



AGENDA ITEM 6B

MEETING: March 21, 2018
TO: Humboldt LAFCo Commissioners
FROM: Colette Metz, Administrator
SUBJECT: **Humboldt Community Services District Extension of Water and Wastewater Services Outside the District's Boundary to APN 017-032-003 (McKay Ranch Subdivision Parcel)**

The Commission will consider a request submitted by the Humboldt Community Services District to extend water and wastewater services to a vacant parcel proposed to be developed with a single-family residence, located within the District's Sphere of Influence. The subject parcel is part of a larger planned development known as the McKay Ranch Subdivision. Humboldt LAFCo policy provides that the Commission review all development-related applications, whereas the Executive Officer can administratively approve non-development related extensions for health and safety reasons.

Section 56133 of the California Government Code requires cities and special districts to request and receive written approval from LAFCo before entering into agreements to provide new or extended services outside their jurisdictional boundaries. The Commission may authorize a city to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence "in anticipation of a later change of organization". It is Humboldt LAFCo's policy that the inclusion of an area to be served within the sphere of influence of the subject agency shall be sufficient to comply with this provision.

BACKGROUND

LAFCo has received an application filed by the Humboldt Community Services District (HCSD) for the extension of water and sewer services to APN 017-032-003, located outside of the District's boundary but within its sphere of influence. The 11.52-acre parcel is part of a larger planned development, known as the McKay Ranch Subdivision, for which the property owner, Fairhaven Cottages LLC has filed a tentative map with Humboldt County (see [Attachment A](#)). The proposed services extension would allow for the construction of one (1) single-family residence in advance of the multi-phased subdivision and annexation review process.

The McKay Ranch Subdivision is a 320-unit planned development which consists of a combined 81-acre site (7 parcels, including APN 017-032-003) into varying single-family and multi-family lots as well as neighborhood commercial lots (Humboldt County Case numbers: FMS15-003, ZR15-008, GPA15-005, & PDP15-001). As contemplated, water and

wastewater services would be supplied to the subdivision by HCSD. It is anticipated that annexation to the District would be included as a condition of subdivision approval.

The property owner anticipates the discretionary review process for the McKay Ranch Subdivision will take significant time and resources. In the short-term, the property owner wishes to construct a single-family residence and has requested service from HCSD. On January 9, 2018, the HCSD Board of Directors met and adopted a resolution of intent to provide service to the subject property to allow the development of a single-family residence, subject to approval from LAFCo (see [Attachment B](#)).

DISCUSSION

The subject parcel consists of approximately 11.52-acres of undeveloped forested land designated in the Humboldt County General Plan for Residential-Low Density (RL) uses. Adequately sized water and sewer mains exist within the Manzanita Avenue right-of-way and could be extended a short distance (20+ feet) to serve the proposed single-family residential use. Currently, Manzanita Avenue dead-ends at the subject parcel, with residential uses lining the south side of the street (see Figures 1 and 2 below). As part of Phase 9 of the McKay Ranch Subdivision project, Manzanita Avenue would be designed and constructed with a cul-de-sac serving four (4) residences (one of which is the subject of this service extension). In addition, portions of Phase 7 and Phase 8 are would be located on the subject parcel (see Attachment A).

Figure 1 – Manzanita Avenue (street-view)



Figure 2 – Manzanita Avenue (birds-eye view)



ANALYSIS

The Commission has a locally-adopted policy and procedural guidelines by which the Commission considers requests for the extension of services pursuant to Government Code Section 56133. The Commission recognizes the importance of considering local conditions and circumstances when implementing these policies. Several components are especially relevant to this application:

Criteria for Authorizations for Outside Service Area Requests

The Commission's policy clarifies that the Commission and the Executive Officer shall limit its outside service area authorizations to circumstances where:

A. Sufficient service capacity exists;

Staff Analysis: Adequately sized public water and sewer mains exist within Manzanita Street and are about 20' from parcel. Only the installation/construction of water and sewer services for a single-family residence are proposed. The owner would be responsible for paying all improvement costs and connection fees associated with the water and sewer connections.

- B. Annexation would not be practicable; and

Staff Analysis: The property owner has filed a tentative map with the Humboldt County Planning and Building Department representing a 322-unit subdivision. The subject parcel is part of this larger subdivision, which consists of 7 parcels total. It is anticipated that annexation to the HCSD would be included as a condition of subdivision approval. LAFCo discourages annexation until all discretionary approvals for land use entitlements, including the proposed planned development and subdivision, are granted. It is anticipated that once the tentative map is approved, the annexation process will proceed.

- C. The outside service area request is determined by the Commission to be consistent with the policies adopted in and pursuant to the Cortese-Knox-Hertzberg Act.

Staff Analysis: There are no additional requirements for consideration under G.C. Section 56133 that should be considered by the Commission.

Agency Comments

Upon receipt of the District's application, LAFCo staff provided a referral to the County and other interested agencies (see Attachment C). Humboldt County Planning and Building provided the following comments via email on March 15, 2018:

County Planning and Building Comments - HCSD Out of Agency water and sewer extension to APN 017-032-003:

This parcel is planned RL and zoned R-1 and appears to be located within the Urban Development Area of the Eureka Community Plan and water and wastewater service appears to be provided to adjacent parcels along Manzanita:

Section 2630 Development Timing Policies

"Urban Development Areas are areas which are designated by the Eureka Community Plan for development to densities of more than one unit per acre. These are areas which feasibly can be served by community water and sewer systems."

This parcel is part of a larger proposal that includes a General Plan Amendment, Zone Reclassification, Final Map Subdivision and Planned Unit Development Permit for the subdivision of approximately 81 acres into 154 mixed use lots. Uses will include affordable housing, workforce housing, single family dwelling lots, affordable townhouses, neighborhood commercial lots and condominium lots. A total of 320 residential units and 2 commercial units are proposed in this nine phase subdivision. Lots are to be served by community water and sewer. A separate application to LAFCo will be necessary for annexation to Humboldt Community Services District that is currently in suspense (FMS15-004, ZR15-008, GPA15-005, PDP15-001). The project planner is advised that the applicant intends to construct a single family dwelling on this parcel sited in anticipation of placement on one of the future subdivision parcels.

Planning and Building Department staff have reviewed this proposal and have determined that extension of water and sewer service for the proposed single family residence would be appropriate at this time. Annexation to HCSD would be required to allow the development of the project described above.

Environmental Review

All matters that involve discretionary action are subject to the applicable provisions of the California Environmental Quality Act (CEQA). HCSD, as lead agency, has determined that the service extension is categorically exempt pursuant to CEQA Guidelines Section 15301 (Class 1), Existing Facilities, which allows the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of public or private structures and facilities, and Section 15303(d) (Class 3), New Construction or Conversion of Small Structures, which allows the construction and location of water mains and other utility extensions of reasonable length to serve such construction.

RECOMMENDATION

Staff recommends the Commission approve the extension of water and wastewater services outside the District's boundary to APN 017-032-003, as submitted by HCSD (Option 1). It is recommended that the approval include the following standard conditions:

- o The Humboldt Community Services District and Fairhaven Cottages, LLC shall enter into a recorded Covenant and Agreement Regarding Out of District Services and Annexation to APN 017-032-003. The Covenant and Agreement shall include a provision that limits the extension of water and wastewater services to one (1) single-family residence permitted on the subject property and not to any other properties. Any expansion or intensification of water or wastewater services on said property shall be considered a new request, subject to LAFCo review. This Covenant and Agreement shall automatically terminate at such time as the property is annexed to the Humboldt Community Services District.
- o All LAFCo fees must be paid in full prior to the extension of service authorization becoming effective.

ALTERNATIVES FOR COMMISSION ACTION

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

- o Option 1 (Recommended): Adopt the draft resolution identified as Attachment D, approving the request with the recommended conditions along with any desired changes as requested by members.
- o Option Two: Continue consideration of the item to the next regular meeting and provide direction to staff for additional information as needed.
- o Option 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

The following procedures are recommended with respect to the Commission's consideration of this item:

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

"I move to adopt Resolution No. 18-04, authorizing the Humboldt Community Services District to extend water and wastewater services outside the District boundary to allow for the development of one (1) single-family residence on APN 017-032-003, as described in the staff report, subject to the recommended conditions."

Attachments:

- Attachment A: Tentative Map Phasing Plan for McKay Ranch Subdivision
- Attachment B: HCSD Board Resolution No. 2018-01
- Attachment C: LAFCo Notice of Filing (referral)
- Attachment D: Draft LAFCo Resolution No. 18-04

Cc: David Hull, HCSD General Manager
Mickey Hulstrom, HCSD Community Services Manager

RESOLUTION NO. 2018-01**A RESOLUTION OF THE HUMBOLDT COMMUNITY SERVICES DISTRICT
EXPRESSING INTENT TO PROVIDE WATER AND SEWER SERVICES TO APN
017-032-003 TO ALLOW FOR THE DEVELOPMENT OF A SINGLE-FAMILY
RESIDENCE**

WHEREAS, the Humboldt Community Services District has received a property owner request to provide water and sewer service to allow for the development of one (1) single-family residence on APN 017-032-003, located outside the District's boundary but within the District's sphere of influence; and

WHEREAS, the subject parcel consists of approximately 11.52-acres of vacant land designated in the Humboldt County General Plan for Residential-Low Density (RL) uses; and

WHEREAS, the District currently has sufficient water and sewer capacity to serve the single-family residential use; and

WHEREAS, existing water and sewer lines occur within the Manzanita Avenue right-of-way adjacent to the parcel and could be extended a short distance to serve the single-family residential use; and

WHEREAS, the property owner, Fairhaven Cottages, LLC has filed a tentative map with Humboldt County for a planned development, known as the McKay Ranch Subdivision, consisting of a combined 81-acre site (7 parcels, including APN 017-032-003) into varying single-family and multi-family lots as well as neighborhood commercial lots. Water and wastewater services would be supplied by the Humboldt Community Services District. It is anticipated that annexation to the Humboldt Community Services District would be included as a subdivision condition of approval.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Humboldt Community Services District adopts Resolution 2018-01 thereby resolving as follows:

Section 1: The Board of Directors finds that the service extension is categorically exempt pursuant to CEQA Guidelines Section 15301 (Class 1), Existing Facilities, which allows the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of public or private structures and facilities, and Section 15303 (Class 3), New Construction or Conversion of Small Structures, which allows the construction and location of limited numbers of new, small facilities or structures, including water main, sewage, electrical, gas, and other utility extensions.

Section 2: The Board of Directors hereby expresses its intent to provide water and sewer services to APN 017-032-003 to allow the development of a single-family residence.

Section 3: The General Manager or his designee is directed to prepare and submit to Humboldt LAFCo an application and request to extend water and sewer services outside the District's boundary to APN 017-032-003 in accordance with Government Code Section 56133.

Section 4: The Board of Directors requests the following condition be included in the LAFCo action:

"The Humboldt Community Services District and Fairhaven Cottages, LLC shall enter into a recorded Covenant and Agreement Regarding Out of District Services and Annexation to APN 017-032-003. The Covenant and Agreement shall include a provision that limits the extension of water and wastewater services to one (1) single-family residence permitted on the subject property and not to any other properties. Any expansion or intensification of water or wastewater services on said property shall be considered a new request, subject to LAFCo review. This Covenant and Agreement shall automatically terminate at such time as the subject property are annexed to the Humboldt Community Services District."

PASSED, APPROVED, and ADOPTED the 9th day of January, 2018, upon the following roll call vote:

AYES: GARDINER, SAUNDERSON, TYSON

NOES: NONE

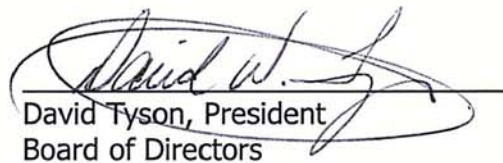
ABSTAIN: BONGIO

ABSENT: SCOLARI

ATTEST:



Brenda K. Franklin, Board Secretary



David Tyson, President
Board of Directors



NOTICE OF FILING

DATE: January 30, 2018

TO: City of Eureka Development Services Department
City of Eureka Public Works Department
Humboldt County Administrative Office
Humboldt County Planning and Building Department
Humboldt County Public Works Department
Humboldt County Environmental Health
Humboldt Bay Fire Authority

Cc: David Hull, HCSD
Mickey Hulstrom, HCSD
Chris Mikkelsen, Fairhaven Cottages, LLC c/o Kramer Properties

FROM: Colette Metz, LAFCo Administrator

SUBJECT: APPLICATION RECEIVED – Humboldt CSD Out of Agency Water and Sewer Services Extension

APPLICATION INFORMATION

Project: Humboldt CSD Water and Sewer Services Extension
Location: Manzanita Avenue, Cutten
APN: 017-032-003
Notice: The above referenced application has been submitted to LAFCo in accordance with Government Code Section 56133. **We request agency comments on the proposed service extension by February 19, 2018.**

Pursuant to Government Code Section 56133, LAFCo has received an application filed by the Humboldt Community Services District (HCSD) for the extension of water and sewer services to APN 017-032-003, located outside of the District's boundary but within its sphere of influence. The subject parcel is part of a larger planned development, known as the McKay Ranch Subdivision, for which the property owner, Fairhaven Cottages LLC has filed a tentative map with Humboldt County. The proposed services extension would allow for the construction of one (1) single-family residence in advance of the multi-phased subdivision and annexation review process.

Government Code Section 56133 authorizes a district to provide new or extended services by contract or agreement outside its jurisdictional boundaries if the district requests and receives approval from the Commission. The Commission may authorize a district to provide new or extended services outside its jurisdictional boundaries but

within its sphere of influence in anticipation of a later change of organization. It is Humboldt LAFCo's policy that the inclusion of an area to be served within the sphere of influence of the serving agency shall be sufficient to comply with this provision.

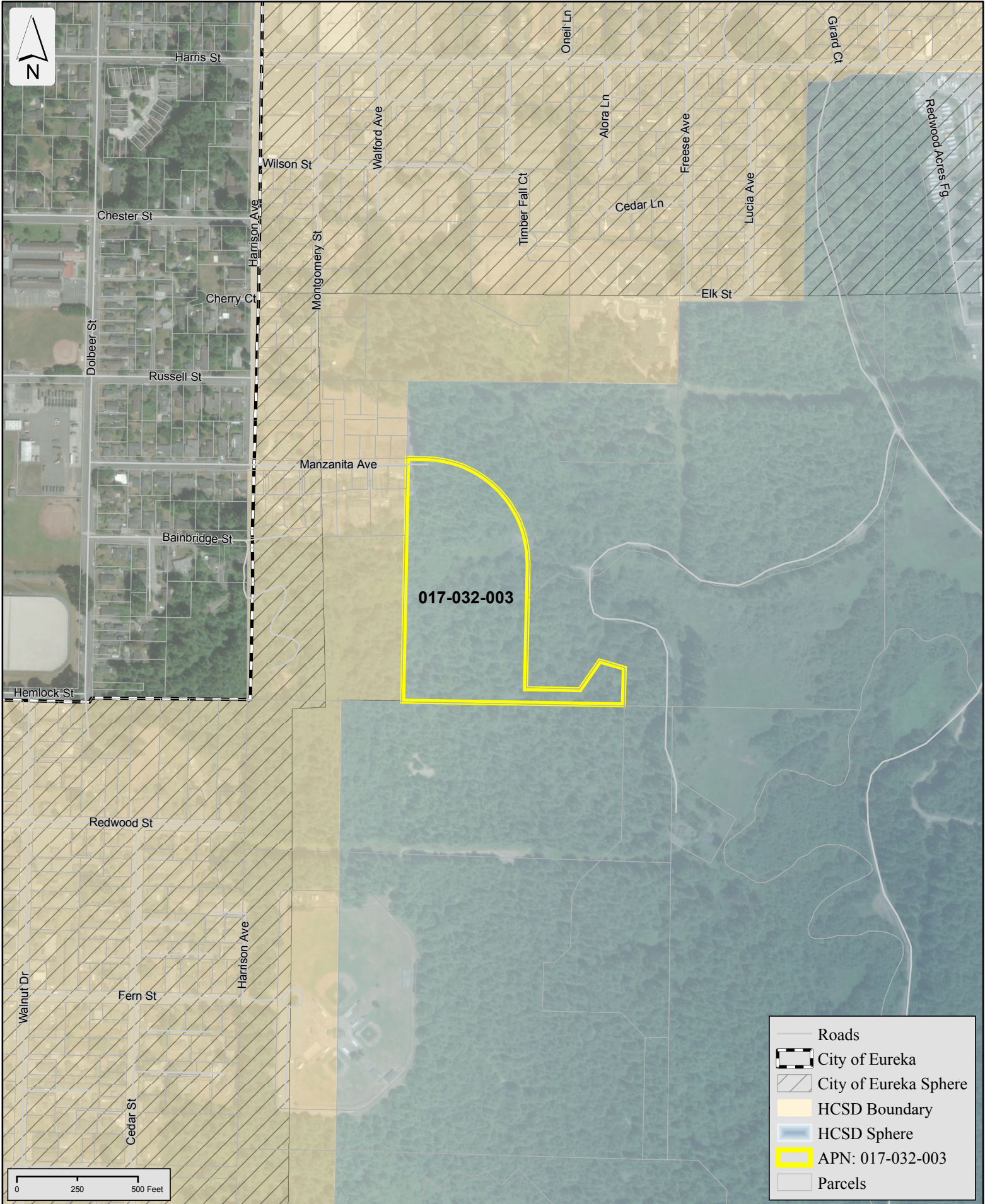
The subject parcel consists of approximately 11.52-acres of vacant land designated in the Humboldt County General Plan for Residential-Low Density (RL) uses. According to the application, existing water and sewer lines occur within the Manzanita Avenue right-of-way adjacent to the parcel and could be extended a short distance to serve the single-family residential use. In addition, HCSD has requested the following condition be included in the LAFCo action:








"The Humboldt Community Services District and Fairhaven Cottages, LLC shall enter into a recorded Covenant and Agreement Regarding Out of District Services and Annexation to APN 017-032-003. The Covenant and Agreement shall include a provision that limits the extension of water and wastewater services to one (1) single-family residence permitted on the subject property and not to any other properties. Any expansion or intensification of water or wastewater services on said property shall be considered a new request, subject to LAFCo review. This Covenant and Agreement shall automatically terminate at such time as the subject property are annexed to the Humboldt Community Services District."

As noted above, the subject parcel is part of a larger 322-unit planned development, known as the McKay Ranch Subdivision, which consists of a combined 81-acre site (7 parcels, including APN 017-032-003) into varying single-family and multi-family lots as well as neighborhood commercial lots (Humboldt County Case numbers: FMS15-003, ZR15-008, GPA15-005, & PDP15-001). As contemplated, water and wastewater services would be supplied to the subdivision by HCSD. It is anticipated that annexation to the District would be included as a subdivision condition of approval.

Please provide us with your comments by **February 19, 2018**. This request will be agendaized as part of the March 21, 2018 LAFCo meeting for Commission consideration. Please contact Colette Metz at (707) 445-7508 or administrator@humboldtlaftco.org with any questions.

Exhibit A: Location Map



-  Roads
-  City of Eureka
-  City of Eureka Sphere
-  HCSD Boundary
-  HCSD Sphere
-  APN: 017-032-003
-  Parcels

RESOLUTION NO. 18-04**AUTHORIZING THE HUMBOLDT COMMUNITY SERVICES DISTRICT TO PROVIDE
WATER AND WASTEWATER SERVICES OUTSIDE THE DISTRICT BOUNDARY
TO APN 017-032-003 (McKAY RANCH SUBDIVISION PARCEL)**

WHEREAS, the Humboldt Local Agency Formation Commission (hereinafter referred to as "Commission") is responsible for authorizing cities and special districts to provide new or extended services by contract or agreement outside its jurisdictional boundaries pursuant to California Government Code Section 56133; and

WHEREAS, the Commission received an application from the Humboldt Community Services District (hereinafter referred to as "District") requesting authorization to extend water services outside its jurisdictional boundary to a vacant parcel accessed from Manzanita Avenue (APN 017-032-003); and

WHEREAS, this parcel is part of a larger proposal, known as the McKay Ranch Subdivision, that includes a General Plan Amendment, Zone Reclassification, Final Map Subdivision and Planned Unit Development Permit for the subdivision of approximately 81 acres into 154 mixed use lots. Uses will include affordable housing, workforce housing, single family dwelling lots, affordable townhouses, neighborhood commercial lots and condominium lots. A total of 320 residential units and 2 commercial units are proposed in this nine phase subdivision. Lots are to be served by community water and sewer. A separate application to LAFCo will be necessary for annexation to the Humboldt Community Services District; and

WHEREAS, the current property owner has requested a water and wastewater service connection from the Humboldt Community Services District in order to facilitate the development of a single-family residential structure at the subject property (in advance of the development of the subdivision projected described above); and

WHEREAS, the subject property is located within the District's adopted Sphere of Influence; and

WHEREAS, existing water and sewer lines occur within the Manzanita Avenue right-of-way adjacent to the parcel and could be extended a short distance to serve the single-family residential use; and

WHEREAS, the Commission reviewed and considered the Executive Officer's report and recommendation; and

WHEREAS, the Commission heard and fully considered all the evidence presented on the proposed services extension at a public meeting held on March 21, 2018.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission, as responsible agency, finds that the proposal is categorically exempt from further review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Class 1–Existing Facilities, and 15303(d), Class 3–New Construction or Conversion of Small Structures, which exempts the construction and location of water mains and other utility extensions of reasonable length to serve such construction.
2. The Commission has considered the factors determined to be relevant to this proposal, including, but not limited to, the sphere of influence, urban limit line, available infrastructure and services capacity, and other factors specified in Government Code Section 56133, and as described in the staff report.
3. The Commission hereby authorizes the District to provide water services outside its jurisdictional boundary to APN 017-032-003, subject to the following conditions:
 - a. The Humboldt Community Services District and Fairhaven Cottages, LLC shall enter into a recorded Covenant and Agreement Regarding Out of District Services and Annexation to APN 017-032-003. The Covenant and Agreement shall include a provision that limits the extension of water and wastewater services to one (1) single-family residence permitted on the subject property and not to any other properties. Any expansion or intensification of water or wastewater services on said property shall be considered a new request, subject to LAFCo review. This Covenant and Agreement shall automatically terminate at such time as the subject property are annexed to the Humboldt Community Services District.
 - b. All LAFCo fees must be paid in full prior to the extension of service authorization becoming effective.

PASSED AND ADOPTED at a meeting of the Humboldt Local Agency Formation Commission on the 21st of March, 2018, by the following roll call vote:

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

Attest:

Estelle Fennell, Chair
Humboldt LAFCo

George Williamson, Executive Officer
Humboldt LAFCo