
Deputy Executive Officer

Attachment: Revised Comments of January 24, 2012

cc: LAFCo Commissioners



BUTTE LOCAL AGENCY FORMATION COMMISSION

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MEMORANDUM

TO: Chuck Thistlethwaite, Planning Manager, Butte County Planning Division

FROM: Stephen Lucas, Executive Officer (x 6819)

SUBJECT: TSM10-0001 (Keeney & Jones) - APN 040-200-083

DATE: January 12, 2010 (*revised January 24, 2012*)

The subject parcel is located within the boundaries of the following local agencies:

Tax Rate Area 070-002

1. Durham Mosquito and Vector Control District
2. Durham Recreation and Park District
3. Durham Unified School District
4. Butte Community College District
5. CSA No. 164 (Animal Control)
6. Butte County Resource Conservation District

- NOTE:**
- 1. PLEASE DIRECT TO LAFCO A COPY OF THE ADVISORY AGENCY PUBLIC HEARING NOTICE AND STAFF REPORT FOR THIS PROJECT WHEN COMPLETED.**
 - 2. PURSUANT TO CEQA GUIDELINES SECTION 15073, PLEASE PROVIDE TO LAFCO AS AN ANTICIPATED RESPONSIBLE AGENCY, THE NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION WITH A COPY OF THE PROPOSED NEGATIVE DECLARATION AND INITIAL STUDY ATTACHED.**
 - 3. PLEASE ENSURE THAT OUR COMMENTS AND CONCERNS LISTED BELOW ARE NOTED AND ADDRESSED IN THE INITIAL STUDY AND IN THE PLANNING COMMISSION STAFF REPORT.**

Please accept the following comments concerning the above referenced project:

1. If urban type services (e.g. landscaping, drainage, fire protection, etc.) for the new development are proposed to be provided through annexation to an existing local agency or by a formation of a new local agency, such as a county service area (CSA) or a community service district (CSD), the initial study needs to identify exactly what type of mechanism will be utilized. Such specificity is needed in order to allow for a complete and meaningful analysis of the project.

LAFCo as the authorizing agency for an annexation or formation should be consulted early to allow for a meaningful analysis of the issue prior to County consideration of the development application. This early coordination will allow for the anticipated LAFCO action to be fully integrated into the project review process and should result in the proposal being:

- Fully described in the project description; and
- Fully addressed in the appropriate environmental documents; and
- Circulated to LAFCO for review as an agency with an approval role; and
- Fully integrated into the public hearing process.

The absence of this early coordination and failure to address the LAFCO related issues as described will require additional environmental review and related studies at such time an annexation/formation is requested resulting in unnecessary costs and delays. It should be understood that such a request would be reviewed based on state law and local LAFCO policies which are clearly directed at maximizing service efficiencies, minimizing the creation of new governmental entities, limiting urban sprawl and directing new development to areas with existing urban service providers.

If the County proposes to create a new County Service Area/Community Service District to provide services to the project, a Plan for Services for the CSA/CSD would need to be prepared by the County. Additionally, a Municipal Service Review (MSR) and Sphere of Influence Plan (SOI) would need to be prepared and adopted by LAFCO in cooperation with the County. The MSR/SOI would be used to determine what type of services the CSA/CSD is expected to provide and the extent to which it is expected to do so. As an alternative to a CSA/CSD, the County could form a Landscaping and Lighting District or a Benefit Assessment District to provide urban services to the project. These types of districts do not require LAFCO review or approval.

Please note that if a new CSA is proposed to be formed, LAFCo will require that the proposed CSA budget include in it an annual payment to LAFCo to fund a sphere of influence review and a municipal services review for the CSA, which is required to be accomplished by LAFCo once every five years. We request that the County consult with LAFCo to determine the appropriate level of funding prior to the County conducting the Proposition 218 proceedings.

2. The tentative subdivision map notes that domestic water for the proposed project will be provided by the Durham Irrigation District (DID). The project site is outside of Durham Irrigation District's Sphere of Influence and district boundaries, which are coterminous with each other (information on DID, including a District map, can be found on LAFCo's webpage – www.buttelafco.org). In order for DID to provide domestic water to the project Butte LAFCo must first review and approve a Municipal Service Review update and a Sphere of Influence Plan update for DID, along with the annexation of the project parcel. DID must submit the necessary applications, filing fees, and Sphere of Influence fees to LAFCO. The environmental documentation that the County will prepare for the tentative subdivision project should include an analysis of the SOI amendment and

annexation actions; otherwise a separate environmental review will need to be prepared to review these actions.

It should be noted that the 2006 LAFCO Municipal Service Review (MSR) for DID found the District's facilities and infrastructure to be aging and in need of maintenance and/or replacement. A current evaluation of the District's services may result in determinations that could impact the District's sphere expansion and ability to serve the proposed project.

3. As shown on the County's GIS aerial photograph layer, an orchard is found on the project parcel. One of the primary goals of LAFCo is to preserve agricultural and open space lands. If a LAFCO action is required to implement this project (such as annexation to/formation of, a district), the project must be consistent with Section 2.13 of the Butte LAFCO Policies, which addresses the conservation of agricultural and open space lands, with a purpose of preserving open space and prime agricultural lands. Section 2.13 states:

2.13 Agricultural and Open Space Land Conservation.

Among LAFCO's core purpose is the preservation of open space lands and prime agricultural lands. The Commission will exercise the powers to conserve prime agricultural land as defined in Section 56064 of the Government Code, open space land as defined in Section 65560 of the Government Code, and unique farmland and land of statewide importance defined in PRC 21060.1, pursuant to the following standards. In order to more effectively carry out this mandate, the Commission may develop local standards to define and identify prime agricultural and open space lands.

2.13.1 Conditions for Approval of Prime Agricultural/Open Space Land Conversion.

LAFCO will apply a heightened level of review when considering proposals for changes of organization or reorganization that are likely to result in the conversion of prime agricultural/open space land use to other uses. Only if the Commission finds that the proposal will lead to planned, orderly, and efficient development, will the Commission approve such a conversion. For purposes of this standard, a proposal leads to planned, orderly, and efficient development only if all of the following criteria are met:

- The land subject to the change of organization or reorganization is contiguous to either lands developed with an urban use or lands within the sphere and designated for urban development;
- The proposed development of the subject lands is consistent with the Sphere of Influence Plan, including the Municipal Service Review of the affected agency or agencies and the land subject to the change of organization is within the current 10-year Sphere of Influence boundary;
- The land subject to the change of organization is likely to be developed within five years. In the case of very large developments, annexation should be phased wherever feasible. If the Commission finds phasing infeasible for

specific reasons, it may approve annexation if all or a substantial portion of the subject land is likely to develop within a reasonable period of time;

- Insufficient vacant non-prime or open space land exists within the existing agency boundaries or applicable 10-year Sphere of Influence that is planned and developable for the same general type of use; and,
- The proposal will have no significant adverse effect on the physical and economic integrity of other agricultural/open space lands.

Section 56064 of the Government Code defines “Prime Agricultural Land” as follows:

56064. "Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:

(a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.

(b) Land that qualifies for rating 80 through 100 Storie Index Rating.

(c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003.

(d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual bases from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.

(e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.

If LAFCo action is required for this project, the initial study or EIR that will be prepared needs to analyze the proposal with respect to Government Code Section 56064 and Butte LAFCo Policy Section 2.13.

4. If any LAFCo action is required, pursuant to Butte LAFCo Policy 2.13.4. in making the determination whether conversion will adversely impact adjoining prime agricultural, LAFCo will consider the following factors:
 - a. The agricultural/open space significance of the subject and adjacent areas relative to other agricultural/open space lands in the region;
 - b. The use of the subject and the adjacent areas;
 - c. Whether public facilities related to the proposal would be sized or situated so as to facilitate the conversion of adjacent or nearby agricultural/open space land, or will be extended through or adjacent to any other agricultural/open space lands which lie between the project site and existing facilities;
 - d. Whether natural or man-made barriers serve to buffer adjacent or nearby agricultural/open space land from the effects of the proposed development; and,

- e. Applicable provisions of the County's General Plan Agricultural Element, Open Space and Land Use Elements, applicable growth-management policies, or other statutory provisions designed to protect agriculture or open space.
5. The State Legislature has charged LAFCOs with carrying out changes in governmental organization to promote specified legislative policies codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCO's responsibilities include:
- Encourage orderly growth and development;
 - Encourage the logical formation and determination of boundaries;
 - Ensure that affected populations receive adequate, efficient and effective governmental services; and
 - Exercise its authority to guide development away from open space and prime agricultural land uses unless such actions would not promote planned, orderly, and efficient development.

The proposed project does not appear to readily conform to these goals as the project will result in the conversion of prime agricultural land on the heretofore undeveloped, east side of the railroad tracks to a low density residential use that does not facilitate the creation of a compact urban form consistent with the existing Durham core, maximize the use of scarce available agricultural lands, or result in the most efficient provision of urban type services. These are fundamental issues to LAFCO pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and will be of consequence if any LAFCO action should be required.

6. It is proposed that sewer service to the proposed development will utilize a community collection/leachfield system to be owned and operated by a yet to be formed County Sanitation District. The formation of a County Sanitation District is a major undertaking that is currently not been initiated by the County. Such a district may take a year or more to develop and could ultimately be rejected by the County Board, LAFCo or the voters at election. Given the proposal also suggests the formation of a Community Services District to manage the community facilities; it could also have the powers to collect and treat and sewage (and oversee the agricultural/open space components and ring levee). It appears additional review is necessary to compare the sewage disposal options and the most appropriate oversight mechanism that provides comprehensive services and the greatest efficiency. In both cases, the districts suggested are traditionally formed to address service issues in a larger geographic area and greater populations that allow for greater efficiencies and financial support.

If a Community Services District is pursued, it may also be appropriate to consider how such a district may also be able to augment/supplement services to the core Durham community west of the railroad tracks.

Thank you for providing us with the opportunity to comment on this project. If you have any questions concerning these comments, please contact our office at your convenience.



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March 13, 2014

Mike Sawley, Associate Planner
City of Chico
P.O. Box 3420
Chico, CA 95927

RE: Review of the Initial Study/Mitigated Negative Declaration for the Proposed City of Chico
Pomona Avenue Annexation District No. 6 (ANX 13-02)

Dear Mr. Sawley:

Thank you for presenting the Butte Local Agency Formation Commission (LAFCo) with the opportunity to comment on the Initial Study/Mitigated Negative Declaration for the City of Chico's proposed Pomona Avenue Annexation District No. 6 (File No. ANX 13-02). LAFCo will be a responsible agency for environmental review for the proposed annexation and intends to use the initial study in fulfilling its regulatory and planning responsibilities under the authority of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §56000 et seq.). These duties include, but are not limited to, approving annexations, sphere of influence updates, and special district formations, consolidations, or dissolutions.

In reviewing the initial study, LAFCo's primary consideration pertains to the Air Quality, Land Use and Planning, Noise, Public Services, and Utilities sections of the initial study. Our comments on the initial study follow.

Section G (Project Description)

Paragraph 1 of this section notes that the project includes the annexation of 7.5 acres of land to the City of Chico. This section also notes that the annexation process could result in a greater amount of land annexed to the City than was proposed to LAFCo and the initial study analyzes up to 12 acres of land for annexation. The project description does not identify, either by a map or by Assessor's Parcel Numbers, the additional area that is identified for possible annexation to the City of Chico. We believe that the additional annexation area that is analyzed in the initial study includes APNs 004-520-003, 004-520-004, 004-520-005, and 004-520-023, which total approximately 4 acres in size. Please confirm that these four parcels constitute the additional annexation area that is analyzed in the initial study.

LAFCo may choose to add additional parcels to the annexation proposal to ensure logical, effective, and efficient jurisdictional boundaries and to eliminate unincorporated island areas. In addition to the four parcels noted above, LAFCo may consider adding an additional 29 parcels totaling approximately 12.2 acres to the annexation proposal. The 12.2-acre area is located on the south side of Pomona Avenue to the east of the proposed apartment complex and along Pomona Lane. As a

result of the City's proposed annexation, this 12.2-acre area would become substantially surrounded by the City of Chico and it would be very inefficient for the County to provide services to this area.

The second to last paragraph on Page 2 notes that land uses on the surrounding parcels include a mix of multi-family and single-family residential uses. No mention is made of the large agricultural processing facilities to the south/southwest of the project site. This will likely be a critical consideration for the Commission given its charge to minimize impacts to agricultural uses.

The last paragraph on Page 2 notes that the project applicants propose to install an eight-foot high masonry fence (wall) with a double row of evergreen trees planted along the project boundary that is coterminous with the Chico Greenline. The conceptual development plan for the proposed apartment complex project found on Page 4 of the initial study does not show the location of the wall or the double row of trees.

It is LAFCo's understanding that the City has not yet approved the site design and architectural review for the proposed apartment complex. The conceptual development plan for the proposed apartment complex project found in the initial study is not adequate for LAFCo's future review of the annexation application. The City must submit a more detailed site plan with the annexation application. Preferably, a site plan approved by the City would be submitted with the annexation application.

Page 10/11 – Section B (Air Quality)

This section notes that residents of the proposed apartment complex will be exposed to dust from the adjacent agricultural processing facilities adjacent to the project site. However, the initial study concludes that the residents of the apartment complex will not be impacted by the dust because an 8-foot tall masonry wall with a double row of redwood trees will be installed along on the project site's south boundary, which will prevent dust-related impact to the residents. This section also notes that the residents of the proposed apartment complex can shut their windows during periods that the almond processing facility is in operation.

What studies have been conducted to show that the 8-foot tall wall and the two rows of redwood trees will actually reduce dust impacts to the residents of the proposed apartment complex? Is this design an acceptable means to prevent or lessen the amount of dust reaching the project site? Has the Butte County Agricultural Commissioner's Office and the Butte County Air Quality Management District reviewed and approved of the wall/tree design? What mechanism will be put into place by the City to ensure the maintenance and the replacement of the wall and the redwood trees by the landowner?

The initial study also notes that the residents of the proposed apartment complex choose to live there and by that virtue knowingly accept the fact that they will be exposed to dust and noise from the adjacent agricultural processing facilities. Will the residents be formally notified of their possible exposure to dust and noise from the adjacent agricultural processing facilities prior to their signing a lease or rental agreement?

Page 19. Section I.7 (Land Use and Planning - Agricultural Impacts)

The south boundary of the project site is located along the Chico Greenline and numerous agricultural uses (orchards and agricultural processing facilities) are located nearby or adjacent to the site. The initial study notes that the project site is not located on prime agricultural soils as identified by the California Dept. of Conservation's Farmland Mapping and Monitoring Program, which identifies the site as "Urban and Built-up Land." Butte LAFCo Policy 2.13.5 states that land on the urban side of the Greenline shall not be considered prime agricultural land while all land on the other side of the Greenline will be considered prime agricultural land.

Among LAFCo's core purpose is the preservation of open space lands and prime agricultural lands. The Commission will exercise the powers to conserve prime agricultural land as defined in Section 56064 of the Government Code, open space land as defined in Section 65560 of the Government Code, and unique farmland and land of statewide importance defined in PRC 21060.1, pursuant to Butte LAFCo policies.

LAFCO will apply a heightened level of review when considering proposals for changes of organization or reorganization that are likely to result in the conversion of prime agricultural/open space land use to other uses or have an impact to adjoining/nearby agricultural uses. Only if the Commission finds that the proposal will lead to planned, orderly, and efficient development, will the Commission approve such a conversion. For purposes of this standard, a proposal leads to planned, orderly, and efficient development only if all of the following criteria are met (Butte LAFCo Policy 2.13.1):

- The land subject to the change of organization or reorganization is contiguous to either lands developed with an urban use or lands within the sphere and designated for urban development;
- The proposed development of the subject lands is consistent with the Sphere of Influence Plan, including the Municipal Service Review of the affected agency or agencies and the land subject to the change of organization is within the current 10-year Sphere of Influence boundary;
- The land subject to the change of organization is likely to be developed within five years. In the case of very large developments, annexation should be phased wherever feasible. If the Commission finds phasing infeasible for specific reasons, it may approve annexation if all or a substantial portion of the subject land is likely to develop within a reasonable period of time;
- Insufficient vacant non-prime or open space land exists within the existing agency boundaries or applicable 10-year Sphere of Influence that is planned and developable for the same general type of use; and,
- The proposal will have no significant adverse effect on the physical and economic integrity of other agricultural/open space lands.

If any LAFCo action is required, pursuant to Butte LAFCo Policy 2.13.4. in making the determination whether conversion will adversely impact adjoining prime agricultural, LAFCo will consider the following factors:

- a) The agricultural/open space significance of the subject and adjacent areas relative to other agricultural/open space lands in the region;
- b) The use of the subject and the adjacent areas;
- c) Whether public facilities related to the proposal would be sized or situated so as to facilitate the conversion of adjacent or nearby agricultural/open space land, or will be extended through or adjacent to any other agricultural/open space lands which lie between the project site and existing facilities;
- d) Whether natural or man-made barriers serve to buffer adjacent or nearby agricultural/open space land from the effects of the proposed development; and,
- e) Applicable provisions of the County's General Plan Agricultural Element, Open Space and Land Use Elements, applicable growth-management policies, or other statutory provisions designed to protect agriculture or open space.

The project has the potential to create a significant impact to the adjacent agricultural processing facilities due to residents of the proposed apartment complex complaining about dust and noise, which could ultimately result in the closing of the agricultural processing facilities. The initial study does not provide sufficient information on the ability of the proposed buffer (8-foot tall wall and the two rows of redwood trees) to prevent, or reduce to a less than significant level, dust and noise impacts to the residents of the apartment complex.

Page 19. Section J (Noise)

The initial study notes that the residents of the proposed apartment complex will not be subject to significant noise levels generated by the agricultural processing facilities adjacent to the project site. However, no evidence is provided, such as the results of a noise study, to support that conclusion. It is fairly common knowledge that agricultural processing facilities/uses can be significant noise generators that often go unnoticed for most of the year until harvest season begins.

Page 21.

Please note that there are two Section Ls on this page – Population/Housing and Public Services.

Page 21. Section L (Public Services)

This section states that development impact fees, which will be collected in conjunction with building permits, will support the ongoing provision of public safety, schools, parks, street facility maintenance, and other governmental services for the annexed area. However, development impact fees are levied on new development to cover the cost of infrastructure or facilities necessitated by that development and cannot be utilized to support the provision of ongoing, day-to-day governmental services. The City has informed LAFCo numerous times of the City's current, ongoing financial difficulties and LAFCo is well aware of the City's reluctance to annex any territory due to the impact an annexation would have on existing City service levels. The initial study should explain in detail how the City of Chico would be able to provide adequate, ongoing City services to the proposed apartment complex without affecting existing City service levels.

Page 24. Section N (Utilities)

This section states that all utilities (water, storm drain, sewer, gas, phone, and electric facilities) are currently located on or adjacent to the site and have available capacity to serve the proposed project,

and that there are existing sewer lines in Pomona Avenue with capacity to provide sanitary sewer service to the project. These are blanket statements and the initial study does not provide the necessary level of analysis that demonstrates that these utilities actually have adequate capacity to serve the project site. The initial study should be revised to provide the needed level of analysis to ensure that these utilities have adequate capacity to provide the necessary service to the project site.

This section notes that there is an existing water line located on Pomona Avenue that has adequate capacity to serve the proposed project. The initial study does not note that the domestic water supplier for the project - the California Water Service Company – has an adequate water supply and pumping capacity to serve the project.

Distribution of the Initial Study

The initial study did not include a list showing what agencies were sent a copy of the initial study for review and comment. We recommend that the City ensure that the following agencies or organizations were sent a copy of the initial study for review and comment:

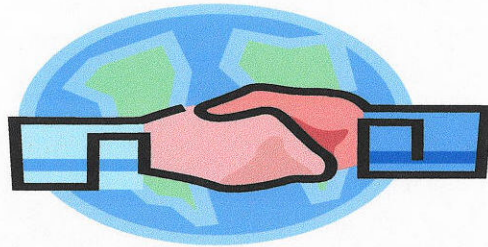
- Butte County Air Quality Management District
- Butte County Agricultural Commissioner's Office
- Butte County Public Works Department - Land Development Division
- Butte County Department of Development Services
- Butte County Farm Bureau

Thank you again for providing us the opportunity to review the initial study for the City's proposed Pomona Avenue annexation. We recommend that the initial study be revised pursuant to our comments and any other comments that may be received, and be recirculated for public review. This will ensure that the public, the City Council, and the Commission have the necessary information to make an informed, legally adequate environmental determination for the proposed annexation.

Sincerely,

Steve Betts

Steve Betts
Deputy Executive Officer



LAFCO
MAY 20 2014
OROVILLE, CA

FRIENDS OF SOUTHSIDE

May 12, 2014

Local Agency Formation Commission
1453 Downer Street Suite C
Oroville, Ca. 95965

Dear Mr. Lucas:

We, the undersigned, are concerned that the area of Oroville, commonly referred to as Southside continues un-annexed after fifty years of negotiation. The request for annexation is not unreasonable nor is the process difficult. We do not understand the City's reluctance to expedite the process.

Our concerns rise from the following issues:

1. The area is socioeconomically distressed and disenfranchised from the city. The residents have no voice in the decisions made by the city, many of which affect their lives. This is both a moral and a civil rights issue.
2. Oroville's continued cultural growth, development, and enrichment depend upon the diverse voices that are represented in that area.

We realize there are financial considerations, and the increase in tax revenue will not completely cover those costs. The largest of those expenses, being police patrolling of the area. However, the Butte County Sheriff's Department has agreed to continued coverage of their service, decreasing it slowly over a five to ten year period.

For these reasons it is our intention to begin the process of the circulation of a petition to request annexation. We are therefore requesting your guidance through the process to insure the projects satisfactory conclusion.

Respectfully,

A handwritten signature in blue ink that reads 'Marlene Del Rosario'.

Marlene Del Rosario
Committee Member: Friends of Southside
(530) 533-5421