

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

October 31, 2012 (Agenda)

October 31, 2012
Special Meeting
Agenda Item 8

<u>LAFCO 12-04</u>	Dougherty Valley Annexation #15 to the City of San Ramon
<u>PROPONENT</u>	City Council of City of San Ramon, by resolution adopted June 26, 2012
<u>ACREAGE & LOCATION</u>	Annexation #15 includes 41.54± acres (numerous parcels) and is located adjacent to Quail Run Elementary School. The annexation area includes 520 housing units (201 single-family housing units, 186 for-rent apartments, and 133 for-sale condominiums) and 4.86± acres designated for parks and recreation.
<u>PURPOSE</u>	Provide municipal services for the approved residential subdivision. The Commission will also consider the corresponding detachment of the subject territory from County Service Area (CSA) P-6.
<u>SYNOPSIS</u>	

This is the 15th in a series of planned annexations for the area known as “Dougherty Valley (DV)”. The DV project is being developed in phases through Contra Costa County.

Annexation of the project area to the City of San Ramon is required pursuant to the Dougherty Valley Settlement Agreement (DVSA), which in 1994 was endorsed by the County, cities of Danville and San Ramon, Windemere Ranch Partners and Shapell Industries. The annexations are to occur following recordation of final subdivision maps.

DISCUSSION

The Cortese Knox Hertzberg Act (CKH Act) sets forth factors that the Commission must consider in evaluating any proposed change of organization or reorganization as discussed below (Gov. Code §56668). In the Commission's review of these factors, no single factor is determinative. In reaching a decision, each factor is to be evaluated within the context of the overall proposal.

1. Consistency with the Sphere of Influence of Any Local Agency:

LAFCO is charged with both regulatory and planning functions. Annexations are basically a regulatory act, while establishing spheres of influence (SOIs) is a planning function. The SOI is an important benchmark as it defines the primary area within which urban development is to be encouraged. In order for the Commission to approve an annexation, it must be consistent with the jurisdiction's adopted SOI. The annexation area is within the City of San Ramon's SOI and within the City's Urban Growth Boundary and the countywide Urban Limit Line.

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

The City of San Ramon's General Plan designates the area for Single Family Medium Density Residential and Parks. The City has rezoned the area for Planned Development and Parks and Recreation. Per the Contra Costa County General Plan and Dougherty Valley

Specific Plan (DVSP), the current and future land uses for the area include Multiple Family Low Density Residential and Parks and Recreation.

Surrounding land uses include residential and public/semi-public land to the east, west and north, and vacant land (under construction) to the south.

The current and proposed uses are consistent with the City's plan and rezoning designations. No changes in land uses are proposed.

3. The Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands:

The DV project, as previously approved by the County, converts approximately 6,000 acres of farmland to urban uses and open space. Of the 6,000 acres that comprise the DVSP area, 2,000 acres have been mapped as "farmland of local importance" and the remaining 4,000 acres are mapped as grazing land. Through the 1992 DVSP and General Plan amendment, these lands were changed from "Agricultural Preserve" to "Agricultural Lands" and designated as P-1 (Planned Unit Development) to allow a mix of housing, school and community facilities, parks and open space areas.

Contra Costa County found that there were overriding considerations in support of adoption of the Specific Plan, despite the unavoidable impact to agricultural resources. With adoption of the DVSP in 1992, none of the project site was zoned for agricultural use, and there are no current Williamson Act Land Conservation Agreements within the project site.

The project would not convert farmland to non-agricultural uses as farmland does not currently exist in the DV area. Approval of the urban land uses designations for the area occurred in 1992, 1996 and 2002. According to the City, the project can be viewed as implementation of the already established specific plan and land use designations.

4. Topography, Natural Features and Drainage Basins:

The site consists of a complex series of major and minor ridges, rolling hills and a relatively flat valley, which drains to the south. There are no other significant natural boundaries affecting the proposal.

5. Population:

Currently, some of the 186 dwelling units (Valencia Apartments) are occupied; the remaining 201 single-family housing units and 133 for-sale condominium units are under construction, and some are occupied. Entitlements have been approved for the entire Phase 3 of Gale Ranch, a portion of the annexation area. The construction of the 520 housing units will result in an estimated population increase of approximately 1,498 persons (California State Dept. of Finance, January 1, 2012).

6. Fair Share of Regional Housing:

Pursuant to §56668 of the CKH Act, LAFCO must consider in the review of a proposal the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the regional council of governments. Regional housing needs are determined by the State Department of Housing and Community Development; the councils of government throughout the State allocate to each jurisdiction a "fair share" of the regional housing needs (Government Code §65584).

In Contra Costa County, the Association of Bay Area Governments (ABAG) determines each city's fair share of regional housing needs. Each jurisdiction is required in turn to incorporate its fair share of the regional housing needs into the housing element of its General Plan. In June 2008, ABAG released the Proposed Final Regional Housing Needs Allocation (RHNA) Plan for the period 2007-14. The City reports that its total RHNA for 2007-2014 is calculated at 3,463 units. Of that, 834 are market rate, and 2,629 are affordable (i.e., 740 moderate, 715 low and 1,174 very low).

It is a requirement of the Dougherty Valley Affordable Housing Program that 25% (2,748) of the 11,000 units in DV are affordable. DV Annexation #15 includes a total of 520 residential units, of which 186 for-rent apartments units (Valencia Apartments) are affordable. However, to date, the DV annexations have resulted in 2,416 affordable units. The Windemere phase, which is now complete, produced 1,290 units, and the Gale Ranch phase, which is not yet complete, has produced 1,126 affordable units. The housing units in Gale Ranch Phase 3 will be considered in the 2009-2014 San Ramon Housing Element.

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

In accordance with Government Code §56653, whenever a local agency submits an annexation application, the local agency must also submit a plan for providing services to the annexation area. The plan shall include all of the following information and any additional information required by LAFCO:

- (1) An enumeration and description of the services to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

The City's "Plan for Providing Services Within the Affected Territory," as required by Government Code §56653, is on file in the LAFCO office. The level and range of services will be comparable to those currently provided within the City. The DVSA provides "Performance Standards" for services in the DV.

The area proposed for annexation will be developed with 520 residential housing units, and approximately five acres designated for park and recreation. The City will provide a range of municipal services, including police, library, recreation, flood control, public facilities maintenance, etc. Fire services will continue to be provided by the San Ramon Valley Fire Protection District (SRVFPD), water services will be provided by the Dublin San Ramon Services District (DSRSD), and sewer services will be provided by the Central Contra Costa Sanitary District (CCCSA).

Fire Protection – Fire and emergency medical services are, and will continue to be, provided by SRVFPD following annexation. The City's General Plan policies include service standards relating to response time (i.e. 4-5 minutes for emergency calls 90% of the time) and location of fire stations in proximity to developed areas (i.e., 1.5 miles to residential and non-residential development). Fire Station No. 30 is located approximately 1.05 miles from the annexation area, has primary responsibility for fire and emergency medical services. Fire Stations 34, 35 and 39 would respond as secondary and tertiary stations, and all are located

within 3.05 and 3.41 miles from the annexation area. The main roads (routes) to the annexation area are Bollinger Canyon Road, Dougherty Road, Stoneleaf Road, South Monarch Road, and Main Branch Road.

Police Services – Law enforcement services are currently provided to the annexation area by the Contra Costa County Sheriff's Department. Upon annexation, police services will be provided by the City of San Ramon. The City's police department maintains a ratio of approximately 0.8 officers per 1,000 population in accordance with the City's adopted service standards for police services. The DVSA establishes the performance standards for police service in DV consistent with the City's General Plan, which include 3-5 minute response times (travel time) for emergency calls, and a 20 minute response time for all other calls which can be maintained 95 percent of the time. The City reports that completed development in the surrounding areas of DV is already within the service area for San Ramon police services; therefore, police service for the annexation area can meet the performance standard. No additional police officers are anticipated for the proposed annexation area.

Streets and Roadways – The annexation area is served by a network of arterial roads (Bollinger Canyon Road, Dougherty Road, etc.), collector and local streets. In addition, public transit (bus) service is provided in the DV and annexation area, along with a bicycle and pedestrian network. The DVSA requires the developers to provide a transportation system (streets, roadways, bicycle, pedestrian, and transit services, etc.) as established by the DVSP.

Parks and Recreation – The DVSA requires 6.5 acres of parkland per 1,000 residents, which is consistent with the City's General Plan. Upon build-out of DV, this performance standard will be met. The DVSP and DVSA establish a variety of park types throughout DV. To date, the developers of DV have provided 214+ acres of parkland, excluding the 4.86+ acres of parkland included with Annexation #15.

Wastewater Services – Wastewater services to the annexation area will be provided by CCCSD, which is responsible for wastewater collection, maintenance of the sewer lines, wastewater treatment and disposal services.

CCCSD currently serves an estimated population of 322,000 residents in a 144-square-mile service area. CCCSD's wastewater collection system consists of 1,500 miles of sewer mains with 18 pump stations. The majority of CCCSD's system operates with gravity flow with some pumping stations and force mains.

CCCSD's wastewater treatment plant provides secondary level treatment for an average dry weather flow of approximately 34.3 million gallons per day (mgd) of wastewater. The wastewater treatment plant has a permitted discharge limit of 53.8 mgd and a treatment capacity of 240 mgd of wet weather flow.

CCCSD provides sewage collection, treatment, and disposal service to the Dougherty Valley, including the annexation area.

Within the annexation area, wastewater facilities include several existing 8-inch sanitary sewer mains which ultimately connect to a 16-inch diameter trunk sewer at Stoneleaf Road. The trunk sewer leads to the Dougherty Tunnel, the San Ramon Pumping Station, and eventually to gravity sewers that carry flows north to CCCSD's wastewater treatment plant.

Some of CCCSD downstream facilities do not have adequate flow-carrying capacity under CCCSD's current design criteria for ultimate conditions.

Planned development of DV Annexation #15 requires a private developer-constructed, gravity-flow system of 8-inch diameter mains and 4-inch diameter service laterals within area streets and driveways. Once constructed as private-installer projects, the new public mains will be dedicated to CCCSD for ownership and maintenance responsibilities. Some of the sanitary mains within the multiple-family developments may be kept private with homeowners associations being responsible for ownership and maintenance.

Based on average wastewater generation rates [i.e., 195 gallons per day (gpd) per single-family dwelling unit, 150 gpd per multiple-family dwelling unit, and 40 gpd per 1,000 sq. ft. of park], the proposed 520 dwelling units and parkland will generate approximately 95,500 gallons of wastewater per day (0.1 mgd).

The sewer lines in the vicinity of the project site have, or will have, adequate capacity to serve the proposed project, and the CCCSD wastewater treatment plant has adequate capacity to treat wastewater generated by the proposed project. The plant currently operates below permitted treatment capacity and the project-related increases in wastewater flows to the plant could be accommodated within the plant's existing capacity. Improvements to correct the downstream deficiencies that would result from cumulative impacts within the service area are, or will be, included in CCCSD's Capital Improvement Plan. Improvements to CCCSD's existing facilities that are required as a result of new development will be funded from applicable CCCSD fees and charges. The developer will be required to pay these fees and charges at the time project residences connect to the sewer system.

Other Services – Capital improvements for this project are being funded through the developers as a condition of development. The ongoing maintenance and operations costs associated with police services, road maintenance, parks and landscape maintenance, open space and trail maintenance, flood control, and community facilities maintenance will be financed through CSA M-29. CSA M-29 was established in 1997 and includes a combination of revenue sources as follows:

- General Ad-Valorem Property Taxes
- Real Property Transfer Tax
- Special Assessments
- Sales Tax
- Fines and Forfeitures
- License, Permits, Franchise Fees

Pursuant to the DVSA, the City requests the DV Annexation #15 territory remain within CSA M-29 in order to continue the assessment of the special taxes/fees to fund services as described above.

Typically when an area is annexed to a city, it is detached from a CSA, as the County no longer provides service, and the city assumes the provision of municipal services. The City's request that the annexation area remain in CSA M-29 is supported by the DVSA. However, it is recommended that if the annexation is approved, the subject territory be detached from CSA P-6 (police services). The effect of the detachment will result in the CSA's allocation of

ad valorem property tax (1%) being transferred from the County to the City following annexation. (Note: Under previous law, once property was annexed to a city it was automatically detached from a CSA; however, a recent change to the law now requires LAFCO to specify whether or not the annexation area is to be detached from a CSA).

The City and County have entered into a tax sharing agreement which provides for an exchange of property tax and takes into account the provision of municipal services.

8. Timely Availability of Water and Related Issues:

Pursuant to the CKH Act, LAFCO must consider the timely and available supply of water in conjunction with a boundary change proposal. In accordance with Contra Costa LAFCO policies, any proposal for a change of organization that includes the provision of water service shall provide information relating to water supply, storage, treatment, distribution, and waste recovery; as well as adequacy of services, facilities, and improvements to be provided and financed by the agency responsible for the provision of such services, facilities and improvements.

A number of studies were completed to address the timely and adequate provision of water service to the DV. This information is presented in the various environmental documents, which were previously provided to the Commission and are available in the LAFCO office.

Dublin San Ramon Services District (DSRSD) will provide water service to the annexation area and provides water service to the entire DV with the exception of Gale Ranch Phase 1. Gale Ranch Phase 1 water service is provided by East Bay Municipal Utility District.

The water demand for the annexation area will be 182,000 gallons per day. DSRSD has the capacity to provide services consistent with its adopted water service plans.

9. Assessed Value, Tax Rates and Indebtedness:

The annexation area is within tax rate area 66405. The assessed value is \$88,835,076 (2012-13 roll). The territory being annexed shall be liable for all authorized or existing taxes comparable to properties presently within the annexing agencies, if applicable; and shall remain within CSA M-29 following annexation.

10. Environmental Impact of the Proposal:

Contra Costa County was the lead agency and prepared and certified the following environmental documents in conjunction with this project: Addendum to the Dougherty Valley Draft Environmental Impact Report (DEIR) entitled "Gale Ranch Phase 3 Final Development Plan & Vesting Tentative Subdivision Maps Dougherty Valley Specific Plan" – October 2003; Final Subsequent EIR – 1996; and the Final EIR for the Dougherty Valley General Plan Amendment and Specific Plan - 1992.

In addition, the County adopted a Mitigation Monitoring and Reporting Program in 1992, and Findings, Recommendations and a Statement of Overriding Conditions in 1996. Copies of these documents were previously provided to the members of Commission and are available for review in the LAFCO office.

11. Landowner Consent and Consent by Annexing Agency:

According to County Elections, there are more than 12 registered voters in the area proposed for annexation; thus, the area is considered inhabited.

Less than 100% of the affected landowners/voters have provided written consent to the annexation. Thus, the Commission's action is subject to notice, hearing, as well as protest proceedings. All landowners and registered voters within the proposal area and within 300 feet of the exterior boundaries of the area have received notice of the October 31 hearing.

As of this writing, LAFCO has received no objection from any affected landowner or registered voter. If no objection is received from an affected party prior to the conclusion of the hearing on October 31, the Commission may waive the protest proceedings. However, if any objection is received at any time prior to or during the hearing, then a protest hearing is required (Gov. Code Section 56663).

12. Boundaries and Lines of Assessment:

Annexation area #15 is contiguous to existing City boundaries. A map and legal description to implement the proposed boundary change have been received and are being reviewed by the County Surveyor.

13. One of the factors LAFCO must consider in its review of an application is the extent to which the proposal will promote environmental justice. As defined by statute, "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. The proposed annexation is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider taking one of the following options:

Option 1 Approve the reorganization including the amendment to detach the annexation area from CSAs P-6.

- A. Certify LAFCO has reviewed and considered the information contained in the EIR as certified by the County together with the related Mitigation Monitoring and Reporting Program; and adopt the County's CEQA Findings and Statement of Overriding Conditions as prepared and adopted by the County.
- B. Adopt this report and approve the proposal, to be known as **Dougherty Valley Reorganization #15: Annexation to the City of San Ramon and Corresponding Detachment from CSA P-6** subject to the following terms and conditions:
 - 1. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agency.
 - 2. Allow the overlap of the City and CSA M-29.
 - 3. The City has delivered an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the annexation.

- C. Find that the subject territory is inhabited and that the annexing agency has consented to waiving the conducting authority proceedings. However, less than 100% of the affected landowners/registered voters have consented to the annexation. Should LAFCO receive any objection to the annexation from an affected party prior to or during the public hearing, then a subsequent protest hearing is required. Should no protest be received, then the Commission may waive the protest hearing and direct LAFCO staff to complete the proceedings.

Option 2

- A. Certify it has reviewed and considered the information contained in the EIR and related environmental documents as prepared and certified by the County.
- B. Adopt this report and DENY the proposal.

Option 3 If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTION:

Approve Option 1.

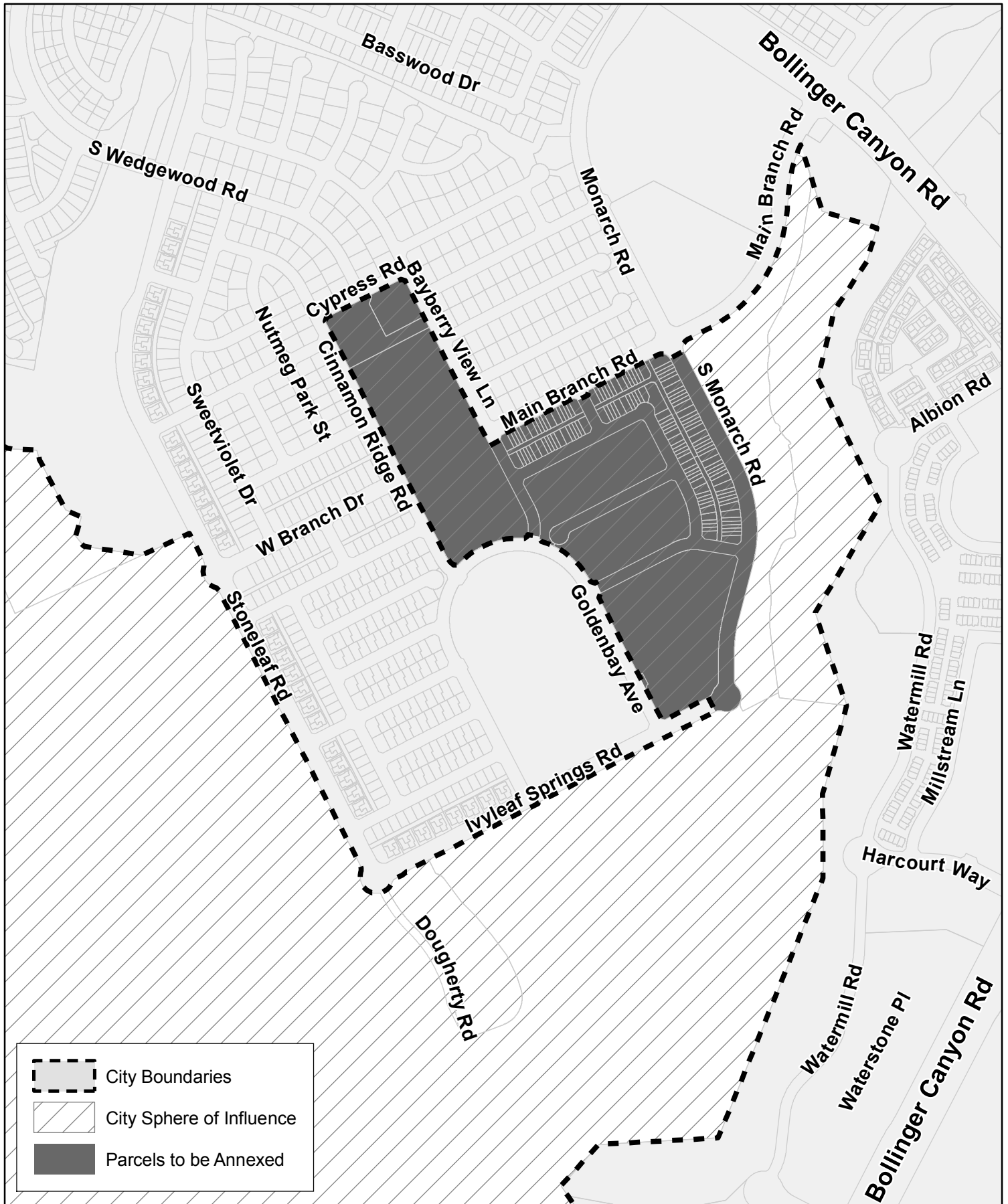
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CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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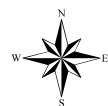
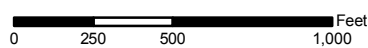
Attachments

1. Map of Annexation Area
2. Draft LAFCO Resolution

LAFCO No. 12-04: Dougherty Valley Annexation #15 to the City of San Ramon



	City Boundaries
	City Sphere of Influence
	Parcels to be Annexed



RESOLUTION NO. 12-04**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING DOUGHERTY VALLEY
REORGANIZATION #15: ANNEXATION TO CITY OF SAN RAMON AND
CORRESPONDING DETACHMENT FROM COUNTY SERVICE AREA P-6**

WHEREAS, a proposal to annex territory within the Dougherty Valley to the City of San Ramon was filed with Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code section 56000 et seq.); and

WHEREAS, the Executive Officer has examined the application and executed her certification in accordance with law, determining and certifying that the filing is sufficient; and

WHEREAS, at the time and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; and

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations therein, and the report and related information have been presented to and considered by the Commission; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, consistency with the sphere of influence, contiguity with the City boundary, and related factors and information including those contained in Government Code section 56668; and

WHEREAS, at a public hearing on October 31, 2012, the Commission amended the City's proposal to include the concurrent detachment of the subject property from County Service Area (CSA) P-6; and

WHEREAS, the annexing agency has consented to waiving the conducting authority proceedings; and

WHEREAS, the Local Agency Formation Commission finds the proposal to be in the best interest of the affected area and the total organization of local governmental agencies within Contra Costa County.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The Commission certifies it reviewed and considered the information contained in the Environmental Impact Reports and related environmental documentation as prepared and certified by the County of Contra Costa (lead agency) as identified in the LAFCO staff report, and adopts the County's Findings of Fact and Statement of Overriding Considerations.
2. Said reorganization is hereby approved.

Contra Costa LAFCO
Resolution No. 12-04

3. The subject proposal is assigned the distinctive short-form designation:

DOUGHERTY VALLEY REORGANIZATION #15: ANNEXATION TO THE CITY OF
SAN RAMON AND CORRESPONDING DETACHMENT FROM CSA P-6
4. Said territory is found to be inhabited.
5. The proposal has less than 100% landowner/registered voter consent; however, no affected landowners/registered voters opposed the annexation, and the annexing agency has given written consent to the waiver of conducting authority proceedings. Said conducting authority proceedings are hereby waived.
6. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Attachment 1, attached hereto and made a part hereof.
7. The subject territory shall be liable for any existing bonded indebtedness of the annexing agencies, if applicable.
8. The subject territory shall be liable for any authorized or existing taxes, charges, and assessments comparable to properties within the annexing agencies.
9. That the City delivered an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the reorganization.
10. All subsequent proceedings in connection with this reorganization shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

* * * * *

PASSED AND ADOPTED THIS 31st day of OCTOBER 2012, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

DON TATZIN, CHAIR, CONTRA COSTA LAFCO

ATTEST: *I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated above.*

Dated: October 31, 2012

Lou Ann Texeira, Executive Officer