



AGENDA ITEM 7A

MEETING: September 21, 2016
TO: Humboldt LAFCo Commissioners
FROM: George Williamson, Executive Officer
SUBJECT: **Proposed Strongs Creek Valley Annexation to the City of Fortuna**
The Commission will consider a proposal submitted by resolution of application by the City of Fortuna for annexation of approximately 297 acres (34 parcels) of unincorporated territory located east of Newburg Park. LAFCo staff is recommending a boundary alternative that serves to guide development away from existing prime agricultural lands in open-space use in accordance with G.C. §56377.

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 boundary changes, 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

Proceedings for this annexation were initiated by resolution of application by the City of Fortuna. The proposal includes annexation of approximately 297 acres (34 parcels) of improved and unimproved single family residential and agricultural uses generally located east of Newburg Park and accessed by Newburg Road, Rohnerville Road, Loop Road, and Hilltop Drive (see Figure 1). The Strongs Creek riparian corridor runs through multiple parcels proposed for annexation, generally from the forested hillsides to the northeast, and continuing across Rohnerville Road to the south.

After the initial filing, the City requested to remove the northernmost 24-acre parcel (APN 200-431-019) with existing TPZ zoning from the annexation proposal. Currently the City does not have a TPZ ordinance to maintain the present zoning and any rezoning would require a 10 year slide out period and tax recoupment fee payment in accordance with Government Code section 51121(d).

All property owners within the proposed annexation area were notified of the annexation proposal by the City in July 2015. The City provided LAFCo with written letters of consent from 21 of 36 owners of record. Subsequently, LAFCo received a letter from a property owner removing consent for two properties. Therefore, consent has been received from 19 owners of record, lack of consent has been received from 6 owners of record, and no response from 9 owners of record.

Reasons for Proposal

The reasons for the annexation as set forth in the City proposal to LAFCo are as follows:

- The Strongs Creek Valley Annexation Area is identified in the Fortuna General Plan (2030) for annexation and extension of services.
- Several parcels proposed for annexation have identified service needs, either to improve services to existing residences, or to facilitate development pursuant to the City's General Plan.
- Property within the proposed annexation area owned by the McLean Foundation is planned for development over the next three to five years, with community-oriented uses such as senior services, recreational amenities, and other socially and economically beneficial uses.
- The owners of vacant parcels designated for residential uses have also indicated that they are reviewing development options.
- The owners of several existing residences, particularly at the northerly end of Newburg Road, have identified private system water quantity and quality concerns sufficient to merit connection to City's municipal water system.

The proposed annexation area is located within the City's Sphere of Influence. Of the 34 parcels, 11 are vacant and the remaining 23 are developed with single-family residential uses (see Table 1). Three parcels totaling 36.87 acres (APNs 200-411-015, -018, and 202-051-008) are currently owned by the McLean Foundation and are proposed for public facility uses. The proposed Community Center would be accessed via Newburg Road across from Elizabeth Barcus Way. If annexed, a conditional use permit and other city approvals would be required for this development project.

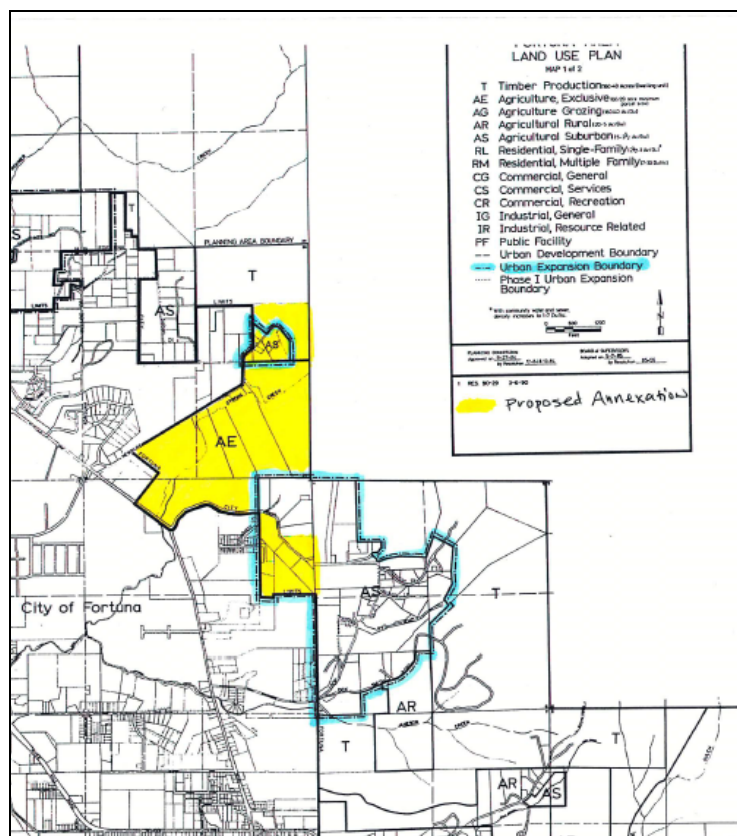
Provision of Public Services

A Plan for Services was prepared by the City of Fortuna for the proposed annexation. As contemplated, the City would immediately be responsible for police services and road maintenance upon annexation. Public roads adjacent to the annexed parcels, including Newburg Road and Loop Road are proposed to be included in the annexation. There would be no change in fire protection services provided by the Fortuna Fire Protection District. It is anticipated that parcels within the annexation area would be re-designated by CAL-FIRE from State Responsibility Area (SRA) to Local Responsibility Area (LRA), and property owners would no longer be charged the SRA Fire Prevention fee. Water and wastewater services would be available to properties within the annexation area upon the extension/connection of infrastructure. The City has extended a waterline along Newburg Road. Additional water and wastewater infrastructure would be extended, as needed, to serve area development and/or to address water quality or capacity limitations. The service extension costs would be borne by the property owner(s). The City indicates there is sufficient capacity to serve the annexation area.

Land Use Designations

Land uses within the proposed annexation area are currently subject to the Humboldt County Framework General Plan (Volume 1), Fortuna Area Community Plan (Volume II), and Zoning Regulations (Humboldt County Code Title III, Division 1). The Fortuna Area

Community Plan identifies “Urban Expansion Areas” consisting of land “expected to be developed to urban densities and could eventually be provided with public water or sewer services”. Within the proposed annexation area, the northerly residential area and the Loop Road residential area are identified as Urban Expansion Areas suitable for urban services.



The Humboldt County General Plan currently designates 13 of the subject parcels as Agriculture Exclusive (AE), 20 parcels as Agriculture Suburban (AS), and one parcel as Timberland (T). It is important to note that the Humboldt County Draft General Plan Update has identified likely land use designations for the affected properties as Urban Reserve (13 parcels), Residential Estates with a 2.5-5 acre minimum (20 parcels), and Timberland (1 parcel). The Urban Reserve designation, which is proposed for the majority of parcels adjacent to Strongs Creek, is used “where annexation is required for urban services and full build-out”.

The City of Fortuna adopted land use designations for the annexation area as part of the Fortuna General Plan 2030. A General Plan Amendment was approved by the City Council on June 6, 2016 to re-designate the land uses of two parcels (APN 200-411-015 and 200-144-018) from Residential Low Density (RL) to Public Facilities (PF). The remaining territory is designated by the Fortuna General Plan as follows: 3 parcels are designated as Residential Low Density (RL); 6 parcels are designated as Open Space (OS); 20 parcels are designated as Residential Rural (RR); one parcel is designated as Parks,

Greenways and Recreation (PRK); and one parcel has split PRK and RL land use designations.

Pre-Zoning

The Humboldt County Zoning Code currently designates 13 parcels as Agriculture Exclusive with a 60-acre minimum parcel size (AE B-5(60)); nine parcels as Agriculture General (AG); 11 parcels as Agriculture General with a 5-acre minimum parcel size (AG-B-5(5)); and one parcel with split zoning as AE and Timber Protection Zone (TPZ).

The City Council approved a Pre-Zoning Ordinance (Ordinance No. 2016-725Z) for the proposed annexation area on June 6, 2016. The ordinance pre-zones 6 parcels as Agriculture Exclusive (A-E); 20 parcels as Residential Estates with a 1-acre minimum parcel size (RE-43); 4 parcels as Residential Single Family with a 6,000 square-foot minimum parcel size (R-1-6); 3 parcels as Public Facility (PF); and one parcel with split pre-zoning of PF and R-1-6.

Based on the proposed pre-zoning, the City estimates a total development potential of approximately 320 housing units (297 more housing units than currently exist), resulting in a total potential population of 797 people (an increase of 740 people). This estimation assumes 2.49 persons per household and that the maximum projected development would be less than full build-out as specified by the City zoning regulations. Zoning regulations specify a minimum parcel size a property may be divided into, but do not necessarily account for other possible development constraints such as steep topography, wetlands, and construction of new roads. To account for possible additional constraints, the City utilized an assumed development potential which was less than the maximum allowable build-out defined by the adopted zoning regulations (see Table 1).

Agricultural Land Use Conversion

Based on the City's pre-zoning and projected development estimates, a total of approximately 156 acres of land consisting of all or portions of 15 parcels, which are currently designated for agricultural or timber uses and/or contain prime agricultural land may be converted to residential or public uses (see Table 1). The remaining 19 parcels as proposed would either retain their current agricultural designation or have already been fully developed to the maximum density permitted by the City zoning and are not expected to be further developed upon annexation. 10 of the 15 parcels expected to convert from agriculture/open space to urban uses have previously been divided into parcels of less than 10 acres in size, which affects the economic viability of independent agricultural uses. The remaining five parcels, totaling approximately 117 acres, consist of the following:

- 1) APN 200-411-013: a 19.19 acre parcel which has been pre-zoned to R-1-6. Assuming that there are no substantial development constraints, the site may be fully developed with a total of 76 single family residences.
- 2) APN 200-411-018: A 27.61 acre parcel which has been pre-zoned to Public Facility. This parcel is owned by the McLean Foundation. Social, recreational, educational, and related uses may be developed.

- 3) APN 200-411-044: A 25.2 acre parcel which has been pre-zoned to R-1-6. Assuming that there are no substantial development constraints, the site may be fully developed with a total of 100 single family residences.
- 4) APN 202-041-005: An 11.06 acre parcel which has been pre-zoned to RE-43. Assuming that there are no substantial development constraints, the site may be fully developed with a total of 5 single family residences.
- 5) APN 202-051-002: A 34.63 acre parcel which has been pre-zoned to Public Facility (11 acres) and R-1-6 (23.63 acres). A portion of this parcel has previously been developed with residential uses. Assuming that there are no substantial development constraints, the site may be fully developed with a total of 93 single family residences.

According to the City, none of the territory is subject to a Williamson Act Contract. Natural features/resources identified within the affected area (based on site visits, aerial photography, on-line mapping sources, and information provided by City Staff) include Strongs Creek riparian, prime agricultural land, and forest resources. The proposed agricultural use conversions were evaluated in the Fortuna General Plan 2030 PEIR, and 2016 Addendum.

Comment letters have been received by the Humboldt County Farm Bureau and Food, Fiber and Flowers (see Attachment A and B, respectively). Both organizations have concerns about the loss of key agricultural productive lands and resulting downstream drainage impacts associated with full buildout.

LAFCo Agricultural Considerations

When evaluating an annexation proposal, LAFCo must give appropriate consideration of preserving open-space and agricultural lands. When reviewing and approving or disapproving annexations the Commission must consider the following policies and priorities (G.C. §56377):

- a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing non-prime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.
- b) Development of existing vacant or non-prime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency.

The statutory goals of the LAFCo include the promotion of orderly growth and development by determining logical local boundaries [§56001], the preservation of open space by encouraging development of vacant land within cities before annexation of vacant land adjacent to cities [§56377(b)], and the preservation of prime agricultural land by guiding development away from presently undeveloped prime agricultural lands [§56377(a)].

Boundary Alternative Proposed by Staff

Based on the statutory goals discussed above, LAFCo staff has defined a reduced boundary alternative that serves to guide development away from existing prime agricultural lands in open-space use in accordance with Government Code Section 56377. This boundary alternative was based on several considerations, including: 1) current development plans for any of the affected parcels; 2) identified service needs; 3) consistency with the Fortuna Area Community Plan; 4) property owner consent; 5) conversion of existing agriculture/open space uses to urban uses; and 6) avoiding the creation of islands of unincorporated territory in response to any boundary modifications.

Figure 1 shows the reduced boundary alternative recommended by staff, which consists of 92 acres and 22 parcels. Table 1 identifies the justification for each parcel as further described below:

- Includes parcels with the likelihood of development within a reasonable period of time at the levels contemplated by full buildout based on the land use and pre-zoning contemplated by the City. This includes the McLean Foundation parcels for which development approvals are currently being sought.
- Includes parcels with identified service needs (i.e., residences at the northerly end of Newburg Road with existing private water system quantity and quality concerns sufficient to merit connection to City's municipal water system).
- Includes parcels currently designated Agricultural Suburban (AS) and within the Urban Expansion Boundary as identified in the Fortuna Area Community Plan (FACP), which includes land expected to be developed to urban densities and could eventually be provided with public water or sewer services.
- Excludes parcels that lack property owner consent.
- Excludes parcels of 10 acres or more that would result in the conversion of existing agriculture/open space to urban uses.
- Excludes three parcels designated Open Space (OS) by the City that can otherwise not be further subdivided but were removed for boundary uniformity (i.e., avoid creating islands of unincorporated territory).
- Includes the segments of public roads adjacent to the originally proposed annexation parcels- Newburg Road, Rohnerville Road, Loop Road, and Hilltop Drive. Specifically, those portions of Newburg Road and Loop Road where proposed annexation parcels were removed are still included in the annexation to help maintain consistent and logical jurisdictional boundaries.

Additional factors for reduction include the adequate amount of underutilized and vacant residentially-designated land within the existing City limits, and those parcels

which have no immediate plans for residential development within the proposed annexation area.



Several parcels along Newburg Road did not consent to the proposed annexation. The City has extended a waterline along Newburg Road, and individual property owners not annexed at this time could elect to apply to LAFCo for an out of agency water service extension as needed.

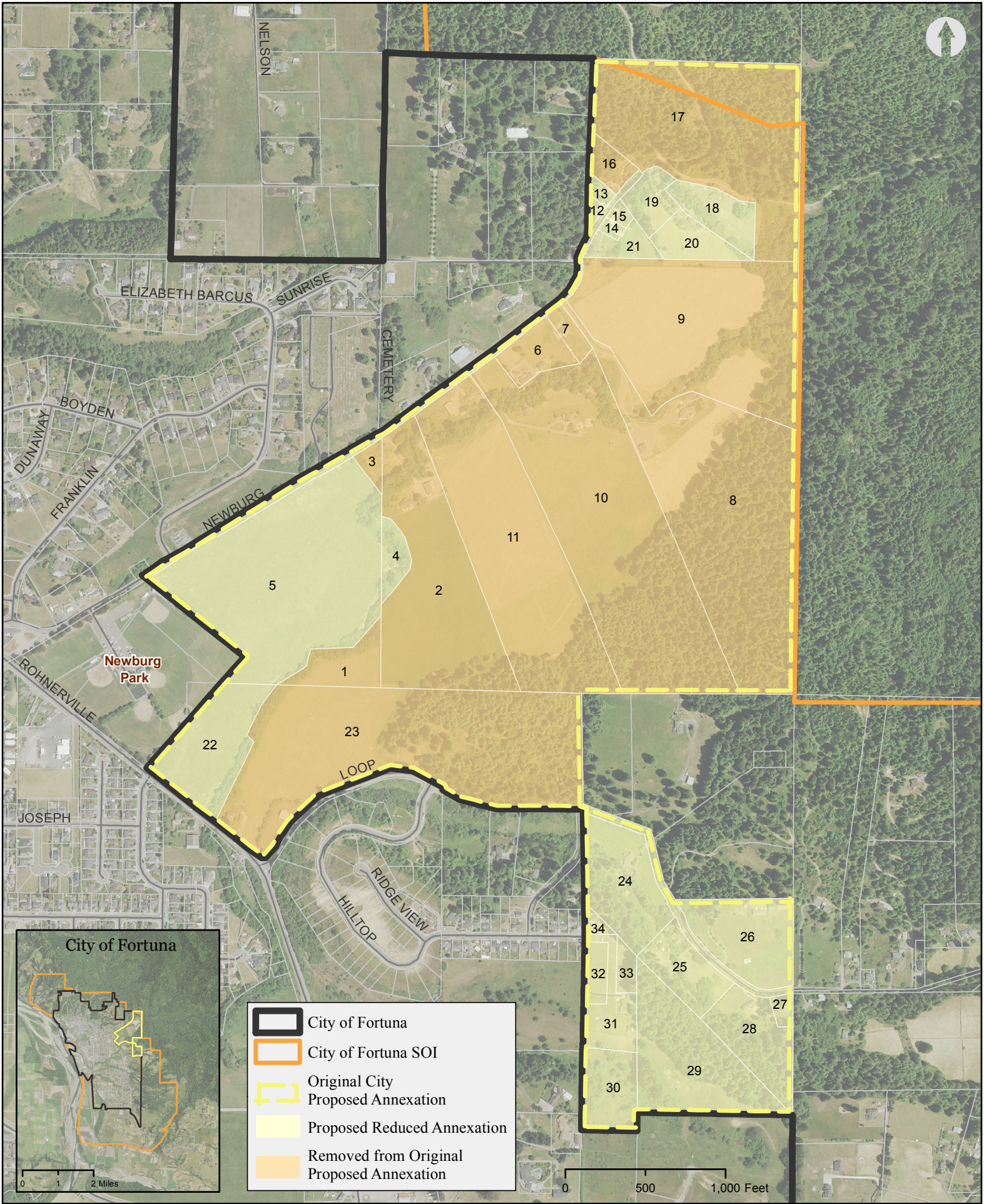
The reduced boundary alternative promotes planned, orderly, and efficient development patterns that effectively guides development away from existing prime agricultural lands in open-space use in accordance with Government Code Section 56001. The recommended boundary alternative could result in the development of approximately 14 single-family residences within the Urban Expansion Boundary areas, compared to a total of 297 residences allowed at full buildout as proposed.

While staff's recommendation includes a substantially reduced area, we feel this boundary alternative meets the immediate and near future service needs of the City and affected territory by including the McLean Foundation's proposed development area, the neighborhood at the north end of Newburg Road (for which water quantity and quality concerns have been identified), and the Loop Road residential area.

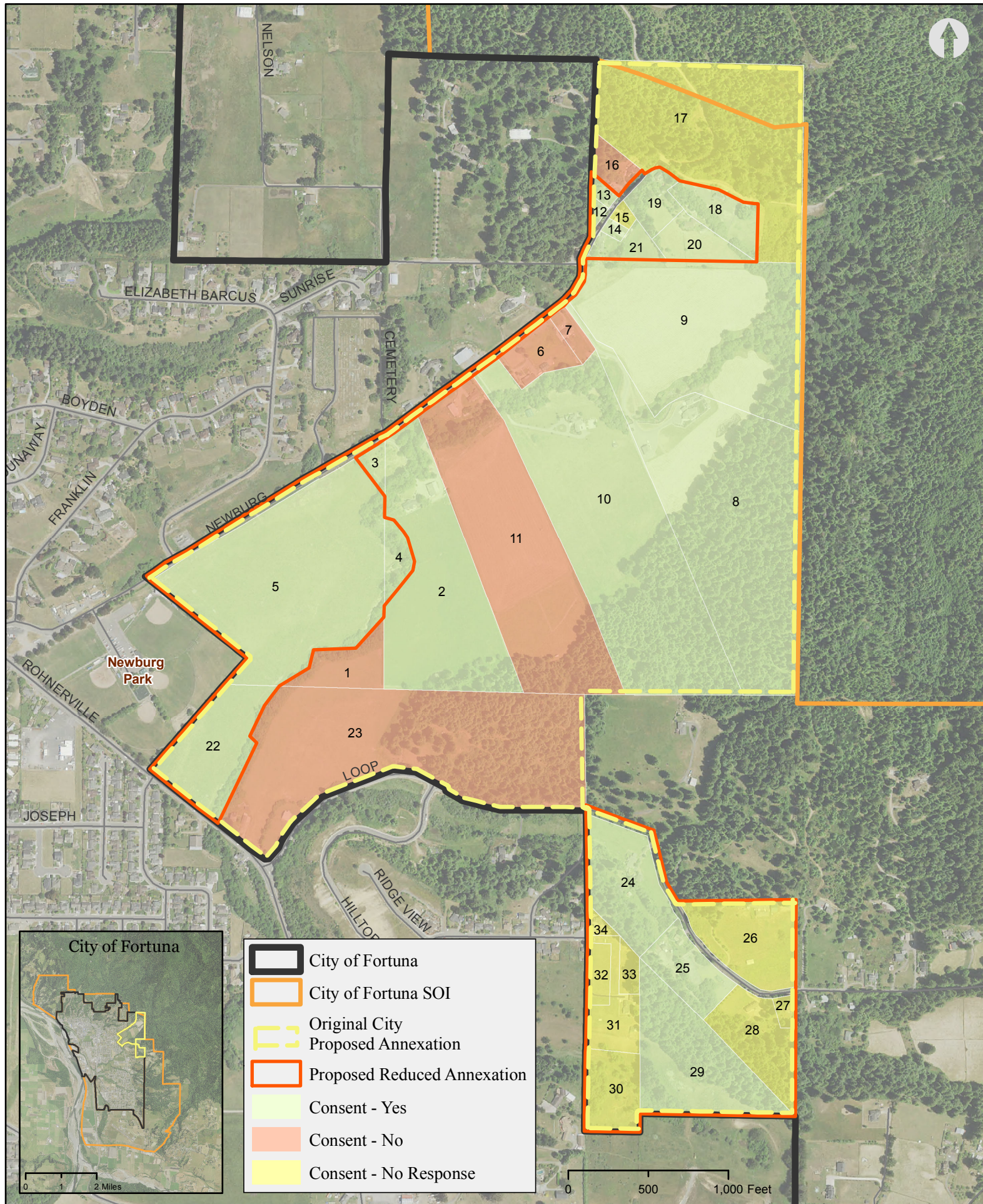
ATTACHMENT X: Strong's Creek Annexation - Analysis

Map ID #	APN	Area (acres)	Current Land Use	Existing County GP Land Use Designations	Existing County Zoning Code	Current Fortuna GP Land Use Designations	Proposed Fortuna Pre-Zoning	Projected Development Based on Pre-Zoning	Boundary Alternative Justification
1	200-411-006	3.20	Pasture	AE	AE-B-5(60)	RL	R-1-6	12	Proposed to be removed; Non Consent (DANCO Owned)
2	200-411-013	19.19	Single Family Residence; Pasture	AE	AE-B-5(60)	RL	R-1-6	75	Proposed to be removed; Results in conversion of prime ag land; 10+ acres
3	200-411-014	0.76	Vacant	AE	AE-B-5(60)	RL	R-1-6	3	Proposed to be removed; Same owner as #2
4	200-411-015	1.53	Pasture	AE	AE-B-5(60)	PUB	PF	0	Retained; Development proposed (McLean Foundation)
5	200-411-018	27.61	Pasture	AE	AE-B-5(60)	PUB	PF	0	Retained; Development proposed (McLean Foundation)
6	200-411-028	2.64	Single Family Residence	AE	AE-B-5(60)	OS	A-E	0	Proposed to be removed; Non Consent
7	200-411-029	0.99	Single Family Residence	AE	AE-B-5(60)	OS	A-E	0	Proposed to be removed; Non Consent
8	200-411-034	31.23	Single Family Residence; Pasture; Forest	AE	AE-B-5(60)	OS	A-E	0	Proposed to be removed; Boundary Uniformity
9	200-411-035	26.30	Pasture	AE	AE-B-5(60)	OS	A-E	1	Proposed to be removed; Boundary Uniformity
10	200-411-043	34.80	Single Family Residence; Pasture; Forest	AE	AE-B-5(60)	OS	A-E	0	Proposed to be removed; Boundary Uniformity
11	200-411-044	25.20	Single Family Residence; Pasture; Forest	AE	AE-B-5(60)	RL	R-1-6	99	Proposed to be removed; Results in conversion of prime ag land; 10+ acres; Non Consent
12	200-431-002	0.32	Single Family Residence	AS	AG	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
13	200-431-004	0.45	Single Family Residence; Forest	AS	AG	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
14	200-431-005	0.31	Single Family Residence	AS	AG	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
15	200-431-008	0.37	Single Family Residence	AS	AG	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
16	200-431-010	1.49	Single Family Residence; Forest	AS	AG	RR	RE-43	0	Proposed to be removed; Non Consent
17	200-431-019	24.56	Forest; Access Trails	T	TPZ & AE	OS	A-E	1	Proposed to be removed; TPZ Land
18	200-431-021	3.15	Single Family Residence; Pasture	AS	AG	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
19	200-431-030	2.14	Single Family Residence; Pasture; Forest	AS	AG	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
20	200-431-031	2.51	Single Family Residence; Pasture; Forest	AS	AG	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
21	200-431-032	1.59	Single Family Residence; Pasture	AS	AG	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
22	202-051-002	34.63	Single Family Residence; Pasture; Forest	AE	AE-B-5(60)	PRK (11 acres); RL (23.63 acres)	PF (11 acres); R-1-6 (23.63 ac)	92	Proposed to be removed; Results in conversion of prime ag land; 10+ acres; Non Consent (DANCO Owned)
23	202-051-008	7.73	Pasture	AE	AE-B-5(60)	PRK	PF	0	Retained; Development proposed (McLean Foundation)
24	202-041-012	7.14	Single Family Residence; Pasture; Forest	AS	AG-B-5(5)	RR	RE-43	2	Retained; Within Urban Expansion Boundary (FACP)
25	202-041-011	3.84	Single Family Residence; Forest	AS	AG-B-5(5)	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
26	202-041-007	6.88	Single Family Residence; Pasture	AS	AG-B-5(5)	RR	RE-43	2	Retained; Within Urban Expansion Boundary (FACP)
27	202-041-026	0.56	Single Family Residence	AS	AG-B-5(5)	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
28	202-041-027	5.29	Single Family Residence; Forest	AS	AG-B-5(5)	RR	RE-43	1	Retained; Within Urban Expansion Boundary (FACP)
29	202-041-005	11.06	Forest; Pasture	AS	AG-B-5(5)	RR	RE-43	5	Retained; Within Urban Expansion Boundary (FACP)
30	202-041-008	4.00	Pasture	AS	AG-B-5(5)	RR	RE-43	2	Retained; Within Urban Expansion Boundary (FACP)
31	202-041-021	3.13	Single Family Residence; Pasture	AS	AG-B-5(5)	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
32	202-041-016	1.28	Pasture	AS	AG-B-5(5)	RR	RE-43	1	Retained; Within Urban Expansion Boundary (FACP)
33	202-041-018	0.85	Forest	AS	AG-B-5(5)	RR	RE-43	1	Retained; Within Urban Expansion Boundary (FACP)
34	202-041-020	0.46	Single Family Residence	AS	AG-B-5(5)	RR	RE-43	0	Retained; Within Urban Expansion Boundary (FACP)
Totals:		297.19						297	

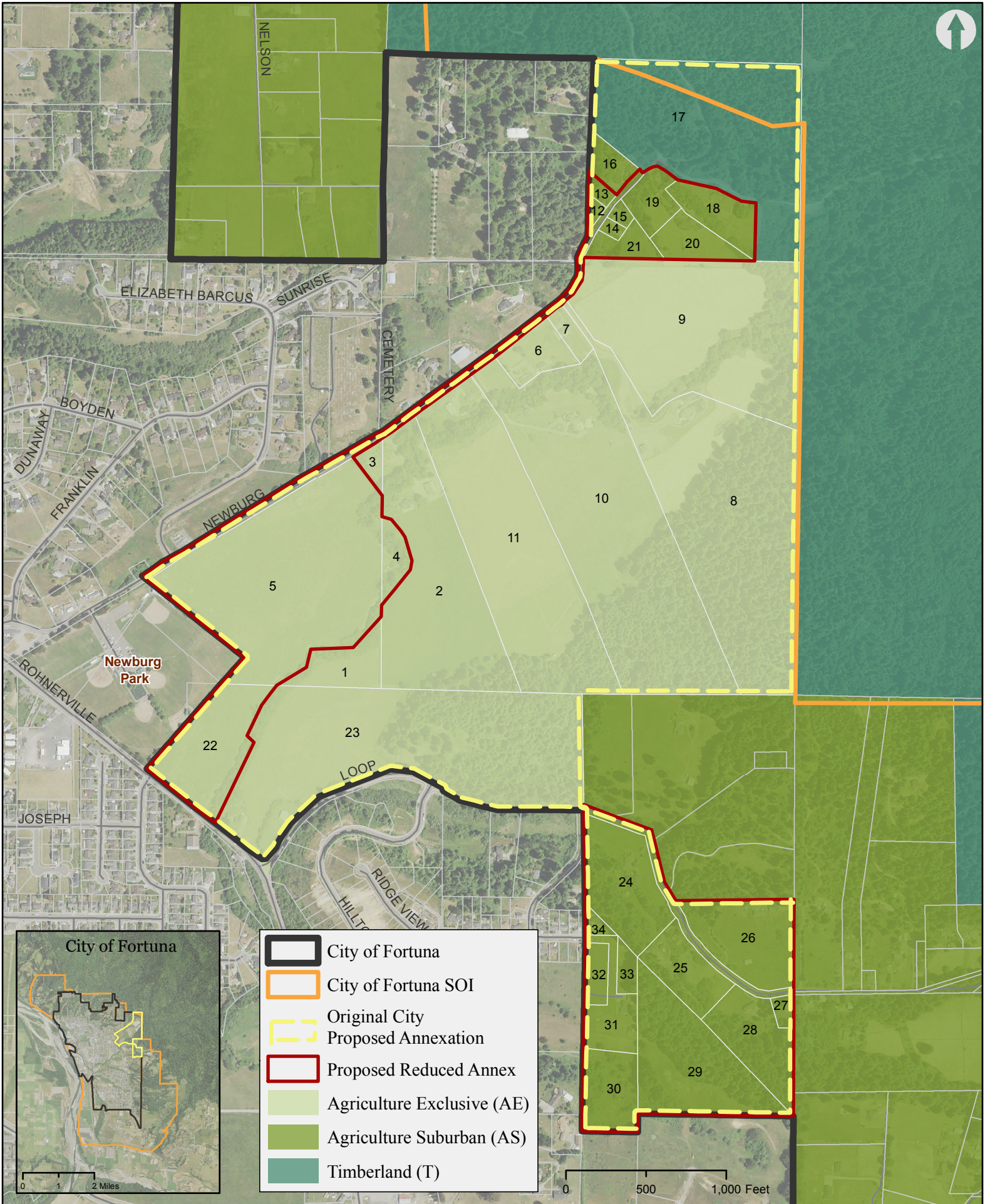
KEY	Fortuna Annexation Development Potential Estimation Parameters			
<p>County General Plan Land Use Designation</p> <p>AE- Agricultural Exclusive</p> <p>AS- Agricultural Suburban</p> <p>T- Timberland</p> <p>Fortuna General Plan Land Use Designation</p> <p>OS- Open Space</p> <p>PRK- Parks, Greenways & Recreation</p> <p>PUB- Public</p> <p>RL- Residential Low Density</p> <p>RR- Residential Rural</p> <p>Humboldt County Zoning Code</p> <p>AE- Agriculture Exclusive</p> <p>AE-B-5(60)- Agriculture Exclusive – 60 acre min. parcel size</p> <p>AG- Agriculture General</p> <p>AG-B-5(5)- Agriculture General – 5 acre min. parcel size</p> <p>TPZ- Timber Protection Zone</p> <p>Fortuna Pre-Zoning</p> <p>A-E Agriculture Exclusive</p> <p>PF Public Facility</p> <p>R-1-6 Residential Single Family – 6,000 sq ft minimum parcel size</p> <p>RE-43 Residential Estates – 1 acre minimum parcel size</p>	City Zoning District		City Zoning Development Regulation	Projected Development Parameters as Estimated by
	A-E	Agriculture Exclusive	No subdivision possible; Minimum 4 acre lot size	1 single-family residence per 20 acres
	PF	Public Facility	Residential development requires a permit	No residential uses
	R-1-6	Residential Single Family	6,000 sq ft min. parcel size	4 single-family residences per acre
	RE-43	Residential Estates	1 acre min. parcel size	1 single family residence per 2 acres
	Reduced Annexation Analysis			
		Acerage	Parcels	Non-Consenting Landowners
	City Proposed	297.19	34	6
	LAFCo Proposed Acerage	92.20	22	0
	Removed	204.99	12	6
				COLOR KEY
				 Retained
				 Removed



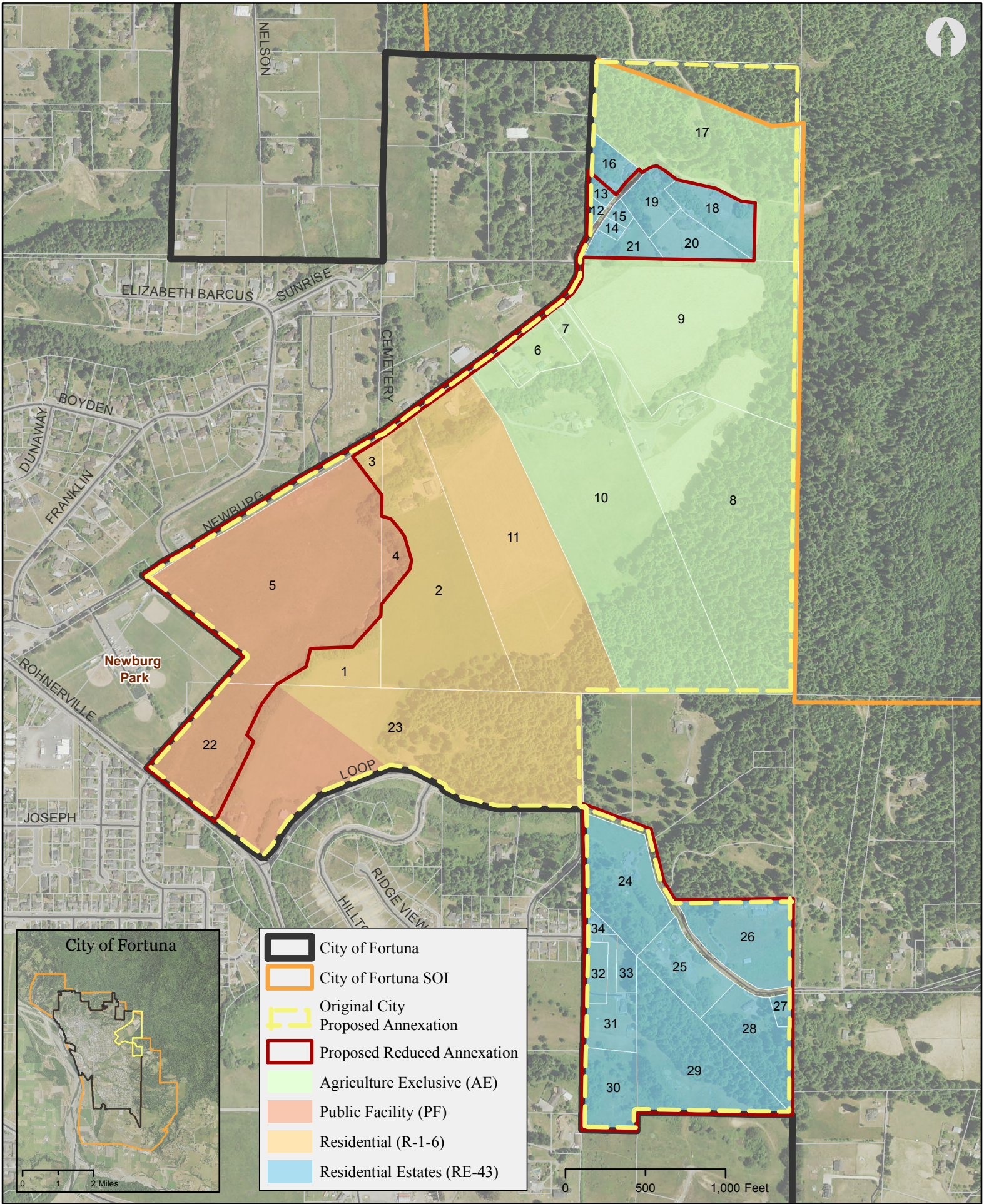
Reduced Proposed Strong's Creek Valley Annexation City of Fortuna



Proposed Strong's Creek Valley Annexation **City of Fortuna - Consent to Annex**



Proposed Strong's Creek Valley Annexation Humboldt County Land Use Designations



Proposed Strong's Creek Valley Annexation **City of Fortuna - Anticipated Zoning**

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 involving cities. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the proposal follows.

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 annexation area as initially proposed by the City contains 34 parcels totaling approximately 297 acres. The total assessed value of properties (land and improvements) is \$7,971,755. The current population of the proposed annexation area is approximately 57 residents based on 22 residences and an average occupancy of 2.49 persons per household (2010 Census). Assuming that properties pre-zoned for residential use are developed near to their maximum allowed density, the entire annexation area may accommodate an additional +/- 297 potential units with a total population of approximately 740.

The majority of the site is undeveloped pasture land and wooded slopes and hillsides, generally adjacent to Strongs Creek. Riparian vegetation and probable wetland areas are located alongside Strongs Creek. There are existing residences along Newburg Road, concentrated to the north in an unincorporated neighborhood of approximately 15 single family residences. A portion of the annexation area is located north and south of Loop Road, and consists of wooded hillsides and pastures, including residences generally located at the easterly terminus of Hilltop Drive, south of Loop Road.

No specific plans for residential development have been submitted for any of the affected parcels. The most imminent development is likely to be the Public Facilities uses proposed for the properties owned by the McLean Foundation. Those uses are not expected to include a residential component.

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.

Pursuant to Government Code Section 56653, the City prepared a Plan for Services to evaluate the needs of the proposed annexation. The need for expanded community services within the affected territory includes water, sewer, and law enforcement. An analysis of the availability and adequacy of these core municipal services relative to projected needs of the proposal follows.

- o Water

According to the Plan for Services, municipal water mains are installed in portions of Newburg Road and in portions of Loop Road and Hilltop Drive. Since the majority of the parcels are not connected to the City's water system, water service will need to be extended as development occurs or as additional service needs arise. As future connections are made, the City will require new users repay a portion of the costs of the initial installation along Newburg Road.

- o Sewer

Municipal sewer mains have been installed in portions of Rohnerville Road and Loop Road (to the intersection with Hilltop Drive). There are no sewer lines in Newburg Road or in Loop Road east of the intersection with Hilltop Drive. The existing neighborhood on Hilltop Drive west of the annexation area also lacks sewer service. Property owners within the annexation area will have the option to continue use of functioning onsite septic systems. As development occurs, or as additional infrastructure needs arise, the City intends to work with residents and property owners to facilitate the extension of municipal infrastructure throughout the annexation area.

- o Fire Protection

The proposed annexation area is located in the Fortuna Fire Protection District (FPD), which provides fire protection and emergency response services to the City of Fortuna and outlying areas. The proposed annexation area is currently within the CAL FIRE SRA. Following annexation, the newly incorporated area will be eligible to be within the Local Response Area, and therefore the CAL FIRE SRA fee would be removed from properties.

- o Law Enforcement

The proposed annexation area is currently served by the Humboldt County Sheriff's Office. Following annexation, the City of Fortuna Police Department will be responsible for providing police services. The City does not anticipate a significant increase in demand for police services resulting from the annexation.

- o Road Maintenance

No additional requirements for road capacity are anticipated as a result of the annexation. Most road segments appear to be in good repair and are adequate for current uses. Frontage improvements including minor road widening and repair, curbs, gutters and sidewalks may be required concurrently with development of each affected parcel. These improvements will be the responsibility of each parcel's property owner when development occurs.

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 annexation as proposed by the City would include 297 acres (34 parcels) of improved and unimproved single family residential and agricultural uses along Newburg Road and Loop Road. This area is within the City's sphere of influence and was analyzed in the City's General Plan as a future city expansion area. Newburg Road currently serves higher density residential uses within the City (to the northwest) and lower density residential and agricultural uses within the County (to the southeast). The City has extended a waterline along Newburg Road with the intent to connect the existing residences along Newburg Road.

LAFCo staff have reviewed the proposed boundary and have evaluated a reduced boundary alternative that serves to guide development away from existing prime agricultural lands in open-space use in accordance with G.C. §56377. This boundary alternative was based on several considerations, including: 1) current development plans for any of the affected parcels; 2) identified service needs; 3) consistency with the Fortuna Area Community Plan; 4) property owner consent; 5) conversion of existing agriculture/open space uses to urban uses; and 6) avoiding the creation of islands of unincorporated territory in response to boundary modifications.

Considering there is an adequate amount of underutilized and vacant residentially-designated land within the existing city limits, and considering there are no immediate plans for residential development within the proposed annexation area that adequately demonstrates a need for annexation, a reduced boundary alternative is recommended at this time. Staff believes this boundary alternative meets the immediate service needs of the city and affected territory by including the McLean Foundation's proposed development area, the neighborhood at the north end of Newburg Road (for which water quantity and quality concerns have been identified), and the Loop Road residential area. Several parcels along Newburg Road did not consent to the proposed annexation. Considering the city has extended a waterline along Newburg Road, individual property owners not annexed at this time could elect to apply to LAFCo for an out of agency water service extension as needed.

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 statutory goals of the LAFCo include the promotion of orderly growth and development by determining logical local boundaries [§56001], the preservation of open space by encouraging development of vacant land within cities before annexation of vacant land adjacent to cities [§56377(b)], and the preservation of prime agricultural land by guiding development away from presently undeveloped prime agricultural lands [§56377(a)].

Based on the statutory goals discussed above, LAFCo staff has defined a boundary alternative consisting of 92 acres and 22 parcels that serves to minimize potential prime agricultural land conversion. The proposed boundary alternative could result in the development of approximately 14 single-family residences within the Urban Expansion Boundary areas, compared to a total of 297 residences allowed at full buildout as proposed. Considering there is an adequate amount of underutilized and vacant residentially-designated land within the existing city limits, and considering there are no immediate plans for residential development at the densities planned by the City within the proposed annexation area, a reduced boundary alternative is recommended at this time.

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

According to the City, none of the territory is subject to a Williamson Act Contract. Natural features/resources identified within the affected area (based on site visits, aerial photography, on-line mapping sources, and information provided by City Staff) include Strongs Creek riparian, prime agricultural land, and forest resources. The proposed agricultural use conversions were evaluated in the Fortuna General Plan 2030 PEIR, and 2016 Addendum.

Comment letters have been received by the Humboldt County Farm Bureau and Food, Fiber and Flowers (see Attachments A and B, respectively). Both organizations have concerns about the loss of key agricultural productive lands and resulting downstream drainage impacts associated with full buildout. However, the boundary alternative recommended by LAFCo staff would encourage the promotion of planned, orderly, and efficient development patterns that would effectively guide development away from existing prime agricultural lands in open-space use.

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.*

A map and geographic description by a licensed surveyor will be required prior to filing a certificate of completion for the annexation. The proposed boundary follows existing

parcel lines and lines of ownership. Also, the proposed annexation would not create islands or corridors of unincorporated territory.

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 involving the affected territory.

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

Land uses within the proposed annexation area are currently designated as Agriculture Exclusive (AE), Agriculture Suburban (AS), and Timberland (T). The Fortuna Area Community Plan identifies "Urban Expansion Areas" consisting of land "expected to be developed to urban densities and could eventually be provided with public water or sewer services". Within the proposed annexation area, the northerly residential area and the Loop Road residential area are identified as Urban Expansion Areas suitable for urban services.

The City of Fortuna adopted land use designations for the annexation area as part of the Fortuna General Plan 2030. A General Plan Amendment was approved by the City Council on June 6, 2016 to re-designate the land uses of two parcels (APN 200-411-015 and 200-144-018) from Residential Low Density (RL) to Public Facilities (PF). The remaining territory is designated as Residential Low Density (RL); Open Space (OS); Residential Rural (RR); and Parks, Greenways and Recreation (PRK).

The proposed agricultural use conversions were evaluated in the Fortuna General Plan 2030 PEIR, and 2016 Addendum. While the City's Open Space designation appears to be consistent with the County AE zoning and would not facilitate additional subdivision, there are several parcels with existing County AE Zoning that would result in the conversion of agricultural land to non-agricultural uses under the City's pre-zoning.

LAFCo staff has defined a reduced boundary alternative that serves to guide development away from existing prime agricultural lands in open-space use in accordance with Government Code Section 56377. Considering there is an adequate amount of underutilized and vacant residentially-designated land within the existing city limits, and considering there are no immediate plans for residential development within the proposed annexation area that adequately demonstrates a need for annexation at this time, a reduced boundary alternative is recommended that also removes parcels without annexation consent.

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

The proposed annexation area is located within the City of Fortuna's Sphere of Influence (SOI), which was reaffirmed by the Commission in January 2008.

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

The City of Fortuna provided sufficient notice to interested and subject agencies of its intent to adopt a resolution of application, pursuant to GC Section 56654(c). LAFCo staff also provided a Notice of Filing to interested and subject agencies. Comments have been received by the Humboldt County Farm Bureau, Food, Fiber and Flowers, and the Humboldt County Public Works Department.

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.

According to the Plan for Services, municipal water mains are installed in portions of Newburg Road and in portions of Loop Road and Hilltop Drive. Since the majority of the parcels are not connected to the City's water system, water service will need to be extended as development occurs or as additional service needs arise. As future connections are made, the City will require new users repay a portion of the costs of the initial installation along Newburg Road.

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

According to the Plan for Services, the City has not identified any capacity limitations and the need to increase system capacity as a result of additional residences connecting to the system is not anticipated.

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 proposal would not impact any local agencies in accommodating their regional housing needs. The affected territory is currently developed with single family residential and agricultural uses. There are currently no residential development plans for the proposed annexation area.

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

All property owners within the proposed annexation area were notified by the City of Fortuna regarding the annexation proposal in July 2015. The City provided LAFCo with written letters of consent from 21 owners of record. Subsequently, LAFCo received a letter from a property owner removing consent for two properties. Therefore, consent has been received from 19 owners of record, lack of consent has been received from 6 owners of record, and no response from 9 owners of record.

15) Any information relating to existing land use designations.

See discussion in section 8.

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 local of public facilities and the provision of public services.

The proposal will not result in inconsistencies with environmental justice safeguards. The annexation will result in expanded public services for residents. Property owners within the area to be annexed will have the option to continue use of functioning onsite water and septic systems or connect to the City's municipal water and sewer systems.

Other Considerations

o Environmental Review

As part of the City of Fortuna 2030 General Plan Update (2010), the City prepared a Program Environmental Impact (PEIR), which identified and assessed the environmental impacts of planned buildout in the Fortuna Planning Area. The City of Fortuna, acting as lead agency determined that the annexation had been fully analyzed in the General Plan EIR, but a minor and technical change to the EIR were required to address the General Plan Amendment to change the land use designation from Low Density Residential (RL) to Public (PUB) for APN 200-411-015 and 200-411-018 adjacent to Newburg Park. On behalf of the Commission, in its role as responsible agency under CEQA, LAFCo staff independently reviewed the PEIR and concurs that, the project will not generate any new direct or indirect significant impacts that have not already been adequately addressed and, as needed, mitigated in the PEIR.

o Master Property Tax 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 Fortuna shall receive 21.30 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., protest hearing) unless waived in accordance with criteria outlined under G.C. Section 56663. This application did not receive 100% consent from landowners within the proposed annexation area. Typically, the proposal is not subject to conducting authority proceedings under G.C. Section 56663 unless written opposition is received from landowners or registered voters within the affected territory prior to the conclusion of the Commission's proceedings on the proposal.

However, Commission approval of a boundary modification will trigger the need to conduct a protest hearing.

B. RECOMMENDATION

The reduced boundary alternative recommended by staff 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 Completion of conducting authority (protest) proceedings by Executive Officer.
- o Submittal of a final map and geographic description of the affected territory prepared by a licensed surveyor and conforming to the requirements of the State Board of Equalization. The City shall include adjacent roads including the segment of Loop Road and the entirety of Newburg Road to avoid fragmenting governmental responsibility for road maintenance purposes.
- 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.

- o Alternative Action One (Recommended):
Adopt draft Resolution No. 16-06, approving the proposal with modifications and conditions as identified in the staff report, along with any desired changes as requested.
- o Alternative Action Two
Approve City proposal as submitted, as modified by removal of the TPZ-zoned parcel (APN 200-431-019) as requested by the City, with the recommended conditions.
- o Alternative Action Three:
Continue consideration of the item to the next regular meeting and provide direction to staff for additional information as needed.
- o Alternative Action Four:
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 agenized for consideration as part of a noticed public hearing. The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff
- 2) Open the public hearing and invite testimony.
- 3) Discuss item and – if appropriate – close the hearing and consider action on recommendation:

"I move to adopt Resolution No. 16-06, approving the Strongs Creek Valley Annexation to the City of Fortuna, as modified in the staff report, subject to the recommended conditions".

Attachments

Attachment A: Comment Letter from Farm Bureau

Attachment B: Comment Letter from Food, Fiber and Flowers

Attachment C: Resolution No. 16-06



Humboldt County Farm Bureau

5601 So. Broadway, Eureka, CA 95503
Serving Agriculture Since 1913

August 9, 2016

LAFCO
1125 16th Street Suite 202
Arcata, CA 95521

Re: Proposed Strongs Creek Valley Annexation by the City of Fortuna

Dear Commissioners:

The Humboldt County Farm Bureau would like to provide comments on the annexation of the Strongs Creek Valley by the City of Fortuna.

The Farm Bureau submitted comments to the City of Fortuna in March, 2016, on the annexation project which included 115 acres, approximately 90 acres were agricultural lands. This project then increased in size in July, 2016, to 297 acres with little regard to public comments or concern to the loss of agricultural lands.

We believe this project should NOT include Agricultural lands especially in the low lying area adjacent to Strongs Creek. It appears that the proposed project would result in downstream drainage problems as well as the loss of key agricultural productive lands.

When reviewing the information, we could not locate mitigation for the conversion of significant prime Ag lands. We understand the housing numbers have changed since the current General Plan was adopted and it is premature to increase housing in this area. The Farm Bureau questions the need for unnecessary housing at the expense of the permanent loss of productive agricultural lands.

The lands proposed for conversion have been historically and currently used for agricultural production. We would like to ask you to protect the productive AG lands in this area.

Sincerely,

Katherine Ziemer

Katherine Ziemer
Executive Director
Humboldt County Farm Bureau
(707) 443-4844



P.O. Box 624, Fortuna, CA. 95540

Directors:

Dave Feral
Feral Family Farm

Paul Giuntoli
Warren Creek Farm

Portia Bramble

John Gary
Organic Matters Ranch

Clif Clendenen
Clendenen's Cider Works

Kevin & Melanie Cunningham
Shakefork Community Farm

Erin Derden-Little

Jacque and Amy Newkom
Newkom Family Farm

Mel Kreb
Flood Plain Produce

Martha Spencer MS
Natural Resource Planner

Jared Zystro PhD
Plant Breeder and Geneticist

John LaBoyteaux
Camp Grant Family Farm

ATTACHMENT B

Humboldt Local Agency Formation Commission August 5, 2016
1125 16th Street, Suite 202
Arcata, CA 95521

Dear Commissioners:

We write in regard to the proposed Strongs Creek Valley annexation of 297 acres by the City of Fortuna.

We understand that the impetus for the annexation is the McLean Foundation's community center. Everyone would agree that will be an important community asset which could not occur without McLean Foundation funding, staffing and project management.

As originally proposed in March of this year, the annexation, in two locations, Newburg Park and Hilltop Road included a total of 13 parcels with a combined area of 115 acres. Approximately 90 acres was agricultural land. We viewed most of that conversion as unnecessary and do not know why City of Fortuna has now increased the annexation proposal to 34 parcels and 297 acres.

Our organization is dedicated to consistent advocacy for the conservation of Humboldt County's agricultural lands. Based on the information provided in the LAFCO Notice of Filing of July 5, 2016, which does not include individual air photos or soils information, there appear to be 13 parcels in usable agricultural units totaling approximately 232 acres.

Agricultural parcels with at least 5 acres of good soils, sometimes less, are usable agricultural units and can be attractive leases for small farmers. Sometimes these lands are operated in tandem with other proximate properties or sometimes individually. This is particularly true when these properties are located close to town and local markets. LAFCO guidelines recognize and encourage retention of this use as follows:

“Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned orderly efficient development of an area.”

The proposed wide net cast by the City of Fortuna is not supported either by the community center or any need for increased housing. It is an overreach to convert this very substantial area of agricultural land especially when there is not a

shortage of available lots.

We ask your attention to the economic, educational and cultural benefits of maintaining agriculture within the sphere of influence of any urbanized area. It is ironic that since Peter Kenyon is no longer doing his pumpkin patch in Carlotta, Fortuna children have to travel to Arcata or Bayside for a pumpkin field day experience.

John LaBoyteaux
Food Fiber and Flowers

RESOLUTION NO. 16-06**APPROVING THE STONGS CREEK VALLEY ANNEXATION
TO THE CITY OF FORTUNA WITH MODIFICATIONS**

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 Fortuna filed an application with the Commission by resolution of application; and

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

WHEREAS, the proposal is consistent with the adopted City of Fortuna Sphere of Influence, adopted by the Commission in January 2008; 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 hearing held on September 21, 2016; and

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

WHEREAS, the Commission provided sufficient notice in accordance with California Government Code Section 56661.

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 Commission, as Responsible Agency, has considered the findings made by the City of Fortuna, as Lead Agency, that the proposed annexation will not generate any new significant effects that have not already been adequately addressed as part of the Program Environmental Impact Report (PEIR) prepared for the City of Fortuna 2030 General Plan (State Clearinghouse Number 2007062106), filed with the County Clerk on October 28, 2010 (No. 931447), and the General Plan Amendment to change the land use designation for APN 200-411-015 and 200-411-018 adjacent to Newburg Park. The Commission has considered the PEIR and Amendment and finds that it makes land use

assignments for the territory and adequately discusses the environmental impacts of development of the territory to the assigned densities. The Commission concurs with the determination and finds the annexation will not introduce any new consideration with respect to this PEIR, and probable future projects are adequately addressed. The Commission further finds projects, as they become known, will be subject to additional environmental review.

3. The Commission approves the proposal with modifications and conditions identified in the staff report, as provided in Exhibit "A". The proposal, as modified, includes the annexation of approximately 92 acres of land (consisting of 22 Assessor's parcels) to the City of Fortuna. The boundary reduction serves to retain non-resource lands while promoting planned, orderly, and efficient development patterns that effectively guides development away from existing prime agricultural lands in open-space use in accordance with Government Code Section 56001.
4. 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.
5. Recordation is 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 G.C. Section 56895.
 - b) Completion of conducting authority (protest) proceedings by the Executive Officer.
 - c) Submittal of a final map and geographic description of the affected territory prepared by a licensed surveyor and conforming to the requirements of the State Board of Equalization. The City shall include adjacent roads including the segment of Loop Road and the entirety of Newburg Road to avoid fragmenting governmental responsibility for road maintenance purposes.
 - d) Payment of any outstanding fees as identified in the Commission's adopted fee schedule.
6. 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 Fortuna. The affected territory will also be subject to all of the rates, rules, regulations, and ordinances of the City of Fortuna.
7. The proposal is subject to a master property tax exchange agreement adopted by the City of Fortuna and the County of Humboldt in 1980; an agreement specifying the City of Fortuna shall receive 21.30 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 21th day of September, 2016, by the following roll call vote:

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

Virginia Bass, Chair
Humboldt LAFCo

Attest:

George Williamson, Executive Officer
Humboldt LAFCo