

LAFCO

Santa Barbara Local Agency Formation Commission

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October 11, 2007 (Agenda)

Local Agency Formation Commission

105 East Anapamu Street

Santa Barbara CA 93101

**Committee For One Proposal to Expand the City of Santa Barbara
Sphere of Influence to Include the Eastern Goleta Valley**

Dear Members of the Commission:

RECOMMENDATION

It is recommended the Commission consider the options set forth in this letter, accept any public testimony and deny the sphere expansion as requested.

It is further recommended that the Commission adopt a policy for the Eastern Goleta Valley area, as depicted in Exhibit 2, stating it is the intent of the Commission to:

1. Expand the City of Santa Barbara Sphere of Influence to include land in the Eastern Goleta Valley only in conjunction with a concurrent proposal to annex such territory to the City.
2. Expand the City of Goleta Sphere of Influence to include land in the Eastern Goleta Valley only in conjunction with a concurrent proposal to annex the territory to the City.

It is further recommended the Commission direct the staff to consider the effects of future city annexations on districts that serve the Eastern Goleta Valley when a city annexation is proposed.

Last, it is recommended that if a proposal is filed by a city to annex the territory surrounding the mobile home parks identified on Exhibit 4, the Commission waive the restriction on creating unincorporated islands by finding (1) the area to be surrounded by the city cannot be reasonably annexed to another city and (2) failure to waive the restriction would be detrimental to the orderly development of the area.

DISCUSSION

Background

As first adopted many years ago the Sphere of Influence for the City of Santa Barbara extended from Summerland on the east to the Embarcadero on the west, including the entire Goleta Valley. Despite the existence of the Sphere in this location, numerous residential and other developments have been approved and constructed in the Goleta Valley without annexation to the City

In the mid-1980s, to consider the proposed incorporation of a new city in the Goleta Valley, LAFCO “pulled back” the City of Santa Barbara Sphere of Influence to its present location at Highway 154 and Hope Ranch (which was not part of the proposed incorporation).

In 1987 the proposed G.O.O.D. (Goletans Organized for Orderly Development) incorporation failed. Although the incorporation was not approved, the Santa Barbara Sphere of Influence was never restored to its earlier location.

In 2001 the Commission and then the voters approved incorporation of the present City of Goleta that occupies the western portion of the Goleta Valley.

This action left a significant unincorporated area between the Cities of Goleta and Santa Barbara. This largely urbanized area contains more than 20,000 residents.

Committee for One Proposed Sphere Expansion

In 2003 the Committee for One, a citizen’s group, submitted a proposal to LAFCO to expand the City of Santa Barbara’s sphere of influence to encompass the eastern Goleta Valley, extending essentially from the City of Santa Barbara to the City of Goleta. A decision on that request was held in abeyance until the Municipal Service Reviews were completed for this part of the County.

In October 2006 the Commission conducted a study session at San Marcos High School to allow members of the public and interested agencies to express their views about this proposal.

In March 2007 the Commission held a hearing to consider the Sphere of Influence expansion application submitted by the Committee For One. At that meeting:

- A motion to deny the request to expand the sphere did not have sufficient votes.

- A motion to approve the sphere expansion, defer action on requiring service area agreements between the City and Goleta Sanitary and Goleta Water Districts and exclude mobile home parks from the sphere did not have sufficient votes.
- The Commission continued this matter to a future meeting.
- Acting Chair Centeno requested the legal counsel to research definitive methods to protect residents of the mobile home parks from losing their existing rent control protection. A memorandum from the Commission's legal counsel on this subject is enclosed.

The proposed expansion includes the entire area between the existing sphere and City of Goleta, including the "South Patterson Agricultural Block" which was excluded from the incorporation of the City of Goleta due to its productive agricultural status.

City of Santa Barbara

Enclosed is a June 27, 2007 report to the Santa Barbara City Council on amending the City's General Plan to include unincorporated Eastern Goleta Valley in its Sphere of Influence ". . .with the exception of the existing mobile home parks."

With respect to the compliance with CEQA, the City Council Agenda Report states:

"Under the California Environmental Quality Act (CEQA), the proposed actions to amend the Sphere of Influence boundary do not constitute a "project" and are not subject to environmental review prior to decision-maker action. Both the CEQA Guidelines and CEQA case law recognize that some actions of government are organizational and administrative in nature and do not themselves have the potential to result in direct or indirect physical changes in the environment.

"The proposed amendment to the General Plan would plan for the expansion of the boundary of the City Sphere of Influence to include the eastern Goleta Valley and would "pre-zoning" the area to reflect the existing County zoning should LAFCO expand the City's Sphere. The amendment does not involve an annexation, change any land use or zoning designation, or cause any physical development. As such, the proposed action would not involve a change in the actual or potential type, density or extent of land use that could occur within this area. This amendment to the General Plan therefore does not have the potential to result in direct or reasonable foreseeable indirect physical changes in the environment, and is not a project subject to CEQA environmental review."

West Santa Barbara Committee

The West Santa Barbara Committee, another private citizen group, conducted a survey that concludes that if given a choice between being annexed to the City of Goleta or the City of Santa Barbara, a majority of residents in the Eastern Goleta Valley would prefer Santa Barbara.

The Commission has received testimony that some individuals feel the survey is not an accurate measure of community feelings since it did not include a third choice, the “status quo” in which the Eastern Goleta Valley would remain unincorporated.

Goleta Community Plan

The Board of Supervisors adopted a Community Plan for the Goleta Valley in 1993. The 2002 incorporation of the City of Goleta encompassed a significant portion of the Community Plan and removed the County’s land use planning jurisdiction from this area.

Based on the interest expressed by members of the community to update the Community Plan to reflect the new boundaries and land use concerns, the County created a Goleta Vision Committee. It completed a report in October 2006 that will serve as a reference tool to update the Goleta Community Plan.

The County informs us that a Goleta Community Plan update will begin in October 2007 and will include an update of traffic and circulation, land use and public services sections of the plan. Further, “The planning effort will be a substantial investment by the County and will likely advance the unique identity that many Eastern Goleta Valley residents hold about the area.”

This situation raises interesting questions:

- If the County is embarking on an organized land use planning effort for Eastern Goleta Valley, does it make sense to include the area within a City sphere of influence?
- Conversely, if LAFCO includes the Eastern Goleta Valley in the City’s sphere of influence, should the County defer to the City with respect to land use planning for this area?

Reasons to “Marry” Sphere Changes and Annexations

Arguments can be presented to support the contrary views that the Eastern Goleta Valley should be identified with either Santa Barbara or Goleta, or with neither.

- Arguments favoring identification with Santa Barbara are the fact that much of the area has a Santa Barbara zip code - Santa Barbara 93110 or 93111 - and the City has included the area within its adopted general plan.
- Arguments favoring Goleta note that the area is within the boundaries of Goleta-oriented local agencies including the sanitary, water and school districts. The City has not included the Eastern Goleta Valley within its adopted general plan.
- Arguments to retain the status quo are the fact the County is engaged in updating the Goleta Community Plan for this area, the “survey” was not fair or objective and being within a City sphere without being within the City boundaries has no practical effect on public services.

When the Commission determines the location of a city sphere of influence there are no protest hearings or elections. It is a legislative decision made by LAFCO.

Rather than have LAFCO decide with which city - if either - the area should identify, there is a procedure in the law whereby the affected residents themselves make this decision.

Annexations require both LAFCO approval and the concurrence by those being annexed. When LAFCO approves an annexation, it is ultimately the voters and landowners within the area who determine the outcome, via written protests and possibly elections.

As expressed at earlier hearings: A sphere is like an engagement; an annexation is like a marriage. Engagement presumes marriage. The only true way to measure resident or landowner support is through an actual annexation proceeding.

Staff recommends that city sphere expansions within the Eastern Goleta Valley be approved only in conjunction with concurrent annexation to the city. In this way affected voters and landowners will determine to which city, if either, they wish to annex.

Tying sphere changes to annexations will also avoid situations, which have existed before, where land is included by LAFCO in a city sphere with little or no likelihood of being annexed to the city within the foreseeable future.

Gary Earle, a resident of the Eastern Goleta Valley expressed this position as follows, “The majority of the residents living within the community should decide the future of that community.”

Annexations Require Property Tax Exchange Agreement

Connecting a sphere change with an annexation will require approval of a property tax exchange agreement by the City and County in conjunction with expanding the sphere.

The absence of such an agreement prevented the Commission from even being able to consider a proposed annexation of the Goleta Valley to the City of Santa Barbara when incorporation of the City of Goleta was being considered a few years ago.

To staff it seems to be of little value to include land within a city sphere of influence –a plan for the city’s probable boundaries and service area - if there is little likelihood of the City and County reaching a property tax exchange agreement for city annexations to proceed.

Requiring concurrent sphere changes and annexations assures tax exchange agreement is reached before committing the affected area to be within a particular City’s sphere of influence.

Alternatives for Commission Action

Following are options for consideration by the Commission. After selecting one of these options, or any other choice, it is recommended the Commission direct the staff to return at a future meeting with a resolution implementing LAFCO’s specific direction:

Option 1 – Deny the request and approve sphere expansions only with concurrent annexations.

This recommended action states LAFCO’s intent to consider expanding city spheres of influence in the Eastern Goleta Valley only with a concurrent proposal to annex the territory.

Option 2 – Approve the request and expand the City of Santa Barbara Sphere of Influence

This action would approve the Committee for One proposal, as endorsed by the City of Santa Barbara, to expand the City’s sphere of influence to include the Eastern Goleta Valley.

If the Commission chooses this option it should select the specific geographic area. Should mobile home parks be included? How about the South Patterson agricultural area?

Option 3 – Continue this matter and request the Cities of Santa Barbara and Goleta and County to confer and respond.

The Eastern Goleta Valley is unique in that it is largely an urbanized area situated between to two cities and in which the County appears to have significant land use planning interests.

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In this option the Commission would refer the Committee for One request to the Cities of Santa Barbara and Goleta and the County for their collective review and recommendation as to the appropriate sphere boundaries and implementation policies.

Ancillary Commission Actions

Regardless of the option selected, it is recommended that the Commission consider directing the staff to return with a resolution to allow existing mobile home parks in the Eastern Goleta Valley to exist as unincorporated islands by waiving the restrictions on the creation of unincorporated islands with specific reference to these areas

Further the Commission should direct the staff to consider, when a city annexation is proposed, the effects on existing special districts that provide utility services in the Eastern Goleta Valley.

Please contact the LAFCO office if you have any questions.

Sincerely,

BOB BRAITMAN
Executive Officer

- Exhibit 1 Memorandum from Legal Counsel re Creation of "Islands"
- Exhibit 2 Map of Requested Sphere of Influence Change Area
- Exhibit 3 Map of City Boundaries and Zip Code Areas in the Eastern Goleta Valley
- Exhibit 4 Map of Mobile Home Parks in the Eastern Goleta Valley

Enclosed correspondence:

- City of Santa Barbara Council Agenda Report (6/27/06)
- Mayor Marty Blum, City of Santa Barbara (9/11/06)
- Martha Hassenplug (8/29/07)
- Carol Lazar (9/3/07)
- James Richard (9/9/07)
- Embarcadero Municipal Improvement District (9/12/07)
- James Richard (9/20/07)

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