



Local Agency Formation Commission
LAFCO of Napa County

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August 6, 2007
Agenda Item No. 7a

July 30, 2007

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: *El Centro Avenue No. 9 Reorganization*

The Commission will consider an application by the City of Napa to annex approximately 6.74 acres of unincorporated territory. The proposal has been reclassified as a reorganization because the affected territory is in County Service Area No. 4 and subject to automatic detachment proceedings. As part of the proposal, staff is recommending that the Commission waive detachment proceedings for one of the two affected parcels.

The City of Napa ("City") proposes the annexation of approximately 6.74 acres of unincorporated territory consisting of two contiguous parcels. Both parcels include single-family residences and vineyards. Both parcels also comprise and represent an unincorporated island that is completely surrounded by the City. The purpose of the annexation is to facilitate the future subdivision and development of the larger of the two affected parcels under the land use authority of the City. No specific development plans exist at this time.

Both parcels included in the proposal are located in County Service Area (CSA) No. 4. State law specifies that territory shall be automatically detached from a CSA at the time of its annexation to a city unless the requirement is waived by the Commission. Based on local circumstances outlined in this report, staff is recommending that the Commission waive automatic detachment proceedings from CSA No. 4 for the larger of the two affected parcels. The proposal has been reclassified as a reorganization to account for the automatic detachment of the smaller of the two affected parcels from CSA No. 4 upon its annexation to the City.

Jack Gingles, Chair
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

Brad Wagenknecht, Vice-Chair
County of Napa Supervisor, 1st District

Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

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Representative of the General Public

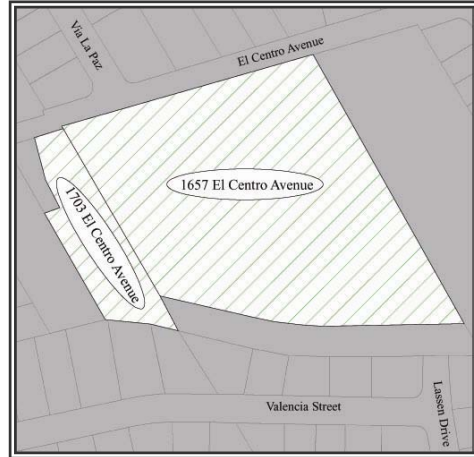
Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

PROPOSAL SUMMARY

Applicant: City of Napa, by resolution.

Location: The subject territory includes two contiguous parcels located at 1657 and 1703 El Centro Avenue. The County of Napa Assessor's Office identifies these parcels as 038-361-009 and 038-091-013.



Purpose: The purpose of the annexation is to facilitate the future subdivision and development of 1657 El Centro Avenue under the land use authority of the City. 1703 El Centro Avenue has been added to the proposal to eliminate an existing unincorporated island. The City prezones and designates the entire subject territory for single and multi-family residential uses. No development plans exist at this time.

Consent: The proposal has 100% consent from all affected property owners. In addition, no subject agency has submitted written opposition to the Commission waiving protest proceedings.

BACKGROUND

In January 2007, the City received an annexation request from Aldo and Clementina Biale for their property located at 1657 El Centro Avenue. The property is 5.77 acres in size, includes a single-family residence and vineyard, and is part of an existing unincorporated island that is completely surrounded by the City. As part of an estate planning process, the property owners have indicated that they would like to eventually subdivide and develop the property in a manner that is consistent with the City General Plan. The property owners are seeking annexation at this time to initiate discussions with the City's Community Development Department, which will not process a development application until the subject territory is annexed.¹

Upon receipt of the annexation request for 1657 El Centro Avenue, the City contacted the property owners for 1703 El Centro Avenue. This property is 0.97 acres in size, includes a single-family residence and small vineyard, and represents the remaining portion of the aforementioned unincorporated island. The property owners, Alexander and Emily Gonsalves, have consented to the annexation.

¹ City of Napa Municipal Code §16.04.060.

Supplemental Background

At its October 2, 2006 meeting, the Commission approved the annexation of two adjacent parcels to the subject territory as part of the *El Centro Avenue No. 8 City Annexation to the City of Napa* proposal.² This earlier proposal was also engendered by Aldo and Clementina Biale for the purpose of facilitating the development of 1583 El Centro Avenue. However, at the time, the Biales' opposed expanding the annexation to include their primary residence at 1657 El Centro Avenue due to concerns that any improvements or modifications to their home requiring permits would trigger the need to conform to various City codes. These concerns were also conveyed by the Gonsalves' in their earlier opposition to annexing their residence at 1703 El Centro Avenue.

Following the Commission's October 2006 meeting, the Biales began consulting with an attorney as part of an estate planning process. Drawing from this consultation, the Biales are now seeking annexation of their property at 1657 El Centro Avenue to pursue future development opportunities with the City. The Gonsalves' have also reconsidered and now consent to annexing their property at 1703 El Centro Avenue.

DISCUSSION AND ANALYSIS

The proposed annexation involves 6.74 acres that has been designated and rezoned for single and multi-family residential development by the City. The subject territory is located within the City's sphere of influence and urban growth boundary ("RUL"). The subject territory is also within the County of Napa's urban reserve overlay zone, which specifies that the territory be annexed to the City prior to any additional development.

Staff has identified three specific issues that underlie the Commission's consideration of the proposal. These issues are summarized below and relate to 1) planned land uses, 2) timing of annexation, and 3) CSA No. 4.

Planned Land Uses

While no development plans exist at this time, it is anticipated that annexation will facilitate the subdivision and development of the larger of the two affected parcels located at 1657 El Centro Avenue within the near future. In the absence of a known project, it is the practice of LAFCO to assume that the entire subject territory will be developed to the maximum density currently allowed by the City. The City General Plan, which was updated in 1998, designates 1657 and 1703 El Centro Avenue as *Single-Family Residential – 20* and *Multi-Family Residential - 24*, respectively. These designations provide that as many as 46 single-family and 13 multi-family residences could be developed in the subject territory.

² Both parcels included in the *El Centro Avenue No. 8 City Annexation to the City of Napa* proposal were also located in CSA No. 4. One of the two affected parcels, located at 1583 El Centro, includes a planted vineyard and has been part of the CSA No. 4 assessment district since 2002. Regretfully, in processing the proposal, staff did not address the requirement that both parcels would be automatically detached from CSA No. 4 upon their annexation to the City unless waived by the Commission. With the annexation completed, both parcels have been detached from CSA No. 4 and 1583 El Centro Avenue is no longer eligible for assessment.

In 2003, the City revised its Zoning Ordinance to enhance consistency with the land use policies in the General Plan. As part of this process, the City affirmed and revised rezoning assignments for unincorporated territory located within its RUL. The City rezones 1657 El Centro Avenue as *Residential Single – 4*, which allows for detached residential development with minimum lot sizes of 4,000 square feet (0.9 acres). The City rezones 1703 El Centro Avenue as *Multi-Family Residential*, allowing attached residential development at medium to high densities as designated under the General Plan.

The annexation of the subject territory is consistent with the planned and probable use of the affected parcels as provided in the City General Plan and Zoning Ordinance. California Government Code §56375(e) restricts the City from changing the planned uses of the subject territory by requiring conformance with the current rezoning assignments for a period of two years after the completion of the annexation. This restriction helps to ensure that any immediate efforts to develop the subject territory will be confined to uses and densities that are contemplated as part of this proposal.

Timing of Annexation

The Commission is required to consider whether the timing of an annexation is appropriate in promoting the planned and orderly development of the affected agency. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 emphasizes that the Commission consider the ability of the agency to extend and provide adequate services to the subject territory in a timely manner without impacting existing residents. The Commission is also directed to consider whether the annexation would result in the loss of agricultural or open-space lands.

With respect to the issue of service provision, staff has drawn on information collected and analyzed as part of LAFCO's municipal service review of the City, which was completed in April 2005. The municipal service review concluded that the City has generally established adequate capacities and controls to extend new services within its RUL in an efficient and economical manner. A review of this proposal indicates that the City has sufficient capacities and controls to extend services to the subject territory at a level and range necessary to accommodate the maximum density allowed under the City General Plan without impacting existing residents.

Law Enforcement

The County of Napa is currently responsible for providing law enforcement services to the subject territory. The closest County sheriff station to the subject territory is approximately 4.7 miles in distance and is located near the intersection of Solano Avenue and Vineyard View in the Town of Yountville. Upon annexation, the City would assume law enforcement services for the subject territory. The City's police station is approximately 2.9 miles in distance and is located near the intersection of First Street and Seminary Street. As documented in LAFCO's municipal service review of the City, the average response time for all high-priority calls is less than four minutes. It is not expected that the annexation of the subject territory will measurably impact City's response times.

Fire Protection and Emergency Medical

The County of Napa is currently responsible for providing fire protection and emergency medical services to the subject territory.³ The closest County fire station to the subject territory is approximately 2.7 miles in distance and is located near the intersection of Monticello Road and Atlas Peak Road. Upon annexation, the City would assume fire protection and emergency medical services for the subject territory. The closest City fire station to the subject territory is approximately 0.3 miles in distance and is located near the intersection of Solano Avenue and Trower Road. As documented in LAFCO's *Comprehensive Study of Fire Protection Services* (2006), the average response time for the City for all calls is less than five minutes, which exceeds the six minute standard recommended by the National Fire Protection Association. The subject territory is not located within an underserved area, and its annexation is not expected to measurably impact City response times.

Sewer

Both affected parcels receive sewer service from the Napa Sanitation District (NSD). NSD's sewer services are guided by a master facilities plan that projects future demands based on the densities allowed under City and County General Plans. This includes contemplating future sewer service demands for the subject territory at its maximum buildout under the City General Plan. In reviewing the annexation proposal and the potential for future development, NSD provided LAFCO with the following statement:

"The District has adequate downstream sewer facilities to serve the potential development of these two parcels in accordance with the City General Plan. A developer would be responsible for installing any local sanitary sewer infrastructure necessary to serve any proposed development in accordance with District standards."

³ The County has elected to contract for all fire administration and services with the California Department of Forestry and Fire Protection.

Water

Both affected parcels are dependent on groundwater. Upon annexation, both parcels would be allowed to connect to the City's public water system.⁴ As documented in LAFCO's *Comprehensive Water Service Study* (2004), the City has developed sufficient water supplies and treatment facilities to meet current and projected service demands within its RUL throughout buildout of the General Plan in 2020 under normal conditions. This includes contemplating future water service demands for the subject territory at its maximum buildout under the City General Plan.⁵

In terms of impacting agricultural or open-space lands, as discussed, both affected parcels include vineyards. The vineyard on 1657 El Centro Avenue is used for commercial production and meets the broad definition of "prime agricultural land" under California Government Code §56064.⁶ Although the annexation will likely result in the conversion of prime agricultural land to an urban use, staff believes that this transition is not premature as the subject territory is 1) completely surrounded by the City and 2) designated for urban development under the City and County General Plans. Staff believes that the timing of the proposed annexation is appropriate.

CSA No.4

CSA No. 4 serves as the government sponsor of a voter-approved assessment district that annually assesses properties that are one acre or more in size and include planted vineyards. Revenues generated from the assessment district fund the acquisition, construction, and operation of farmworker housing in Napa County. CSA No. 4 includes all unincorporated territory along with certain incorporated properties located in the Cities of Calistoga, Napa, St. Helena, and Town of Yountville.⁷ Both parcels comprising the subject territory are in CSA No. 4, and 1657 El Centro Avenue is part of the assessment district. The most recent annual assessment for 1657 El Centro Avenue was \$47.06.

⁴ The City does not require an annexed parcel to connect to its water system. However, if a development project is proposed, the City may condition the issuance of a building permit on first obtaining a water connection if it is determined that the project requires additional capacity.

⁵ The City does require additional storage capacity to ensure that adequate reserves are available during peak-demand periods. It is also anticipated that the City would experience water shortages in single-dry years beginning in 2020, necessitating involuntary conservation actions outlined in the City's adopted Water Shortage Contingency Plan.

⁶ The status of the subject territory as prime agricultural land precludes the proposal from qualifying for "island annexation proceedings" under California Government Code §56375.3. (Island annexation proceedings significantly limit the discretion of the Commission in disproving a proposal involving the annexation of an unincorporated island.

⁷ The Cities of Calistoga, Napa, St. Helena, and Town of Yountville passed resolutions during the formation proceedings consenting to the inclusion of certain properties with planted vineyards in their incorporated boundaries in CSA No. 4.

As mentioned, California Government Code §25210.90 specifies that territory in a CSA shall be automatically detached at the time it is annexed into a city. The intent of this code section is to avoid the duplication of services within the affected territory. However, recognizing that there are local circumstances in which the affected territory would benefit from remaining in a CSA, the Commission is authorized to waive the automatic detachment proceedings under California Government Code §56375(n). Specifically, the Commission can waive automatic detachment proceedings if it determines that it “would deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and if it finds that the waiver would not affect the ability of a city to provide any service.”

The underlying tenet of CSA law is to provide counties with an alternative method of providing extended government services in specific unincorporated areas while localizing costs to those directly benefiting from the services provided.⁸ CSA No. 4’s powers are unique and drawn from special legislation that was enacted in 2002 to address the need for the public stewardship of farmworker housing in Napa County. Staff recognizes 1657 El Centro Avenue, which includes a commercial vineyard, benefits from the provision of safe and clean housing for farmworkers. Staff also recognizes that retaining the parcel in CSA No. 4 does not impact the City.

Based on the local circumstances summarized in the preceding paragraphs, staff believes it is appropriate for the Commission to waive automatic detachment proceedings for CSA No. 4 with respect to 1657 El Centro Avenue. Staff recommends that the waiver remain in effect until such time as the property – and any future related lots – no longer qualifies for payment of the CSA No. 4 assessment (i.e., no longer contains a planted vineyard of one or more acres). This condition would allow LAFCO to lift the waiver and complete detachment proceedings without further Commission action upon notification by CSA No. 4 that the parcel and any future related lots are no longer part of the assessment district.

Individual Factors for Consideration

California Government Code §56668 provides 14 factors to be considered in the review of an annexation proposal. The Commission’s review shall include, but is not limited to, consideration of these factors that are outlined and addressed below. Additional information relating to these factors can be found in the attached *Justification of Proposal* completed by the City.

⁸ There are four primary categories of extended services provided by CSAs: police protection, structural fire protection, park and recreation, and miscellaneous. Miscellaneous services are either specifically defined in CSA law or established by a board of supervisors based on a number of factors. CSAs exist for such diverse purposes as library, pest control, landscaping and lighting, garbage collection, water, and sewer services.

<p>(a) 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.</p>	<p>There are currently two single-family residences located in the subject territory with a resident population of four. If development occurs to the <u>maximum</u> density allowed under the City General Plan, there would be as many as 46 single-family and 13 multi-family residences in the subject territory with a projected population of 154. This maximum density is consistent with existing development in the surrounding incorporated area.</p> <p>* This estimate is based on total acres and does not account for external factors that may constrain actual development within the subject territory, such as right-of-ways.</p> <p>The subject territory and surrounding area is generally flat with a slope ranging between zero and two percent. The southern portion of the subject territory is bisected by the Salvador Creek, a tributary of the Napa River.</p> <p>The total assessed value of the subject territory is \$409,539</p>
<p>(b) 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.</p> <p>"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.</p>	<p>The annexation of the subject territory to the City will enhance organized service delivery by eliminating an existing unincorporated island that is completely surrounded by the City. Based on LAFCO's recent service review, the City has planned and is capable of extending new services to the subject territory at densities contemplated under the General Plan without impacting existing service levels.</p> <p>The subject territory is already receiving public sewer service from the Napa Sanitation District.</p>
<p>(c) 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.</p>	<p>There will be no immediate change to the subject territory brought by annexation. Future development is anticipated to be consistent with the development in the surrounding areas. Impact to local government is nominal.</p>

<p>(d) The 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 set forth in Section 56377. (Note: Section 56377 encourages preservation of agricultural and open-space lands.)</p>	<p>The proposed annexation is likely to result in the conversion of land uses from agricultural to urban within the subject territory. This conversion is anticipated in the City and County General Plans. The subject territory conforms to the City's sphere of influence and voter-approved RUL.</p>
<p>(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.</p>	<p>The subject territory meets the legal definition of prime agricultural land under California Government Code §56064. However, this application is based on the current commercial use of the land. No public agency, including the State of California, County, or City has designated the subject territory for agricultural use.</p>
<p>(f) 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.</p>	<p>The subject territory is parcel specific with boundary lines that are certain and identifiable.</p>
<p>(g) Consistency with city or county general and specific plans.</p>	<p>The proposal is consistent with the land use policies of the City. The City General Plan designates the subject territory <i>Single-Family Residential – 20</i> and <i>Multi-Family Residential – 24</i>. These designations allow for a maximum density of 8 and 15 units per acre, respectively,</p>
<p>(h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.</p>	<p>The subject territory lies within the adopted sphere of influence of the City, which was comprehensively updated by LAFCO in June 2005.</p>
<p>(i) The comments of any affected local agency.</p>	<p>On May 11, 2007, LAFCO staff circulated copies of the application materials for review and comment from local government agencies. No substantive comments were received.</p>
<p>(j) 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.</p>	<p>The City, through its resolution of application and justification of proposal, attests to its ability to extend all services to the subject territory without impact to existing residents.</p>

(k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	The City's Urban Water Management Plan (2005) shows it has sufficient supplies to meet current and projected water demands within the RUL through buildout of the General Plan in 2020 under normal conditions. The City has also established reasonable conservation and contingency plans to address projected water supply shortfalls beginning in 2020 during single-dry years and multiple-dry years.
(l) 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.	This proposal makes no significant impact on the ability of either affected agency to meet its regional housing needs determination (RHND). The subject territory is within the sphere of influence of the City. Pursuant to the policy of the Association of Bay Area Governments, the calculation of the RHND allocated 75% of the housing stock in the subject territory to the City.
(m) Any information or comments from the landowner or owners.	All affected property owners have provided their written consent to annexation.
(n) Any information relating to existing land use designations.	As noted, the City General Plan designates the subject territory <i>Single-Family Residential – 20</i> and <i>Multi-Family Residential – 24</i> . These are urban planning assignments that are consistent with the extension of municipal services.

Environmental Analysis

The City is the lead agency for the proposal under the California Environmental Quality Act. The City prepared an initial study and determined that the annexation and potential development of the subject territory could not have a significant effect on the environment because all potential significant effects have been adequately analyzed and addressed as part of the Final Environmental Impact Report (FEIR) prepared for the City General Plan.

As responsible agency, LAFCO is required to rely on the City's environmental documentation in acting on the proposal, but must prepare and issue its own findings. Staff has reviewed the aforementioned initial study and believes that the City has made an adequate determination that the annexation will not introduce any new considerations with respect to the FEIR. In addition, development projects, as they become known, will be subject to additional environmental documentation as they are developed.

A copy of the initial study is attached. Copies of the FEIR were previously made available to the Commission and are available for review at the LAFCO office.

Property Tax Agreement

In accordance with provisions of California Revenue and Taxation Code §99, the City and County have entered into a master property tax exchange agreement that applies to this proposal. The agreement provides for the transfer of 55% of the County's share of the annual property tax increment to the City.

Conducting Authority Proceedings

Annexation to the City has 100% consent of all property owners. No subject agency has provided written opposition to a waiver of protest proceedings. Accordingly, conducting authority proceedings may be waived pursuant to California Government Code §56663(c) if the Commission approves annexation to the City.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report, the Commission should consider taking one of the following options:

Option A: Approve the annexation proposal as submitted by the City of Napa along with waiving automatic detachment proceedings for 1657 El Centro Avenue from CSA No. 4 pursuant to California Government Code §56375(n). This would include approving the following action:

- 1) Adopt the attached draft resolution making determinations and approving the *El Centro Avenue No. 9 Reorganization*.

Option B: If the Commission requires more information, continue this matter to a future meeting.

Option C: If the Commission determines that this annexation is premature, deny the proposal.

RECOMMENDATION

The Executive Officer recommends Option A: approval of the annexation proposal as submitted by the City of Napa along with waiving automatic detachment proceedings for 1657 El Centro Avenue from CSA No. 4 pursuant to Government Code §56375(n).

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- ~~1. Aerial Map~~
- ~~2. Justification of Proposal~~
- ~~3. Initial Study~~
- ~~4. City Resolution R2007-63~~
- ~~5. Draft LAFCO Resolution~~