

SAN BENITO LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

October 22, 2015 (Agenda)

LAFCO No. 502: El Cerro-Hillcrest Annexation to City of Hollister

PROPONENT: City Council of the City of Hollister, by resolution.

ACREAGE & LOCATION Approximately 24.2 acres consisting of the following territory in the Hollister area:

Area A – Approximately 4.2 acres (16 parcels) west of and contiguous to El Cerro Drive; extending south of Hillcrest Road

Area B – Approximately 10 acres (4 parcels) east of and contiguous to El Cerro Drive; extending south of Hillcrest Drive

Area C – Approximately 10 acres (2 parcels) south of and contiguous to Hillcrest Drive at the intersection of Hillcrest Drive and El Camino Paraiso

PURPOSE: To provide municipal services for potential residential development and to include an existing residential area within the City boundaries

INTRODUCTION AND PURPOSE

This annexation includes territory proposed to be annexed to the City in order to obtain land use development permits and municipal services for the potential development of 90 single family homes in four projects; this territory is included within Areas B and C.

The annexation also includes a tract of 16 existing single family homes to promote more orderly governmental boundaries and make these residents eligible to receive all City services and participate in municipal elections; this territory is included within Area A.

PROJECT INFORMATION

1. Existing and Proposed Uses

Area A consists of 16 parcels each with a single family home. No changes in land use are proposed.

Areas B and C consist of six parcels with two existing homes. The construction of an additional 90 additional single family homes is planned as follows:

- The Kutz property has three parcels. There are two existing homes; it is proposed to develop an additional 18 single family homes.

- The Del Curto Brothers property has one parcel; it is proposed to develop 22 single family homes
- Brigantino Enterprises has one parcel; it is proposed to develop 42 single family homes
- The Mermod property consists of one parcel; it is proposed to develop eight single family homes.

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

The entire annexation area is within the City Sphere of Influence. The City General Plan designates the area as Low Density Residential. City rezoning is R1 (Low Density Residential). The County General Plan and zoning is RR (Rural Residential).

Surrounding land uses are primarily single family residential.

3. Topography, Natural Features and Drainage Basins:

The site and surrounding areas are generally level. There are no significant natural boundaries affecting the proposal.

4. Population:

There are 18 single-family homes within the proposal area. Annexation will result in the eventual construction of up to 90 additional single family homes.

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

The City "Plan for Providing Services Within the Affected Territory" as required by Government Code Section 56653 is attached and made a part of this report.

The Sunnyslope County Water District serves the existing homes and will serve the proposed new homes.

6. Impact on Prime Agricultural Land, Open Space and Agriculture:

The annexation area is not in agricultural production and does not include prime agricultural land. A portion of it is already developed with residential uses.

7. Assessed Value, Tax Rates and Indebtedness:

The annexation area is within Tax Rate Area 067-004. The proposal is subject to a master property tax exchange agreement that was approved by the Board of Supervisors and Hollister City Council. The overall tax rate will not be affected by this change.

8. Environmental Impact of the Proposal:

The annexation of Area A is categorically exempt. (Class 19 - Annexation of Existing Facilities and Lots for Exempt Facilities).

For the annexation of Areas B and C the City of Hollister is the lead agency. In consultation with LAFCO, it has found significant environmental effects may result from the annexation and development of these areas. A Mitigated Negative Declaration has been prepared and filed. A copy is provided with this staff report.

9. Landowner Consent:

Not all landowners within this annexation have given their written consent, therefore if the Commission approves the annexation the LAFCO staff will notice and conduct a protest hearing to allow affected landowners to file written protests.

The outcome of the hearing will be based on the number of written protests that are received. The process can be terminated by a "majority protest" of landowners. The staff will report to the Commission on the results of the hearing.

9. Boundaries, Lines of Assessment and Registered Voters:

The boundaries appear to be definite and certain and there do not appear to be conflicts with lines of assessment or ownership. The annexation area is contiguous to the City.

Map and legal descriptions are being reviewed by the County Surveyor for sufficiency in filing with the State Board of Equalization.

The territory is uninhabited; namely, there are fewer than 12 registered voters.

10: Environmental Justice

Annexation will have no effect with respect to the fair treatment of people of all races and income, or the location of public facilities or services.

ALTERNATIVES FOR COMMISSION CONSIDERATION

After reviewing this report and any testimony or materials that are presented, the Commission can take one of the following actions:

OPTION 1 – APPROVE the proposal as submitted.

- A. Certify that it has reviewed and considered the Mitigated Negative Declaration.
- B. Adopt this report and approve the proposal known as El Cerro-Hillcrest Annexation to the City of Hollister, subject to the condition that the territory be liable for any existing or authorized taxes, charges, fees or assessments comparable to properties presently within the City.
- C. Find the subject territory is uninhabited and the annexing agency has given written consent to the waiver of conducting authority proceedings.
- D. Direct the staff to initiate and conduct a protest hearing and report the results to the Commission.
- E. Direct the staff not to record the annexation until the maps and legal descriptions are found by the County Surveyor to be acceptable.

OPTION 2 - Adopt this report and DENY this proposal.

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

RECOMMENDED ACTION:

Approve OPTION 1.



BOB BRAITMAN
Executive Officer
LOCAL AGENCY FORMATION COMMISSION

14. Government Services and Controls – Plan for Providing Services (per §56653)

- A. Describe the services to be extended to the affected territory by this proposal.**
- B. Describe the level and range of the proposed services.**
- C. Indicate when the services can feasibly be provided to the proposal area.**

Please see below answers for A, B, and C.

Police Service

Police Service to the affected area upon annexation will be provided by the Hollister Police Department upon annexation. The affected area is contiguous with the current City limits (current service area). The annexation will extend the boundary of police service currently in effect. Upon annexation and development, the project will include roadways that would affect traffic enforcement/collision investigation responsibilities, and an incremental increase in staffing levels and capital equipment due to the increase in population. The increase in police service will be financed by the imposition of a Mello-Roos Community Facilities public safety tax. The increase in capital equipment will be financed through the imposition of police impact fees collected at the time of building permit issuance or prior to occupancy of the site. The annexation of the area will not create the need for any police related structures or improvements.

Fire Service

Fire service to the affected area will be provided by the Hollister Fire Department upon annexation. The Fire Department provides this service throughout the city and adjoining County areas, via a mutual aide agreement, based on staffing levels set by the City Council. The Fire Department houses its personnel at its stations located at the northwest corner of Fifth and Sally Streets. The proposed annexation is contiguous to the current City limits (current service area), and will extend the boundary of fire service currently in effect. The area is within the five minute first engine response time, as set forth in the City Fire Protection Master Plan. Upon annexation and development, the project will require an incremental increase in staffing levels and capital equipment due to the increase in population. The increase in fire service will be financed by the imposition of a Mello-Roos Community Facilities public safety tax. The increase in capital equipment will be financed through the imposition of fire impact fees collected at the time of building permit issuance or prior to occupancy of the site. The annexation of the area will not create the need for any fire related structures or improvements.

General Government

General Government Services include the City Council, City Administration (City Manager, City Attorney), City Finance (Payment of Utility Bills), Building, Planning, Engineering and Animal Control. These services are currently being provided to the City populous at large. Annexation of the affected area in its current condition will not cause any increase in City General Government services. Development of the site, if annexed, will cause a minor increase in General Government Services for the City

Council, City Administration, City Finance and Animal Control. These will be financed through an incremental increase in General Fund Revenues, such as property and sales taxes. The City is also requiring that all projects requesting annexation enter into an agreement to be fiscally neutral (project will provide all revenues necessary to provide public service). The incremental increase in services for Building, Planning and Engineering will be financed through permit fees.

Sewer Service

Development of the site after annexation will require City of Hollister sewer service. The City of Hollister currently provides sewer service to and with the Hollister Domestic Wastewater Treatment Plant (DWTP), which serves within the city limits and portions of unincorporated San Benito County. The project proposed for the affected area, or area requested for annexation, will comprise a total of 19.89 acres of residential land use. The project engineer has estimated the following waste water flows based on the design flow equation in the City of Hollister Engineering Department Design Standards, Section 5.03:

90 Single Family Residential Lots (290 gallons per day "gpd"/Dwelling Unit "DU") = 26,100 gpd.

Sewage or wastewater flows are transported to the treatment plant via a series of transmission lines. These lines will transport wastewater flows to the DWTP and are designed to serve the affected area. The project proponent will be required to fund the installment of sewer lines from the main transmission line to all the proposed facilities within the development to City standards.

Development of the affected area will not directly require the building of any structures or improvements related to the need for sanitary sewer treatment or transmission with the exception of the on-site transmission lines and laterals discussed above.

The City currently treats domestic and industrial wastewater at its new regional immersed membrane bioreactor (MBR) wastewater treatment plant located on the west side of the City, on the north side of San Juan Hollister Road. The plant has a design capacity of 5.0 million gallons per day (MGD) and produces effluent that meets Title 22 requirements for disinfected tertiary recycled water.

In accordance with the implementation of the Long Term Wastewater Management Plan (LTWMP) filed with the Water Quality Control Board, the City is currently implementing a long-term program of phased improvements for the disposal and reuse

of reclaimed wastewater including spray fields, non-potable irrigation for landscaping, and certain agricultural uses. The new facility expands the City's ability to provide wastewater treatment service for the next 10 years, with an additional five years of expansion possible with the expansion of the membrane biological reactor. The City will continue to implement efforts to improve water quality and also to implement the water conservation measures.

The development will incrementally utilize capacity at both the treatment plant and within the City sewer transmission line. To offset the use of the capacity for the transmission facilities, the development will be assessed an impact fee at the time of building permit issuance. A sewer treatment impact will also be assessed to provide funding for additional capacity at the treatment plant.

Domestic Water Service

The project site is within the Sunnyslope County Water District (SCWD), and will receive its water supply from the district. According to the 2005 Hollister Area Urban Water Management Plan, adequate water supplies exist for planned development through the 20-year timeframe of the plan, or 2025. Water demand in the Hollister area estimated within the plan is based on population growth projections by AMBAG, which in turn rely in part on allowable population density based on general plan land use densities. Because the project is consistent with the general plan, it is therefore consistent with AMBAG population projections, and therefore accounted for within the Urban Water Management Plan. It is not anticipated that development of the proposed project would trigger the need for offsite improvements to the existing distribution system. A water impact fee would be assessed at the time of building permit issuance for use in future water capital improvement project. The project proposed for the affected area, or area requested for annexation, will comprise a total of 19.89 acres. The project engineer has estimated that the project will generate a demand for approximately 28,080 gallons of water per day (312 gallons per day x 90 proposed single family dwelling units). There is an existing 12 inch water main located along Hillcrest Road, 8 inch water main located along El Cerro Drive, and an 8 inch water main located along Sawtooth Drive adjacent to the project site. The project proponent will be required to fund the installment of water lines to all the residential facilities within the development to City of Hollister standards.

Storm Drain

The city maintains a series of transmission lines that convey storm flows within the city and some adjoining areas of unincorporated county to either the San Benito River or the Santa Ana Creek. Section 17.16.140 of the City's zoning ordinance requires the project to detain stormwater to predevelopment levels by detaining stormwater runoff through the use of rain gardens, retention or detention ponds, or landscaped areas. Because the project is required to detain stormwater runoff on site, the project is not expected to contribute to the exceedance of existing stormwater drainage capacity; therefore, construction or expansion of stormwater drainage facilities is not anticipated.

The proposed project would incorporate low impact development strategies and city best management practices to reduce storm water runoff, encourage infiltration, and reduce pollutant transmission. The city best management practices have been adopted in compliance with the requirements of the NPDES.

A storm water impact fee would be assessed at the time of building permit issuance for use in future storm drain capital improvement project. In addition, if the proposed project is unable to incorporate storm water best management practices to the satisfaction of the city due to unalterable site constraints or financial hardship, the developer would be required to pay additional fees to the city for city-wide storm water pollution control and management. Storm water impact fees from the project would contribute to the future development and expansion of storm drain facilities. Therefore, the payment of this fee would mitigate the project's contribution to future development and expansion of storm drain facilities when needed, and the impact is considered to be less-than-significant impact.

Parks and Recreation

No park or recreation units currently occupy the affected area. Annexation of the property in its current state will not require any additional park facilities or recreational programs. Development of projects generally requires an increase in park facilities to serve the new residents. The degree to which an increase in park facilities will be required will be determined at the time of review of the development application. The City of Hollister requires residential projects either dedicate land and/or pay park-in-lieu impact fees for the incremental need to expand park facilities. At the time of review of the development application, the projects financial contribution for park lands or facilities will be determined.

The City of Hollister generally funds a number of recreation programs to serve the needs of residents. These programs are funded at a level of 75 percent by user's fees. The remaining costs are funded by the City of Hollister General Fund. The City will enter into an annexation agreement with the owner of the property to ensure that development of the site is fiscally neutral, which would include the City portion of the funding required for recreational programs.

Road Construction

The City of Hollister requires that there be adequate roadways to serve the transportation needs of the City residents. The City, private developers or a combination of both, fund roadways. The project is adjacent to Hillcrest Road, El Cerro Drive, Bonnie View Drive and Sawtooth Drive. The development proponent will be required to fund these improvements. The development may also require, on an incremental basis, the need for expanded roadway facilities in the City and the County. To offset these incremental costs, any development will be assessed a traffic impact fee at the time of final occupancy for a building permit. The development may also be assessed a pro-rata fee for other necessary related traffic improvements.

Street and Utility Maintenance

Upon annexation, development of the project site will require the maintenance of area City streets, landscaping and utility facilities that will serve the affected area, as well as street and utility systems within the development. The area street maintenance is funded by the City of Hollister state taxes. The City collects a set fee per unit for the first year of occupation and the fee is incrementally indexed on a yearly basis in

accordance to the methodology used in the Engineering News Record for maintenance of landscaping and lighting. City utility systems are currently funded by City user fees.

- D. Indicate any improvements or upgrading of structures, roads, sewers or water facilities or other conditions that will be required as a result of the proposal.
None.

- E. Identify how these services will be financed. Include both capital improvements and ongoing maintenance and operation.
All utilities will be public. The property shall be included within a Community Facilities District to finance the related maintenance costs. The proposed streets are public and will be maintained by the City of Hollister. The street, water, sewer, storm water drainage improvements are developer financed.

- F. Identify any alternatives for providing the services listed in Section (A) and how these alternatives would affect the cost and adequacy of services.
None.

15. Ability of the annexing agency to provide services

Attach a statement from the annexing agency describing its ability to provide the services that are the subject of the application, including the sufficiency of revenues (per Gov't Code §56668j). Please see attached letter.

16. Dependability of Water Supply for Projected Needs (as per §56653)

If the proposal will result in or facilitate an increase in water usage, attach a statement from the retail water purveyor that describes the timely availability of water supplies that will be adequate for the projected needs.

The site is expected to obtain domestic water service from the Sunnyslope County Water District. The services can be provided upon development of the site pending LAFCO approval of the annexation of territory. Please see attached letter.



CITY OF HOLLISTER

Send All Mail To:

375 Fifth Street • Hollister, CA 95023-3876

ENGINEERING DEPARTMENT

Office Location: 420 Hill Street • Building C • (831) 636-4340 Fax: (831) 636-4349

July 30, 2015

LAFCO Commission
2301 Technology Parkway
Hollister, CA 95023

Re: South of Hillcrest Road Annexation to the City of Hollister Question Number 15

Dear LAFCO Commissioner,

The property owners are requesting annexation approval of their property located south of Hillcrest Road between El Cerro Drive to the west and Los Altos Drive to the east, further identified as San Benito County Assessor Parcel Numbers 020-120-141, 020-120-142, 020-120-143, 020-120-114, 020-120-144, and 020-120-145. Question number 15 of the LAFCO application states, *attach a statement from the annexing agency describing its ability to provide the services that are the subject of the application, including the sufficiency of revenues.* The City of Hollister will provide services to the site upon development pending LAFCO approval of the annexation of territory. The project site is within the City of Hollister General Plan area and is accounted for in the City's Long-Term Wastewater Management Program. It is proposed that services including sewer and wastewater generated onsite be collected and conveyed to the City of Hollister Domestic Wastewater Treatment Plant (DWTP) for treatment and disposal. The site is expected to obtain domestic water service from Sunnyslope County Water District. Impact fees will be assessed at the time of building permit issuance for use in future capital improvement projects. At the time the property is annexed and developed, the City will be able to provide and will have sufficient revenues to provide the proposed municipal services.

Should you have any questions, or require additional information, please do not hesitate to contact our department at your convenience at (831) 636-4340.

Sincerely,

David Rubcic, PE, PLS
Interim Engineering Manager/City Engineer

Sunnyslope County Water District

3570 Airline Highway
Hollister, California 95023-9702

Phone (831) 637-4670
Fax (831) 637-1399

July 9, 2015

Abraham Prado
City of Hollister Development Services
Associate Planner
375 Fifth Street
Hollister, CA 95023

Subject: South of Hillcrest Rd. Annexation to the City of Hollister, Question 16

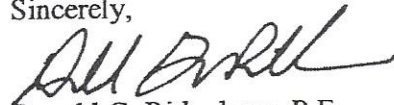
Mr. Prado:

Sunnyslope County Water District has been informed that several property owners have requested that their six properties be annexed into the City of Hollister. These properties are located south of Hillcrest Rd., with El Cerro Dr. to the west and Los Altos Dr. to the east. The Assessor Parcel Numbers are as follows: 020-120-141, 020-120-142, 020-120-143, 020-120-144, 020-120-145, and 020-120-114.

Question 16 of the LAFCO Application for Annexation reads, "If the proposed will result in or facilitate in an increase in water usage, attach a statement from the retail water purveyor that describes the timely availability of water supplies that will be adequate for the project needs." The six previously described properties all are well within the Sunnyslope County Water District boundary and as such would receive domestic water and fire service from the District. Sunnyslope CWD currently has sufficient infrastructure and water supplies to serve the anticipated increase in usage of these properties when they develop. Any additional infrastructural improvements within the properties needed for Sunnyslope CWD to serve water to the future developments will be accomplished by the developer and overseen by the District.

If you have any other questions regarding Sunnyslope County Water District's ability to sufficiently serve these properties when they develop, please do not hesitate to contact me at (831) 637-4670 or don@sscwd.org.

Sincerely,



Donald G. Ridenhour, P.E.
General Manager

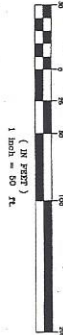


0 140 280 420 Feet

EL CERRO - HILLCREST ANNEXATION TO THE CITY OF HOLLISTER AREA A

THIS SPACE IS RESERVED FOR THE APPROVAL OF THE COUNTY SUPERVISOR

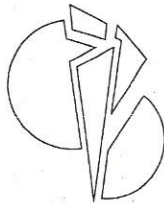
GRAPHIC SCALE



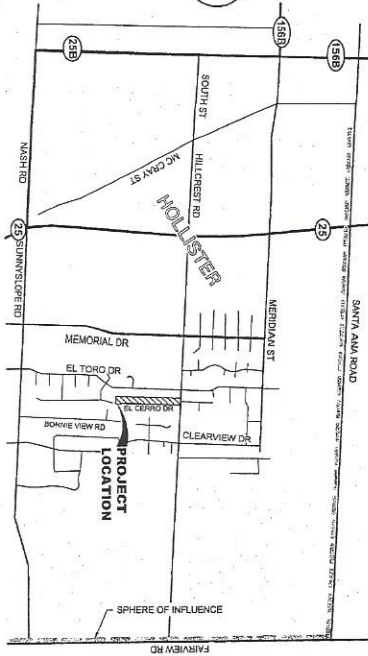
Matthew J. Kasper
L.S. 6283 EXP. 1/20/2016
DATE 9/14/15



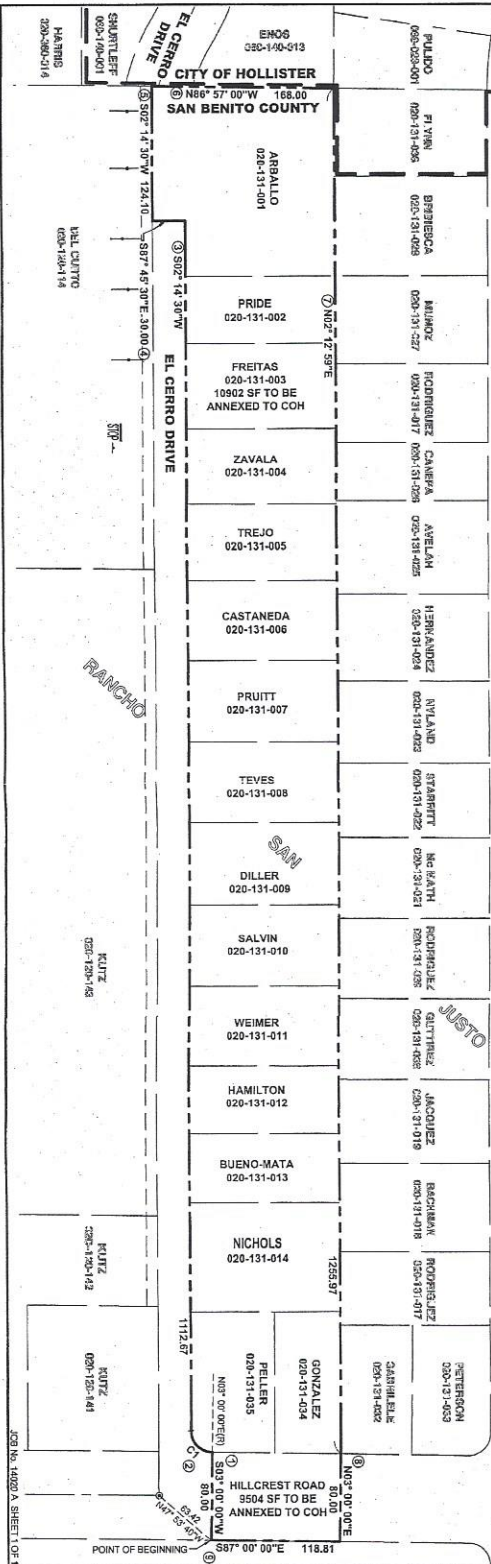
Curve Table			
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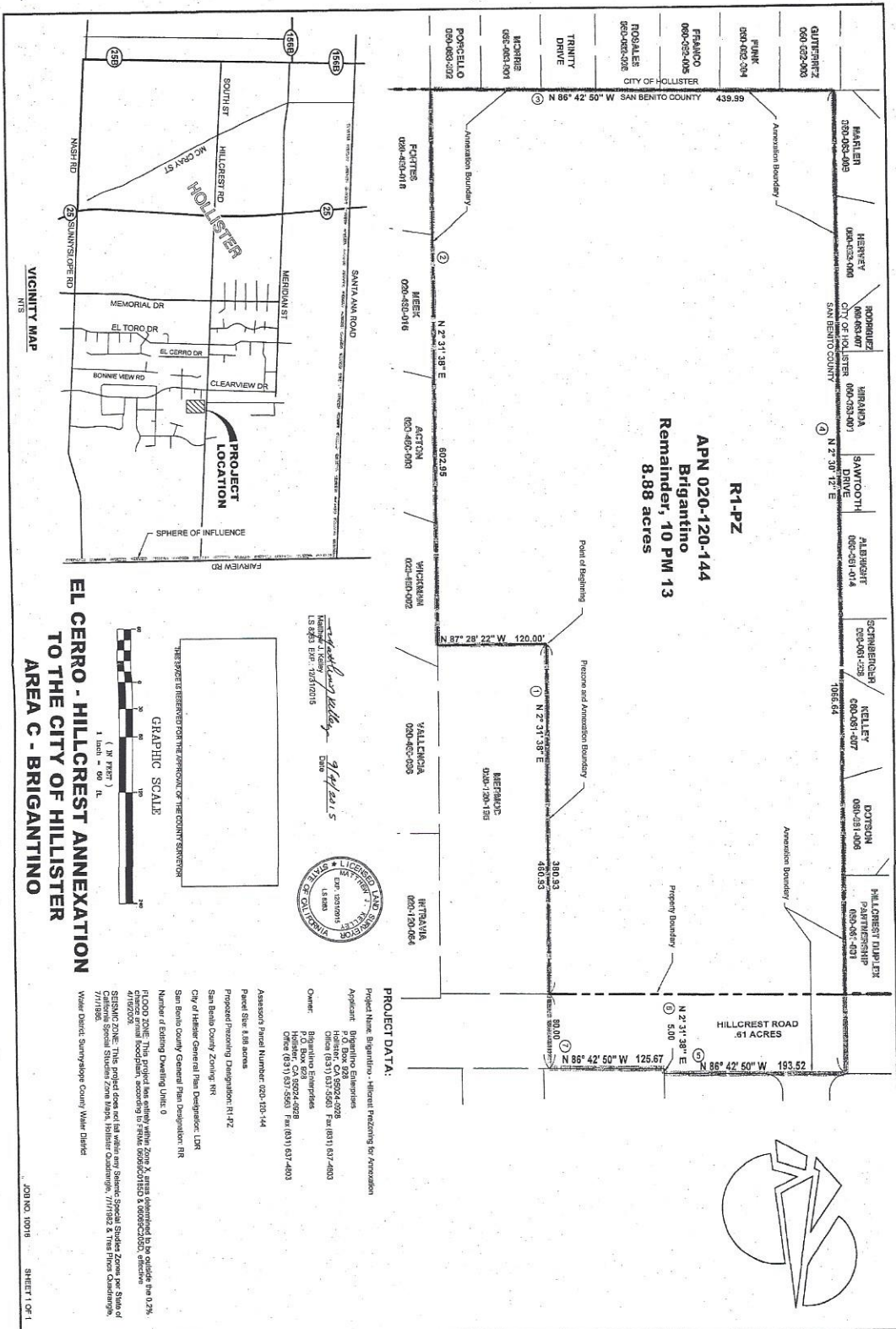
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VICINITY MAP
N.T.S.

EL CERRO - HILLCREST ANNEXATION TO THE CITY OF HILLISTER AREA C - BRIGANTINO



GRAPHIC SCALE

THIS SCALE IS REFERRED FOR THE APPROXIMATE LOCATION OF THE PROJECT



Michael T. Kelly
9/14/2015
Date

PROJECT DATA:

Project Name: Brigantino - Hillcrest Rezoning for Annexation

Applicant: Brigantino Enterprises
P.O. Box 228
Hillister, CA 94524-0228
Phone: (916) 537-5661 Fax: (916) 537-4003

Owner: Brigantino Enterprises
P.O. Box 228
Hillister, CA 94524-0228
Phone: (916) 537-5661 Fax: (916) 537-4003

Assessor's Parcel Number: 020-105-144

Parcel Size: 8.88 acres

Proposed Rezoning: Designation: R1-PZ

San Benito County Zoning: R1

City of Hillister General Plan Designation: LDR

San Benito County General Plan Designation: RR

Number of Existing Dwelling Units: 0

FLOOD ZONE: This project does not fall within any Special Flood Hazard Zone per State of California Department of Water Resources, Flood Insurance Study, 1977/1982 & 1983/1988, effective 4/15/2003.

SEISMIC ZONE: This project does not fall within any Seismic Hazard Zone per State of California Department of Geology, 1977/1982 & 1983/1988, effective 4/15/2003.

Water District: San Benito County Water District

RESOLUTION OF THE SAN BENITO LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING THE EL CERRO-HILLCREST
ANNEXATION TO THE CITY OF HOLLISTER

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the San Benito Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act and the County Service Area Law (Sections 56000 et seq. and Section 25210 et seq. of the Government Code) ; and

WHEREAS, at the times and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; 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, Spheres of Influence and applicable General and Specific Plans; and

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

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the Local Agency Formation Commission of San Benito County as follows:

(1) The Commission reviewed and considered the Mitigated Negative Declaration prepared by the City of Hollister.

(2) The subject proposal is assigned the distinctive short-form designation:

EL CERRO-HILLCREST ANNEXATION TO CITY OF HOLLISTER

(3) Said territory is found to be uninhabited.

(4) The boundaries of the affected territory are found to be definite and certain as

approved and set forth in the legal descriptions, attached hereto and made a part hereof.

(5) All proceedings in connection with this formation shall be conducted only in

compliance with the approved boundaries set forth in the attachments

- (6) Since not all affected landowners have given written consent to the annexation the staff is directed to notice and conduct a protest hearing prior to completing the proceeding.
- (7) The territory being annexed shall be liable for any existing or authorized taxes, charges, fees or assessments comparable to properties presently within the City.
- (8) Staff is directed not to record the annexation until the maps and legal descriptions are found by the County Surveyor to be acceptable.
- This resolution was adopted on October 22, 2015 and is effective on the date signed by the Chair.

AYES:

NOES:

ABSTAINS:

Dated: _____

Chair
San Benito Local Agency Formation Commission

ATTEST

Bob Braitman, Executive Officer
San Benito Local Agency Formation Commission