



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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<http://napa.lafco.ca.gov>

June 6, 2011

Agenda Item No. 7b (Action)

May 30, 2011

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Update on Island Annexation Program

The Commission will receive a report summarizing staff's activities to date in developing an island annexation program aimed at eliminating unincorporated pockets within the City of Napa. The report is being presented to the Commission for discussion and possible action with respect to providing additional staff direction.

Local Agency Formation Commissions (LAFCOs) are responsible for regulating the formation and development of local governmental agencies and their municipal services under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"). This includes approving, with or without amendments, boundary changes proposed by local agencies, landowners, and residents. All boundary changes approved by LAFCOs must be consistent with their written policies and procedures. LAFCOs may also condition approval as long as they do not directly regulate land use.

A. Background

Legislation

On January 1, 2001, Assembly Bill 2838 (Hertzberg) was enacted and significantly expanded the objectives, powers, and procedures underlying LAFCOs and their ability to coordinate logical growth and development while preserving agricultural and open space resources. This included establishing an expedited process for cities to annex unincorporated pockets that are either entirely or substantially surrounded by their jurisdictional boundaries, which are commonly referred to as "islands." This expedited process is currently codified under Government Code Section 56375.3 and allows cities to annex unincorporated islands under certain conditions while avoiding protest proceedings. The expedited process also curtails LAFCOs' discretion by directing annexation approval if the island – among other conditions – is less than 150 acres, does not comprise prime agricultural land, and is substantially developed or developing. The sunset date for cities to make use of the expedited process is January 1, 2014 in terms of filing proposals with LAFCO; the statute does not prescribe a deadline for LAFCOs to act on island proceedings submitted by this date.

Lewis Chilton, Vice Chair
Councilmember, Town of Yountville

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

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County of Napa Supervisor, 2nd District

Keene Simonds
Executive Officer

Islands in Napa County

There are a total of 19 islands in Napa County. This includes islands meeting LAFCO of Napa County's ("Commission") definition of "substantially surrounded," which applies to land located within the affected city's sphere of influence with at least 66.7% of its perimeter bordered by its jurisdiction. All of the islands are either entirely (ten) or substantially (nine) surrounded by the City of Napa. Staff estimates there are 2,308 residents residing within these 19 islands. This amount represents nearly 3.0% of Napa's current resident population. A map depicting the islands in Napa is attached.

B. Discussion

On December 7, 2009, the Commission conducted a biannual workshop in which it received a presentation from staff outlining a proposed island annexation program; a program predicated on educating landowners and residents with respect to the benefits, costs, and related issues tied to annexation.¹ The Commission expressed support for moving forward with implementing the initial phases of the program with direction to reduce the scale to only focus on outreach within the ten entirely surrounded islands. The Commission also directed staff to economize resources by grouping the ten islands into regions in the course of performing outreach.

To date, staff has prepared and mailed informational packets to all landowners within the ten entirely surrounded islands in Napa.² The informational packets include letters to the landowners explaining the Commission's duties and responsibilities along with outlining the governance and service inefficiencies tied to islands. The letters invite landowners to contact staff to discuss their interest in annexation and are accompanied by flyers summarizing key benefits. Packets were mailed in three distinct phases. The first mailing was sent in March 2010 to landowners in five islands in southeast Napa identified in the attached map as six though ten. The second mailing was sent in June 2010 to landowners in three islands in central Napa identified in the attached map as three through five. The third and last mailing was sent in March 2011 to landowners in two islands in westcentral Napa identified in the attached map as one and two. Results of the three mailings are summarized below.

Category	First Mailing (Islands Nos. 6-10)	Second Mailing (Islands Nos. 3-5)	Third Mailing (Islands Nos. 1-2)
Total Landowners	18	26	567
Positive Responses	0	1	5
Negative Responses	4	1	12

¹ The genesis for the presentation followed the Commission's review earlier in the year of a proposal from Napa to annex portions of an existing island entirely surrounded by the City near Silverado Trail's intersection with Soscol Avenue. In processing the proposal, staff explored the possible expansion to eliminate the entire island; a modification consistent with previous comments by Commissioners to proactively eliminate islands in Napa. The modification, however, would have triggered conducting authority proceedings and caused uncertainty as to whether annexation would be terminated as a result of sufficient protests due to a lack of earlier outreach. Upon deliberation, the Commission agreed to approve the annexation as submitted with Napa agreeing to collaborate on an island annexation program.

² These ten entirely surrounded islands include 605 total parcels with an estimated resident population of 1,573.

C. Analysis

Outreach efforts to date have generated responses from less than three percent of the contacted island landowners.³ The relatively low number of responses to the mailings seemingly indicates most island landowners contacted are indifferent towards annexation. This neutrality suggests proceeding with annexations for the islands contacted may be successful in terms of generating minimal public and political discord. Furthermore, outreach efforts to date indicate one specific island – identified on the attached map as four and located near the intersection of Easum and Matt Drives – is agreeable to going forward with an annexation now given two of the three affected landowners have expressed support with the third presumed to be neutral to the potential change.⁴

In terms of next steps, staff believes there are two specific actions warranting Commission consideration. First, as referenced, it would be appropriate to consider working with Napa and the affected landowners in initiating an island annexation for the Easum and Matt Drives area. Importantly, moving forward with the annexation of this island would potentially serve as a success story depicting the actual benefits and relatively seamless transition to City governance. Second, expanding the scope of the outreach efforts to send informational packets to the nine substantially surrounded islands would help ensure all eligible landowners are aware of the expedited annexation proceedings available to them under current LAFCO law; proceedings that will expire on January 1, 2014.⁵

Staff has communicated the next steps outlined in the preceding paragraph to Napa and has received support from the Community Development Department. The expense to the Commission in pursuing these next steps is almost entirely tied to transactional costs involving the allocation of staff resources. Processing an island annexation for the Easum and Matt Drives area would likely require 40 to 50 staff hours. Sending out informational packets to the nine substantially surrounded islands along with follow up communication would be expected to require 15 to 20 staff hours. Accordingly, based on the current composite hourly staff rate, the total transaction cost to the Commission tied to these next steps would not be expected to exceed \$7,490; an amount representing 1.8% of budgeted expenses in 2011-2012.⁶

³ Exactly one-third of the responding landowners have expressed support for annexation. The remaining two-thirds of contacted landowners oppose annexation with nearly all citing general misgivings regarding subjectivity to additional government. More specific reasons cited by these opposing landowners have included concerns regarding potential property losses tied to sidewalk construction and the long-term ability to keep animals on site.

⁴ Conversely, outreach efforts to date indicate at least one specific island – identified on the attached map as ten – would be disagreeable with annexation given two of the four landowners are “strongly” opposed.

⁵ These nine substantially surrounded islands include 283 total parcels with an estimated resident population of 736.

⁶ Actual cost to the Commission in pursuing these next steps would be generally limited to postage tied to mailing the informational packets to the 283 landowners within the nine substantially surrounded islands. Estimated postage cost is \$181.12.

D. Alternative Actions for Commission Consideration

The following alternative actions are available to the Commission.

Option One: Direct staff to (a) work with the City of Napa and interested landowners in initiating an island annexation for the Easum and Matt Drives area and (b) prepare and send informational packets to landowners within the nine substantially surrounded islands.

Option Two: Direct staff to proceed with a modification of alternative actions identified in Option One.

Option Three: Continue item to a future meeting and request additional information from staff as needed.

Option Four: Take no action.

E. Recommendation

It is recommended the Commission take action as outlined as Option One in the preceding section.

Respectfully submitted,

Keene Simonds
Executive Officer

Brendon Freeman
Analyst

F. Procedures for Consideration

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

- 1) Receive verbal report from staff;
- 2) Invite public comments, if any (discretionary); and
- 3) Discuss item and consider action on recommendation.

Attachments:

~~1) Map of Napa Islands~~

2) Informational Packet Mailed to Island Landowners, March 2010, June 2010, and March 2011



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Date

Name

Street Address

SUBJECT: Information Regarding Island Annexation Program

To Whom it May Concern:

A review of the County of Napa records indicates you are either a landowner or resident at *****. As you may know, this property is part of an unincorporated “island” entirely surrounded by the City of Napa’s jurisdictional boundary. This unincorporated designation means the property is generally dependent on the County for providing key municipal services, such as public safety, public works, and community development.

The Local Agency Formation Commission (LAFCO) of Napa County is a political subdivision of the State of California. LAFCO is responsible for coordinating the orderly formation and development of governmental agencies and municipal services within its county jurisdiction. This includes regulating all boundary changes involving local cities and special districts. Most commonly, this involves annexing unincorporated lands for purposes of accommodating orderly development and or enhanced municipal services. LAFCO’s composition includes a total of eight members; three board of supervisors, three city councilmembers, and two public representatives.

The California Legislature encourages LAFCO to work with local cities to proactively eliminate islands and the governance inefficiencies they often perpetuate. In particular, islands commonly lack equitable municipal service provision and create additional expenses for both citizens and government. For example, island properties are charged 40 percent more by Napa for an equivalent amount of water usage than neighboring incorporated properties. Island properties also create a funding inequity for Napa given several statewide tax revenues that support general services, such as roads and parks, are apportioned on a per-capita basis. As a result, Napa is not equitably compensated for providing certain municipal services enjoyed by island residents. Further, annexing islands enhances public safety service by eliminating confusion and helping to ensure first-responders are the closest to the incident site with regards to available resources.

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With the preceding comments in mind, LAFCO is interested in discussing the benefits of annexation with island landowners and residents. If you are interested, LAFCO staff would like the opportunity to meet with you and other island neighbors to discuss the annexation process in detail. Towards this end, I have prepared an informational flyer outlining key governance distinctions between island and non-island properties. This flyer is enclosed for your review.

I respectfully ask you review the enclosed information and contact me at your earliest convenience to discuss interest in participating in an island annexation. I would also be interested in hearing from you if you are not interested in participating in an island annexation to better inform our understanding of key concerns or objections. I am available by telephone at (707) 259-8645 or by e-mail at ksimonds@napa.lafco.ca.gov.

Sincerely,



Keene Simonds
Executive Officer

Enclosures: as stated



Island Annexations

Local Agency Formation Commission of Napa County

What are islands?

Islands are county lands that are surrounded by a city and are typically created as a result of leap-frog development. Islands are located throughout California and are often older communities with limited and aging public infrastructure relative to neighboring city lands. Most islands were created many decades ago, leaving the residents unaware that they're part of the county and not the city.

More information: contact LAFCO

Robert Louis Stevenson Building
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What's the problem with islands?

- disorderly growth (densities, connectivity)
- inefficient public service provision (police, fire)
- unfunded demands on city services (parks, roads)
- representation (non-participation in city elections)

Myths regarding annexation

A common misconception regarding annexation is that it costs more to be in the City of Napa; this is not true. Check out the annual cost comparison below between Napa and the County.

Category	Napa	County	Cost Difference Post Annexation
Paramedic Tax	\$37.50	N/A	(\$37.50)
Storm Fee	\$12.00	N/A	(\$12.00)
Water Charge	\$369.56	\$521.95	\$153.59
Sewer Charge	\$421.00	\$421.00	\$0.00
Garbage Charge	\$395.28	\$296.64	(\$98.64)
Totals	\$1,235.34	\$1,239.59	\$4.25

What's LAFCO's role in eliminating islands?

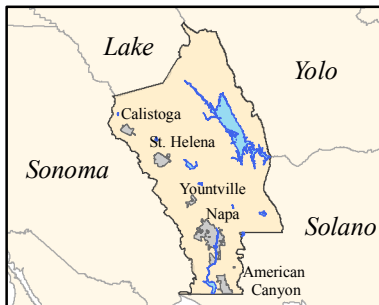
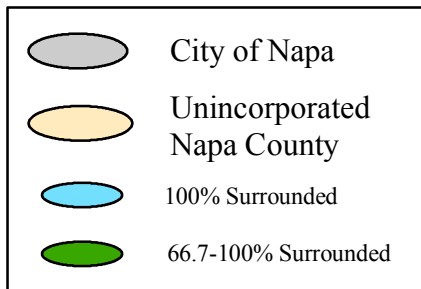
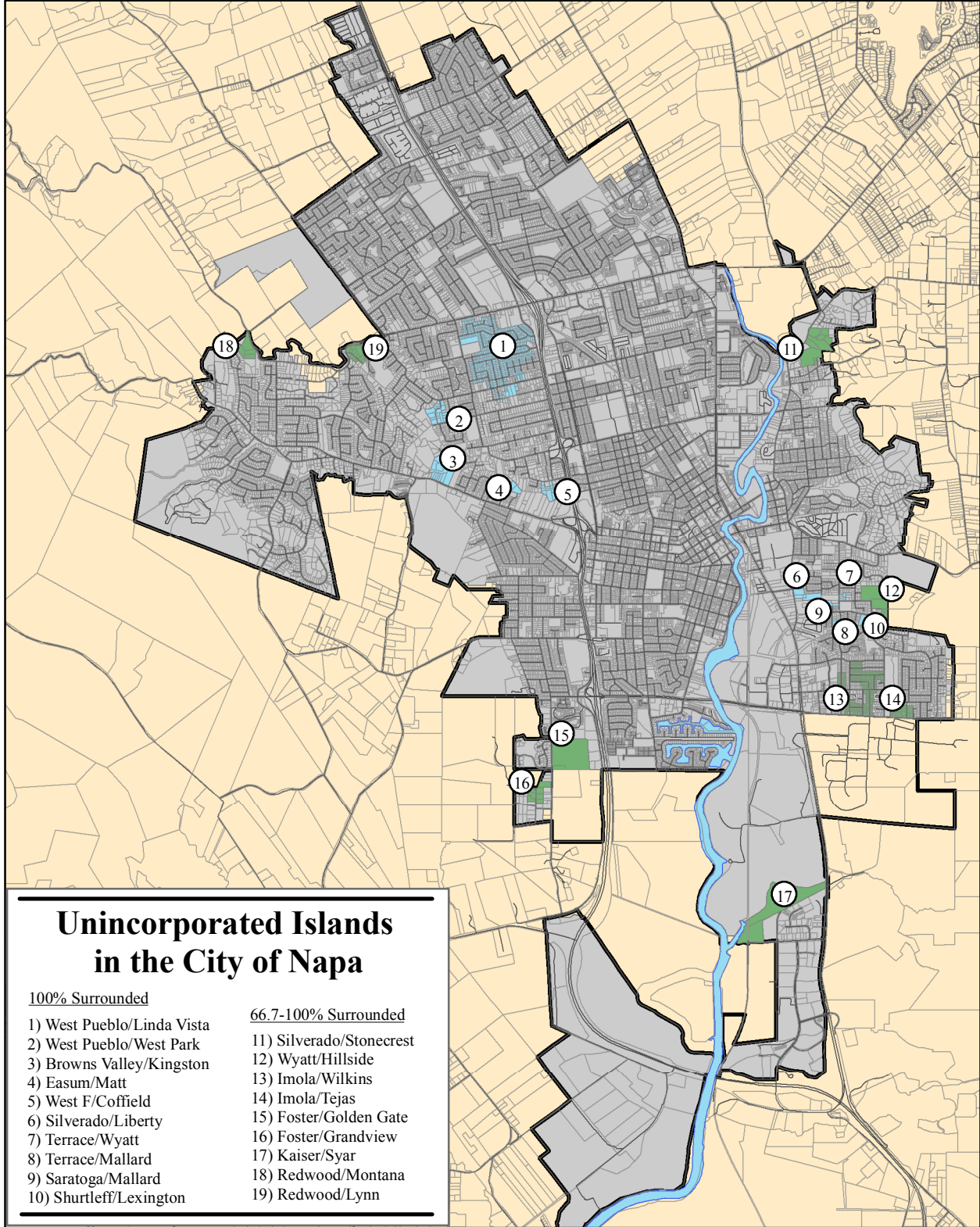
LAFCOs are political subdivisions of the State of California responsible for regulating city and special district boundaries. LAFCOs are located in all 58 California counties and tasked with coordinating the logical formation and expansion of local agencies and their services while preventing urban sprawl.

In 2000, special legislation was passed streamlining the annexation proceedings for islands. This includes establishing an expedited review process and significantly reduced application costs. The special legislation is scheduled to expire January 1, 2014.

How many islands are in the City of Napa?

There are 19 islands entirely or substantially surrounded by the City of Napa. These islands comprise 905 parcels and 339 acres and have an estimated population of over 2,300. Are you in an island? Check out the map on the other side!

City of Napa Unincorporated Islands 150 Acres or Less



*Not to Scale
March 12, 2010
Prepared by BF*



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