

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

October 8, 2014
Agenda Item 8

October 8, 2014 (Agenda)

LAFCO 14-07 Dougherty Valley (DV) #16 Reorganization – Annexation to the City of San Ramon and Detachment from County Service Area (CSA) P-6

PROPONENT City Council of City of San Ramon, by resolution adopted July 8, 2014

ACREAGE & LOCATION Reorganization #16 comprises 22.89± acres (portion of Assessor Parcel Number 222-270-038) and is located south of the Dougherty Valley Service Center (DVSC) in the Dougherty Valley Specific Plan Area (DVSP) - see Attachment 1. The reorganization area is designated for Parks & Recreation.

PURPOSE The purpose of the reorganization is to annex the property to the City in order to provide City services for Phase I of Rancho San Ramon Community Park. The proposal also includes the corresponding detachment of the subject territory from CSA P-6.

SYNOPSIS

This is the 16th in a series of planned boundary changes 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. Under the terms of the DVSA, the annexations are to occur following recordation of final subdivision maps.

The territory proposed for annexation is located adjacent to the DVSC, which was annexed to the City in 2011 (DV Annexation #14). The DVSC is not contiguous to the city limits. However, LAFCO law (Gov. Code §56742) allows the annexation of non-contiguous area to a city if certain conditions are met [i.e., the property is 1) located in the same county as the city, 2) owned by the city, and 3) used for municipal purposes at the time the Commission proceedings are initiated]. LAFCO law allows the annexation of additional territory to the first non-contiguous annexed area if it meets the same criteria listed above. The area proposed for annexation (i.e., DV Reorganization #16) meets the specified criteria. LAFCO law also provides that when any or all of the territory annexed to a city pursuant to Government Code §56742 is sold by the city, all of the territory that is no longer owned by the city shall cease to be a part of that city.

DISCUSSION

The Cortese Knox Hertzberg Act (CKH Act) sets forth factors that the Commission must consider in evaluating any proposed change of organization (e.g., annexation, detachment, etc.) 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. Changes of organization 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 subject 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 Parks. The City has rezoned the area for Parks and Recreation. Per the Contra Costa County General Plan and DVSP, the current and future land uses for the area include Parks and Recreation.

Surrounding land uses include the new Dougherty Road, main branch of Alamo Creek and vacant land to the east; open space to the west and south; and public/semi-public (DVSC) to the north.

The current and proposed uses are consistent with the City's General 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 and surrounding areas consist 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:*

The territory proposed for annexation is, in its entirety, designated as a community park facility. No increase in population will result from the annexation.

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 July 2013, ABAG adopted the 2014-2022 Regional Housing Needs Allocation (RHNA) Plan for the San Francisco Bay Area. The RHNA Plan includes the following allocations for the City of San Ramon: total RHNA is calculated at 1,417 units, including 340 above moderate, 282 moderate, 279 low and 516 very low income units.

It is a requirement of the Dougherty Valley Affordable Housing Program that 25% (2,748) of the 11,000 units in DV are affordable.

The territory proposed for annexation contains zero housing units as the proposal area, in its entirety, is designated as a community park facility.

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, 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 is Phase I of Rancho San Ramon Community Park designated for park and recreation use. The City will provide a range of municipal services to the area, including park & recreation, police, streets and roadways, flood control, public facilities maintenance, etc. Fire services will continue to be provided by the San Ramon Valley Fire Protection District (SRVFPD), sewer services will be provided by the Central Contra Costa Sanitary District (CCCSD), and water services will be provided by the Dublin San Ramon Services District (DSRSD).

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 167± acres of parkland excluding the 22.89± acres of parkland included with Reorganization #16.

DV Annexation #16 includes approximately 22.89± acres of parkland for Phase I of Rancho San Ramon Community Park. Phase II will include 8.21± acres of parkland, which will be included in a future annexation proposal.

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.

Fire Protection – Fire and emergency medical services are, and will continue to be, provided by SRVFPD following annexation. The City's General Plan Growth Management policies include service standards relating to fire response time (i.e. 4-5 minutes for emergency calls 90% of the time) and that there will be fire stations within 1.5 miles of new development). Fire Station No. 30 will serve as the primary fire station to serve the annexation area. Fire Station No. 30 is located approximately 1.4 miles from the annexation area, and has primary responsibility for fire and emergency medical services. Fire Stations 39 and 34 will respond as secondary and tertiary stations, and all are located within 2.12 and 4.80 miles, respectively, from the annexation area. The main roads (routes) to the annexation area are Bollinger Canyon Road, Dougherty Road, Old Ranch Road, and Alcosta Blvd.

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 471,000 residents in a 144-square-mile service area. CCCSD's wastewater collection system consists of 1,500 miles of sewer mains with 19 pump stations. The majority of CCCSD's system operates with gravity flow with some pumping stations and force mains. The District's wastewater treatment plant provides secondary level treatment for an average dry weather flow of approximately 33.8 million gallons per day (mgd) of wastewater. The wastewater treatment plant has a permitted discharge limit of 53.8 mgd.

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

An existing 8-inch diameter sanitary sewer serves the annexation area; the main connects to a 24-inch diameter trunk sewer on the east side of Dougherty 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 in unincorporated Martinez.

Planned development of DV Annexation #16 requires a private developer constructed pressure and gravity flow system of 2 to 6-inch diameter mains. CCCSD expects that the City of San Ramon will maintain the sewers and pumps in its park, as they are designated to be private facilities.

Based on anticipated potable water use of 4,200 gallons per day (see below), the wastewater generation would be approximately 0.0042 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. Some of CCCSD's downstream facilities do not have adequate flow-carrying capacity under CCCSD's current design criteria for ultimate conditions. 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 connects 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 #16 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 the East Bay Municipal Utility District (EBMUD).

The infrastructure needed to provide water service to the annexation area is adequate and has already been contemplated by DSRSD at the time of County approval through a water assessment for the DV development. DSRSD anticipates the water demand for the 22.89± acre park facility within the annexation area will be 11,400 gallons per day, which includes 4,200 gallons per day of potable water. 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 \$2,032,155 (2014-15 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 IV Final Development Plan & Vesting Tentative Subdivision Map Dougherty Valley – San Ramon – January 2005; 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 zero registered voters in the area proposed for annexation; thus, the area is considered uninhabited.

The City reports that 100% of the affected landowners consent to the annexation; and no subject agency has submitted written opposition to a waiver of protest proceedings. Thus, if the Commission approves the annexation, the Commission may waive the protest hearing (Gov. Code §56662). 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 8 hearing.

12. Boundaries and Lines of Assessment:

The territory proposed for annexation is located adjacent to the DVSC, which was annexed to the City in 2011. The DVSC is not contiguous to the city limits. However, LAFCO law allows the annexation of non-contiguous area to a city if certain conditions are met as discussed above. LAFCO law allows the annexation of additional territory to the first non-contiguous annexed area if it meets the same criteria listed above. The area proposed for annexation (i.e., DV Annexation #16) meets the specified criteria. A map and legal description to implement the proposed boundary change have been received and are being reviewed by the County Surveyor.

13. Environmental Justice

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.

14. Disadvantaged Communities

In accordance with recent legislation (SB 244), local agencies and LAFCOs are required to plan for disadvantaged unincorporated communities (DUCs). Many of these communities lack basic infrastructure, including streets, sidewalks, storm drainage, clean drinking water, and adequate sewer service. LAFCO actions relating to Municipal Service Reviews, SOI reviews/amendments, and boundary changes must take into account DUCs; and specifically the adequacy of public services, including sewer, water, and fire protection needs or deficiencies, to these communities. According to the County, the subject area does not meet the criteria of a DUC.

15. Comments from Affected Agencies/Other Interested Parties

No comments have been received to date.

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 annexation to the City of San Ramon and detachment 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 #16: 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.
 - 4. Prior to LAFCO issuing a certificate of completion ordering the reorganization, the City must deliver proof of the City's acceptance and recordation of ownership of the subject property.
- C. Find that the subject territory is uninhabited, the proposal has 100% landowner consent, and the conducting authority (protest) proceedings are hereby waived.

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: Option 1 – Approve the reorganization.

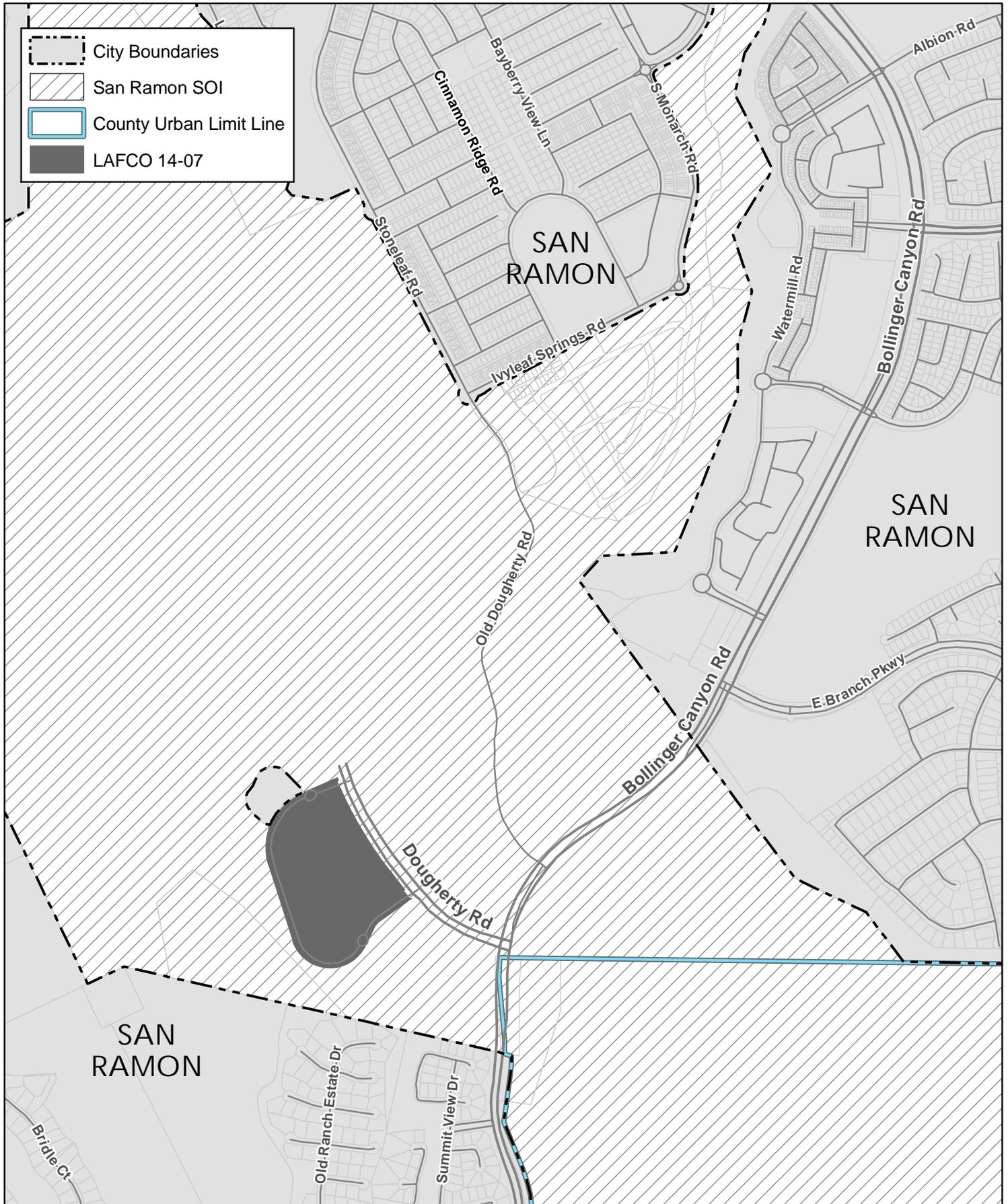
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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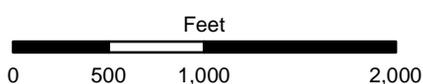
Attachments

- 1. Map of Reorganization Area
- 2. Draft LAFCO Resolution

LAFCO No. 14-07: Dougherty Valley Annexation #16 to the City of San Ramon



-  City Boundaries
-  San Ramon SOI
-  County Urban Limit Line
-  LAFCO 14-07



RESOLUTION NO. 14-07**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING DOUGHERTY VALLEY
REORGANIZATION #16: ANNEXATION TO CITY OF SAN RAMON AND
CORRESPONDING DETACHMENT FROM COUNTY SERVICE AREA (CSA) P-6**

WHEREAS, a proposal to annex territory within the Dougherty Valley to the City of San Ramon and detach the same territory from CSA P-6 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, at a public hearing held on October 8, 2014, 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 Gov. Code §56668; and

WHEREAS, information satisfactory to the Commission has been presented that all the owners of land within the affected territory have given their written consent to the proposal; 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.
3. The subject proposal is assigned the distinctive short-form designation:
DOUGHERTY VALLEY REORGANIZATION #16: ANNEXATION TO THE CITY OF SAN RAMON AND CORRESPONDING DETACHMENT FROM CSA P-6
4. Said territory is found to be uninhabited.
5. Dougherty Valley Annexation #16 is located adjacent to the Dougherty Valley Service Center (DVSC), which was previously annexed to the City (Annexation #14). The DVSC is not contiguous to the city limits. However, Gov. Code §56742 allows the annexation of non-contiguous area to a city if certain conditions are met. LAFCO law allows the annexation of additional territory to the first non-contiguous annexed area under the same

criteria. Annexation #16 meets said criteria and is subject to the provisions of Gov. Code §56742.

- 6. The proposal has 100% landowner consent; the annexing agency consents to the waiver of conducting authority proceedings; said conducting authority proceedings are hereby waived.
- 7. 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.
- 8. The subject territory shall be liable for any existing bonded indebtedness of the annexing agencies, if applicable.
- 9. The subject territory shall be liable for any authorized or existing taxes, charges, and assessments comparable to properties within the annexing agencies, and shall remain within CSA M-29 following annexation.
- 10. 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.
- 11. Prior to LAFCO issuing a certificate of completion ordering the reorganization, the City must deliver proof of the City's acceptance and recordation of ownership of the subject property.
- 12. 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 8TH day of OCTOBER 2014, by the following vote:

AYES:
 NOES:
 ABSTENTIONS:
 ABSENT:

ROB SCHRODER, INTERIM 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 8, 2014

Lou Ann Texeira, Executive Officer