



AGENDA ITEM 6B

MEETING: July 10, 2017

TO: Humboldt LAFCo Commissioners

FROM: George Williamson, Executive Officer

SUBJECT: Proposed Annexation of 1705 Buttermilk Lane to the City of Arcata

The Commission will consider a proposal submitted by resolution of application by the City of Arcata for annexation of a 7,500 square foot parcel located at 1705 Buttermilk Lane (APN 500-131-006) adjacent to the existing City boundary. The City has provided written consent from the affected landowner.

LAFcos are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as city annexations, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. LAFcos are authorized with broad discretion in amending and conditioning changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

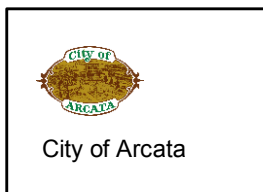
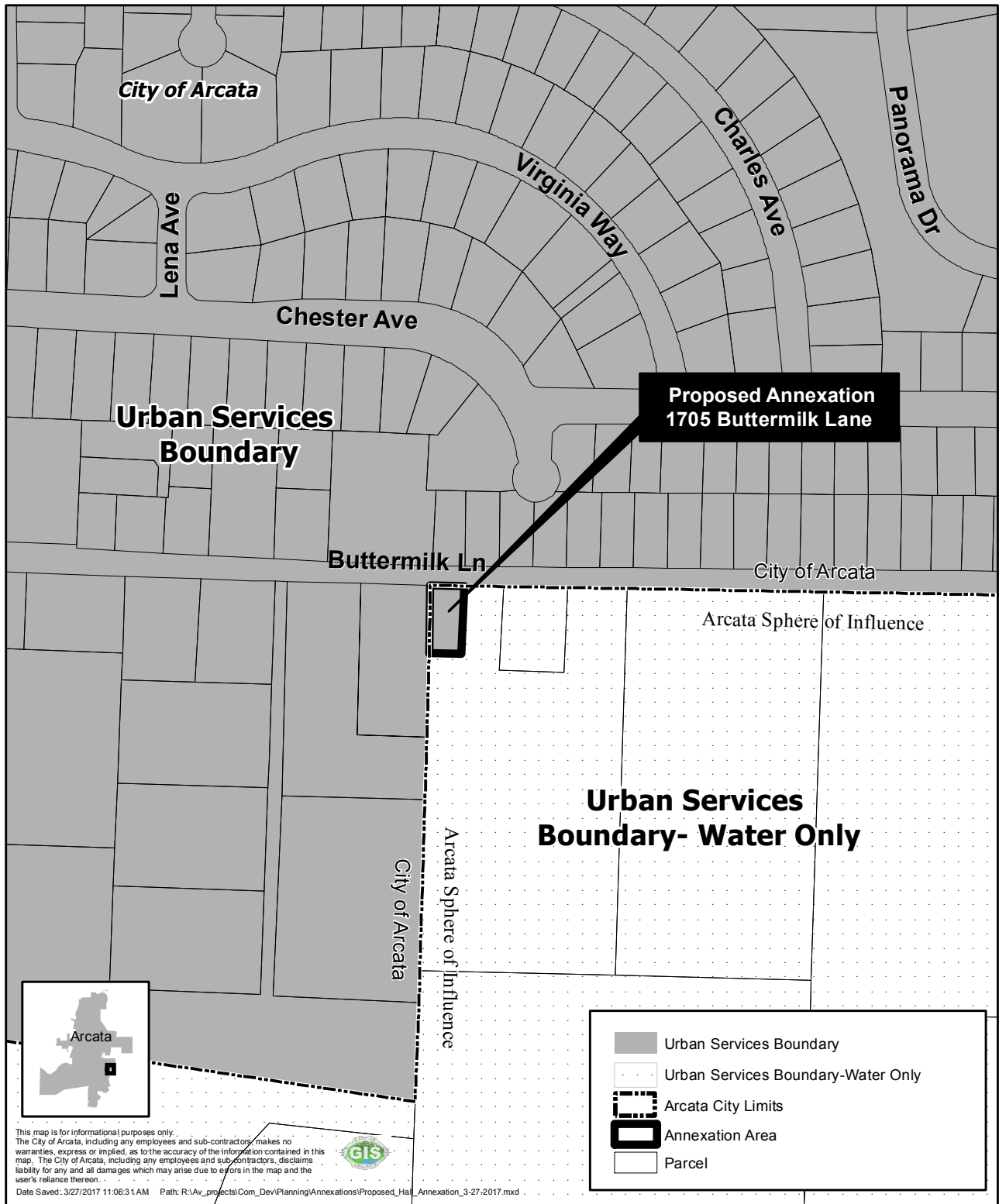
A. BACKGROUND

The proposal includes annexation of 1705 Buttermilk Lane (APN 500-131-006) to the City of Arcata. The subject property is uninhabited (less than 12 registered voters), is within both the City's Sphere of Influence (SOI) and its Urban Services Boundary (USB), and is located outside of the coastal zone. The subject property is developed with a single family residence on a 7,500 square foot parcel.

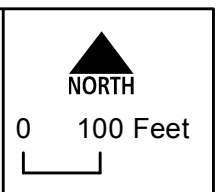
Proceedings for this proposal were initiated by the City of Arcata in response to a documented failure of an onsite wastewater treatment system. On March 20, 2017, the City of Arcata applied to LAFCo for authorization to extend sewer services to the subject property due to health and safety concerns arising from the septic failure. The emergency sewer connection was authorized by the LAFCo Executive Officer on March 31st, confirmed by the Commission on April 13th, and subsequently connected on May 25th.

In accordance with Arcata Land Use Code Section 9.94.100, the City requires annexation within 18 months from the date sewer services is provided. The City conducted noticed public hearings on February 1st and February 15th, 2017, and approved the extension of services, annexation, and rezoning for the subject property (Resolution No. 167-31). Pursuant to the California Environmental Quality Act (CEQA),

Figure 1



Proposed Extension of Services and Annexation
1705 Buttermilk Lane
APN 500-131-006



the City determined that the proposed annexation is categorically exempt from further review pursuant to Class 19, Section 15619(a) – Annexation of Existing Facilities.

B. DISCUSSION

Reasons for Proposal

According to the Resolution of Application, the principal reasons for the sewer connection and annexation are as follows:

1. The property owner requested an emergency sanitary sewer service connection and subsequent annexation for his parcel.
2. The Humboldt County Department of Health and Human Services-Environmental Health Division (EHD) recommended the City of Arcata provide municipal wastewater services due to a failure of an existing onsite wastewater treatment system. Repair of the existing system is reportedly not possible due to the small lot size, poorly drained soils, and a seasonally high groundwater.
3. Arcata Land Use Code Section 9.94.100 requires the property owner to apply for annexation within eighteen (18) months from the date sewer services is provided.
4. The Hall Property's failed onsite sewer treatment system has the potential to cause harm to the environment and public if City sanitary sewer connection is not made.

General Plan Land Use/Rezoning

An existing three-bedroom dwelling unit is located on the subject parcel. Similar residential uses are located along Buttermilk Lane. The parcel is currently designated as Urban Expansion under the Humboldt County General Plan – Jacoby Creek Community Plan (1982) and is zoned “unclassified”. The Urban Expansion Area, as defined in the Jacoby Creek Community Plan, is reserved for residential development at a density range of no greater than 2 DU/acre and no less than 1 DU/5 acres, upon annexation to the City of Arcata. According to the County's General Plan Update mapping, a Residential Estates with a 5 acre minimum land use designation is proposed for the subject parcel.

The City of Arcata rezoned the subject parcel as Agricultural Residential (Ord. No.1485), consistent with the Arcata General Plan Land Use Map. The subject parcel is consistent with the City's Municipal Code and General Plan except it will be considered nonconforming based on the small lot size. Agriculture Residential minimum parcel size is 2.5 acres and the subject parcel is 7,500 square feet in size. The City reports that no new development is contemplated as a result of the change in boundary.

Provision of Public Services

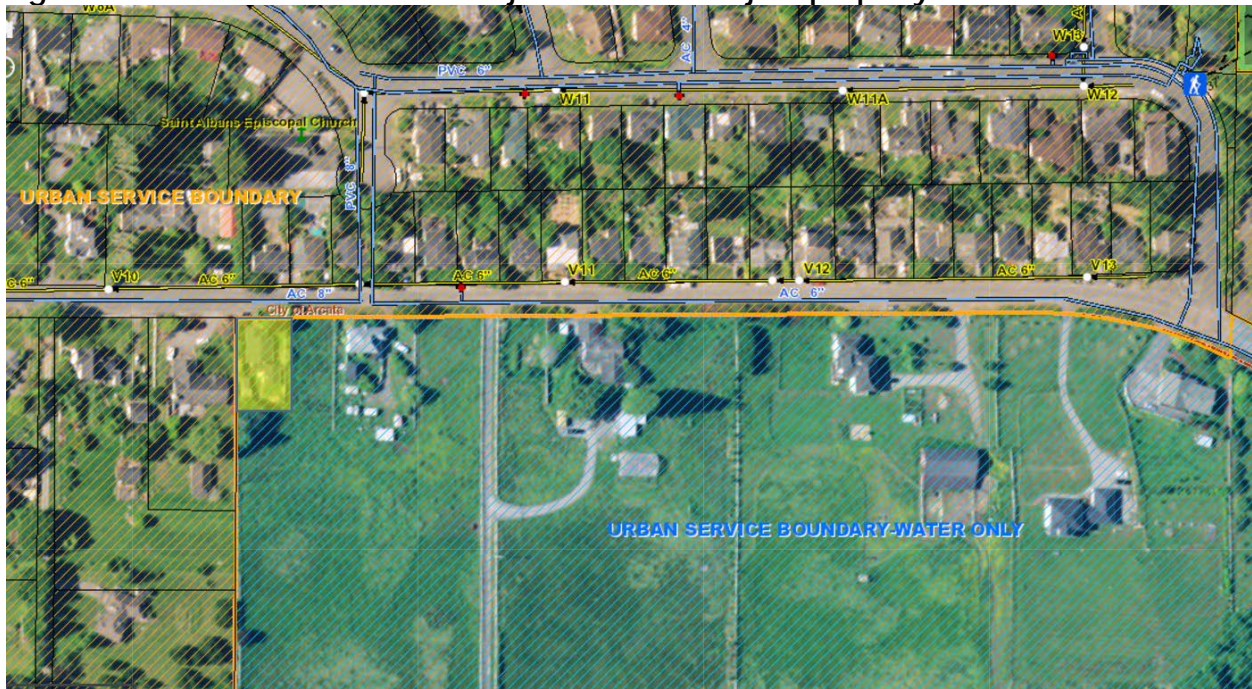
The subject parcel was connected to the City's wastewater system on May 25, 2017, following the Commission's previous emergency action. The connection consisted of a sewer lateral from an existing sewer main located on the north side of Buttermilk Lane;

the sewer main extends east along Buttermilk Lane and ends near the intersection of Margaret Lane.

Water service to the subject property is currently provided by the City of Arcata. The City's water main extends along Buttermilk Lane to the Baywood Golf and Country Club. Approximately 60+ residences with water-only service are located along this section of Buttermilk Lane. The majority of these connections are located within the City's Water-Only USB. (See figures below).

Police services are currently provided by the Humboldt County Sheriff and would become the responsibility of the City once annexation occurs. Roads, drainage, and recreation would all become the jurisdiction of the City upon annexation. There would be no change in fire protection services currently provided by the Arcata Fire Protection District.

Figure 2 – Water and Sewer lines adjacent to the subject property



Water = Blue lines
Sewer = Yellow lines

Figure 3: Water-Only Urban Service Area



Figure 4: Water Connections along Buttermilk Lane



Property Owner Consent

The property owner signed a letter consenting to annexation and consenting to waiver of notice and hearing and waiver of protest proceedings. In accordance with Government Code Section 56662, the Commission may make determinations upon the proposal without notice and hearing and may waive protest proceedings entirely if: 1) an affected local agency has not submitted a written demand for notice and hearing within 10-days of receiving the LAFCo Notice of Filing (dated March 24, 2017); and 2) the proposal is accompanied by proof, satisfactory to the Commission, that all the owners of land within the affected territory have given their written consent to the proposal.

C. ANALYSIS

The analysis of the proposal is organized into two sections. The first section considers the proposal relative to the factors mandated for review by the Legislature anytime LAFCos review boundary changes. The second section considers issues required by other applicable State statutes in processing boundary changes, such as environmental compliance with the California Environmental Quality Act.

Required Factors for Review

G.C. Section 56668 requires the Commission to consider 16 specific factors anytime it reviews proposals for a change of organization or reorganization involving cities. The majority of the prescribed factors focus on the impacts of the proposed boundary changes on the service and financial capacities of the affected agencies. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process.

A summary of key statements and conclusions generated in the review of the mandated factors for the proposal follows, with a complete analysis provided in Attachment A.

- o The City of Arcata provided sufficient notice to interested and subject agencies of its intent to adopt a resolution of application, pursuant to GC Section 56654(c). In addition, LAFCo staff provided a Notice of Filing to interested and subject agencies.
- o The proposal is consistent with the Commission's policies as codified under the CKH Act. This includes consistency with the City's adopted SOI and USB.
- o The subject parcel is currently receiving municipal water and sewer services from the City of Arcata. The proposed boundary change would utilize existing City services and would not affect the level of services provided.

Other Considerations

- o Environmental Review

The City of Arcata, as lead agency, determined that the project is categorically exempt from further review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15319(a), "Annexation of Existing Facilities", which exempts the annexation of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning (City Resolution No. 167-31). The Commission, as responsible agency, directs the Executive Officer to file a Notice of Determination with the Humboldt County Clerk.

- o Master Property Tax Exchange Agreement

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before LAFCo can consider a proposed boundary change. The proposal would apply a master property tax exchange agreement adopted by the City and the County in 1980; an agreement specifying Arcata shall receive 36.36 percent of the County's existing portion of property tax revenues generated from the affected territory. Neither agency objects to the application of the referenced agreement.

- o Conducting Authority Proceedings

All proposed boundary changes approved by the Commission are subject to conducting authority proceedings (i.e., a protest hearing) unless waived in accordance with criteria outlined under G.C. Section 56662. Given that the affected territory is uninhabited, all landowners have provided their written consent, and no written opposition to a waiver of protest proceedings has been received by an affected local agency, staff recommends the Commission waive the conducting authority/protest proceedings.

D. RECOMMENDATION

The proposed annexation of 1705 Buttermilk Lane to the City of Arcata appears appropriate relative to the factors required by statute for consideration. It is recommended the following conditions of approval be applied with delegation to the Executive Officer to determine when the requested actions have been sufficiently satisfied before proceeding with a recordation.

- o Completion of the 30-day reconsideration period provided under G.C. Section 56895.
- o Submittal of a final map and geographic description of the affected territory conforming to the requirements of the State Board of Equalization.
- o Payment of any outstanding fees as identified in the Commission's adopted fee schedule.

Alternatives for Commission Action

Staff has identified three options for Commission consideration with respect to the proposal. These options are summarized below.

- Alternative Action One (Recommended):
Adopt the draft resolution identified as Attachment B, approving the proposal with the recommended conditions along with any desired changes as requested by the Commission.
- Alternative Action Two:
Continue consideration of the item to the next regular meeting and provide direction to staff for additional information as needed.
- Alternative Action Three:
Disapprove the proposal. Disapproval would statutorily prohibit the initiation of a similar proposal for one year unless a request for reconsideration is filed and approved within 30 days of Commission action.

Procedures for Consideration

This item has been agendaized for consideration as a business item. As such, the following procedures are recommended with respect to the Commission's consideration of this item:

- A. Receive verbal report from staff
- B. Invite public comment
- C. Discuss item and – if appropriate – consider action on recommendation:

"I move to adopt Resolution No. 2017-10, approving the Annexation of 1705 Buttermilk Lane to the City of Arcata, as described in the staff report, subject to the recommended conditions".

Attachments

Attachment A: LAFCo Required Factors for Review

Attachment B: Draft LAFCo Resolution of Approval (No. 2017-10)

ATTACHMENT A ANALYSIS OF REQUIRED FACTORS

Government Code Section 56668 requires the Commission to consider 16 specific factors anytime it reviews proposals for a change of organization or reorganization involving cities. The purpose in considering these factors is to help inform the Commission in its decision-making process.

1) *Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.*

The proposal includes annexation of 1705 Buttermilk Lane (APN 500-131-006), generally located along the southern side of Buttermilk Lane, adjacent to the existing City boundary. The subject property is uninhabited (less than 12 registered voters) and is within both the City's Sphere of Influence (SOI) and its Urban Services Boundary (USB).

2) *The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.*

The subject parcel currently receives wastewater services from the City of Arcata provided under previous emergency action. Water service is also provided by the City of Arcata. Police services are currently provided by the Humboldt County Sheriff and would become the responsibility of the City once annexation occurs. There would be no change in fire protection services currently provided by the Arcata FPD.

3) *The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.*

The proposal would recognize and strengthen existing social and economic ties between the City of Arcata and the affected property. These ties were initially established when the City began providing water service to the subject property, and were further strengthened by the provision of wastewater service. In addition, the proposal would conform to the City's SOI and USB.

4) *The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in G.C. Section 56377.*

The proposal is consistent with the Commission's policies as codified under the CKH Act. This includes consistency with the City's adopted SOI and USB. The affected territory does not qualify as "open-space" under LAFCo law and therefore does not conflict with G.C. Section 56377.

5) *The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.*

The affected territory does not qualify as “agricultural land” under LAFCo law. Specifically, the affected territory is not used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program.

6) *The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.*

The proposal includes all of the property identified by Assessor’s parcel number 500-131-006. The property is adjacent to the current boundary for the City of Arcata and within its SOI and USB. The annexation will not create any islands or corridors of unincorporated territory under LAFCo law.

7) *A regional transportation plan adopted pursuant to G.C. Section 65080.*

The Humboldt Regional Transportation Plan (RTP) was last updated in 2013/14 and is a long-range transportation planning document for Humboldt County. No specific projects are included in the RTP that would affect the proposed annexation.

8) *Consistency with city or county general and specific plans.*

The City of Arcata rezoned the subject parcel as Agricultural Residential (Ord. No.1485), consistent with the Arcata General Plan Land Use Map. The subject parcel is consistent with the City’s Municipal Code and General Plan except it will be considered nonconforming based on the small lot size. Agriculture Residential minimum parcel size is 2.5 acres and the subject parcel is 7,500 square feet in size. The City reports that no new development is contemplated as a result of the change in boundary.

9) *The sphere of influence of any local agency which may be applicable to the proposal being reviewed.*

The subject territory is within both the City’s SOI and its USB. The existing SOI boundary was reaffirmed by LAFCo on March 17, 2010. A SOI is described as a plan for the probable ultimate physical boundary and service area of a local agency.

10) *The comments of any affected local agency or other public agency.*

The City of Arcata provided sufficient notice to interested and subject agencies of its intent to adopt a resolution of application, pursuant to GC Section 56654(c). In addition, LAFCo staff provided a Notice of Filing to interested and subject agencies. LAFCo received comments from the Humboldt County Department of Public Works noting that the Department does not object to the proposal to allow the subject property to construct a sewer lateral to connect to the City’s sanitary sewer main in Buttermilk Lane.

11) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

The subject parcel is currently receiving municipal water and sewer services from the City of Arcata. The proposed boundary change would utilize existing City services and would not affect the level of services provided.

12) Timely availability of water supplies adequate for projected needs as specified in G.C. Section 65352.5.

The proposed annexation would not generate a new water demand given that the main structure on the property already receives water services.

13) 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 as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

The annexation consists of a single parcel designated by the City as Agricultural Residential. The proposal would not impact any local agencies in accommodating their regional housing needs.

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

No information or comments from the landowner or owners, voters, or residents of the affected territory have been received.

15) Any information relating to existing land use designations.

An existing single family residence is located on the subject parcel. Similar residential uses are located along Buttermilk Lane. The parcel is currently designated as Urban Expansion under the Humboldt County General Plan – Jacoby Creek Community Plan (1982) and is zoned “unclassified”. The Urban Expansion Area, as defined in the Jacoby Creek Community Plan, is reserved for residential development at a density range of no greater than 2 DU/acre and no less than 1 DU/5 acres, upon annexation to the City of Arcata. According to the County’s General Plan Update mapping, a Residential Estates with a 5-acre minimum land use designation is proposed for the subject parcel.

16) The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

The proposal would not result in inconsistencies with environmental justice safeguards considering the subject parcel is currently receiving municipal services.

RESOLUTION NO. 17-10**APPROVING THE ANNEXATION OF 1705 BUTTERMILK LANE
TO THE CITY OF ARCATA**

WHEREAS, the Humboldt Local Agency Formation Commission, hereinafter referred to as the "Commission," is responsible for regulating boundary changes affecting cities and special districts pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the City of Arcata filed an application with the Commission by resolution of application (Resolution No. 167-31); and

WHEREAS, the proposal seeks Commission approval for annexation of a 7,500 square foot lot at 1705 Buttermilk Lane (APN 500-131-006) to the City of Arcata; and

WHEREAS, on April 13, 2017, the Commission authorized an extension of sewer services outside the City boundary based on public and environmental health and safety concerns from documented failure of the on-site wastewater system; and

WHEREAS, the City of Arcata Land Use Code Section 9.94.100 requires the property owner to apply for annexation within eighteen (18) months from the date sewer services is provided; and

WHEREAS, the proposal represents 100 percent consent of all landowners within the subject territory; and

WHEREAS, the subject territory is uninhabited as defined in Government Code Section 56046; and

WHEREAS, the proposal conforms to the adopted Sphere of Influence and Urban Services Boundary for the City of Arcata; and

WHEREAS, the Executive Officer's report and recommendations on the proposal were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public meeting held on July 10, 2017; and

WHEREAS, the Commission considered all the factors required by law under Government Code Section 56668 and adopted local policies and procedures.

NOW, THEREFORE, BE IT RESOLVED by the Humboldt Local Agency Formation Commission as follows:

1. The Commission's determinations on the proposal incorporate the information and analysis provided in the Executive Officer's written report.
2. The City of Arcata, as lead agency, determined that the project is categorically exempt from further review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15319(a), "Annexation of Existing Facilities", which exempts the annexation of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning (City Resolution No. 167-31). The Commission, as responsible agency, directs the Executive Officer to file a Notice of Determination with the Humboldt County Clerk.
3. The Commission approves the proposal, contingent upon the satisfaction of following terms and conditions as determined by the Executive Officer:
 - a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.
 - b) Submittal of a final map and geographic description of the affected territory conforming to the requirements of the State Board of Equalization.
 - c) Payment of any outstanding fees as identified in the Commission's adopted fee schedule.
4. The Commission waives conducting authority (protest) proceedings in accordance with Government Code Section 56662 given the affected territory is uninhabited, all landowners have provided their written consent, and no written opposition to a waiver of protest proceedings has been received by an affected local agency.
5. The proposal is assigned the following distinctive short-term designation:

ARCATA 1705 BUTTERMILK LANE ANNEXATION 17-10

6. The effective date shall be the date of recordation of the Certificate of Completion. The Certificate of Completion must be filed within one calendar year from the date of approval unless a time extension is approved by the Commission.
7. Upon effective date of the proposal, the affected territory will be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by the City of Arcata. The affected territory will also be subject to all of the rates, rules, regulations, and ordinances of the City of Arcata.
8. The proposal is subject to a master property tax exchange agreement adopted by the City of Arcata and the County of Humboldt in 1980; an agreement

specifying the City of Arcata shall receive 36.36 percent of Humboldt County's existing portion of property tax revenues generated from the affected territory.

PASSED AND ADOPTED at a meeting of the Humboldt Local Agency Formation Commission on the 10th day of July, 2017, by the following roll call vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ABSTAIN: Commissioners:

Estelle Fennell, Chair
Humboldt LAFCo

Attest:

George Williamson, Executive Officer
Humboldt LAFCo