

June 20, 2002

To: Local Agency Formation Commission

Re: LAFCO #02-04: Saini Reorganization - A proposal to annex property located at the northeast corner of Walton Avenue and Camino De Flores into Yuba City and simultaneously detach those lands from County Service Area "G" and the Consolidated Street Lighting District. The annexation area may be enlarged by the Commission to include all unincorporated lands lying north of Richland Road, east of Walton Avenue, south of Berkshire and Countryside Drives, and west of and including Little John Road, comprising 64± acres.

I. STAFF'S RECOMMENDED ACTION

Adopt the attached resolution making determinations and approving the reorganization which annexes the territory reflected on Exhibit A to the city of Yuba City and simultaneously detaches the property from County Service Area "G" and the Consolidated Street Lighting District.

II. APPLICATION AND REQUEST

LAFCO has received a landowner petition proposing a reorganization to annex two parcels located at the northeast corner of Walton Avenue and Camino De Flores into Yuba City and simultaneously detaching those lands from County Service Area "G" which provides fire protection and the Consolidated Street Lighting District. Staff, working with the city of Yuba City, has proposed expanding the reorganization area to include a total of 349 Assessor Parcels in an area generally described as all those unincorporated lands lying east of Walton Avenue, west of and including Little John Road, south of the Walton Station Subdivision, and north of Richland Road. A map of the proposal is attached as Exhibit "A".

III. ENVIRONMENTAL

LAFCO is the lead agency under the California Environmental Quality Act (CEQA) for this reorganization. Staff has reviewed the application and has determined that this proposal is Categorical Exempt from CEQA pursuant to Section 15319 of the Guidelines. This provision

exempts from CEQA annexations to a city of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency, whichever is more restrictive. The properties subject to the reorganization already exist and are developed or can be developed with single family dwellings or duplex housing.

V. TAX REVENUE EXCHANGE

The Auditor's Office has estimated the County's portion of the property tax revenue subject to tax exchange by the Master Property Tax Exchange Agreement is \$40,220. This does not include revenues from special road property taxes of \$1,972 or revenues from County Service Area (CSA) "G" of \$10,732, or monies from the Consolidated Street Lighting District of \$3,146. The master tax agreement states that the City shall receive 100 percent of the Special Road property taxes and 45 percent of the base revenue property tax dollars. In addition, the contract between Yuba City and the County for the delivery of fire services within CSA "G" specifies that the City shall receive 100 percent of the property tax revenue for fire protection once annexation occurs and 100 percent of the taxes received by the Street Lighting District. Based upon these percentages, the total property taxes to be exchanged from Sutter County to Yuba City will be \$33,949 if your Commission approves this proposal.

It should be noted the area under consideration does not have any substantial sales tax revenues subject to exchange.

VI. STATEMENT OF REASONS

This matter concerns a proposed reorganization of territory with the City of Yuba City, County Service Area "G", and the Consolidated Street Lighting District. This type of action calls on the Commission to exercise its quasi-legislative authority. (See City of Santa Cruz v. Local Agency Form. Com. Of Santa Cruz County (1978) 76 Cal.App.3d 381, 387-388 ("boundary and annexation determinations of LAFCO... are quasi-legislative in nature") (emphasis omitted).

Nevertheless, an agency exercising its quasi-legislative authority must have a sound basis for doing so. A court reviewing a quasi-legislative decision will uphold the decision if the agency has: (1) "adequately considered all relevant factors"; and (2) "demonstrated a rational connection between those factors, the choice made, and the purposes of the enabling statute." (California Hotel & Motel Assn. v. Industrial Welfare Com. (1979) 25 Cal.3d 200, 212.). Findings of fact "bridge the analytical gap between the raw evidence and the ultimate decision or order." (Topanga Assn. For a Scenic Community v. County of Los Angeles (1974) 11 Cal.3d 506, 515.)

In McBail & Co. v. Solano County Local Agency Form. Com. (1998) 62 Cal. App. 4th 1223, 1230, the court expressed its preference that "a statement of reasons be formally entered in the agency's resolution and committed to writing..." (Id., at p. 1230.)

The statement of reasons is organized around the "relevant factors" mentioned in McBail. The factors material to the reorganization are set out in Government Code section 56668. Those factors,

because they are specifically set forth in Government Code section 56668, are "rationally related to the purposes" of the Cortese-Knox-Hertzberg Act, which govern the decisions on reorganization. The factors are grouped into fourteen subject areas, the relevant evidence for each factor is described, and the connection between that evidence and the conclusion for each subject area is articulated. Taken as a whole, the statement of reasons, if adopted by the Commission, will serve as the basis for the decision to approve the proposed reorganization.

The following statement of reasons for the proposed reorganization is submitted for LAFCO's consideration and approval.

a. Population

Population: The population of 1583 Camino De Flores is 4 persons. The 2000 Census indicates that the population of the expanded reorganization area is approximately 511 persons.

Population Density: The reorganization area has a population density of 7.98 persons per gross acre.

Proximity To Other Populated Areas: The city of Yuba City borders the reorganization area to the north and west.

Likelihood of Significant Growth In the Subject and Adjacent Incorporated and Unincorporated Areas In the Next 10 Years: Additional growth within the reorganization area is unlikely in that the properties are already subdivided and the overwhelming majority of parcels are already developed with dwellings. Staff is aware of three parcels that have not been developed yet. These are Assessor's Parcels 26-211-001,-002,-016. Due to the small sizes of these undeveloped parcels, it is unlikely that they can be developed until such time as sewer service can be provided.

It is likely that within the next ten years, the unincorporated lands lying north of Bogue Road, proximate to the reorganization area, will be annexed into the city and the remaining undeveloped parcels will be developed. Yuba City is currently going through a planning process that will result in a General Plan for the unincorporated sphere of influence that will guide future land use decisions when those areas are annexed. It is likely that a majority of the undeveloped lands will be general planned with a residential design. The City's planning process, when finished, will indicate at what density the remaining undeveloped unincorporated parcels will be developed.

Conclusion:

The proposed reorganization is consistent with population growth trends in Sutter County, and is consistent with the County's and City's planning policies and growth projections.

b. Physical Characteristics:

1. Relevant Factors:

Land Area and Land Use: The expanded reorganization area totals 64 ± acres. As stated, the affected area is developed residentially.

Topography: The topography of the reorganization area and vicinity is level with slopes generally ranging from 0-1 percent.

Natural Boundaries: There are no natural borders that abut the reorganization area.

Drainage Basins: The reorganization area is located within the Gilsizer County Drainage District.

3. Conclusion:

The reorganization will not affect the physical characteristics, topography or drainage basins of the project area.

c. Need for Services:

1. Relevant Factors:

Per Capita Assessed Valuation: Net per capita assessed valuation for the expanded reorganization is \$41,285.

Need For Organized Community Services: The initial request for reorganization was made by two property owners. One of the chief petitioners owns Assessor's Parcel 26-211-016 that cannot be developed until such time as sewer service can be provided. Homes within the affected area are up to 28± years of age. It can be anticipated that in the near future, property owners will likely experience failure of their leach field systems due to age of the systems involved. As a result of the smaller lot sizes, it is unlikely that adequate replacement leach field systems can be installed meeting today's standards. Expanding the reorganization area will expedite connecting with City services for these homes, when needed.

It should be noted that Yuba City already provides water service to the area due to the City's purchase of the Hillcrest Water Company last year. In addition, the City already provides fire protection services to the area pursuant to an agreement between Yuba City and Sutter County. Approval of this reorganization will not alter how these existing services are provided.

Present Costs and Adequacy of Governmental Services and Controls in the Area: The territory involved in the reorganization receives a full range of County services (criminal justice system, health and welfare, general government administration, etc.) that are provided throughout the entire county. These services are funded by a variety of federal, state, and local revenues (including, to

some extent, local sales and property tax revenues). The area, or various portions of it, also receives a variety of services¹ including:

- Police and Traffic Enforcement. Patrol services are provided by the Sheriff's Department and traffic enforcement services are provided by the California Highway Patrol.
- Domestic Water. Water service for the reorganization area is provided by Yuba City.
- Sewer Service. Sewer services are provided by on-site septic tank with leach field systems.
- Fire Protection. Fire protection is provided by County Service Area "G" which contracts with Yuba City for fire protection services.
- Parks. Persons living within the reorganization area have access to all the community parks maintained by Yuba City and the many recreational opportunities available within the unincorporated County. The Holly Tree Park, own and maintained by Sutter County, is located within the reorganization area.
- Street Lighting. Street lighting services are provided by the Consolidated Street Lighting District.
- Emergency Medical Services. Emergency Medical Services (EMS) is provided throughout the project boundaries by the Bi-County Ambulance Company. Yuba City Fire Department which provides fire protection services also responds to emergency medical calls.
- Streets and Roads. Streets within the reorganization area are maintained by Sutter County. Walton Avenue, which borders the subdivision to the west, is maintained by Yuba City.

The affected area appears to receive an adequate level of services. If approved, future street lighting, road maintenance, and the ability to connect with sewer and water systems will be provided by Yuba City.

Probable Future Needs For Those Services and Controls: As explained above, it is anticipated that there will be an increased need for sewer services for the affected area as time passes due to aging septic systems on smaller residential lots. Staff believes that reorganization of this area is a proactive approach to solving this future need.

¹ It should be noted that the proposed district area also receives service from a variety of other local and regional agencies, including: Sutter County Water Agency; Sutter County Flood Control & Water Conservation District; Sutter Cemetery District; Yuba Community College District; Feather River Air Quality Management District; Sutter-Yuba Mosquito and Vector Control District; Yuba City Unified School District; Sutter County Resource Conservation District; Levee District No. 1. The cost and adequacy of the services provided by these agencies, and the agencies themselves, will not be affected by the approval of this proposal.

Probable Effects of the reorganization and Alternative Courses of Action on the Cost and Adequacy of Services and Controls in the Area and Adjacent Areas and ability of the city to provide service to the area: Staff believes your Commission has the following options with respect to this proposal: (1) Approve the reorganization as submitted by the applicant, with whatever conditions you determine to impose; (2) Approve the reorganization but modify the boundaries of the proposal, as recommended by staff; (3) Approve the reorganization with another boundary option; or (4) Deny the proposal.

If the reorganization is approved, the impact on the cost and adequacy of services and controls in the area would be as follows:

- Police and Traffic Enforcement: In the immediate future, law enforcement services will continue to be provided by the Sheriff's Department, consistent with the Master Property Tax Exchange Agreement between the City and County, which was approved July 6, 2000. In that agreement the City and County agreed that law enforcement responsibilities for the area generally located south of State Highway 20 will be handled as follows:

“For the South Beat Area, this transfer of law enforcement services to the City shall occur when the City has annexed eighty-two percent (82%) of the dwelling units within that beat.”

Since a large number of residences continue to be within the unincorporated area, it is anticipated the County's Sheriff's Department will continue to provide law enforcement services for the foreseeable future.

The Sheriff's Department responded reiterating the requirements of the tax exchange agreement and noted that the reorganization will not affect the 911/fire services side of their dispatch center as the affected area has already been transferred to the Yuba City Fire Department.

- Domestic Water. As stated, Yuba City already provides water service to the affected area. If there are landowners that have individual well systems, they can continue to use their existing wells, however, if a failure were to occur and a replacement well is determined to not be feasible, connection to the City system can be made available. As required by all city residents, new users will be required to pay the full cost of extending service to their properties. Annexation will not result in the City forcing persons currently not provided city water service to connect with its system.
- Sewer Service. The reorganization area is provided sewer service by individual septic tank with leach field systems that are 28± years in age. As stated before, it can be anticipated there will be an increasing number of leach field failures over time due to the age of these systems. The County's Environmental Health Division has estimated that the expected life of such systems is approximately 30 years. As a city resident, Yuba City will offer assistance in bringing sewer service to those properties in need whereas that assistance is typically not available if one resides in the unincorporated area. Annexation will not result in the City requiring property

owners to connect with their system. When a connection is desired or needed, the landowner(s) would be required, as are all new users of the city system, to pay the full cost of extending sewer service to their properties.

- Parks. Community park facilities exist today within the city and they will continue to be available for persons to enjoy. The land occupied by the Holly Tree Park is owned by Sutter County. It is likely that the County will at some point in the future transfer the property to the City for city park use and they will assume maintenance responsibilities.
- Street Lighting. Yuba City will assume the responsibility for all necessary street lighting within the reorganization area.
- Emergency Medical Services. There will be no change in the service provided. Service will continue to be provided by the Bi-County Ambulance Company and the Yuba City Fire Department.
- Streets and Roads. Yuba City will assume road maintenance responsibilities within the reorganization area including the entire width of Little John Road. In addition, Yuba City will assume road maintenance responsibilities for the north half of Richland Road lying east of Walton Avenue to the intersection with Little John Road.
- Drainage. The reorganization area is within the Gilsizer County Drainage District which drains runoff to Gilsizer Slough. Annexation will not affect the existing drainage facilities.
- Fire Protection. The City presently provides fire protection services by contract to the reorganization area. Annexation will result in the area being detached from County Service Area "G"; however, fire and emergency medical service will continue to be provided by the City. There are no impacts upon fire services anticipated.

Conclusions:

Approval of the proposal will not significantly affect services provided to the project area.

d. Mutual Social and Economic Interests and Governmental Structure:

1. Relevant Factors:

Effect of the Proposed Action and Alternative Actions On Adjacent Areas: Annexation will have little affect upon the area. The transition to becoming city residents should be transparent to the residents and/or property owners.

Mutual Social and Economic Interests: We believe that all of the residents within the Yuba sphere of influence and Sutter County, have a mutual interest in orderly and logical urban growth, the provision of adequate public facilities, and the efficient expenditure of public

funds. It appears the expanded proposal would further these mutual economic and social interests. This proposal is consistent with both the city of Yuba City and Sutter County General Plans, and with the City's Sphere of Influence. This proposal will result in a logical expansion of the City's boundaries, away from prime agricultural areas located to the north and south of the City. The new city boundary will be easily identifiable to agencies and residents alike.

Effect of the Proposed Action and Alternative Actions On Local Governmental Structure of the County: The proposed reorganization will not have any significant change in the structure of government in Sutter County or the city of Yuba City; i.e. the reorganization would neither create or eliminate any governmental agencies.

e. Consistency with Growth and Agricultural Land Preservation Policies

1. Relevant Policies:

Conformity of Both 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 specified in Section 56377: The land proposed for reorganization is already developed with single family dwellings and will not induce, facilitate, or lead to the conversion of existing open space lands to urban uses. In addition the affected area is not considered prime agricultural land as defined by Government Code 56016².

Effect of the Proposal on Maintaining the Physical and Economic Integrity of Agricultural Lands as Defined by Section 56016.² : The County General Plan has recognized agricultural lands in Sutter County. LAFCO has adopted a Sphere of Influence for Yuba City which identifies the future growth areas for the City. This reorganization will occur within the adopted sphere, on developed lands, and will therefore not affect the physical and economic integrity of agricultural land as defined by Section 56016.

2. Conclusion:

The reorganization is consistent with agricultural preservation policies specified in the Government Code and in the General Plan for the County of Sutter.

f. Boundary Characteristics:

1. Relevant Factors:

2 Government Code section 56016 defines "Agricultural Lands" as follows:
"Agricultural lands" means land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.

Definiteness and Certainty of the Boundaries of the Territory: The boundaries of the subject territory are definitive and certain as shown on Exhibit “A”.

Nonconformance of Proposed Boundaries With Lines of Assessment: The boundaries of the subject territory conform with the boundaries of all locally assessed parcels.

Creation of Islands or Corridors of Unincorporated Territory: The reorganization will not create any unincorporated islands. There is an existing corridor of unincorporated land lying adjacent to State Highway 99, north of Bogue Road that is bound by the City on the north, west and east sides. This reorganization will not result in the creation of any new corridors of unincorporated territory.

2. Conclusion: The boundaries of the reorganization area are consistent with applicable policies.

g. Consistency with Plans and Spheres of Influence:

1. Relevant Factors:

Consistency with the County and City General Plans: The affected area is designated low density residential by both the County and City General Plans. The land is currently zoned R-1 (One Family Residence District) by the County whereas Yuba City has pre-zoned the properties R-1 so no inconsistencies will result.

Sphere of Influence of Any Local Agency Which May Be Applicable: The reorganization will directly affect the boundaries of Yuba City, County Service Area “G”, and the Consolidated Street Lighting District. The property is also located within the Gilsizer County Drainage District which handles drainage from the affected territory. Reorganization will not affect drainage services or the Gilsizer District.

This proposal will not conflict with any Sphere of Influence of any local agency.

2. Conclusion:

The proposed reorganization will not conflict with the County General Plan and will not conflict with any sphere of influence of any local agency.

h. Ability of the city of Yuba City to provide services, including sufficiency of revenues.

The City has encouraged the expansion of the reorganization request to include the land proposed by paying the cost to process the request. Yuba City has discussed their service capabilities with staff and have stated that their sewer system has the needed capacity to serve the affected area. As noted earlier, residents will be required to pay the full cost of extending infrastructure to their properties when service is needed.

Conclusion:

The city of Yuba City will have sufficient revenues to provide services to the residents in the reorganization area.

i. Timely availability of water supplies

Yuba City already provides water service to the reorganization area. This proposal will not affect the City's ability to provide water to the area.

Conclusion:

The reorganization will have timely availability of water.

j. Effects upon meeting regional housing needs

Annexing these existing developed areas into the City will not affect the City or County's regional housing needs.

Conclusion:

The reorganization proposed will not adversely affect the area in its goal to meet its fair share regional housing needs for the community.

k. Other:

1. Comments of Any Affected Local Agency:

The Sheriff's Department responded and noted that the reorganization will result in the Sheriff's Department having to provide traffic enforcement and accident investigation to the area since the California Highway Patrol does not provide these services in areas that are incorporated. The Sheriff's Department did not indicate any impacts as a result of this proposal.

Gilsizer County Drainage District responded and noted the reorganization area is within their district, however no adverse impacts were identified.

2. Conclusion:

The reorganization proposed will not have any substantial impact upon any agency.

VII. PROPOSED CONDITIONS

1. The City of Yuba City shall prepare the necessary legal description and map for the reorganization area, acceptable to the State Board of Equalization, and pay all fees of the State Board of Equalization.
2. The effective date of the reorganization shall be 30 days following the recording of the Certificate of Completion.

Respectfully submitted,
LARRY T. COMBS
EXECUTIVE OFFICER

Doug Libby, AICP
Associate Planner

Attn.: Exhibit A – Map of reorganization area
Exhibit B – Petition for reorganization
Exhibit C –Resolution of approval