



## AGENDA ITEM 7B

**MEETING:** September 16, 2015

**TO:** Humboldt LAFCo Commissioners

**FROM:** George Williamson, Executive Officer

**SUBJECT:** **Proposed Sphere of Influence Amendment and Annexation of the Sunny Brae Forest Management Unit/Davis property to the City of Arcata**  
The Commission will consider a proposal submitted by resolution of application by the City of Arcata for a sphere of influence amendment consisting of 386 acres and a corresponding annexation of 325 acres (10 parcels), generally located south of the Arcata Community Forest and east of Sunny Brae neighborhood area. The City has received written consent from all landowners within the proposed annexation area. Staff recommends approval of the proposal with conditions incorporated.

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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 approximately 323 acres (9 parcels) of City-owned undeveloped forestland known as the Sunny Brae Forest Management Unit (SBFMU) to be managed as part of the Arcata Community Forest, as well as approximately 2 acres (1 parcel) that is privately-owned and fully developed with two residences and accessory structures.

The revised City limits would surround approximately 50 privately-owned parcels creating an island that would remain in Humboldt County's jurisdiction. Only a portion of the island area is currently within the City's sphere of influence (SOI). The City proposes to expand its SOI to include the proposed annex areas and all of the "island" parcels remaining in the County's jurisdiction as a result of the proposed boundary change.

The annexation was initiated by the City of Arcata to include City-owned forest properties into the city limits. The City Council previously authorized the acquisition of the forest properties for natural resource conservation, timber management, and public

access. The property owner of APN 500-132-001 (Davis) requested their property be included in the annexation process. The City expanded the Urban Services Boundary to include only the Davis property since no urban services are required for the SBFMU properties.

## **B. DISCUSSION**

### Reasons for Proposal

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

1. The proposed annexation of City-owned and managed forest properties was initiated by the City in order to apply and enforce use regulations under the City of Arcata Municipal Code in these areas (applies specifically to law enforcement).
2. During the Planning Commission noticed public hearing process, the property owner of Assessor's Parcel No. 500-132-001 (Davis property) requested that their single parcel be annexed along with the City SBFMU annexation project in order for the Davis property to disconnect their existing septic wastewater system and to connect to City water and wastewater services.
3. The inclusion of the Davis property provides benefits to the City as the property provides access for forest management activities on the City-owned forest lands.

### General Plan Land Use and Zoning

There are two (2) single-family residences on the Davis property and the City's forest properties are vacant. According to the City, the SBFMU properties will be managed by the City's Forest Management Plan and will be used for trails, public access, recreation, commercial timber harvesting, public water storage facilities, and wildlife conservation. The Davis property is developed to its fullest extent under the RVL designation. No development is proposed as part of this annexation. The City has approved a series of ordinances approving the annexation. They are as follows:

- o Pre-Zoning Action (Ordinance No. 1456) – Amended the Land Use Code (LUC) Zoning Map upon annexation as follows: SBFMU properties is pre-zoned Natural Resource-Timber Production (NR-TP); and APN 500-132-001 is pre-zoned Residential Very-Low Density (RVL).
- o Land Use Action (Resolution No. 145-46) – Amended the General Plan Land Use Map upon annexation as follows: SBFMU properties to be designated Natural Resource (NR); and APN 500-132-001 to be designated Residential Very-Low Density (R-VL).
- o Urban Services Boundary (Resolution No. 145-46) – Amended the General Plan to expand the City's USB to the Davis property (APN 500-132-001).

## Sphere of Influence Amendment

In accordance with Government Code Section 56425(b), prior to a city submitting an application to the Commission to update its sphere of influence, the city and the county are required to meet and discuss the potential for coordination of land use within the sphere of influence of the city. Additionally, §56425(b) states that the Commission shall give great weight to any agreement between the city and county, to the extent that it is consistent with Commission policies, in its final determination of the city sphere. According to the application, the City contacted the Humboldt County Planning and Public Works Departments regarding the necessity of an agreement for the proposed minor amendment to the City's SOI. The City provided the following statements with regard to a sphere agreement:

*The City of Arcata encourages Humboldt County to maintain the existing zoning, including the applicable development standards [within the expanded SOI area and remaining "island" parcels]. The City also encourages Humboldt County to establish the proposed Residential Estates (RE 2.5 - 5) land use designation for the subject parcels [as proposed in the Humboldt County General Plan Update].*

In addition, Government Code Section 56430(e) requires a municipal service review be prepared in conjunction with, but no later than the time the Commission considers an action to establish or update a sphere of influence. The last MSR/SOI Update for the City of Arcata was in March 2010. The City has requested that a comprehensive MSR and SOI update be deferred (not part of this action) since 9 of the 10 parcels annexed do not require typical urban services.

### "Island Parcels"

In accordance with Government Code Section 56744, territory shall not be annexed to a city if, as a result of annexation, unincorporated territory is completely surrounded by that city (i.e., creating an "island" of unincorporated territory). LAFCo may require, as a condition of approval, that the annexation include the entire unincorporated island pursuant to Government Code Section 56375(a)(5). Alternately, LAFCo may waive the restrictions of Section 56744 if it finds that annexation of the island areas would be detrimental to the orderly development of the community pursuant to Government Code Section 56375(m).

As described previously, the proposed jurisdictional boundary would surround approximately 50 privately-owned parcels creating an island of private properties that remain in Humboldt County's jurisdiction. More than half of these island parcels are already located in the City's SOI. City Council Resolution 145-46 extended the City's Sphere of Influence to include all the SBFMU properties, the Davis property, and the island parcels that are currently not located with the SOI. According to the City's application, they included the island parcels in the SOI to clearly show the City's probable jurisdictional boundary and service area.

The island parcels currently do not receive urban services; all existing development is served by onsite water and wastewater systems. The existing and proposed uses of the

rural residential parcels are typically limited by their water and wastewater capabilities. The City reports that it is neither feasible nor desirable at this time to annex the private properties within the island due to the burdens that would be placed on the City's water and wastewater infrastructure, as well as the growth inducing impacts of such annexation. As such, the City reports that annexing all the island parcels would be contrary to the natural resource conservation purpose of the annexation because the inclusion of developed private land designated for non-resource use and the extension of water and sanitary services to rural residences would induce growth and be an economical burden on the community.

Although it may not be feasible for the City to annex the island areas at this time, the City recognizes this area is the logical jurisdiction of the City in the future. By including these island areas within the sphere, the City can consider annexation in the future. The California Legislature enacted special legislation in 2001 (Government Code Section 56375.3) that has made it easier for cities to annex certain unincorporated islands. The law allows cities to annex islands through a streamlined process that does not require protest proceedings or elections, provided the island meets special criteria and is 150 acres or less in size.

### **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 LAFCo 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 B.

- 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). LAFCo staff also provided a Notice of Filing to interested and subject agencies (see Notice of Filing, Attachment A).
- Nine of the 10 parcels annexed do not require typical urban services, since they were acquired by the City for fish and wildlife conservation and will be managed as a sustainable forest and for recreation use. The two existing residences on the Davis property are currently served by onsite wastewater and water. Upon

annexation, water and wastewater services would be provided and the cost for extension of services will be borne by the property owner. The City indicates there is sufficient existing infrastructure capacity to serve the property.

- Annexing as proposed would preserve open space and provide recreational opportunities for the surrounding community. The SBFMU is a recent acquisition that is an integral component to the Arcata Community Forest.

### ***Other Considerations***

- 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. 145-14).

- 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.

- 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 and sphere amendment to the City of Arcata appear 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.

- Completion of the 30-day reconsideration period provided under G.C. Section 56895.
- Submittal of a final map and geographic description of the affected territory conforming to the requirements of the State Board of Equalization (Exhibit "A").

- o Payment of any outstanding fees as identified in the Commission's adopted fee schedule.
- o As part of the next comprehensive Municipal Service Review and Sphere of Influence Update for the City of Arcata, the City shall coordinate with LAFCo staff to identify all unincorporated areas adjacent to the city limits that are substantially surrounded by the City, as well as identify all disadvantaged unincorporated communities within and adjacent to the sphere of influence.

**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 the draft resolution identified as Attachment C, approving the proposal with the recommended conditions along with any desired changes as requested by the Commission.
- o Alternative Action Two:  
Continue consideration of the item to the next regular meeting and provide direction to staff for additional information as needed.
- o 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 agenzized for consideration as part of a noticed public meeting. A public hearing is not necessary because the applicant received 100 percent property owner consent for the proposal. 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 testimony
- C. Discuss item and – if appropriate – consider action on recommendation:

*"I move to adopt Resolution No. 15-13, approving the Sphere of Influence Amendment and Annexation of the Sunny Brae Forest Management Unit/Davis property to the City of Arcata, as described in the staff report, subject to the recommended conditions".*

**Attachments**

- Attachment A: LAFCo Notice of Filing (with Figures)
- Attachment B: Required Factors for Review
- Attachment C: Draft LAFCo Resolution of Approval (No. 15-13)



## NOTICE OF FILING

**DATE:** August 21, 2015

**TO:** Arcata Fire Protection District  
 Humboldt Bay Municipal Water District  
 Humboldt County Planning and Building Department  
 Humboldt County Public Works Department  
 Humboldt County Sheriff's Office  
 Humboldt County Elections Office  
 Humboldt County Assessor's Office  
 Humboldt County Auditor's Office  
 Humboldt County Administrative Office  
 California Department of Forestry and Fire Protection

**FROM:** Colette Metz, LAFCo Administrator

**SUBJECT:** APPLICATION RECEIVED – CITY OF ARCATA SUNNY BRAE FOREST ANNEXATION

### APPLICATION INFORMATION

**Project:** Proposed Sphere of Influence Amendment and Annexation of the Sunny Brae Forest Management Unit/Davis property to the City of Arcata.

**Location:** The SBFMU properties are adjacent to the Panorama Drive subdivision to the west, residential properties along Fickle Hill Rd to the north, and the Arcata Community Forest beyond Fickle Hill Rd. The Davis parcel (APN 500-132-001) is immediately adjacent to the SBFMU, Buttermilk Lane (a public road), and the City boundary to its west. See Exhibit A and B.

**APNs:** Sunny Brae Forest Management Unit: 500-021-032, 500-022-004, 500-032-003, 500-032-006, 500-041-031, 500-101-004, 500-101-009, 500-101-010, & 500-132-026; and one (1) privately owned parcel: 500-132-001.

**Notice:** The above referenced proposal has been submitted to LAFCo and this notice of filing is being issued in accordance with Government Code Section 56658(b)(1). If you wish to receive a copy of the application and supporting documents, please contact LAFCo at (707)445-7508. We request agency comments by **September 4, 2015**.

LAFCo has received a proposal submitted by Resolution of Application from the City of Arcata (Resolution No. 145 -045) for a sphere of influence amendment consisting of 386 acres and a corresponding annexation of 325 acres (10 parcels), generally located south of the Arcata Community Forest and east of Sunny Brae neighborhood area. The proposed annexation area includes approximately 323 acres (9 parcels) of City-owned undeveloped forestland known as the Sunny Brae Forest Management Unit (SBFMU) to be managed as part of the Arcata Community Forest, as well as approximately 2 acres

(1 parcel) that is privately-owned and fully developed with two residences and accessory structures.

The revised City limits would surround approximately 50 privately-owned parcels creating an island that would remain in Humboldt County's jurisdiction. Only a portion of the island area is currently within the City's SOI. The City proposes to expand its SOI to include the proposed annex areas, and all of the "island" parcels remaining in the County's jurisdiction as a result of the proposed boundary change.

The annexation was initiated by the City of Arcata to include City-owned forest properties into the city limits. The City Council previously authorized the acquisition of the forest properties for natural resource conservation, timber management, and public access. The property owner of APN 500-132-001 (Davis) requested their property be included in the annexation process. The City's Urban Services Boundary would therefore be adjusted to include only the Davis property since no urban services are required for the SBFMU properties.

**Please Note: The City has received written consent from all landowners within the proposed annexation area. However, a public hearing will be required for the proposed sphere of influence amendment in accordance with 56428(b). However, pursuant to Government Code Section 56662, the Commission may waive protest proceedings entirely if an affected local agency has not submitted a written demand for notice and hearing within 10-days of receiving this notice.**

#### Reasons for Proposal

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

1. The proposed annexation of City-owned and managed forest properties was initiated by the City in order to apply and enforce use regulations under the City of Arcata Municipal Code in these areas (applies specifically to law enforcement).
2. During the Planning Commission noticed public hearing process, the property owner of Assessor's Parcel No. 500-132-001 (Davis property) requested that their single parcel be annexed along with the City SBFMU annexation project in order for the Davis property to disconnect their existing septic wastewater system and to connect to City water and wastewater services.
3. The inclusion of the Davis property provides benefits to the City as the property provides access for forest management activities on the City-owned forest lands.

#### General Plan Land Use and Zoning

There are two (2) single-family residences on APN 500-132-001 and the City's forest properties are vacant. According to the City, the SBFMU properties will be managed by the City's Forest Management Plan and will be used for trails, public access, recreation, commercial timber harvesting, public water storage facilities, and wildlife conservation. The residential Davis property (APN 500-132-00) is developed to its fullest extent under the RVL General Plan. There is no new development proposed. The City has approved a series of ordinances approving the annexation. They are as follows:

Pre-Zoning Action – Ordinance No. 1456: Amended the Land Use Code (LUC) Zoning Map upon annexation as follows: SBFMU properties is pre-zoned Natural Resource-Timber Production (NR-TP); and APN 500-132-001 is pre-zoned Residential Very-Low Density (RVL).

Land Use Action – Resolution No. 145-46: Amended the General Plan Land Use Map upon annexation as follows: SBFMU properties to be designated Natural Resource (NR); and APN 500-132-001 to be designated Residential Very-Low Density (R-VL).

Urban Services Boundary (USB) - Resolution No. 145-46 also amended the General Plan to expand the City's USB to the Davis property (APN 500-132-001).

#### Provision of Public Services

The annexation area is served by the Arcata Fire Protection District and is within the State Responsibility Area (SRA). CAL FIRE has a legal responsibility to provide wildland fire protection to all SRA designated lands. Upon annexation to the City, the properties would be included within the Local Responsibility Area, and would no longer be charged the CALFIRE SRA fee. In addition, the City would also begin providing police, recreation, roads, and drainage services to the annexation area.

The two existing residences on the Davis property are currently served by onsite wastewater and water. Upon annexation, water and wastewater services would be provided and the cost for extension of services will be borne by the property owner. The City indicates there is sufficient existing infrastructure capacity to serve the property.

#### Sphere of Influence Amendment

In accordance with Government Code Section 56425(b), prior to a city submitting an application to the Commission to update its sphere of influence, the city and the county are required to meet and discuss the potential for coordination of land use within the sphere of influence of the city. Additionally, §56425(b) states that the Commission shall give great weight to any agreement between the city and county, to the extent that it is consistent with Commission policies, in its final determination of the city sphere. The City contacted the Humboldt County Community Development and Public Works Departments regarding the necessity of an agreement for the proposed minor amendment to the City's Sphere of Influence (SOI). The City provided the following statements with regard to a "sphere of influence agreement":

*The City of Arcata encourages Humboldt County to maintain the existing zoning, including the applicable development standards [within the expanded SOI area and remaining "island" parcels]. The City also encourages Humboldt County to establish the proposed Residential Estates (RE 2.5 - 5) land use designation for the subject parcels [as proposed in the Humboldt County General Plan Update].*

In addition, Government Code Section 56430(e) requires a municipal service review be prepared in conjunction with, but no later than the time the Commission considers an action to establish or update a sphere of influence. The last MSR/SOI Update for the City of Arcata was in March 2010. The City has requested that a comprehensive MSR and SOI update be deferred (not part of this action) since 9 of the 10 parcels annexed do not require typical urban services.

### "Island Parcels"

In accordance with Government Code Section 56744, territory shall not be annexed to a city if, as a result of annexation, unincorporated territory is completely surrounded by that city (i.e., creating an "island" of unincorporated territory). LAFCo may require, as a condition of approval, that the annexation include the entire unincorporated island pursuant to Government Code Section 56375(a)(5). Alternately, LAFCo may waive the restrictions of Section 56744 if it finds that annexation of the island areas would be detrimental to the orderly development of the community pursuant to Government Code Section 56375(m).

As described previously, the proposed jurisdictional boundary would surround approximately 50 privately-owned parcels creating an island of private properties that remain in Humboldt County's jurisdiction. More than half of these "island" parcels are already located in the City's SOI. City Council Resolution 145-46 extended the City's Sphere of Influence to include all the SBFMU properties, the Davis property, and the "island" parcels that are currently not located with the SOI. According to the City's application, they included the "island" parcels in the SOI to clearly show the City's probable jurisdictional boundary and service area.

The "island" parcels currently do not receive urban services. The existing and proposed uses of the rural residential parcels are typically limited by their water and wastewater capabilities. The City reports that it is neither feasible nor desirable at this time to annex the private properties within the "island" due to the burdens that would be placed on the City's water and wastewater infrastructure, as well as the growth inducing impacts of such annexation. As such, the City reports that annexing all the "island" parcels would be detrimental to the orderly development of Arcata and contrary to the natural resource conservation purpose of the annexation because the inclusion of developed private land and the extension of water and sanitary services to rural residential private properties would induce growth and be an economical burden on the community. They further report that the City is the logical jurisdiction to include these properties within the City's Sphere of Influence and may consider their separate annexation in the future if individual property owners request annexation.

### Property Tax Exchange

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.

If you have any questions regarding this proposal or wish to request a copy of the application, please contact LAFCo at [administrator@humboldtlafco.org](mailto:administrator@humboldtlafco.org) or (707) 445-7508.

Cc:

Joe Mateer, City of Arcata





## ATTACHMENT B 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 a sphere of influence (SOI) amendment and annexation of the Sunny Brae Forest Management Unit (SBFMU)/Davis property to the City of Arcata. The proposed SOI amendment and annexation is mostly designated for Timberland Production or as Unclassified. Approximately two (2) acres are designated as Residential Low Density. The SBFMU is owned and managed by the City of Arcata and will become a portion of the Arcata Community Forest.

There are two (2) single-family residences on APN 500-132-001 (Davis property), and the City's forest properties are vacant. According to the City, the SBFMU properties will be managed by the City's Forest Management Plan and will be used for trails, public access, recreation, commercial timber harvesting, public water storage facilities, and wildlife conservation. The residential Davis property is developed to its fullest extent under the RVL General Plan. There is no new development proposed.

The proposed jurisdictional boundary would surround approximately 50 privately-owned parcels creating an island of private properties that remain in Humboldt County's jurisdiction. The existing and proposed uses of the rural residential parcels are typically limited by their water and wastewater capabilities.

**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 annexation area is served by the Arcata Fire Protection District and is within the CAL FIRE State Responsibility Area (SRA). CAL FIRE has a legal responsibility to provide wildland fire protection to all SRA designated lands. Upon annexation to the City, the properties would be included within the Local Responsibility Area, and would no longer be charged the CALFIRE SRA fee. In addition, the City would also begin providing police, recreation, roads, and drainage services to the annexation area.

Nine of the 10 parcels annexed do not require typical urban services, since they were acquired by the City for fish and wildlife conservation and will be managed as a

sustainable forest and for recreation use. The two existing residences on the Davis property are currently served by onsite wastewater and water. Upon annexation, water and wastewater services would be provided and the cost for extension of services will be borne by the property owner. The City indicates there is sufficient existing infrastructure capacity to serve the property.

**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.***

As discussed above, the proposed jurisdictional boundary would surround approximately 50 privately-owned parcels creating an island of private properties. The City reports that it is neither feasible nor desirable at this time to annex the private properties within the island due to the burdens that would be placed on the City's water and wastewater infrastructure, as well as the growth inducing impacts of such annexation. As such, the City reports that annexing all the island parcels would be detrimental to the orderly development of Arcata and contrary to the natural resource conservation purpose of the annexation because the inclusion of developed private land and the extension of water and sanitary services to rural residential private properties would induce growth and be an economical burden on the community.

**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 proposed annexation consists of City-owned parcels that will become a portion of the Arcata Community Forest and will remain as open space use. While the affected territory qualifies as "open-space" under LAFCo law, it does not conflict with G.C. Section 56377 for the following reasons: 1) the SBRMU is outside the Urban Services Boundary; 2) the property is designated for Natural Resources, an open space use, under the General Plan; 3) the City reports that funding the acquisition of the SBFMU required deed restrictions that prohibit residential uses on the SBFMU properties; and 4) the property will be managed by the City's Forest Management Plan and will be used for trails, public access, recreation, commercial timber harvesting, public water storage facilities, and wildlife conservation.

The proposed jurisdictional boundary would surround approximately 50 privately owned parcels creating an island of private properties that remain in Humboldt County's jurisdiction. City Council Resolution 145-46 extended the City's SOI to include all the SBFMU properties, the Davis property, and the island parcels that are currently not located with the SOI. Including the island parcels in the SOI demonstrates the City's probable jurisdictional boundary and service area.

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

The majority of the annexation area is currently designated Timber, an agricultural use. All the lands except for the Davis property (APN 500-132-001) will be managed as part

of the City's Forest Management Plan. None of the properties are currently under Williamson Act contract. The SBFMU properties will be used for public access, recreation, commercial timber harvesting, public water storage facilities, and wildlife conservation.

**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 proposed boundaries of the annexation area are drawn to follow Assessor's Parcels. However, the annexation would result in the creation of an island of private properties that remain in Humboldt County's jurisdiction. More than half of these island parcels are already located in the City's SOI. City Council Resolution 145-46 extended the City's Sphere of Influence to include all the SBFMU properties, the Davis property, and the island parcels that are currently not located with the SOI.

The City reports that it is neither feasible nor desirable at this time to annex the private properties within the island due to the burdens that would be placed on the City's water and wastewater infrastructure, as well as the growth inducing impacts of such annexation. By including these island areas within the sphere, the City can consider annexation in the future. The California Legislature enacted special legislation in 2001 (Government Code Section 56375.3) that has made it easier for cities to annex certain unincorporated islands. The law allows cities to annex islands through a streamlined process that does not require protest proceedings or elections, provided the island meets special criteria and is 150 acres or less in size.

**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 parcels within the proposed annexation have the following designations:

APN	Existing County Zoning	Existing County Land Use
500-021-032	Residential One-Family with minimum parcel size modified from 5,000 sq ft to 20,000 sq ft (R-1-B-3)	Very Low Density (ARC 66)
500-101-004	Timber Production Zone (TPZ)	Timber (JCCP) / Estate Residential (Arc 66)
500-132-026	Timber Production Zone (TPZ)	Timber (JCCP)
500-101-009	Timber Production Zone (TPZ)	Timber (JCCP)
500-032-003	Timber Production Zone (TPZ)	Estate Residential / Open Space (Arc 66)

500-041-031	Unclassified (U)	Estate Residential (Arc 66)
500-101-010	Unclassified (U)	Estate Residential (Arc 66)
500-032-006	Unclassified (U)	Estate Residential / Open Space (Arc 66)
500-022-004	Residential One-Family with minimum parcel size modified from 5,000 sq ft to 20,000 sq ft (R-1-B-3) / Unclassified (U)	Estate Residential (Arc 66)
500-132-001	Unclassified (U)	Residential Low Density (JCCP)

Arc 66 = Arcata Community Plan 1966

JCCP = Jacoby Creek Community Plan

With regards to the parcels proposed to be included in the SOI, the City contacted the Humboldt County Departments of Community Development Services, and Public Works – Land Use Division regarding the necessity of an agreement for the proposed minor amendment to the City's SOI. The City continues to support the county continuing to implement the existing zoning, including the development standards for the 20 parcels within the proposed SOI expansion area that will remain in the County's jurisdiction. The City also supports the proposed land use designations of these new SOI parcels.

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

The proposed action would amend the City's SOI to include the annexation area and island parcels. The City has approved extension of the Urban Services Boundary to include the Davis property (APN 500-132-001). No other agency spheres of influence are relevant to this proposal.

**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). LAFCo staff also provided a Notice of Filing to interested and subject agencies (see Notice of Filing, Attachment A). LAFCo has not received any comments regarding this proposal.

**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 nine (9) Sunny Brae Forest Management Unit (SBFMU) parcels do not require typical urban services such as community water, wastewater, or roads because the lands will be managed for timber, wildlife conservation, and public access.

Currently, the Arcata Community Forest generates annual revenue of approximately \$500,000, which is more than is needed to be self-supporting. No tax revenues are used for the forest management activity. Excess net revenue is used to purchase and maintain other City parkland and open space such as the SBFMU. Although, the City

does not pay property tax, the City pays timber yield tax to the state on timber harvested. Portions of the timber yield taxes are earmarked to Humboldt County.

The Davis property is adjacent to City water and wastewater services and connection to City water and wastewater services does not require a main line extension. Connection to City water and wastewater services will be at the expense of the private property owner.

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

The nine (9) Sunny Brae Forest Management Unit (SBFMU) parcels do not require typical urban services. The City of Arcata reports it has the existing water capacity to service the Davis parcel.

**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 is mostly open space in nature. The City reports that funding the acquisition of the SBFMU required deed restrictions that prohibit residential uses on the SBFMU properties. Given the proximity of the residential parcel proposed for annexation and those proposed to be included in the SOI expansion, the City is the logical jurisdiction to include these properties within the annexation and City's SOI.

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

The property owner pursued inclusion in the proposed annexation and the City of Arcata has received signed consent forms from the "Davis" property owner.

**15) Any information relating to existing land use designations.**

See discussion under Factor 8 of this report.

**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 would not result in inconsistencies with environmental justice safeguards. The SBFMU of the Arcata Community Forest will eventually be open to the public for enhanced recreation opportunities that will be of benefit to the community.

**RESOLUTION NO. 15-13****APPROVING THE SPHERE OF INFLUENCE AMENDMENT  
AND ANNEXATION OF THE SUNNY BRAE FOREST  
MANAGEMENT UNIT/DAVIS PROPERTY 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 a proposal with the Commission by resolution of application; and

WHEREAS, the proposal seeks Commission approval for a sphere of influence amendment consisting of 386 acres and an annexation of 325 acres; and

WHEREAS, the annexation includes approximately 323 acres (9 parcels) of City-owned undeveloped forestland known as the Sunny Brae Forest Management Unit (SBFMU) to be managed as part of the Arcata Community Forest, as well as approximately 2 acres (1 parcel) that is privately-owned and fully developed with two residences and accessory structures (Davis Property); and

WHEREAS, the territory proposed for annexation is uninhabited as defined in Government Code Section 56046; and

WHEREAS, the territory proposed for annexation represents 100 percent consent of all landowners within the subject territory; and

WHEREAS, the revised City limits would surround approximately 50 privately-owned parcels creating an island that would remain in Humboldt County's jurisdiction; and

WHEREAS, the City proposes to expand its Sphere of Influence to include the proposed annexation areas and all of the "island" parcels remaining in the County's jurisdiction as a result of the proposed boundary change; and

WHEREAS, the City has amended its Urban Services Boundary to include the Davis Property; 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 on September 16, 2015; 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. 145-14). 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, subject to terms and conditions stated herein.
4. The Commission hereby waives the protest hearing pursuant to Government Code Section 56662.
5. The proposal is assigned the following distinctive short-term designation:  
  
ARCATA SUNNY BRAE FOREST MANAGEMENT UNIT/DAVIS PROPERTY ANNEXATION  
2015
6. The Commission waives the preparation of a municipal service review considering the majority of the proposed sphere area would not require urban services.
7. The Sphere of Influence boundary for the City of Arcata is hereby amended to include an additional 386 acres.
8. Pursuant to Government Code Section 56425(e), the Commission makes the written statement of determinations, as described in Exhibit "B".
9. 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) Submittal of a final map and geographic description of the affected territory conforming to the requirements of the State Board of Equalization (Exhibit "A").

c) Payment of any outstanding fees as identified in the Commission's adopted fee schedule.

d) As part of the next comprehensive Municipal Service Review and Sphere of Influence Update for the City of Arcata, the City shall coordinate with LAFCo staff to identify all unincorporated areas adjacent to the city limits that are substantially surrounded by the City, as well as identify all disadvantaged unincorporated communities within and adjacent to the sphere of influence.

10. 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.

11. 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.

**PASSED AND ADOPTED** at a meeting of the Humboldt Local Agency Formation Commission on the 16<sup>th</sup> day of September, 2015, by the following roll call vote:

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

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Virginia Bass, Chair  
Humboldt LAFCo

Attest:

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George Williamson, Executive Officer  
Humboldt LAFCo

**EXHIBIT A**

**MAP AND GEOGRAPHIC DESCRIPTION  
ARCATA SUNNY BRAE FOREST/DAVIS PROPERTY ANNEXATION 2015**

## EXHIBIT B

### STATEMENT OF DETERMINATIONS CITY OF ARCATA SPHERE OF INFLUENCE AMENDMENT 2015

The following statement of determinations is prepared pursuant to Government Code Section 56425 and fulfills LAFCo requirements to review and amend the sphere of influence (SOI), in conjunction with annexation, of the City of Arcata. The SOI is amended to include an additional 386 acres, as approved by the Commission on September 16, 2015.

#### **1. The present and planned land uses in the area, including agricultural and open space lands.**

With regard to the Sunny Brae Management Unit (SBMU) properties, the City acquired the properties for the expansion of the Arcata Community Forest. Public access will increase because of the public ownership. In addition to public access and recreational opportunities, the SBFMU will be managed for commercial timber harvesting, carbon sequestration, public water storage facilities, and wildlife conservation, consistent with the general plan and zoning. With regard to the Davis property, the site is developed to its fullest extent under the RVL land use designation. The Davis property may seek connection to City water and sewer services, which is within capacity of the City's facilities. With regard to the "Island parcels", affected parcels are currently zoned AG-B-6 or R-1-B-3. Humboldt County is updating the Arcata 1966 Community Plan. The current land use designations proposed for the "island" parcels is Residential Estate 2.5-5 acres parcel sizes.

#### **2. The present and probable need for public facilities and services in the area.**

Typical urban services are not required for the SBFMU because of the intended uses. The Davis residential property may seek connection to City water and sewer services, which is within capacity of the City's facilities. The "island" parcels are currently served by onsite water and wastewater systems. The existing and proposed uses of the rural residential parcels are typically limited by their water and wastewater capabilities. Currently, the annexation of the private properties within the "island" is not anticipated due to the lack of City water and wastewater infrastructure in the surrounding area, and the growth inducing impacts of such annexation. However, the City is the logical jurisdiction to include these properties within the City's Sphere of Influence and consider their separate annexation in the future if individual property owners request annexation and service capacity is expanded.

#### **3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The City adopted Resolution No.145-46, which extended the SOI to include all the "island" parcels that are currently not located with the SOI to clearly show the City's probable physical boundary and service area. Currently annexing all the "island"

parcels is not consistent with the natural resource conservation purpose of the annexation because the inclusion of developed private land designated for non-resource use and the extension of water and sanitary services to rural residences would induce growth and be an economical burden on the community. Although it is not feasible at this time to annex the private properties within the "island" area, the City recognizes it is the logical jurisdiction of the City in the future.

**4. The existence of any social or economic communities of interest in the area.**

According to the Humboldt County and the City of Arcata Housing Elements, there are no social or economic communities of interest in the project area.

**5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection...the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

According to the Humboldt County and the City of Arcata Housing Elements there are no disadvantaged communities of interest in the existing SOI. As part of the next Sphere of Influence Update for the City of Arcata, the City shall coordinate with LAFCo staff to identify all unincorporated areas that are substantially surrounded by the City, as well as identify disadvantaged unincorporated communities within and adjacent to the sphere of influence.