

LOCAL AGENCY FORMATION COMMISSION
SAN BENITO COUNTY

2301 Technology Parkway
Hollister, CA 95023
Phone: (831) 637-5313

February 25, 2016 (Agenda)

Local Agency Formation Commission
2301 Technology Parkway
Hollister CA 95023

**Continued Item –City of Hollister Out of Agency Services
Rodriguez – LAFCO 508**

Dear Members of the Commission:

This matter was considered at the last Commission meeting and continued to this date to allow more information and analysis. Our original staff report is attached.

RECOMMENDATION

Our recommendation remains the same, that this request is denied and this property be encouraged to annex to the City for development purposes.

DISCUSSION

The City of Hollister has requested authorization to provide water and sewer services to allow the construction of up to 58 single family homes outside of but adjacent to the City. The County has approved a zone change that will permit this development.

Hollister Urban Area Boundary for Wastewater Services

There is a fairly recent history of the City of Hollister improving and expanding its Wastewater Treatment Plant. To ensure there would be sufficient demand to pay for this updated facility, the Commission on November 29, 2012 adopted Resolution 2012-03 creating the Hollister Urban Area Boundary to Provide Wastewater Services.

On January 22, 2015 the Commission considered the enclosed LAFCO staff report on how to implement the Urban Service Area. At that time some landowners felt the Commission in 2012 gave “blanket approval” for the City to provide services outside its boundaries without having to obtain LAFCO approval for specific extensions.

As explained in our January 2015 staff report by adopting Resolution 2012-03 the Commission was expressing its willingness to entertain applications to allow the City to provide sewer services either via an annexation or an out-of-agency service request. It was not granting approval for any specific changes.

(Note: a good example of the logical out-of-agency services is the Del Webb at San Juan Oaks which is being considered on this same agenda. That territory is outside of the City of Hollister Sphere of Influence but is still with the logical service area of the plant.)

Rodriguez Project – Annexation vs. Out-Of-Agency Sewer Service

As we described in our January 28 staff report, the Rodriguez property is contiguous to the existing City boundary. Clearly when these homes are constructed and occupied they will be part of the overall Hollister community.

While the application says the purpose is to allow the City to provide water and sewer services it is obvious once homes are built the City will provide a variety of other services to these residents including law enforcement, fire protection, local recreation and parks and general municipal services. The residents should be able to participate in municipal elections. Access will only be through the City.

The application from the City states, “The land owner is not opposed to annexation, but this property is not in the city Sphere of Influence.”

Although the Sphere of Influence does not now encompass the Rodriguez property that very small adjustment can be made when the property is annexed to the City.

Experience has shown the best time to annex residential uses to a city is before the homes are built. Annexation should while the land is under one ownership. Once homes are occupied annexation can become more difficult.

It is not known whether the County-approved Rodriguez development is amendable to City standards or what extent modifications, if any, are needed. Due to the location of the site and the fact it will be part of the overall Hollister community, it would seem that it should be built to City specifications so at such time as it annexes it will be compatible with the remainder of the City.

Also mitigating against the option of allowing these homes to be built outside of the City is the fact the site is at the edge of the planned urban area. It will be essentially on the periphery of the City and accessible only by driving through the City.

Options Available to the Commission

At the January meeting the staff recommended the Commission deny the City's application and encourage the City to submit a proposal to annex the territory.

If you follow this recommendation you should direct the staff to help facilitate the annexation of these two parcels and direct the staff to apply the processing fee submitted for this application to the proposed annexation to the City.

Another option, although we don't recommend it, is to approve the City's request to provide water and sewer services to this property without annexation.

A variation of this option is to allow the City to provide such services without annexation but predicated on the landowner executing and recording a binding "consent to annex" to the City that would inure to future owners which may ease future annexation.

Please contact the LAFCO office if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bob Braitman", followed by a horizontal line.

BOB BRAITMAN
Executive Officer

Enclosures

LAFCO Staff Report – Out-of-Agency Service - Rodriguez (January 28, 2016)
Correspondence to City Manager Bill Avera (January 23, 2015)
LAFCO minutes for meeting of January 22, 2015
LAFCO Resolution Setting Forth Policy on Initiating and Considering Out-Of-Agency
Sewer Service Agreement for the City of Hollister (January 22, 2015)
LAFCO Staff Report Re Implementing Urban Service Area (January 22, 2015)
LAFCO Resolution No. 2012-03 Creating Hollister Urban Area Boundary to Provide
Wastewater Services (November 29, 2012)

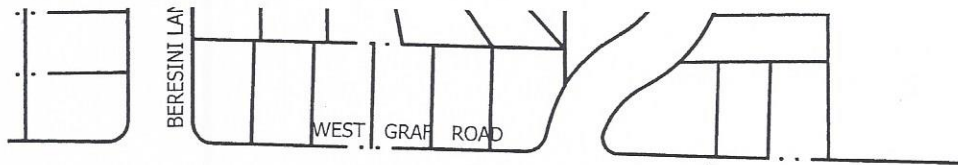
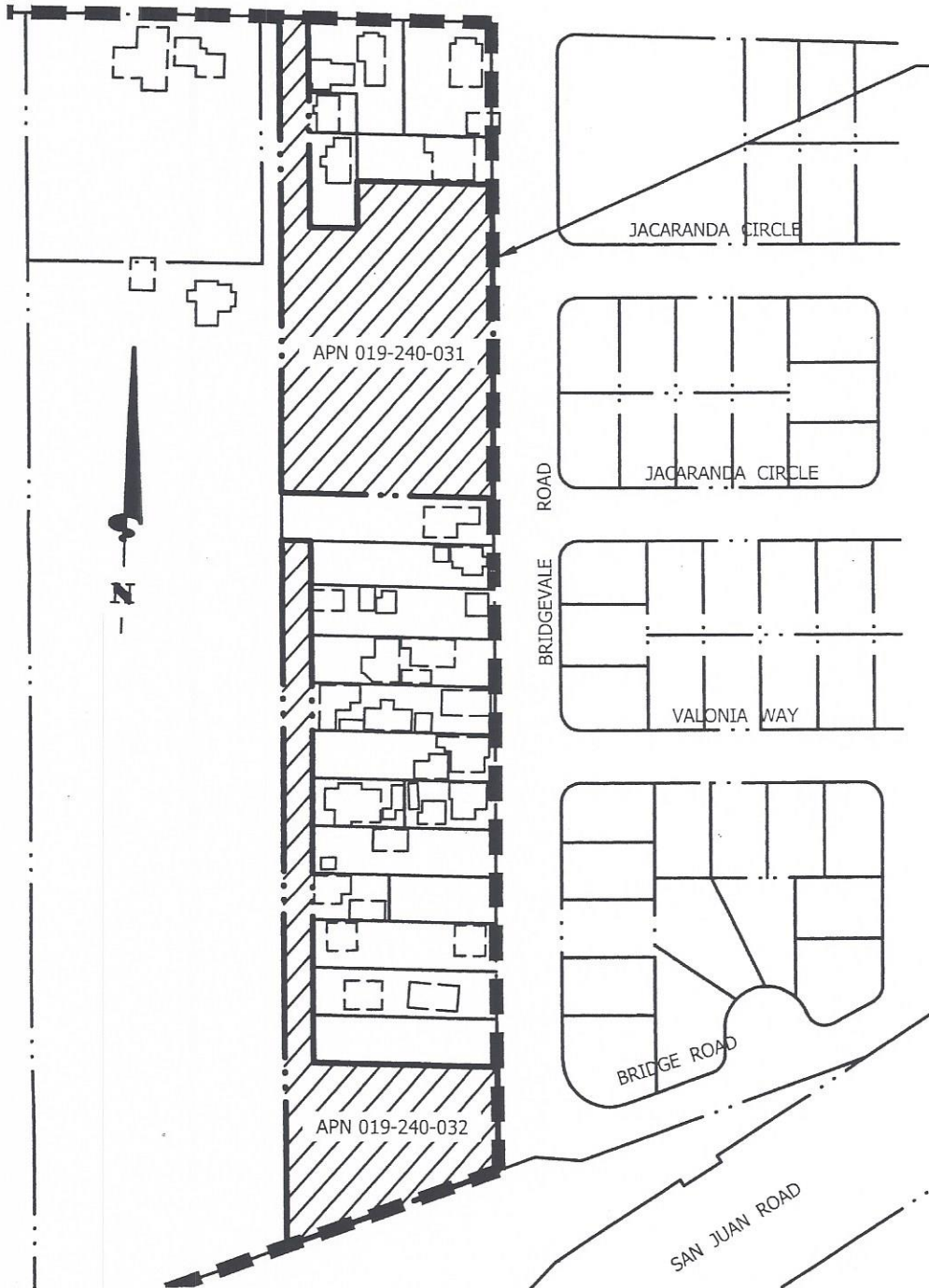


EXHIBIT A



CITY LIMIT
AND
SHPERE OF
INFLUENCE LINES
THE SAME
IN THIS AREA