



Local Agency Formation Commission
LAFCO of Napa County

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February 5, 2007
Agenda Item No. 6a

January 26, 2007

TO: Local Agency Formation Commission

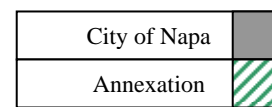
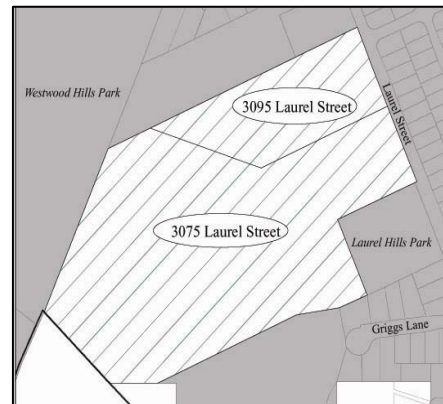
FROM: Keene Simonds, Executive Officer

SUBJECT: *Laurel Street City Annexation to the City of Napa (Public Hearing)*

The Commission will consider an application by the City of Napa to annex approximately 26.3 acres of unincorporated territory. The underlying purpose of the annexation is to facilitate the future subdivision and development of one of the two affected parcels under the land use authority of the City.

The City of Napa proposes the annexation of approximately 26.3 acres of unincorporated territory that comprises two contiguous parcels. Both parcels include single-family residences and are located within the City's sphere of influence. The underlying purpose of the annexation is to facilitate the future subdivision and development of one of the affected parcels located at 3075 Laurel Street. The other affected parcel, which is located at 3095 Laurel Street, was added to the proposal by the City to produce a more logical boundary and to eliminate an existing unincorporated island that is substantially surrounded by the City. The addition of 3095 Laurel Street to the proposal also avoids the creation of a "new" unincorporated island completely surrounded by the City. However, the property owner of 3095 Laurel Street opposes the inclusion of her land to this annexation proposal.

In adopting a resolution of application, the City has requested annexation of the subject territory under the provisions of California Government Code §56375.3. This code section, which is commonly referred to as the "island annexation proceedings," limits the discretion of the Commission, after notice and hearing, to deny the proposal. Drawing from this code section, the Commission's discretion in considering this proposal is limited to determining that the statutory factors needed to qualify for an island annexation proceeding have been satisfied.



Jack Gingles, Chair
Mayor, City of Calistoga

Cindy Coffey, Commissioner
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

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

Brian J. Kelly, Commissioner
Representative of the General Public

Vacant, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

GENERAL INFORMATION

Applicant: City of Napa, by resolution.

Location: The subject territory is located at 3075 and 3095 Laurel Street. The County of Napa Assessor's Office identifies the two affected parcels as 043-010-010 and 043-010-009. Vicinity and aerial maps of the subject territory are attached.

Purpose: The purpose of the annexation is to facilitate the future subdivision and development of 3075 Laurel Street under the land use authority of the City. The City has designated and rezoned the entire subject territory for residential use. No specific development plans exist at this time.

Staff has provided notice for the Commission to consider this proposal as part of a public hearing. As directed under C.G. §56157, notices were mailed to all listed landowners and registered voters within 300 feet of the subject territory. Although this proposal does not have 100% written consent from all affected property owners, the Commission is authorized to waive protest proceedings pursuant to G.C. §56375.3(a)(1).

BACKGROUND

In August 2006, the City of Napa received an annexation request from Robert and Carol Riordan for their property located at 3075 Laurel Street. The Riordan's property is 21.07 acres in size, includes a single-family residence, and is part of an existing unincorporated island that is substantially surrounded by the City. The Riordan's have indicated that they would like to eventually subdivide and develop their land in a manner that is consistent with the Napa General Plan. The Riordan's are seeking annexation now to facilitate discussions with the City's Community Development Department, which will not accept or process a subdivision application until the subject territory is annexed (Napa Municipal Code 16.04.060).

In reviewing the annexation request for 3075 Laurel Street, the City contacted the property owner for the adjacent parcel that represents the other half of the unincorporated island to determine their interest in being included in the annexation. This adjacent parcel, located at 3095 Laurel Street, is 5.2 acres in size and includes a single-family residence. The property owner for 3095 Laurel Street, Eileen Otto, has informed the City that she opposes the annexation of her land. No specific reasons or factors have been provided by Ms. Otto with regards to her opposition to annexation.

In consultation with LAFCO staff, the City determined it was appropriate to add 3095 Laurel Street to the annexation proposal to produce a more logical incorporated boundary and to eliminate an existing unincorporated island. The addition of this property to the annexation proposal also avoids the creation of a "new" unincorporated island that would be completely surrounded by the City.

DISCUSSION AND ANALYSIS

As noted, in adopting a resolution of application, the City has requested annexation of 3075 and 3095 Laurel Street under the provisions of G.C. §56375.3. This code section was originally enacted by the California Legislature in 1999 to provide a streamlined process for LAFCOs to annex islands within cities under certain conditions without conducting protest proceedings.¹ Although minor amendments have been made since its enactment, the code section continues to direct LAFCOs to annex, after notice and hearing, unincorporated islands while waiving protest proceedings if it determines that the following factors have been satisfied:

1. The subject territory does not exceed 150 acres in size, and constitutes an entire unincorporated island.
2. The subject territory constitutes an entire unincorporated island located within the limits of the affected city.
3. The subject territory is surrounded in either of the following ways:
 - a) Surrounded, or substantially surrounded, by the city to which annexation is proposed or by the city and the county boundary or by the Pacific Ocean.
 - b) Surrounded by the city to which annexation is proposed and adjacent cities.
4. The subject territory is substantially developed or developing. This includes, but is not limited to, considering the following issues:
 - a) The availability of public utility services
 - b) The presence of public improvements
 - c) The presence of physical improvements
5. The subject territory does not meet the definition for prime agricultural land under California Government Code §56064.
6. The subject territory will benefit from the annexation or is receiving benefits from the annexing city.

Staff has reviewed these factors and has determined that the proposal by the City to annex 3075 and 3095 Laurel Street qualifies as an island annexation proceeding under G.C. §56375.3. This includes recognizing that the subject territory is less than 150 acres and represents an entire substantially surrounded unincorporated island. In making this latter statement, staff has applied the Commission's adopted definition of "substantially

¹ This code section is predicated on the annexation being proposed by the affected city through an adopted resolution of application.

surrounded” as territory that is 66.6% surrounded by the affected city. Staff has confirmed using the County of Napa’s Geographic Information System that the subject territory is 85% surrounded by the City. With respect to other factors, staff believes it is reasonable to determine the subject territory is substantially developing because public services are readily available and both affected parcels are designated for an urban use under the City and County General Plans.² Staff also believes the subject territory will benefit from the annexation by receiving an elevated level of municipal services.

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. Additional information relating to these factors can be found in the attached *Justification of Proposal*.

<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 an estimated resident population of three. If development occurs to the <u>maximum</u> density allowed under the Napa General Plan, there would be a total of 104 single-family residences in the subject territory with a projected population of 272.³</p> <p>Topography within the subject territory is characterized by gentle sloping near Laurel Street that ranges between 5 and 9%. Slopes within the eastern portion of the subject territory increase to 50%. In order to protect the underlying hillside, the City has assigned an overlay rezoning standard of <i>Hillside</i> for the entire subject territory. This overlay standard limits development in the subject territory to one residential unit per parcel unless a use permit is authorized by the City Planning Commission.⁴</p> <p>The total assessed value of the subject territory is \$380,931.</p>
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² The Commission has adopted criteria for determining a “developed island,” which requires a minimum housing density of one-half unit per gross acre and adequate access to basic municipal services. While municipal services are readily available from the City, the Napa General Plan’s land use designation of *Single-Family Residential – 117* does not provide a minimum density for the subject territory. The City’s rezoning standard of *Residential Single 40* and *Residential 7* within the subject territory does require minimum parcel densities of 0.9 and 0.16 acres, respectively, which satisfies the Commission’s definition of a developed island. However, the entire subject territory is assigned an overlay rezoning standard of *Hillside*. This overlay limits densities within the subject territory to one unit per parcel unless a use permit is issued by the City Planning Commission, which is partially condition on the preparation of slope analysis and site assessment plan. Accordingly, in absence of a use permit, the minimum densities for the subject territory is one residential unit per existing parcel, which exceeds the Commission’s definition for a developed island.

³ This estimate is based on total acres and does not account for access roads or public right-of-ways. The estimate also assumes a population per household factor of 2.62.

⁴ Pursuant to Napa Municipal Code 17.40, a use permit will not be issued until the completion of a detailed slope analysis and site assessment plan. Any parcel having a slope of less than 15% will be assigned the General Plan

<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>The annexation of the subject territory to the City of Napa will generally enhance organized service delivery by eliminating an existing unincorporated island that is substantially surrounded by the City. Based on LAFCO's recent municipal service review, the City has planned and is capable of extending services to the subject territory without measurably impacting the service levels of existing residents.</p> <p>The subject territory is already served by 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 subject territory conforms to the City of Napa's sphere of influence and adopted urban growth boundary.</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 does not qualify as prime agricultural land as defined by Government Code §56016.</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>The subject territory is uninhabited with less than 12 registered voters or residents.</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 of Napa. The Napa General Plan designates the subject territory <i>Single-Family Residential - 117</i>, which allows for a maximum density of four units per acre. Napa has also rezoned the subject territory with two similar standards, <i>Residential Single - 40</i> and <i>Residential Single - 7</i>. These rezoning standards are consistent with the Napa General Plan and require minimum lot sizes of 40,000 and 7,000 square feet, which are equivalent to 0.9 and 0.16 acres.</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 of Napa, which was comprehensively updated by the Commission in June 2005.</p>

density. Any parcel having a slope of 15 to 30% will be assigned a density of one residential unit per acre. Any parcel having a slope greater than 30% will not be assigned a density.

(i) The comments of any affected local agency.	No substantive comments were received from local agencies during the review of this proposal.
(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.	The City of Napa, through its resolution of application and justification of proposal, attests to its ability to extend all services provided by the City to the subject territory without impact to existing residents.
(k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	The City of Napa's water management plan shows it is capable of delivering water to the subject territory to development levels consistent with the Napa General Plan.
(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 and adopted urban growth boundary of the City of Napa. 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.	The property owner for one of the two affected parcels, located at 3095 Laurel Street, does not consent to the annexation of her land to the City of Napa as part of this proposal.
(n) Any information relating to existing land use designations.	The County of Napa has assigned the subject territory with an overlay zoning standard of <i>Urban Reserve</i> . This overlay specifies that no additional development be allowed in the subject territory without annexation to the City.

Property Tax Agreement

In accordance with provisions of Revenue and Taxation Code §99, the City of Napa and the County of Napa entered into a master property tax exchange agreement that will apply to this proposal.

Environmental Analysis

In accordance with the adopted Local Agency Formation Commission Environmental Impact Report Guidelines, and applicable provisions of the California Environmental Quality Act (CEQA), the Environmental Impact Report (EIR) for *Envision Napa 2020*, the City of Napa's General Plan Update, certified December 1, 1998, makes land use assignments for the subject territory and adequately discusses the environmental impacts of development to the assigned densities. Copies of the EIR were previously made available to the Commission and are available for review at the LAFCO office. The annexation will not introduce any new considerations with respect to this EIR, and probable future projects are adequately addressed by it. In addition, the projects, as they become known, will be subject to environmental review as they are developed.

Conducting Authority Proceedings

The proposal qualifies as an island annexation proceeding, which authorizes the Commission to waive protest proceedings pursuant to G.C. §56375.3(a)(1).

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. This would include approving the following actions:

- 1) Confirm that the proposal qualifies as an island annexation pursuant to California Government Code 56375.3; and
- 2) Adopt the attached draft resolution making determinations and approving the *Laurel Street City Annexation to the City of Napa*.

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

RECOMMENDATION

The Executive Officer recommends Option A: approval of the annexation proposal as submitted by the City of Napa.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- ~~1. LAFCO Vicinity Map~~
- ~~2. LAFCO Aerial Map~~
3. Draft LAFCO Resolution of Approval
- ~~4. Justification of Proposal~~
- ~~5. City of Napa Resolution R2006-207~~

RESOLUTION NO. _____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS**

**LAUREL STREET CITY ANNEXATION
CITY OF NAPA**

WHEREAS, an application of the City of Napa, by resolution, proposing the annexation of territory to the City of Napa has been filed with the Executive Officer, hereinafter referred to as “Executive Officer” of the Napa County Local Agency Formation Commission, hereinafter referred to as “the Commission”, pursuant to Title 5, Division 3, commencing with Section 56000 of the California Government Code; and

WHEREAS, the Executive Officer reviewed said proposal and prepared a report, including his recommendations thereon; and

WHEREAS, said proposal and the Executive Officer’s report have been presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on said proposal; and

WHEREAS, the Commission considered all the factors required by law under Section 56375.3 and 56668 of the California Government Code; and

WHEREAS, the Commission found the proposal consistent with the sphere of influence established for the affected City and with the Commission’s adopted policy determinations; and

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. In accordance with the adopted Local Agency Formation Commission Environmental Impact Report Guidelines, and applicable provisions of the California Environmental Quality Act (CEQA), the Commission has considered the Environmental Impact Report (EIR) for *Envision Napa 2020*, the City of Napa’s General Plan Update, certified December 1, 1998, and finds that the EIR makes land use assignments for the subject territory and adequately discusses the environmental impacts of development to the assigned densities. The Commission finds that annexation will not introduce any new considerations with respect to this EIR, and that probable future projects are adequately addressed by it. The Commission further finds that projects, as they become known, will be subject to environmental review as they are developed. These findings are based on its independent judgment and analysis. The Records upon which these findings are made are located at the LAFCO office at 1700 Second Street, Suite 268, Napa, California.
2. The proposal is APPROVED.

3. This proposal is assigned the following distinctive short-term designation:

**LAUREL STREET CITY ANNEXATION
CITY OF NAPA**

4. The affected territory is shown in the attached Exhibit "A".
5. The affected territory so described is uninhabited as defined in California Government Code §56046.
6. The City of Napa utilizes the Regular County assessment roll.
7. The affected territory will be taxed for existing general bonded indebtedness of the City of Napa.
8. The proposal shall be subject to the terms and conditions specified in the attached Exhibit "B".
9. The Commission authorizes conducting authority proceedings to be waived in accordance with Government Code Section 56375.3(a)(1).
10. Recordation is contingent upon receipt by the Executive Officer of a map and boundary description determined by the Executive Officer and County Surveyor to conform to the requirements of the State Board of Equalization.
11. Recordation is contingent upon payment of any and all outstanding fees owed the Commission and/or other agencies involved in the processing of this proposal.
12. The effective date shall be the date of recordation of the Certificate of Completion.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of the County of Napa, State of California, at a regular meeting held on the 5th of February 2007, by the following vote:

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

ATTEST: Keene Simonds
Executive Officer

Prepared by: _____
Kathy Mabry, Commission Secretary

EXHIBIT A
TERMS AND CONDITIONS
LAUREL STREET CITY ANNEXATION
CITY OF NAPA

The subject territory is parcel-specific and is identified by the County of Napa Assessor's Office as 043-010-010 and 043-010-009. It is depicted on the attached vicinity map. Pursuant to the terms and conditions of approval, a map and boundary description shall be submitted by the applicant for inclusion in a final recordation of this proposal.

EXHIBIT B

TERMS AND CONDITIONS LAUREL STREET CITY ANNEXATION CITY OF NAPA

1. Pursuant to California Government Code Section 56375(e), no subsequent changes may be made to the land use designations or zoning standards for the affected territory that do not conform to the present rezoning for a period of two years following the completion of the annexation. An exemption is allowed only if the City of Napa Council, as the affected legislative body, makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application presented to the Commission.
2. Upon and after the effective date of the annexation, the affected territory, all inhabitants within such territory, and all persons entitled to vote by reasons of residing or owning land within the territory, shall be subject to the jurisdiction of the City of Napa, hereafter referred to as "the City"; shall have the same rights and duties as if the affected territory has been a part of the City upon its original formation; shall be liable for the payment of principal, interest, and any other amounts which shall become due on account of any outstanding or then authorized but therefore issued bonds, including revenue bonds, or other contracts or obligations of the City; shall be subject to the levying or fixing and collection of any and all taxes, assessments, service charges, rentals or rates as may be necessary to provide for such payment; and shall be subject to all of the rates, rules, regulations and ordinances of the City, as now or hereafter amended.
3. Upon and after the effective date of the annexation, the affected territory, and all inhabitants within such territory shall, to the extent permitted by law, be subject to all previously authorized charges, fees, assessments and taxes that were lawfully enacted by the City.