

November 23, 2005

To: Local Agency Formation Commission

Re: LAFCO-04-02: Yuba City School District Reorganization No. 321 – A reorganization of territory proposing to annex 37.88 acres to Yuba City and detach the property from County Service Area G that provides fire protection to unincorporated areas around Yuba City. The affected territory is located at the northwest corner of the intersection of Stewart Road and the Garden Highway; Assessor’s parcel 23-101-036.

I. STAFF’S RECOMMENDED ACTION

Adopt the attached Resolution No. 2005-11 making determinations and approving the reorganization of annexing the territory shown on Attachment “A” to the City of Yuba City and detaching the property from County Service Area “G”.

II. APPLICATION AND REQUEST

LAFCO has received a landowner petition from the Yuba City Unified School District requesting a reorganization that proposes to annex 37.88 acres to the City of Yuba City and detachment of the property from County Service Area (CSA) “G”. As the Commission will recall, CSA “G” provides fire protection to unincorporated areas around Yuba City that are outside the city limits. A map showing the boundaries of the proposed reorganization area is included as Attachment “A” to this report.

As the Commission will recall, this proposal was originally heard by the Commission at its May 27, 2004, meeting. At that time, the Commission chose to assume Lead Agency status for the project under the California Environmental Quality Act (CEQA) and directed staff to prepare a new Initial Study for the project with particular emphasis to be placed upon the topics of traffic, agricultural buffering and drainage issues. A revised environmental document has been prepared and is discussed below.

Government Code 56663 provides a mechanism for the Commission to waive protest hearing (conducting authority) proceedings when a proposal has 100 percent property owner consent and all affected agencies have concurred in writing to waive the protest hearing.

The City of Yuba City and County Service Area "G" have both provided their consent in writing (attachment C).

As a result, staff has included language in the proposed resolution of approval (attachment D) to waive the protest hearing.

III. ENVIRONMENTAL

LAFCO assumed Lead Agency status for this proposal under the California Environmental Quality Act (CEQA) Guidelines Section 15096(e)(4) on May 27, 2004. Staff subsequently prepared an Initial Study for this project in accordance with CEQA and Guidelines. The study revealed that the project will not have a significant impact upon the environment if mitigation measures are incorporated into the project.

Two mitigation measures have been agreed upon by the applicant. First, mitigation measure No. 1 requires that a 168-foot wide residential exclusion area be established and maintained along the west side of the project site that fronts land that is actively farmed. This mitigation measure would remain in effect until the adjoining agriculturally zoned property is rezoned to a residential (Ranchette) designation.

Mitigation measure No. 2 requires the signalization of the intersection of Stewart Road and Garden Highway by Yuba City Unified School District prior to classes commencing at the new school.

In order to provide for the enforceability of the mitigation measures required by LAFCO's role as lead agency under CEQA, the Board of Trustees of the Yuba City Unified School District adopted a resolution on November 22, 2005. The resolution ratifies the execution of the application mitigation agreement signed by Deputy Superintendent Baldev Johal on September 1, 2005, and commits the district to implementing the mitigation measures into the development of the lands relating to the proposal.

Should the Commission wish to approve this proposal, it is staff's recommendation the Commission adopt the attached Mitigated Negative Declaration and direct staff to file a Notice of Determination consistent with Section 15094 of the CEQA Guidelines. The proposed resolution, included with this report, includes language providing staff with this direction. The environmental document is included as Attachment "B" to this report.

IV. TAX REVENUE EXCHANGE

Since the property is owned by Yuba City Unified School District, the property is exempt from taxation. Therefore there will be no property taxes subject to exchange for this proposal. In addition, there are no sales tax dollars subject to exchange within the reorganization area.

V. STATEMENT OF REASONS

This matter concerns a proposed reorganization of territory with the City of Yuba City and County Service Area G. 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: There are no persons living within the proposed reorganization area.

Population Density: Due to no persons living within the reorganization area, the proposal has a population density zero persons per gross acre.

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

Likelihood of Significant Growth In the Subject and Adjacent Incorporated and Unincorporated Areas in the Next 10 Years: If approved, it is anticipated that Yuba City Unified School District will sell approximately ±17 acres of their property to allow that portion to be developed residentially. Staff anticipates the remaining acreage to be developed with a K-8 school.

Adjacent lands to the west, south and east are located outside of the City's sphere of influence. It is

not anticipated this sphere boundary will be changed in the near future as Yuba City completed a comprehensive general plan update for its sphere of influence in 2004 and does not anticipate any growth beyond the current sphere boundary for the next 15± years.

Conclusion:

The proposal 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 reorganization area totals 37.88 acres and has historically been used agriculturally.

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 boundaries that are within or adjoin the reorganization area.

Drainage Basins: The reorganization area is not located within any recognized drainage basins and is not located within any drainage district.

2. Conclusion:

The reorganization area 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: Since the reorganization area is uninhabited and the property is owned by the Yuba City Unified School District, there is no assessed valuation for the property.

Need For Organized Community Services: In order for urbanization of any significance to occur on the property, connections to Yuba City's municipal water and sewer systems will be necessary. As the County does not offer these services and the City typically requires annexation prior to providing water or sewer services, annexation to Yuba City is necessary for development to take place.

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 currently provided by the Sheriff's Department and traffic enforcement services are provided by the California Highway Patrol.
- Domestic Water: Water service is currently provided by an existing private onsite agricultural well.
- Sewer Service: There are no activities occurring on the property necessitating sewer service; however, any use that would occur on the property at this time would utilize a private onsite sewage disposal system.
- Fire Protection: Fire protection is provided by CSA "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.
- Street Lighting: There are no activities taking place on the property requiring street lighting services. The property is not located within a street lighting district.
- Emergency Medical Services: Emergency Medical Services (EMS) is provided by the Bi-County Ambulance Company. Yuba City Fire Department which provides fire protection services and also responds to emergency medical calls.
- Streets and Roads: Sutter County currently maintains the Garden Highway and Stewart Road that border the site.
- Drainage Services: The property is not located within the boundaries of any County Drainage District. Runoff from agricultural operations currently sheet flow across the property and percolate into the ground.

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

Probable Future Needs For Those Services and Controls: As stated, in order for urbanization of the property to occur, connections to Yuba City's water and sewer systems are necessary. As the County does not offer these services and the City requires annexation prior to providing water or sewer connections, annexation is necessary.

¹ It should be noted that the reorganization area also receives services 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 with whatever conditions you determine to impose; (2) 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:

The affected territory was included in the area defined as the "North Beat" in the tax exchange agreement. As such, once Yuba City has annexed 90 percent of the dwelling units in that beat, Yuba City will assume law enforcement responsibilities. Staff anticipates that if other reorganization proposals pending before the Commission are approved, the 90 percent threshold will have been reached and that law enforcement services will transfer from the County Sheriff's Department to the City Police Department within the next year.

- Domestic Water: If the proposal is approved, subsequent development will connect to the City's municipal water system. The developer will be required to pay the full cost of extending infrastructure to the site and within the property as needed.
- Sewer Service: If approved, development on the property will be required to connect to the City's municipal sewer system. The developer will be required to pay the full cost of extending infrastructure to the site and within the property as needed.

Yuba City stated in its environmental document for establishing pre-annexation zoning on the property that the City has an existing 15-inch sewer line located in Garden Highway approximately 300-feet north of the northeast corner of the subject property. The expansion of the sewer system into this area would be incremental and will coincide with the planned development and expansion of services into this area. Since the site proposed for annexation is the southern most border of the Yuba City's sphere of influence, sewer lines will be sized to serve this area only.

- Parks: There will be no changes that will affect community park facilities. Park facilities exist today within the city and they will continue to be available for persons to enjoy if the reorganization is approved. Development of a K-8 school will provide additional recreational opportunities for children living in the surrounding area. Residents will see no changes in the service provided as a result of annexation.

Build-out of a portion of the site with residences will result in greater demands for community

park facilities. The Yuba City General Plan adopted in 2004 identified locations throughout the sphere of influence where community park facilities will be located as build-out of the sphere of influence occurs.

The entire reorganization area is pre-annexation zoned for low density residential uses and no community park facilities are proposed.

Fees for community park construction and maintenance will be imposed by the City prior to the issuance of building permits for development. This will help ensure that adequate funds are available for development of community park facilities in the future.

- Street Lighting: If approved, Yuba City will be the agency responsible for street lighting services within the reorganization area when the property is developed.
- 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. Residents will see no changes in the service provided as a result of annexation.
- Streets and Roads: Yuba City will become responsible for the maintenance of the full width of Garden Highway and Stewart Road that adjoin the property. Attachment “A” to this report reflects the full width of these roadways being included in the proposed reorganization.

As part of the environmental review for this proposal a potential impact upon traffic was identified. A traffic study completed for the proposal that identified the AM peak hour traffic levels for persons traveling on Stewart Road approaching the intersection with the Garden Highway will experience a LOS of “E”, however; otherwise a LOS of “A” would be maintained. A level of service of “E” is defined by the County and City General Plans as a roadway operating at or near capacity. Both jurisdictions require a minimum LOS of “D” be maintained. A signal analysis was also performed to evaluate whether signalization of the intersection was warranted. It was concluded that based on the AM peak hour conditions that the intersection be signalized in order to improve the level of service for east bound AM peak hour traffic.

Mitigation Measure No. 2 was proposed and agreed to by the chief petitioners requiring that the intersection of Stewart Road and the Garden Highway be signalized. The School District will be the responsible party to pay for the signalization of this intersection.

- Drainage: The reorganization area is not located within the boundaries of any drainage district. Yuba City will be the agency responsible for handling runoff generated by any subsequent development on the property.

Yuba City stated in its environmental document for establishing pre-annexation zoning that resulting drainage from development will drain to the east and north into a 60-inch drain line that will be extended south to this property then north to a 72-inch drain line in Shanghai Bend Road.

The City stated that ultimately runoff will be collected into an existing detention pond that has been sized to include waters draining from this property.

- Fire Protection: Yuba City currently 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 services will continue to be provided by the City as it is today. Residents will see no changes in the service provided as a result of the annexation.

Yuba City stated in its environmental document for establishing pre-annexation zoning on the property that the reorganization area is served by Fire Station No. 3, located to the northwest of the property at the corner of Railroad Avenue and Lincoln Road about 1.5 miles away. The fire department has a response time from that station to the project area of several minutes. The City concluded that it could adequately respond to the project area at an acceptable service level without the need for additional fire department staff.

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 be growth inducing as municipal services will become available to the 37.88 acre property. This will allow for development to occur at a density of up to 8-units per acre. The School District has stated that they wish to develop a majority of the property with a K-8 school. The implementation of Mitigation Measure 1 (See Attachment “B”) will minimize the development of homes on the property as a 168 foot residential exclusion area from agricultural lands located to the west is being established.

An alternate action available to the Commission includes denying the proposal. This action would result in the territory remaining unincorporated and city services would not be made available to the property. In addition, vacant land currently used agriculturally would not be able to develop at any significant density beyond what exists today.

Mutual Social and Economic Interests: It is staff’s belief that all of the residents within the Yuba City 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 proposal would further these mutual economic and social interests. This proposal is consistent with both the Yuba City General Plan, its pre-annexation zoning designations and is within the city’s sphere of influence. The proposal will result in a logical expansion of the city’s boundary that 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 proposal 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: Government Code Section 56377(a) states that development or use of land for other than open space uses shall be guided away from existing prime agricultural lands in open space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

The Department of Conservation, Division of Land Resource Protection, designates the property as Farmland of Statewide Importance and not Prime farmland. Farmland of Statewide Importance differs from Prime soils in that it has a combination or increased topography or has less ability to store moisture in the soil.

Since this proposal will not annex prime agricultural soils to Yuba City, the request conforms to Government Code Section 56377(a).

The site is located within the Yuba City sphere of influence which is the recognized growth boundary for Yuba City. The current sphere boundary has been in effect since 1990. Since the land encompassing this proposal is vacant, non-prime agricultural land, it meets the guidelines outlined by Government Code Section 56377(b).

Effect of the Proposal on Maintaining the Physical and Economic Integrity of Agricultural Lands as Defined by Section 56016.²: The County General Plan recognizes agricultural lands in Sutter County. LAFCO has adopted a Sphere of Influence for Yuba City which identifies the future growth areas for the City. The reorganization area will occur within the adopted sphere of influence on land that is pre-zoned for urban development. The sphere of influence boundary was established to limit urban growth and to protect agricultural lands to the north and south of Yuba City as stated in the County General Plan. This proposal is not attempting to annex lands that are designated prime agricultural soils or lands that have not already been committed to development, therefore; the proposal will not affect the physical and economic integrity of agricultural land as defined by Section 56016.

As part of the environmental review for the proposed reorganization, a potential impact upon adjoining agricultural lands, located to the west of the proposal, was identified. Mitigation measure No. 1 was proposed and agreed upon by the chief petitioners requiring that a 168-

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.

foot wide residential exclusion area be established and maintained along the west side of the property subject to reorganization that adjoins land that is actively farmed. The mitigation measure would establish a buffer between agricultural and urban interests so that agricultural pursuits may continue as they do today. The mitigation measure would remain in effect until the adjoining agriculturally zoned property is rezoned to a residential (Ranchette) designation.

2. Conclusion:

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

f. Boundary Characteristics

1. Relevant Factors:

Definiteness and Certainty of the Boundaries of the Territory: The boundaries of the proposal are definitive and certain as shown on Attachment "A".

Nonconformance of Proposed Boundaries with Lines of Assessment: The boundaries of the proposal conform to the boundaries of all locally assessed parcels.

Creation of Islands or Corridors of Unincorporated Territory: The proposal will not create any islands or corridors of unincorporated islands. Staff believes the proposal will result in a logical governmental boundary.

Conformance with the Policies of the Commission or the County of Sutter: This proposal is within the sphere of influence of Yuba City which is the designated growth area for the City and this proposal does not conflict with any policy adopted by LAFCO.

County General Plan Policy 1.B-2 states that the Yuba City sphere of influence shall serve as the boundary for urban development, particularly for residential urban development. This proposal is consistent with that policy and will allow urban development to occur consistent with the City's pre-annexation zoning and does not conflict with any policy of Sutter County.

2. Conclusion: The boundaries of the reorganization area are clearly defined and easily recognizable and would not conflict with any policies of the Commission or the County of Sutter.

g. Consistency with Plans and Spheres of Influence

1. Relevant Factors:

Consistency with the County and City General Plans: The proposal is consistent with the County's General Plan because the request is being made on property that adjoins the current city limits and is within Yuba City's sphere of influence.

The proposal is consistent with the Yuba City General Plan because the request is located within the City's sphere of influence and the City has established a Low Density Residential General Plan designation and pre-annexation zoning of R-1 (One Family Residence District) upon the property.

Sphere of Influence of Any Local Agency Which May Be Applicable: The reorganization area is within the sphere of influence of Yuba City and will not result in any conflicts. The reorganization will directly affect the boundaries of Yuba City and County Service Area G. This proposal will not conflict with any Sphere of Influence of any local agency.

2. Conclusion:

The proposal 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 environmental document prepared by Yuba City as part of establishing pre-annexation zoning for the property states that the City has adequate capacity in its municipal water and sewer systems to serve subsequent development on this property, however; it will be the developer's responsibility to pay the cost of extending services to the site to serve the development.

The Master Property Tax Exchange Agreement between Sutter County and Yuba City, approved by both governments in July of 2000, ensures that sufficient revenues will be available to serve the area as a result of annexation of the territory to Yuba City.

Conclusion:

Yuba City will have the ability and sufficient revenues to provide services to the residents in the reorganization area.

i. Timely Availability of Water Supplies

The Initial Study prepared by Yuba City as part of establishing pre-annexation zoning for the area states the City has sufficient water entitlements from the Feather River together with the required treatment and distribution capacity to serve the expanded reorganization area.

Conclusion:

The proposal will have timely availability of water.

j. Effects Upon Meeting Regional Housing Needs

State Law requires that jurisdictions (City and County) designate enough land through zoning for housing for residents. This is addressed in the County’s Housing Element of its General Plan.

Approval of the proposal will make additional lands available for development and assist Yuba City in meeting its regional housing needs.

Conclusion:

The proposal 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 reorganization was circulated to the following agencies for review and comment:

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| Clerk of the Board, Sutter Co. Board of Supervisors | Sutter Cemetery District |
| Sutter Co. Sheriff’s Department | Yuba City Community Development Department |
| Sutter Co. Community Services Department | Yuba City Fire Department |
| Sutter Co. Fire Services | Yuba City Police Department |
| Sutter Co. Public Works Department | Yuba City Public Works Department |
| County Service Area “G” | Feather River Air Quality Management District |
| Yuba City Unified School Dist. Superintendent | Sutter Co. Flood Control & Water Conservation Dist. |
| Levee District No. 1 | Sutter Co. Resource Conservation District |
| Sutter County Agricultural Commissioner | Sutter Co. Water Agency |
| Sutter-Yuba Mosquito Abatement District | California Highway Patrol |

The City of Yuba City and County Service Area “G” provided written comments that each respective agency consents to the proposed reorganization. As such, your Commission may waive conducting authority proceedings for this proposal in accordance with Government Code Section 56663. Staff has provided language in the proposed resolution of approval that would waive conducting authority proceedings for this proposal.

2. Conclusion:

The proposal will not have any substantial impact upon any agency.

VI. PROPOSED CONDITIONS

1. The Chief Petitioners 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 Chief Petitioners shall pay any outstanding balance owed to LAFCO for the processing of the proposal prior to the recording of the Certificate of Completion.
3. The effective date of the reorganization shall be the first Monday following the recording of the Certificate of Completion.

Respectfully submitted,

LARRY T. COMBS
EXECUTIVE OFFICER

Doug Libby, AICP
Senior Planner

DL:dh

Attachments: A – Map of the Reorganization Area
B – Initial Study and Proposed Negative Declaration
C – Letters of Consent Provided by Yuba City and CSA “G”
D – Proposed Resolution of Approval

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Attachment A
Map of the Reorganization Area

Attachment B
Initial Study and Proposed Negative Declaration

Attachment C
Letters of Consent Provided by Yuba City and CSA “G”

Attachment D
Proposed Resolution of Approval