

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

OUT-OF-AGENCY SERVICE AGREEMENT

September 5, 2002 (Agenda)

LAFCO 02-4: City of Santa Maria – Orcutt Apartments

LOCATION Approximately six acres located west of and adjacent to Orcutt Expressway (Highway 135) between Goodwin Road and Stubbs Lane, 3214 & 3219 Frontage Road and 3217 Orcutt Road.

REQUEST: The City of Santa Maria requests authorization to provide domestic water outside of its boundaries for 117 proposed residential apartments units.

GENERAL ANALYSIS:

1. Introduction

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.”

Further, “The commission 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.”

The City of Santa Maria has requested authorization to provide domestic water supply for the proposed Terra Cotta Place II project, a residential development of 16 two-story apartments. The parcel is within the City’s sphere of influence but is not contiguous to the City boundaries and cannot, therefore, be annexed at this time without including other properties in the annexation.

Sanitation services will be provided by the Laguna County Sanitation District.

2. Present and Future Land Use, City Boundaries and Public Services

The site is vacant. The proposed residential use requires domestic water. The County, which is processing the proposed development, and the property owner agree that the City will provide water services to the development.

Water will be provided from an existing 8" City water main located in Goodwin Road adjacent to the subject parcel; no main line extension is required to serve the property. In addition, sewer service will be through Laguna Sanitation District lines to the City's wastewater treatment plant.

3. Annexation vs. Out-of-Agency Service Agreement

The Commission's policy about out-of-agency services states that,

"Annexations to cities and special districts are generally preferred for providing public services; however, out-of-agency service agreements can be an appropriate alternative."

"While each proposal must be decided on its own merits, the Commission may favorably consider such agreements in the following situations:

- A. Services will be provided to a small portion of a larger parcel and annexation of the entire parcel would be inappropriate in terms of orderly boundaries, adopted land use plans, open space/greenbelt agreements or other relevant factors.
- B. Lack of contiguity makes annexation infeasible given current boundaries and the requested public service is justified based on adopted land use plans or other entitlements for use. (Emphasis added)
- C. Where public agencies have a formal agreement defining service areas, provided LAFCO has formally recognized the boundaries of the agreement area.
- D. Emergency or health related conditions militate against waiting for annexation.
- E. Other circumstances which are consistent with the statutory purposes and the policies and standards of the Santa Barbara LAFCO."

Many unincorporated properties near the Orcutt Apartments are connected to and receive water from the City of Santa Maria. The Commission approved an out-of-agency service agreement for Terra Cotta Place II in October 2001, the Machinist's Union in August 2001 and the Brunello property (Terra Cotta Place I) in February 1995.

As directed by the Commission the staff met with the City staff to discuss the likelihood of these properties being annexed to the City.

The City has no plans to annex this area at this time or in the foreseeable future, given the current deficiencies in existing infrastructure, the manner in which the area has developed in the unincorporated area and the lack of expressed interest by the residents and property owners in being annexed to the City.

4. Landowner Consent to Annex

The Commission's policy is that whenever a property may ultimately be annexed to a city or special district, approval of an out-of-agency service agreement should require the landowner to record an agreement consenting to annex the territory and that such consent inure to future owners of the property. Many properties in the vicinity of the subject proposal have executed such agreements.

The application submitted by the City includes an "Agreement for Utility Connection and Service Outside of City Boundaries" that waives the landowners right to protest future annexation, but the agreement has not been executed or recorded.

5. Environmental Impact of the Proposal

The property has six residential structures, not all of which are occupied. It is proposed to construct 117 residential apartment units on the site. The County is the lead agency for the development project and has prepared a Negative Declaration (02-ND-09), a copy of which is enclosed with this staff report.

6. Alternatives for LAFCO Actions

Alternatives available to the Commission include:

- Option 1. Approve the request, as recommended below.
- Option 2. Approve the request with different terms and conditions.
- Option 3 Deny the request.
- Option 4 Continue the item to obtain additional information.

RECOMMENDED ACTION

Authorize the City of Santa Maria to provide water service to this parcel subject to the following terms and limitations:

1. LAFCO's approval applies to both current and future property owners.
2. Water supply is the only authorized services.
3. Approval to extend services beyond those specifically noted herein is withheld and is subject to future LAFCO review.
4. Before the service is provided the property owner shall record an agreement consenting to annex to the City.

BOB BRAITMAN
Executive Officer
LOCAL AGENCY FORMATION COMMISSION