



Local Agency Formation Commission
LAFCO of Napa County

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December 1, 2008
Agenda Item No. 7a (Action)

November 24, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer
Brendon Freeman, Analyst

SUBJECT: Silverado Trail Reorganization

The Commission will consider a proposal from the City of Napa to annex approximately 28.8 acres of unincorporated territory. The affected territory consists of three non-contiguous areas located northeast of Silverado Trail's intersection with Soscol Avenue. The proposal is intended to facilitate the future development of the affected territory and has been classified as a reorganization to account for concurrent detachment proceedings involving County Service Area No. 4. Staff recommends approval of the proposal.

The Commission is responsible under California Government Code (G.C.) Section 56375 to approve, modify, or disapprove boundary changes involving cities and special districts within Napa County. The Commission may establish conditions in approving boundary changes with the qualification it may not directly regulate land uses.

A. Proposal Summary

The Commission has received a proposal from the City of Napa ("City") requesting the annexation of 28.8 acres of unincorporated territory. The proposal has been classified as a reorganization to account for concurrent detachment proceedings involving County Service Area (CSA) No. 4. The affected territory consists of three non-contiguous areas located northeast of Silverado Trail's intersection with Soscol Avenue. The three non-contiguous areas are identified in this report as "A," "B," and "C" and are summarized below.

- Area A is 13.6 acres in size and comprises four parcels and a right-of-way portion of Silverado Trail. The largest parcel is undeveloped while the remaining three parcels include single-family residences. Area A lies along the western side of an unincorporated island bordered on the east by Area B.
- Area B is 3.6 acres in size and comprises one parcel and right-of-way portions of Terrace Drive and Wyatt Avenue. Area B includes a single-family residence and lies along the eastern side of an unincorporated island bordered on the west by Area A.

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Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

- Area C is 11.6 acres in size and comprises three parcels. The largest of the three parcels includes an 85 unit mobile home park. One of the remaining two parcels includes a single-family residence. Area C represents an entire unincorporated island.

B. Discussion

The purpose of the proposal is to facilitate the future division and development of the affected territory under the land use authority of the City. The City General Plan designates the affected territory for a range of moderate to high density residential uses, which could accommodate the development of up to 543 units. The City General Plan also contemplates the development of the affected territory to include the western extension of Saratoga Drive to connect with Silverado Trail. No projects exist at this time given it is City policy not to accept a development application unless the subject land is already within its jurisdictional boundary. However, a developer has purchased five of the six parcels comprising Areas A and B indicating development of the affected territory is probable within the next several years upon annexation to the City.

It is important to note the genesis of the proposal began with a request made by the aforementioned developer to the City in January 2008 seeking just the annexation of the company's five parcels located along Silverado Trail and part of two separate unincorporated islands. The City responded to the request by surveying adjacent landowners to determine interest in expanding the annexation to further reduce or eliminate the two affected unincorporated islands. The survey produced positive responses from three additional landowners whose parcels have been added to the proposal. One of the three added parcels includes an 85 unit mobile home park in Area C.

The key benefit in expanding the proposal to include the mobile home park relates to the elimination of an entire island surrounded by the City. This addition, however, does redefine the affected territory from uninhabited to inhabited.¹ The significance of the affected territory qualifying as inhabited relates to the ability of the Commission to approve the proposal while waiving protest proceedings. Staff initially reviewed the applicable code sections and concluded the Commission could waive protest proceedings outright given the proposal has 100% consent from the affected landowners. This conclusion was conveyed to the City before it took action and submitted the proposal to the Commission. As part of a separate and subsequent inquiry, staff realized the applicable code sections are less clear than initially believed regarding the waiver of protest proceedings for inhabited territory and asked Counsel for an opinion. Counsel has drawn a separate conclusion and advises the Commission cannot waive protest proceedings unless notice is provided to all landowners and registered voters and no one submits written opposition before the end of hearing. With this in mind, notice has been provided to all landowners and registered voters advising the Commission will waive protest proceedings for the proposal unless written opposition is received before the end of the hearing.

¹ G.C. 56046 defines inhabited territory as land with 12 or more registered voters.

If written opposition is received before or at the hearing, staff believes it is appropriate for the Commission to continue consideration of the proposal to February. Continuance will provide City staff an opportunity to address the concerns of the affected party or parties. If the concerns cannot be addressed, the Commission may consider modifying the proposal on its own at its February meeting to remove the parcel with the mobile home park. This modification would revert the affected territory to qualify as uninhabited and allow the Commission to outright waive protest proceedings for the proposal.

C. Analysis

Staff has organized the analysis of the proposal to address three specific issues to help inform the Commission in its decision-making process. These issues relate to (a) service factors, (b) rezoning, and (c) environmental review.

Service Factors

G.C. Section 56668 requires the Commission to consider 15 specific service factors anytime it reviews proposed boundary changes, such as an annexation. No single factor is determinative. An evaluation of these factors as it relates to the proposal follows.

1) 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 areas, during the next 10 years.

The current population in the affected territory is estimated at 236 with a density of 8.2 persons per acre.² If developed to the maximum density allowed under the City General Plan, the affected territory's population would be approximately 1,423 with a density of 49.4 persons per acre. Five of the eight parcels are developed with single-family residences. A sixth parcel is developed within an 85-unit mobile home park. The remaining two parcels, which represent the majority of affected territory as measured in acres, are vacant. Topography is relatively flat with a peak elevation of 54 feet in the eastern portion of Area A. Tulucay Creek transverses the southeast border of Area C. There are no notable natural boundaries or drainage basins. The total current assessed value of the subject territory is \$6,261,584.

The potential for new growth adjacent to the affected territory is generally limited to the remaining 14 parcels neighboring Areas A and B and part of the same island. The current population within these remaining 14 parcels is estimated at 28 with a density of 2.5 persons per acre.³ The anticipated build-out population within these remaining parcels is approximately 210 with a density of 18.5 persons per acre based on the City General Plan.

² Estimate has been calculated by staff based on the sum of the total number of residential units (90) within the affected territory multiplied by a population factor of 2.62.

³ Estimate has been calculated by staff based on the sum of the total number of residential units (11) within the remaining 14 parcels multiplied by a population factor of 2.62.

- 2) **The 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.**

The proposal is expected to facilitate the future development of the affected territory within the next ten years in a manner consistent with the City General Plan to include up to 543 residential units. Governmental services will be needed to accommodate and support the intensified urban uses. Most notably, this includes providing an appropriate level of (a) fire protection and emergency medical, (b) law enforcement, (c) sewer, and (d) water services. An analysis of the availability and adequacy of these governmental services in the affected territory follows.

Fire Protection and Emergency Medical Service

The County is currently responsible for providing fire protection and emergency medical services to the affected territory. However, given the affected territory are part of two unincorporated islands, the City is already the probable first-responder for fire protection and emergency medical service calls based on a mutual aid agreement with the County. Annexation of the affected territory to the City would formalize this existing service arrangement.

Law Enforcement Service

The County is currently responsible for providing law enforcement services to the affected territory. However, given the affected territory are part of two unincorporated islands, the City is already the probable first-responder for law enforcement service calls based on a mutual aid agreement with the County. Annexation of the affected territory to the City would formalize this existing service arrangement.

Sewer Service

All eight parcels comprising the affected territory are already within the Napa Sanitation District (NSD). NSD has established sewer service to three of the eight parcels. NSD's Sewer Master Plan indicates it has sufficient capacities to provide sewer service to the entire affected territory at its buildout under the City General Plan without adversely affecting existing customers.

Water Service

Two of the eight parcels comprising the affected territory currently receive water service from the City. The remaining six parcels are dependent on groundwater. Upon annexation, these six remaining parcels would be eligible to receive water service from the City through a formal application process. The City's mostly recently prepared Urban Water Management Plan indicates it has adequate capacities to provide water services to the entire affected territory at its buildout under the City General Plan without adversely affecting existing customers. An expanded review of the City's water services are addressed on page six of this report.

3) 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.

The proposed action would recognize and strengthen the existing economic and social ties between the affected territory and the City. These existing communities of interests are drawn from the affected territory's location within two unincorporated islands surrounded by the City. The landowners and residents of the affected territory already utilize the commercial and public services provided within and by the City, respectively. The modification of the proposal to include the remaining 14 parcels adjacent to Areas A and B that are part of the same unincorporated island would further recognize and strengthen these referenced communities of interests.

4) The conformity of 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 G.C. Section 56377.

As mentioned, the proposal includes two separate areas (A and B) comprising opposite ends of the same unincorporated island. It is the policy of the Commission to consider expanding the proposal to include the remaining parcels within the unincorporated island for the purpose of its elimination. Based on the results of the previous survey conducted by the City, it is reasonable to assume such an expansion would draw considerable landowner protest. The protest engendered as a result of the expansion could be sufficient to cause an election or outright terminate the proceedings during the protest hearing.

The above circumstances highlight a policy conflict for the Commission with regard to considering proposals that would reduce rather than eliminate unincorporated islands. Specifically, this policy conflict is drawn from the Commission's equal desire to (a) support infill-oriented annexations while (b) seeking the elimination of unincorporated islands and the service inefficiencies they perpetuate.

In reviewing this proposal, staff communicated to the City the Commission's interest in working together to actively eliminate unincorporated islands. City staff has responded favorably and has pledged its commitment to partner with the Commission on an island annexation program. The program would include public outreach to help inform affected island landowners and residents of the benefits of annexation as well as addressing common misconceptions. The underlying aim of the program would be to utilize G.C. Section 56375.3, which offers a streamlined process for cities to annex entire islands that are less 150 acres in size and do not include prime agriculture land. Most notably, this includes waiving protest proceedings. Staff believes this commitment provides sufficient assurances the Commission's interest in annexing the remaining parcels in the unincorporated island associated with Areas A and B will be addressed in the near future.

5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

None of the eight parcels comprising the affected territory qualifies as agricultural land as defined under G.C. Section 56016.

6) 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.

A map and geographic description have been prepared by a licensed surveyor identifying the boundaries of the affected territory in accordance with the requirements of the State Board of Equalization. These documents provide sufficient certainty with regards to the exact boundaries of the affected territory.

Annexation of Areas A and B will reduce an existing island. Annexation of Area C will eliminate an existing island.

7) Consistency with the city and county general plan and specific plans.

The City General Plan designates the affected territory for a range of residential land uses with the potential to accommodate up to 543 units. These urban assignments are consistent with the County General Plan, which designates the entire affected territory as *Cities*.

8) The sphere of influence of any affected local agency.

The affected territory is located within the City's sphere of influence. The affected territory is also within CSA No. 4's sphere of influence. No change to CSA No. 4's sphere of influence is recommended given the affected territory would be annexed back to the District if ever detached from the City.

9) The comments of any affected local agency or other public agency.

On August 14, 2008, the application materials associated with the proposal were circulated for review to all affected local governmental agencies. No substantive comments were received.

10) 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 has adequate service capacities, financial resources, and administrative controls to serve the affected territory. The City will also receive 55% of the County's proportional share of property tax proceeds to help offset new service-related costs as part of a master tax exchange agreement.

11) Timely availability of water supplies adequate for projected needs as specified in G.C. Section 65352.5.

The City's water supplies are drawn from three sources: 1) Lake Hennessey; 2) Milliken Reservoir; and 3) the State Water Project. The City's most recently prepared urban water management plan estimates its total annual water supply generated from these three sources during normal and multiple-dry years is 29,296 and 16,957 acre-feet, respectively.

The City's current annual water demand is approximately 14,500 acre-feet. It is anticipated the annexation of the subject territory and its subsequent maximum development under the City General Plan would generate an additional annual water demand of 206 acre-feet.^{4 5} This anticipated new demand can be reasonably accommodated by the City based on its existing supplies.

12) The extent 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.

The proposal makes no significant impact on the ability of the County or City in achieving their respective regional housing needs assignment as determined by the Association of Bay Area Governments (ABAG). Based on the methodology used by ABAG, the potential housing stock associated with the affected territory has been fully allocated to the City in determining its housing need assignment given its location within its urban limit line.

13) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

The proposal has received 100% written consent from all affected landowners. Notice of the proposal and its scheduled hearing date was mailed to all registered voters residing within the affected territory on November 10, 2008. No comments were received as of the date of this report.

14) Any information relating to existing land use designations.

The City designates the affected territory as *Single-Family Infill 171*, *Single-Family Infill 173*, *Single-Family Residential 174*, and *Multi-Family Residential 175*. These designations provide respective maximum densities of six, eight, six, and 30 units per acre and could accommodate the development of the affected territory to include up to 543 units.

⁴ Two of the eight parcels in the affected territory have already established water service with the City. The two parcels are both located within Area A. The remaining six parcels in the subject territory are dependent on groundwater.

⁵ The estimated new annual water demand associated the proposal has been calculated by staff based on the number of possible total units (543) multiplied by an average annual water demand factor (0.38 acre-feet).

- 15) The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.**

There is no documentation or evidence suggesting the proposal will have a measurable effect with respect to promoting environmental justice.

Prezoning Assignment

G.C. Section 56375(3) requires cities prezone territory as a condition to annexation. The City has prezoned the affected territory with three residential assignments: *RM* (Multi-Family Residential); *RI-5* (Single-Family Infill); and *RS-5* (Single-Family Residential). These zoning assignments are consistent with the City General Plan. The City may not change the zoning for the affected territory in a manner that does not conform to the prezoning at the time of annexation for a period of two years with limited exceptions.

Environmental Review

The City serves as lead agency for the proposal under the California Environmental Quality Act (CEQA). The City prepared an initial study and has determined 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 in the Final Environmental Impact Report (FEIR) prepared for the General Plan.

As responsible agency, the Commission 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 the City has made an adequate determination 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 review.

D. Alternatives for Commission Action

Four alternative actions are available to the Commission with respect to its consideration of the proposal. These alternates are:

- Option One: Approve the proposal as submitted.**
- Option Two: Approve the proposal with any desired boundary modifications.**
- Option Three: Continue consideration of this proposal to a future meeting.**
- Option Four: Deny the proposal.**

E. Recommendation

Staff recommends the Commission approve the proposal as submitted, which is identified in the preceding section as Option One. The proposal will facilitate orderly and infill-oriented growth and will not induce the premature conversion of any agricultural or open-space land. The City's written commitment to working on an island annexation program provides sufficient assurances the Commission's interest in annexing the remaining parcels in the unincorporated island associated with Areas A and B will be addressed in the near future.

Respectfully submitted,

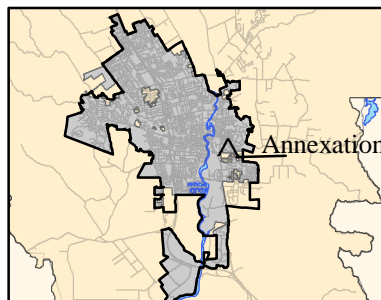
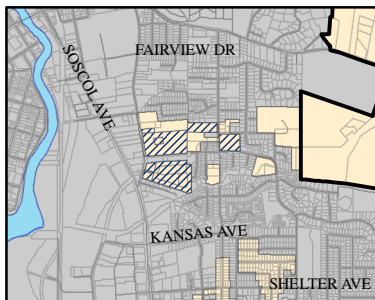
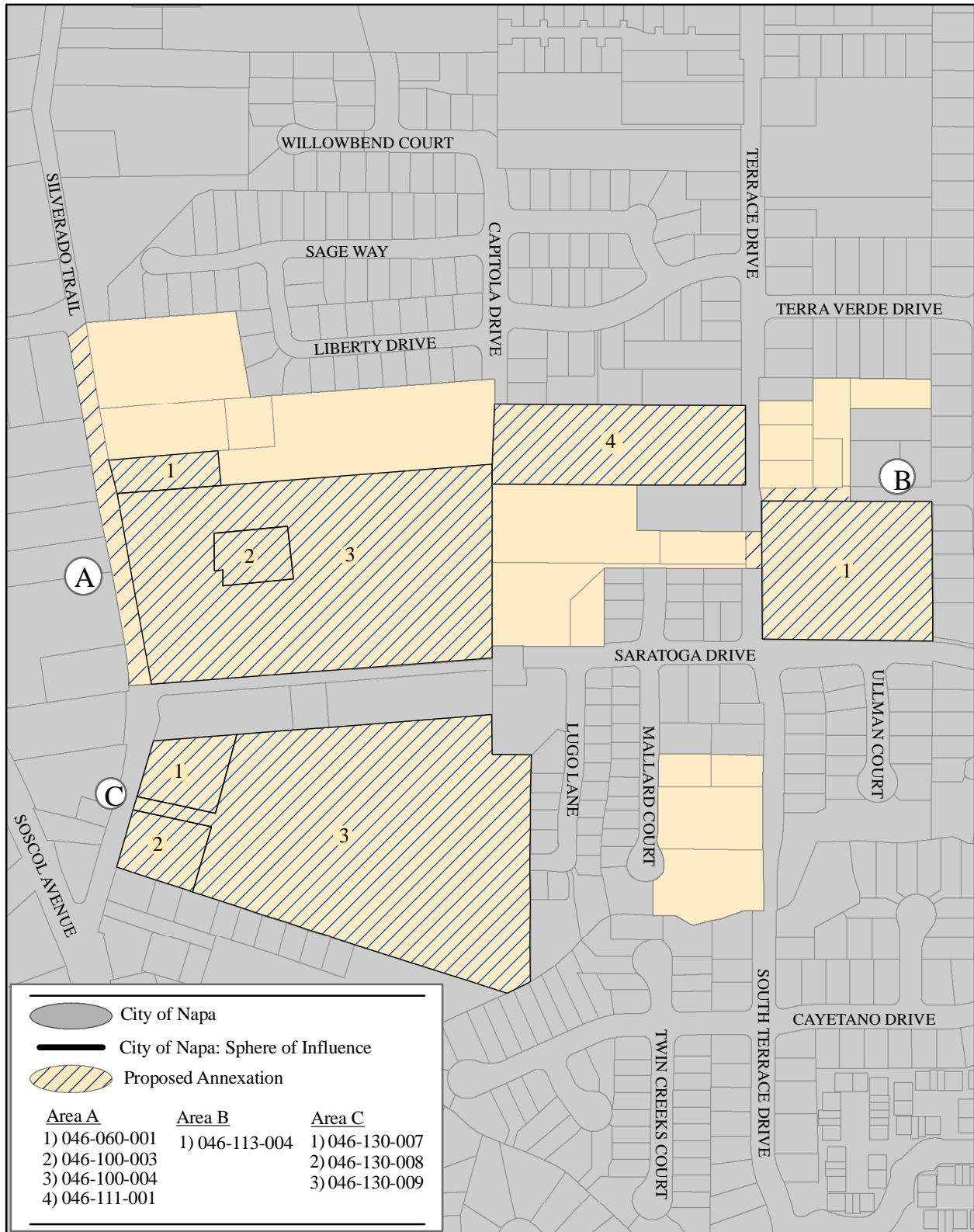
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Attachments:

- 1) Maps
- ~~2) Draft Resolution of Approval~~
- ~~3) Application Materials~~
- ~~4) Letter from the City of Napa, dated October 30, 2008~~

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November 24, 2008
Prepared by KS/BF



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