

SAN BENITO LOCAL AGENCY FORMATION COMMISSION  
EXECUTIVE OFFICER'S REPORT

OUT-OF-AGENCY SERVICE AGREEMENT

August 28, 2014 (Agenda)

LAFCO 489: City of Hollister – CHISPA

LOCATION: Approximately five acres located at 890 Buena Vista Road, at its intersections with Almond Court and Line Street; Hollister area

PURPOSE: Allow the City to provide water and sewer services to the property in order to qualify for public funding for a proposed 80-unit low-income residential apartment project.

RECOMMENDATION Authorize the City of Hollister to provide sewer and water service outside its boundaries to this project with the understanding the property will be annexed to the City prior to the issuance of a Certificate of Occupancy for the first residential unit.

GENERAL ANALYSIS:

Project Information

1. Land Use, Planning and Zoning – Present and Future

The five acre, unincorporated parcel where service is requested (APN 019-130-020) is vacant. It is located on the north side of Buena Vista Road, is within the City Sphere of Influence and is adjacent to the City.

The County General Plan and zoning designates the site a RM (Residential Multiple). There is an approved project of 13 two-story buildings that will contain 80 apartments, with a shared residence center and laundry building and related on-site parking.

The project is proposed by CHISPA (Community Housing Improvement Systems and Planning Association, Inc.). This is a 501 (c)(3) nonprofit community-based housing development organization which has built more than 2,300 affordable single family homes and multi-family and senior apartments since 1980.

Surrounding land uses include a cemetery and community park to the east, row crops and orchards to the north, seven single-family residences and a Salvation Army-owned parcel to the west, and single-family residences within the City to the south.

2. Topography, Natural Features and Drainage Basins:

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

3. Population:

There are no homes within the proposal area. The provision of water and sewer services and eventual annexation to the City may result in construction of up to 80 apartments.

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

The project site consists of fallow land that has historically been farmed. However, as noted, the project site is within the City's Sphere of Influence.

5. Environmental Impact of the Proposal

The County of San Benito is the lead agency. It has found significant environmental effects may result from the proposal. A Mitigated Negative Declaration has been prepared and approved. A copy of the MND is included with this staff report.

6: Environmental Justice

The provision of public services will support the fair treatment of people of all races and income and the equitable location of public facilities or services.

LAFCO Approval is Required

LAFCO regulates both boundary changes and extensions of service without boundary changes. Government Code §56133 states that "A city or district may provide new or extended services by contract or agreement outside of its jurisdictional boundaries only if it first requests and receives written approval from the commission."

It provides further that LAFCO "... may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization."

In this regard the City has approved a memorandum of understanding with CHISPA for the City to provide services to the project. As justification for proceeding with the out-of-agency service agreement, the City notes in its application that:



The process of requesting outside jurisdiction services to an unincorporated area such as 890 Buena Vista Road requires fewer steps than the pre-zone for annexation process and CHISPA must demonstrate urgently that the project site (890 Buena Vista Road) will be receiving services from the City of Hollister in order to qualify for the funding for their project. Primary financing for the development will be through California Tax Allocation Committee, HOME Program funding and potentially USDA Rural Development.

An agreement between the City and San Benito County mandates that the annexation of the property to the City will occur prior to the issuance of a Certificate of Occupancy for the first residential unit. We will process the application for annexation as soon as it is received so the annexation process does not delay the occupancy of the homes.

#### 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 request to provide water and sewer services.
- A.      Certify it has reviewed and considered the information contained in the Mitigated Negative Declaration prepared and approved by the County.
  - B.      Adopt this report and approve the proposal, to be known as the City of Hollister Out-of-Agency Service Agreement – CHISPA, allowing the City to provide sewer and water services outside of its boundaries and within its Sphere of Influence,
- Option 2**      DENY the request.
- Option 3**      CONTINUE the item to obtain additional information.

#### RECOMMENDED ACTION:

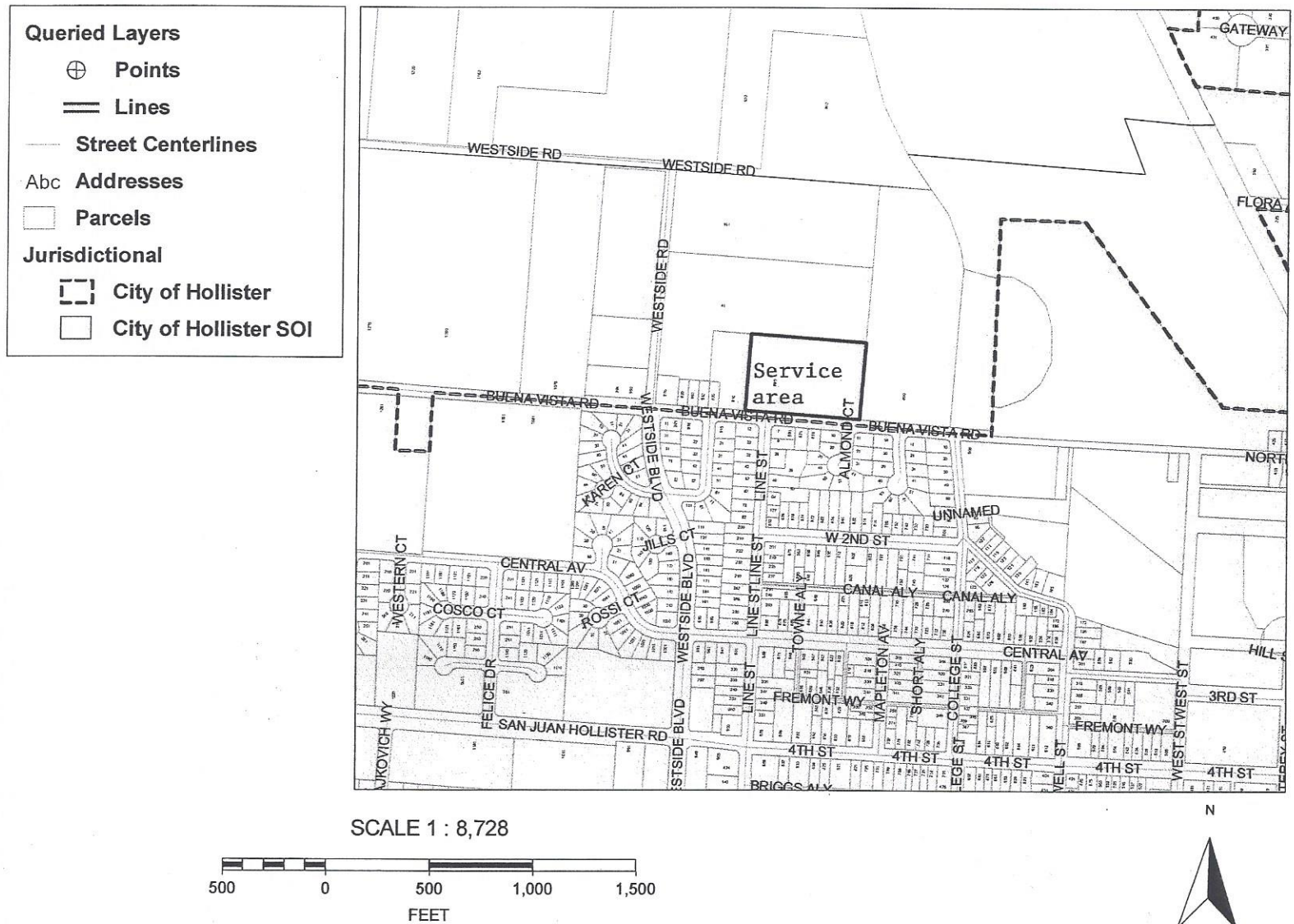
Approve **Option 1.**



BOB BRAITMAN  
Executive Officer  
LOCAL AGENCY FORMATION COMMISSION

# 890 Buena Vista Road

Map of the requested service area





LAFCO No. 489

RESOLUTION OF THE SAN BENITO LOCAL AGENCY FORMATION COMMISSION  
APPROVING THE CITY OF HOLLISTER OUT-OF-AGENCY SERVICES FOR CHISPA

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

WHEREAS, Government Code Section 56133 allows a city to provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the Commission; and the Commission may authorize a city to provide new or extended services outside its boundaries and within its sphere of influence in anticipation of a later change of organization, 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 has reviewed and considered the Mitigated Negative Declaration prepared by the County of San Benito for the Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) residential project that will receive water and sewer services from the City of Hollister.

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

CITY OF HOLLISTER OUT-OF-AGENCY SERVICES – CHISPA

(3) The City of Hollister is hereby authorized to provide water and sewer services outside its boundaries and within its Sphere of Influence for this affected territory.

This resolution was adopted on August 28, 2014 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

# 890 Buena Vista Road

Map of the requested service area

