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

TO: Local Agency Formation Commission

FROM: Stephen Betts, Deputy Executive Officer

SUBJECT: *LAFCo File 14-01 – City of Chico – Oak Way Annexation No. 3*

DATE: November 20, 2013, for the December 5, 2013, LAFCo Meeting

Summary

Proposed is the annexation of one parcel to the City of Chico (See **Exhibit A**). This uninhabited annexation would allow the extension of all City of Chico municipal services to the subject territory for an existing single-family residential use. The subject parcel is already receiving City of Chico sanitary sewer service. The proposal is a reorganization because the affected territory is within County Service Areas 36, 114, 164, and the Butte County Resource Conservation District and the territory will be detached from these districts. As part of the proposal, staff recommends that the Commission waive automatic detachment proceedings for County Service Area 24. The proposal substantially conforms to LAFCo policy and the Executive Officer recommends approval of this proposal.

General Information

Application Submitted: October 18, 2013

Application Deemed Complete: November 6, 2013

100% Landowner Consent: Yes

Notice and Hearing Required: No

Proponent: City of Chico City Council, by Resolution 62-13

Landowner: Joanna Dunlap and Todd Gibson

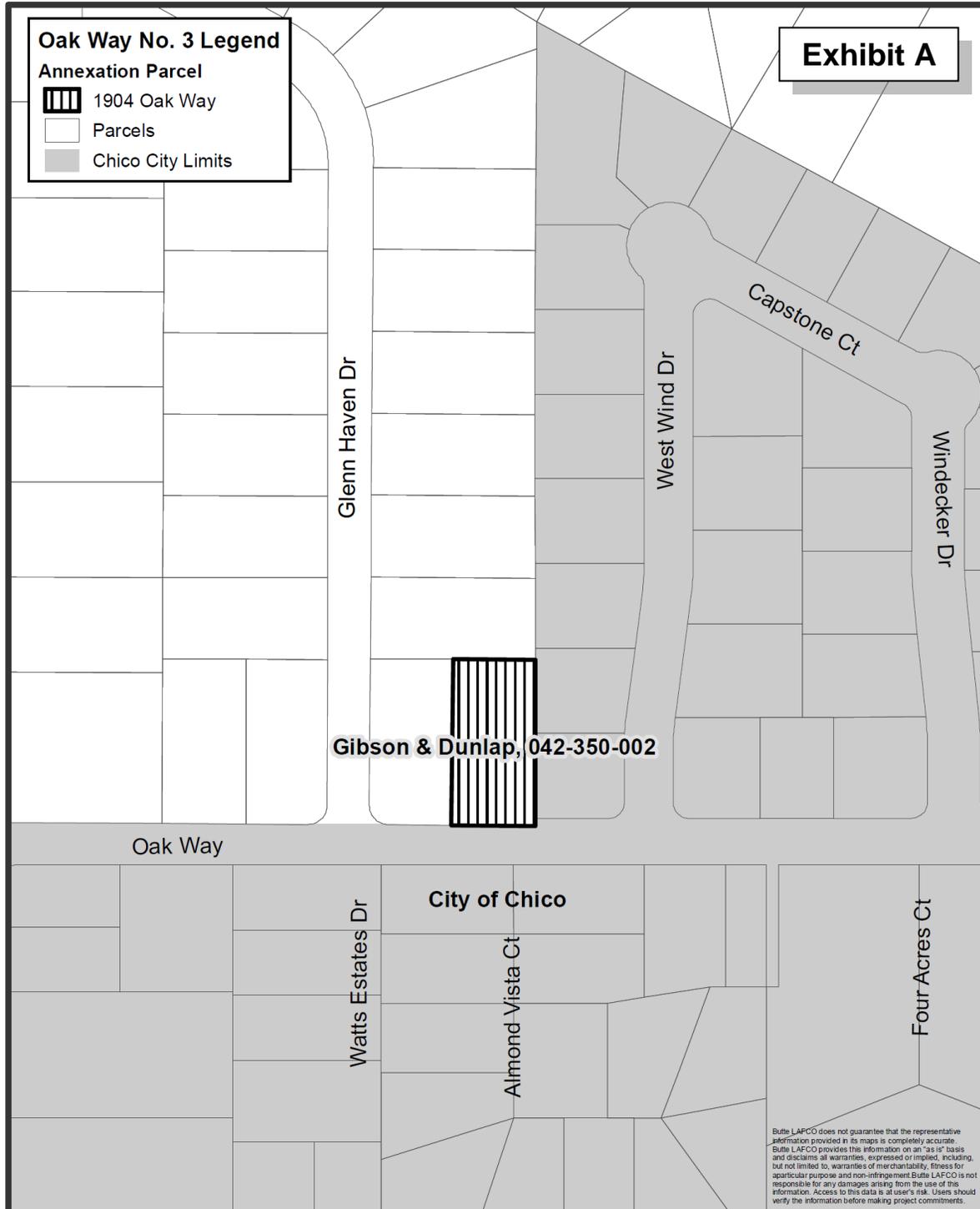
Location: The territory is approximately 0.44 acres in size and is located on the north side of Oak Way, across from Almond Vista Court, in the west Chico area. The territory is identified as Assessor's Parcel Number 042-350-002 (1904 Oak Way), Chico, CA. The territory is located in Supervisorial District 2.

Proposal:

1. Annexation of one parcel totaling approximately 0.44 acres to the City of Chico; and
2. Detachment of the subject territory from CSA 36 (Glen Haven Subdivision Street Lighting), CSA 114 (Chico Area Nitrates), CSA 164 (Butte County Animal Control District), and the Butte County Resource Conservation District.
3. Waive the application of Government Code Section 25210.90, and waive detachment proceedings for CSA 24 (Chico-Mud Creek Drainage).

Requested

Action: Adopt Resolution 21 2013/14 (**Exhibit C**) approving the annexation.



Butte Local Agency Formation Commission

City of Chico - Annexation - Oak Way No. 3

Applicant: City of Chico

Date: December 5, 2013 @ 9:00 a.m.

File: 14-01

City of Chico
Annexation
1904 Oak Way

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DISCUSSION AND ANALYSIS

Background

The proposed annexation would facilitate the extension of full City of Chico municipal services to the affected territory to support an existing single-family residential use. Staff recommends the proposal be modified to include standard provisions for detachment from CSA No. 36 (Glen Haven Subdivision Street Lighting), County Service Area No. 114 (Chico Area Nitrates), County Service Area No. 164 (Butte County Animal Control), and from the Butte County Resource Conservation District.

Following annexation:

- The subject territory will be detached from CSA No. 36 (Glen Haven Subdivision Street Lighting) as this service will be provided by the City of Chico;
- The subject territory will be detached from CSA No. 114 (Chico Area Nitrates) as the territory is already connected to the City of Chico's sanitary sewer system;
- The subject territory will be detached from CSA No. 164 (Butte County Animal Control), as this service will be provided by the City of Chico; and
- The subject territory will be detached from the Butte County Resource Conservation District, as this service is confined to unincorporated parcels only.

Staff recommends that the Commission waive automatic detachment proceedings for County Service Area No. 24 (Chico-Mud Creek Drainage) as this CSA provides area-wide storm drainage services.

Project Site

The territory, which consists of one parcel that is approximately 19,166 square feet (0.44 acres) in size, is developed with a 1,696 square foot, 3-bedroom single-family dwelling unit built in 1963. Domestic water is provided by the California Water Service Company. The parcel fronts on Oak Way, which is a public road and maintained by the City of Chico from Nord Avenue to Glenwood Avenue. Oak Way is paved and large sections of this roadway are improved with curbs, gutters, and sidewalks. Although within the City of Chico jurisdictional boundaries, the portion of Oak Way adjacent to the territory is not improved with curbs, gutters, or sidewalks. Land use on the surrounding parcels is single-family residential dwellings on lots ranging in size from 0.25 to 0.5 acres. The territory is contiguous to City of Chico jurisdictional boundaries on the south and east sides.



Project Site – 1904 Oak Way

The Butte County General Plan designates the territory as Medium Density Residential (up to 6 dwelling units per acre) and the territory is zoned Medium Density Residential (3 to 6 dwelling units per acre). The City of Chico's General Plan designates the territory as Low Density Residential and the City has prezoned the territory as R-1 (2.1 to 7 units per acre).

Until recently sewage disposal for the dwelling on the subject parcel was handled by an on-site septic system. However, in early May 2013, the septic system was determined to have failed and there was insufficient leachfield replacement area. On May 22, 2013, the LAFCo Executive Officer approved an emergency extension of sanitary sewer service to the subject parcel due to the documented failed septic system and the physical restrictions on the parcel limiting repair or replacement of the existing septic system. On July 10, 2013, the Commission approved an Extension of Services for the territory that allowed the dwelling to connect to the City of Chico's sanitary sewer system. The Extension of Services approval was conditioned to require that the City of Chico initiate an annexation of the parcel.

Annexation

The annexation was initiated by the City of Chico and the affected property owner to allow the extension of full City of Chico municipal services to the territory. According to the Butte County Elections Office, there are two registered voters within the proposal area. Given this information, the proposal area is considered an uninhabited annexation.

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 is developed with a 1,696 square foot, 3-bedroom single-family dwelling, and has an estimated population of 3 people. The site and surrounding area are level with no significant natural features that would affect the annexation. The territory is located in a low density residential area that is mostly built out and future growth in the area is limited.

(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 single-family residential development consistent with the City of Chico General Plan.

(c) The effect of the proposed action and of alternative actions.

There will be no change to the subject territory brought by annexation. The territory is already developed and sanitary sewer and domestic water services already extend to the site. Impact to local government is nominal.

(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 Chico is consistent with the planned, orderly, and efficient patterns of urban development within the adopted Spheres of Influences of the affected agencies. The annexation will result in the provision of more effective and efficient municipal services.

(e) The effect of the proposal on agricultural lands.

The territory is already developed and no agricultural uses are found on the territory or on the surrounding parcels. The subject parcel is located on the “urban” side of the Chico Urban Area Greenline, which is located on the west side of Glenwood Avenue, approximately 600 feet from the parcel. 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. The subject territory is legally uninhabited with less than 12 registered voters.

(g) Consistency with city or county general and specific plans.

The proposal is consistent with the land use policies of the City of Chico. The City has rezoned the subject territory for low density residential uses.

(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 Chico. The territory is within County Service Area No. 36 (Glen Haven Subdivision Street Lighting District) and the territory will be detached from this district as the City of Chico will provide this service to the territory. The territory is within County Service Area No. 114 (Chico Area Nitrates) and the territory will be detached from this district as the septic system on the subject parcel has been abandoned and the parcel is connected to the City of Chico’s sewer system. 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 Chico. The territory is within County Service Area No. 24 (Chico-Mud Creek Drainage) and staff recommends that the Commission waive automatic detachment proceedings for this district as it provides area-wide storm drainage services.

(i) The comments of any affected local agency.

On November 5, 2013, 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>
Butte Co. Assessor's Office	Boundaries of the proposal area do not divide any assessment parcels
Butte Co. Elections Office	Two registered voters in the territory
Butte Co. Land Development Division	Remove territory from CSA 36. Keep territory in CSA 24.
Butte Co. Planning Division	Territory is designated as Medium Density Residential and zoned Medium Density Residential
Butte Co. Mosquito Abatement Dist.	No comment

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

Butte Co. Administration; Butte Co. Auditor's Office; Butte Co. Environmental Health Division; Butte Co. Fire Dept/CalFire; Butte Co. Sheriff's Office; Cal Water-Chico District; CalTrans; Butte Co. Resource Conservation District; Chico Area Recreation & Park District; Butte-Glenn Community College District; Chico Unified School District.

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

The City of Chico provides general administration, community development, public works, sewer, police, fire protection, and other services within its incorporated area. The City of Chico, through its resolution of application, attests to its ability to extend municipal services to the parcel proposed by the City for annexation without impact to existing City residents. The City of Chico's current financial difficulties are not expected to have any impact on the City's ability to provide adequate municipal services to the territory, which consists of one parcel that is already developed with a single-family dwelling unit.

(k) Availability of adequate water supplies.

The California Water Service Company (CalWater) already provides domestic water service to 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.

The subject territory is designated for low density residential uses and is developed with a single-family dwelling unit. This proposal makes no significant impact on the ability of either affected agency to meet its regional housing needs determination.

(m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

Landowners and registered voters within 300 feet of the territory were notified of this annexation proposal. No comments were received. Residents of the territory will be

able to participate in City of Chico municipal affairs, such as running for city council or serving on city commissions.

(n) Any information relating to existing land use designations.

As noted, the City of Chico General Plan designates the subject territory as Low Density Residential, which allows a density of 2.1 to 7 residential units per acre. This land use designation is a residential planning assignment that is consistent with the extension of City municipal services.

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

The proposed reorganization is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.

Based upon the above responses, the proposal appears to be consistent with the listed factors.

Applicable Butte LAFCo Policies

Section 2.0 (*LAFCo General Policies and Standards*) and Section 4.0 (*Annexation and Detachments*) of Butte LAFCo Policies and Procedures provides the Commission with general standards for annexation proposals. The relevant policies for consideration and guidance for this proposal include:

- Consistency of the proposal with the General Plan of the applicable planning jurisdiction. (2.10.1)
- The creation of logical boundaries. (2.11.2)
- Consistency of a proposal with the Sphere of Influence and Municipal Service Review of the affected jurisdiction(s). (4.1.1)
- Contiguity of a proposed annexation area to the jurisdictional boundaries of the annexing city. (4.1.3)
- Determination of the most efficient service provider. (4.2)

The proposal is substantially consistent with the above policies in that it:

- Is provided access from Oak Way, which is already in, and maintained by, the City of Chico;
- Is more effectively served by the City of Chico police and fire services;
- Is an integral part of the social and economic interests of the City of Chico as a whole.
- Will result in orderly and logical jurisdictional boundaries and provide for the delivery of more effective and efficient public municipal services;
- Will further incrementally reduce an island area;
- Is located within a highly urbanized area.

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 Chico.

<u>Service</u>	<u>Presently Provided By</u>	<u>Proposed Provider</u>
Fire Protection	County of Butte	City of Chico
Police Protection	County of Butte	City of Chico
Code Enforcement	County of Butte	City of Chico
Sewer Service	City of Chico	No change

Domestic Water Service	Cal Water	No change
Agricultural Water Service	None	None
Animal Control	County of Butte (CSA 164)	City of Chico
Solid Waste	Private Collector	No change
Road/Street Maintenance	City of Chico	No change
Power Infrastructure	PG&E	No change
Street Lighting	City of Chico/CSA 36	City of Chico
Planning & Zoning	Butte County	City of Chico
Schools	Chico Unified School Dist.	No change
Resource Conservation	Butte Co. Resource Conservation Dist.	None
Mosquito Abatement	Butte Co. Mosquito Abatement Dist.	No change
Recreation	Chico Area Recreation & Park Dist.	No change
Storm Water Drainage	CSA 24	No change

The territory will be detached from the following districts:

- County Service Area No. 36 (Glen Haven Subdivision Street Lighting) as this service will be provided by the City of Chico;
- County Service Area No. 114 (Chico Nitrates), as the territory no longer utilizes an on-site septic system for wastewater disposal and is now connected to the City of Chico sanitary sewer system;
- County Service Area No. 164 (Butte County Animal Control), as this service will be provided by the City of Chico; and
- The Butte County Resource Conservation District, as this service is restricted to unincorporated parcels only.

ADDITIONAL INFORMATION

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 Chico and the Butte County Board of Supervisors on November 4, 1987. The agreement provides for the County to receive 55% of the property tax revenues, and the City to receive 45%.

Support/Protest

The City of Chico conducted a public hearing on October 15, 2013, at which time the annexation proposal was initiated by Resolution No 62-13. There are two registered voters in the proposal area, which makes the territory uninhabited pursuant to Government Code §56046, which requires twelve or more registered voters to live within the proposal area before it can be considered inhabited. Hearing notices were mailed to all landowners and registered voters within 300 feet of the territory and as of the date of this report no written comments have been received.

A properly executed Butte LAFCo *Annexation Consent Agreement and Covenant* for the territory has been recorded with the Butte County Recorder's Office. This document states that the current landowner, and all future landowners, consent to and petitions for the future annexation of his or her property to the City of Chico and agrees to cooperate in such annexation upon the City's or LAFCo's request. If the annexation proceeding includes other changes of agency jurisdictional boundaries in addition to the annexation, such as a detachment from a county service area or special district, (i.e. the proceeding is referred to as a "Reorganization") the owner also consents/petitions to such other changes of agency jurisdictional boundaries included in the "reorganization" proceeding.

Conducting Authority Proceedings

The proposed annexation has 100% consent of the property owner and the subject territory is uninhabited. No subject agency has provided written opposition to a waiver of protest proceedings. Accordingly, conducting authority proceedings may be waived pursuant to California Government Code §56663(c) if the Commission approves the annexation.

Environmental Analysis

The City of Chico is the lead agency for the proposal under the California Environmental Quality Act (CEQA). The City of Chico found the proposal to be Categorically Exempt from CEQA pursuant to Section 15319 – Annexations of Existing Facilities and Lots for Exempt Facilities. This section can be used 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 15319 exemption is appropriate for this proposal because the territory is developed with a single-family residential use consistent with the City's General Plan and Zoning, and the City of Chico intends to continue utilizing the territory for residential uses. The City of Chico prepared a Notice of Exemption for this proposal, which is inserted as **Exhibit "C"** of this report. Staff concurs with the City's use of the Section 15319 exemption.

CONCLUSION

The City of Chico is capable of providing full municipal services to the territory without impacting service levels provided to current City residents. Annexation of this area represents a logical extension of the City's boundaries and services, and it will have no adverse impacts on any other agency's ability to provide services. The annexation proposal substantially conforms to LAFCo policy and the Executive Officer recommends approval of this proposal.

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 proposals as submitted:

- A. Find that the proposed annexation is Categorically Exempt from the California Environmental Quality Act per Section 15319, Annexations of Existing Facilities and Lots for Exempt Facilities
- B. Adopt Resolution 21 2013/14 making determinations approving the proposed *City of Chico – Oak Way Annexation No. 3*.

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 Betts

Stephen Betts
Deputy Executive Officer

Attachments:

Exhibit A: Annexation Area Map (Page 2)

Exhibit B: Draft LAFCo Resolution No. 21 2013/14 (Page 11)

Exhibit C: Notice of Exemption (Page 14)

DRAFT

RESOLUTION NO. 21 2013/14

Exhibit B

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE
MAKING DETERMINATIONS AND ORDERING THE ANNEXATION OF
TERRITORY DESIGNATED AS 14-01
CITY OF CHICO REORGANIZATION
OAK WAY ANNEXATION NO. 3**

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

WHEREAS, a proposal for the annexation of certain territory to the City of Chico in the County of Butte was heretofore filed by the City of Chico and accepted for filing on November 6, 2013, 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 Section 56658, set December 5, 2013, as the hearing date on this proposal and gave the required notice of public hearing; 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 December 5, 2013, 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

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56668; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of Butte **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. Environmental Findings:

- A. The Commission concurs with the City of Chico finding that the proposed annexation is Categorically Exempt from the California Environmental Quality Act pursuant to Section 15319, Annexation of Existing Facilities and Lots for Exempt Facilities.

Section 2. General Findings and Determinations:

- A. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Butte LAFCo Policies and Procedures, Sphere of Influence and General Plan consistency, the City of Chico Municipal Service Review, the Domestic Water and Wastewater Service Providers Municipal Service Review, and other factors specified in Government Code Section 56668 and as described in the staff report dated November 20, 2013, for the meeting of December 5, 2013.

- B. The Commission finds that the proposal has 100% support of the affected property owners and orders the annexation complete without a protest hearing pursuant to Government Code Section 56663.
- C. The annexation area shall consist of one (1) parcel, Assessor's Parcel Number 042-350-002 (1904 Oak Way), totaling approximately 0.44 acres, as submitted by the City of Chico and described in Exhibit "A."
- D. The subject area is found to be uninhabited, and is assigned the following short form designation: 14-01 – City of Chico – Oak Way Annexation No. 3.
- E. The purpose of the annexation to the City of Chico is to support orderly jurisdictional boundaries and allow for the provision of all City of Chico municipal services for existing single-family residential development on the subject parcel.
- F. The proposal is consistent with the City of Chico Sphere of Influence.
- G. Pursuant to Butte LAFCO Policy 2.13.1, the Commission determines that agricultural and/or open space lands will not be adversely affected by this proposal as the territory is developed and is contiguous to lands that have been developed with urban uses; will not result in a change in land use or a significant increase in density on the subject parcels; the adjacent parcels are not developed with agricultural uses; and the territory parcel is not considered to be "prime agricultural land" as defined in §56064. Therefore, no conversion of designated agricultural or open space lands will occur as a result of the proposed annexation.
- H. The parcels proposed for annexation will be detached from the following districts:
 - 1. County Service Area No. 36 (Glen Haven Subdivision Street Lighting District);
 - 2. County Service Area No. 114 (Chico Area Nitrates);
 - 3. County Service Area No. 164 (Butte County Animal Control); and
 - 4. The Butte County Resource Conservation District.
- I. Waive the application of Government Code Section 25210.90, and find that the exclusion of the territory from County Service Area No. 24 (Chico-Mud Creek Drainage) would deprive this area of needed services to ensure the health and safety of the residents of the area and find that a waiver would not affect the ability of the City of Chico to provide any service.
- J. The exchange of property tax revenues between the County of Butte and the City of Chico will be performed in accordance the Amended Master Property Tax Exchange Agreement, executed between the City of Chico and the Butte County Board of Supervisors on November 4, 1987.

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 requirement and if rejected by the State Board of Equalization, will be revised at the expense of the applicant.

Section 4. The boundaries, as set forth in the proposal or as amended by action of the Commission, are hereby approved as submitted and are as described in Exhibits A and B attached hereto and by this reference incorporated herein.

Section 5. Further protest proceedings are waived and the Commission orders the annexation, pursuant to Part 4 commencing with Section 57000.

Section 6. The Executive Officer is hereby authorized and directed to mail certified copies of this Resolution as provided in Section 56882 of the Government Code.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 5th day of December 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission

Exhibit C

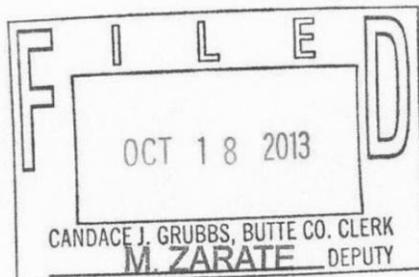
LAFCO
OCT 18 2013
OROVILLE

NOTICE OF EXEMPTION

TO: Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

From: City of Chico Planning Services
P. O. Box 3420
Chico, CA 95927
(530) 879-6800

County Clerk
County of Butte
25 County Center Drive
Oroville, CA 95965



Project Title: Oak Way Annexation District 3 (Gibson)

General Project Location: Chico, Butte County

Project Location - Specific: 1904 Oak Way (APN 042-350-002)

Description of Project: A request to annex a single-family residential parcel to the City of Chico

Name of Public Agency Approving Project: City of Chico and Butte County LAFCo

Name of Person or Agency Carrying Out Project: City of Chico, 411 Main Street, Chico, CA 95927

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 and section number: Sections 15319
(Annexation of existing facilities)

Statutory Exemptions. State code number___

Reasons Why Project is Exempt: The proposed project involves annexation of a single, developed parcel for the purpose of connecting the existing single family residence to City sewer and removing the existing septic system from service. The proposed change will not result in any physical impact on the environment.

Lead Agency Contact: Brendan Vieg, Principal Planner

Area Code/Telephone: (530) 879-6806

Signature: *Brendan Vieg* Date: 10/01/11 Title: Principal Planner