

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

March 3, 2005 (Agenda)

LAFCO 04-10: Hart Reorganization: Annexation to the City of Santa Barbara/Detachment from the Santa Barbara County Fire Protection District/Detachment from the Goleta Water District.

PROPONENT: City Council of the City of Santa Barbara, by resolution.

ACREAGE & LOCATION Approximately one acre located east of and adjacent to La Cumbre Road, about 220 feet north of the intersection with La Cumbre Hills Lane (500 North La Cumbre Road)

PURPOSE: To obtain municipal services to allow two additional single-family homes and promote orderly governmental boundaries.

PROJECT INFORMATION

1. Land Use, Planning and Zoning - Present and Future:

The site contains two existing single-family homes. It is proposed to divide the property into a total of four lots, allowing the construction of two new dwellings.

The County General Plan designates the site as 4.6 units per acre. County zoning is 8-R-1, Single-Family Residential, 8,000 square foot lots.

The City of Santa Barbara General Plan designates the site as Residential, 5 units per acre. Approved zoning upon annexation is E-3/S-D-2, Single-Family Residential/Upper State Street Overlay. The existing and proposed uses conform with this designation.

Surrounding land uses are primarily residential, with single family homes are to the east, north and south and senior housing and single family homes to the west.

2. Creation of an Unincorporated Island:

Commission policies promote the creation of logical and orderly government boundaries, which contribute to the ability of local agencies to provide economical, efficient services.

The Hart Reorganization as submitted leaves an "island" totally surrounded by the City. The Cortese/Knox/Hertzberg Local Government Reorganization Act prohibits the creation of such islands by stating that

“. . .territory shall not be incorporated into, or annexed to, a city pursuant to this division if, as a result of that incorporation or annexation, unincorporated territory

is completely surrounded by that city or by territory of that city on one or more sides and the Pacific Ocean on the remaining sides. (G.C. §56744)

The Act allows the Commission to waive that restriction but only if finds

“. . .the application of the restriction would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city. (G.C. §56375)

The island that would be created consists of a single parcel (466 N. La Cumbre Road), which is discussed later in this report.

3. Topography, Natural Features and Drainage Basins

The site is generally level to gently sloping, as is the surrounding area. No significant natural boundaries affect the proposal.

4. Population:

Approval of the proposal could result in construction of a net increase of two single-family dwelling units, signifying an insignificant change in population.

5. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

The City's "Plan for Providing Services Within the Affected Territory" as required by the Government Code is on file. The City proposes to provide water for the project and to detach the territory from the Goleta Water District.

6. Assessed Value, Tax Rates and Indebtedness:

The proposal is presently within tax rate area 69003. The overall tax rate will not be affected by this change. The assessed value is \$1,042,171 (2004-2005 roll).

The subject territory, upon annexation to the City, shall be liable for payment of its share of any existing City indebtedness and be subject to all existing City taxes and assessments.

The subject territory, upon detachment from the Goleta Water District, should be exempt from liability for payment to the District of all or any part of principal, interest and any other amounts that shall become due on account of all or any part of outstanding or

authorized but presently unissued bonds or obligations of said District, and the levying or fixing and the collection of any (1) taxes or assessments, or (2) service charges, rentals, or rates, or (3) both, as may be necessary to provide for such payment, pursuant to Government Code Section 56886(c).

7. Environmental Impact of the Proposal:

The City of Santa Barbara, as the lead agency, prepared a Mitigated Negative Declaration which describes the environmental impacts of the proposal and sets forth measures to mitigate any significant impacts. The Final MND is being distributed to the members of the Commission with this report and is herein included by reference.

8. Landowner and Subject Agency Consent:

The affected property owners consent to the reorganization. The Goleta Water District has not agreed to waive conducting authority proceedings; therefore, if the Commission approves the proposal it will be necessary for the Commission staff to conduct a hearing to receive any written protests. This requires a notice at least 21-days prior to the hearing to be published in a newspaper and mailed to all landowners and registered voters within the proposed reorganization.

9. Boundaries, Lines of Assessment and Registered Voters:

The boundaries are definite and certain, although containing minor errors. There are no conflicts with lines of assessment or ownership.

The territory is uninhabited; fewer than 12 registered voters reside in the affected territory.

SPECIAL ANALYSIS - Annexation of Additional Property

The staff has identified the two additional properties that should be included in this proposal.

1. Maxwell Parcel (466 North La Cumbre Road; APN 57-170-10)

The parcel is owned by Barbara and Gary Maxwell. The site is developed with a single-family home and is also used as a real estate and property management office.

The Maxwell's have historically opposed the inclusion of their property in the City. In a letter to the City Council dated April 10, 2001 the Maxwells state:

We have a single residence with a permitted full service real estate office in the County, which allows us to have up to 5 customers at the office at one time. Our son works part time as an assistant to the business and want to continue the business after we retire. The City does not allow similar business activity.

It should be noted that the City staff has been in negotiation with the Maxwells about the idea of "grandfathering" the existing uses, meaning any legal use in the County would continue to be a legal (though perhaps non-conforming) use in the City.

There have been prior discussions about the possibility of including the Maxwells' parcel in annexations to the City, for example, the Towbes Reorganization in 1996. However, the Hart Reorganization differs from those prior proceedings because if the Maxwell parcel is not included it will create an "island" consisting solely of the Maxwell property.

The annexation application states:

Ideally, the 21,250 square foot property known as 466 North La Cumbre Road would also be included in this proposal, since the proposal would result in the property being surrounded by the City. The owners of 466 North La Cumbre Road, however, do not want to be annexed at this time.

City policy encourages properties within the Las Positas Valley and Outer State Street areas to annex over time, and requires those who develop to annex. City policy is also against forcing annexation on unwilling properties.

The County has reviewed the proposal and provides the following comments:

“. . .The proposed annexation may not result in logical service area boundaries as it would result in the creation of one single lot "island" surrounded by the City of Santa Barbara on all sides, located at 466 N. La Cumbre Road. Given the location of existing City/County boundaries and the City's sphere of influence, it is likely that future annexations in this area will continue north of the proposed annexation until the whole "pocket" of properties between existing County lines is annexed to the City. Future annexations would further isolate the single lot island that would be created by the proposed annexation. Therefore, P&D recommends that the property located at 466 N. La Cumbre Road be included as part of the proposed annexation to promote orderly process of annexations in this area."

"P&D understand that the City does not support forcing annexation on unwilling properties, and that the property located at 466 N. La Cumbre Road has not been included in this proposal for this reason. For past annexations, the City and

County have agreed to proceed on a parcel by parcel basis so as to avoid forcing unwilling property owners into annexations. However, in some instances this approach does not result in logical boundaries. As this proposal creates a *single lot* island surrounded by the City on all sides, P&D supports the annexation provided it includes the single lot located at 466 N. La Cumbre Road.

LAFCO staff analysis

In addition to reviewing the application and the comments received and comparing the proposal to LAFCO policies and statutes, I met with the Maxwells to understand more fully their opposition to being included in the City.

After evaluating all of these considerations for this proposal, the staff recommends that the Commission approve the Hart Reorganization with the Maxwell parcel.

First, I think it would be difficult to make the findings required by §56375 to allow the creation of an unincorporated island. The law gives the Commission clear direction.

Second, while if annexed the Maxwell's may experience some added costs for the operation of their business, they would be treated the same as comparable businesses currently operating in the City. No one would have a special advantage, and the City has expressed interest in granting a "grandfather" status to the activities on the site.

Third, while I appreciate the City's reluctance to annexing property owners without their support, promoting orderly boundaries is a clear statutory and judicial direction to the Commission which transcends local concerns.

With regard to orderly boundaries, the courts have stated

- LAFCO is a "watchdog" the legislature established to guard against wasteful duplication of services - 1969 City of Ceres (274 Cal.App.2d 545)
- There is an overriding state interest in having planned, orderly boundaries without perpetuating unwanted "islands." - 1982 Citizens Against Forced Annexation (32 Cal.3d 816)
- Boundary changes are legislative decisions which do not substantially affect any fundamental vested right. - 1975 Simi Valley RPD (51 Cal.App.3d 648)

- The state has a legitimate interest in promoting orderly, efficient city boundaries - 1983 I.S.L.E (147 Cal.App.3d 72)

Finally, there will never be a more appropriate time to include the Maxwell property than as a part of the Hart Reorganization. It is immediately adjacent.

2. Calle Real (a portion of the Calle Real street right-of-way)

The City has informed us that a portion of Calle Real, a public road, needs to be annexed to the City. The portion proposed for annexation fronts property already annexed as the St. Vincent's Reorganization (LAFCO 02-9). The City explains that:

“To recap, Calle Real fronting St. Vincent's property was realigned slightly into Caltrans' Highway 101 corridor in connection with the Highway 101 bridge project constructed several years ago by Caltrans, and funded by the Santa Barbara County Association of Governments. It was clearly intended by the City and LAFCO that Calle Real at this location would be annexed in concert with the St. Vincent's reorganization, and such intent was discussed between City staff and agents of St. Vincent's who provided survey and engineering design services.

Unfortunately, the map and the description provided by St. Vincent's surveyor did not include the entire portion of Calle real fronting St. Vincent's property. Now, because Calle Real at this location is maintained by the City of Santa Barbara, steps will be taken to solicit Caltrans' relinquishment of the small remaining portion located within Highway 101.

This letter is to request formal approval by LAFCO to annex the additional portion of Calle Real into the City of Santa Barbara. (letter dated January 21, 2005 from Pat Kelly, Assistant Public Works Director/City Engineer)

LAFCO staff analysis

Including this roadway as part of the Hart Reorganization is a less expensive, more efficient way to bring the alignment into the City than through a separate annexation. The City will be responsible for the costs of revising the map and legal description.

These two properties are consistent with the Guidelines adopted by your Commission concerning inclusion of additional properties, i.e., they consist of small lots in developed or developing areas; do not represent an environmentally controversial land use; are within the City's Sphere of Influence; and are designated Urban on adopted plans.

Since consent has not been given by all property owners, the staff will be required to conduct a noticed public hearing for the purpose of receiving any written protests from the proposal area.

ALTERNATIVES FOR COMMISSION CONSIDERATION

It is recommended the Commission take the following actions:

OPTION 1 – APPROVE this proposal with the inclusion of Maxwell and Calle Real properties.

- A. Certify your Commission has reviewed and considered the information contained in the Mitigated Negative Declaration.
- B. Find the inclusion of the additional properties (Maxwell, Calle Real) to be categorically exempt from CEQA (Class 19).
- C. Adopt this report and approve the proposal known as Hart Reorganization: Annexation to the City of Santa Barbara/ Detachment from the Goleta Water District/ Detachment from the Santa Barbara County Fire Protection District
- D. Subject the proceedings to the following terms and conditions:
 - 1. The inclusion of the Maxwell parcel (466 North La Cumbre Road).
 - 2. The inclusion of the Calle Real property as described in the enclosed map.
 - 3. The territory shall be liable for existing bonded indebtedness of the City.
 - 4. The territory shall be liable for any existing or authorized taxes, charges, fees or assessments comparable to properties presently within the City.
 - 5. The territory shall be exempt from payment of liability of payment of taxes for existing bonded indebtedness of the detaching Districts.
- E. Direct the staff to initiate and conduct subsequent proceedings in compliance with the decisions of the Commission.

OPTION 2 – Adopt this proposal and DENY this proposal.

OPTION 3 - CONTINUE this proposal to a future meeting for additional information.

RECOMMENDED ACTION:

Approve OPTION 1 and approve the proposal subject to inclusion of the Maxwell and Calle Real properties s.

BOB BRAITMAN
Executive Officer
LOCAL AGENCY FORMATION COMMISSION