




VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: May 20, 2015

Agenda Item 10

TO: LAFCo Commissioners

FROM: Kai Luoma, Executive Officer 

SUBJECT: LAFCo 15-08S City of Santa Paula Sphere of Influence Review/Update

RECOMMENDATIONS:

It is recommended that the Commission approve one of the following options:

Option 1 - Review the sphere of influence for the City of Santa Paula and determine that no update is necessary.

Option 2 - Adopt the attached Resolution (Attachment 3) making determinations and updating the sphere of influence for the City of Santa Paula to remove most of the Adams Canyon Expansion Area from the sphere of influence for the City of Santa Paula.

Option 3 - Adopt the attached Resolution (Attachment 4) making determinations and updating the sphere of influence for the City of Santa Paula to remove most of the Adams Canyon and all of the Fagan Canyon Expansion Areas from the sphere of influence for the City of Santa Paula.

BACKGROUND:

LAFCos are required, as necessary, to review and update the spheres of influence for each local agency a minimum of once every five years. The sphere of influence for the City of Santa Paula was last reviewed by the Commission beginning in 2012 as part of the 2008-2012 Work Plan that was adopted by the Commission in 2007. As part of the 2012 review, the Commission accepted a Municipal Service Review (MSR) and made written determinations regarding the City's current and future provision of services (Attachment 1 is the Resolution adopted by the Commission accepting the MSR and approving the written determinations in 2012). On March 20, 2013, based on the

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Executive Officer: Kai Luoma, AICP	Analyst Andrea Ozdy	Office Manager/Clerk Richelle Beltran	Legal Counsel Michael Walker

determinations of the MSR, the Commission considered three options to review and/or update the City's sphere of influence. The options were the same as those outlined under the "Recommendations" section of this report and discussed in greater detail starting on page 15 of this Staff Report. The Staff Report prepared for the March 20, 2013 LAFCo meeting is attached to this Report as Attachment 2. After substantial public testimony, a motion was made to adopt Option 2; however, the motion failed on a 3-3 vote. A second motion was made to adopt Option 1; however, that motion also failed on a 3-3 vote. As a result, the Commission took no action regarding the City sphere of influence and it remained in place without change.

In March 2015, LAFCo staff informed the Commission that the City of Santa Paula Planning Commission was scheduled to consider a development project and annexation proposal for territory located within the Adams Canyon Expansion Area. The 79-unit subdivision on approximately 35 acres proposes extensive grading on and off the site, as well as the deposition of hundreds of thousands of cubic yards of earth into three canyons also located within the Adams Canyon Expansion Area. At the March 18 LAFCo meeting, the Commission directed staff to schedule a review of the City's sphere of influence for the May 20 LAFCo meeting.

DISCUSSION:

Spheres of Influence

LAFCo law defines a "sphere of influence" as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission." (Govt. Code § 56076) The sphere of influence for a city is an important benchmark because it defines the primary area within which urban development is to be encouraged. Indeed, for an area to be annexed to a city, it must be located within that city's sphere of influence. In a 1977 opinion, the California Attorney General stated that an agency's sphere of influence should "serve as an essential planning tool to combat urban sprawl and provide well planned, efficient urban development patterns, giving appropriate consideration to preserving prime agricultural and other open-space lands" (60 Ops.Cal.Atty.Gen. 118, 120).

A local agency formation commission may revise the sphere of influence of a city or district at any time the commission determines it is necessary to do so to carry out the commission's purposes and responsibilities. Accordingly, a commission's power to revise a sphere of influence is not limited to the five-year review set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) nor to the submission of a proposal for a change of organization.

Government Code section 56425 is the opening section in the portion of CKH that governs spheres of influence. Section 56425(a) provides, "In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its

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communities, *the commission shall develop and determine the sphere of influence of each local governmental agency within the county* and enact policies designed to promote the logical and orderly development of areas within the sphere.” (Italics added.) Nothing in CKH says the commission’s power to “develop and determine” spheres of influence is limited to particular circumstances, such as the five-year review or a proposal for a change of organization. To the contrary, the power is expressly given to the commission “to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities.” The broad purpose for which the power is given counsels against construing the power too narrowly. (This, in turn, is supported by Government Code section 56107(a), which provides that CKH as a whole “shall be liberally construed to effectuate its purposes.”)

Furthermore, Government Code section 56427 provides, “The commission shall adopt, amend, or revise spheres of influence after a public hearing called and held for that purpose.” Nothing in CKH indicates that the commission’s power to call and hold a public hearing to “amend” or “revise” a sphere of influence is limited to the five-year review or actions initiated by others.

In fact, Government Code section 56428(a) provides, “Any person or local agency may file a written request with the executive officer requesting amendments to a sphere of influence ... adopted by the commission.” Government Code section 56428(f) says the request can be, but does not have to be, “considered and studied as part of the periodic review of spheres of influence required by Section 56425.” Nothing in CKH indicates that the Legislature intended to give “[a]ny person” the power to trigger a sphere of influence revision at any time but to withhold that power from the commission itself, the very body the Legislature charged with the “responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities.” Such an interpretation of CKH would be contrary to the Legislature’s mandate that CKH is to be “liberally construed to effectuate its purposes.”

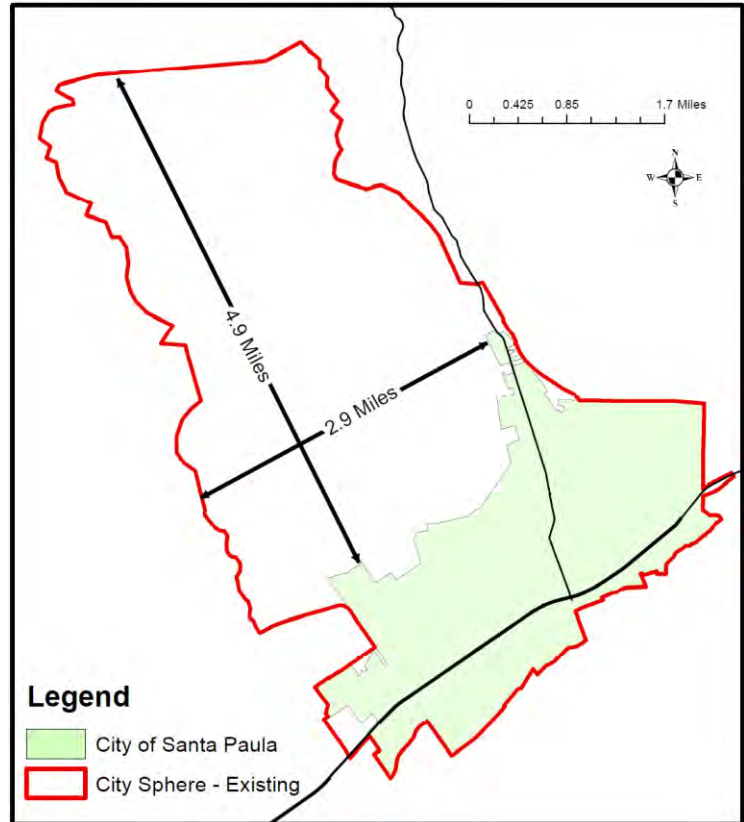
Summarizing these (and predecessor) statutes, one court stated, “A sphere of influence is a *flexible planning and study tool to be reviewed and amended periodically as appropriate.*” (*City of Agoura Hills v. Local Agency Formation Com.* (1988) 198 Cal. App. 3d 480, 490, italics added.) Consistent with this, your Commission has adopted a local policy that provides that your commission “shall review and update, as necessary, the adopted sphere of influence of each local agency *not less than* once every five years.” (Commissioner’s Handbook, rule 4.1.4(a), italics added.)

Thus, your commission may, at any time it determines it is necessary and appropriate to do so, review and revise the sphere of influence of a city or district.

City of Santa Paula Sphere of Influence

The “Background” section of the March 20, 2013 staff report (beginning on page 1 of Attachment 2) describes in detail the City’s sphere of influence and explains the history that led to its current location. No changes have been made to the City’s sphere of influence since 2013.

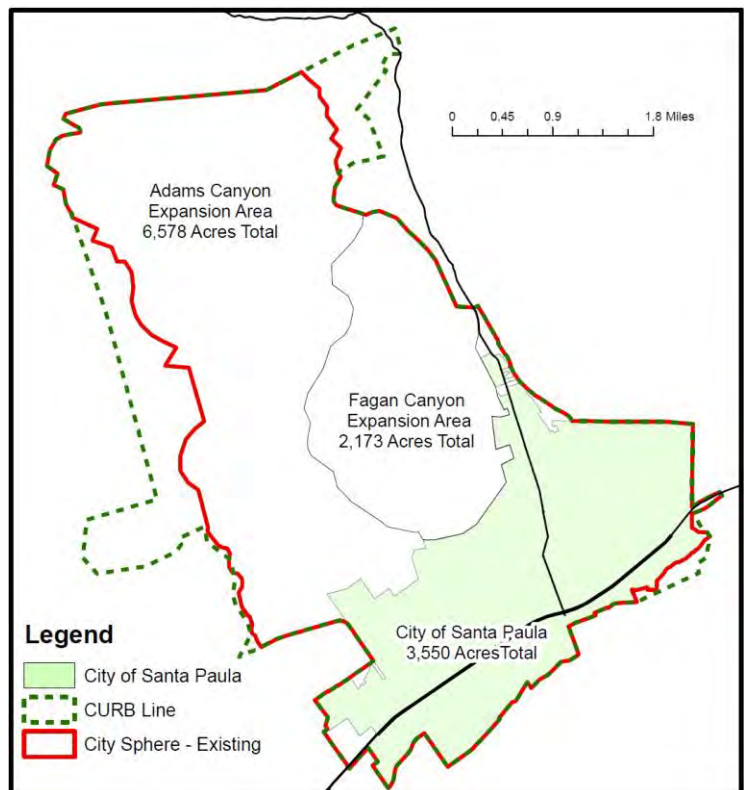
The City’s sphere of influence contains approximately 7,783 acres of unincorporated land, more than the spheres of influence for any other city in the County. The majority of this land (approximately 7,586 acres or 11.85 square miles) is located in an area that extends up to approximately five miles north of the City (see inset to right).



City of Santa Paula General Plan

The City General Plan divides the area to the north of the City into two “Expansion Areas” totaling approximately 8,750 acres, or 13.7 square miles. These are the “Adams Canyon Expansion Area” and the “Fagan Canyon Expansion Area” (see inset to right). The Adams Canyon Expansion Area encompasses approximately 6,600 acres, approximately 5,400 of which are located within the sphere of influence. The Fagan Canyon Expansion Area encompasses approximately 2,175 acres, all of which are located within the sphere of influence.

Proposed land uses within the Expansion Areas have been subject to a number of



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actions by the City and City voters since 2000 and are discussed in detail on pages 16-17 of the March 20, 2013 Staff Report (Attachment 2). Currently, the City General Plan allows for the following land uses within the Expansion Areas:

Expansion Area	Use/Acreage
Adams Canyon - 6,578 acres (5,413 acres within current sphere of influence)	Residential - 495 dwelling units
	One resort hotel
	One golf course
	One school - 40 acres
	Recreation - 100 acres
	Open space - 200 acres
Fagan Canyon - 2,173 acres	Single family residential - 450 dwelling units on 1,953 acres
	Commercial - 76,230 square feet on 5 acres
	Active parks - 7 acres
	Open space - 208 acres

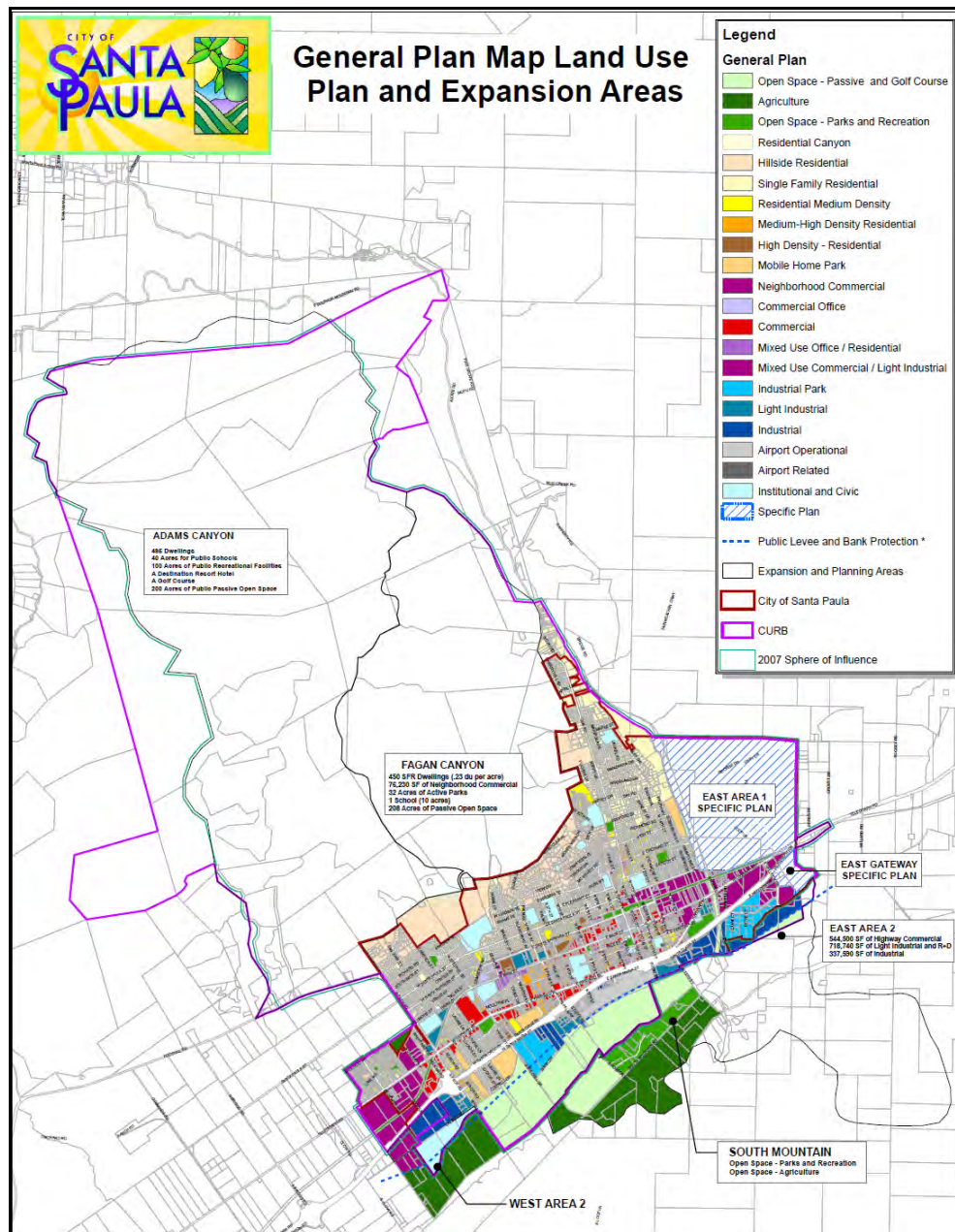
Though the City General Plan lists the uses that are allowed within each Expansion Area, the General Plan does not address future development within the Expansion Areas to the degree required by state general plan law. Indeed, it is unknown, even in the most general terms, where within the 13.7 square miles contained in the Expansion Areas any house, road, public facility, park, school, or other use is to be located.

The inadequacy of the General Plan as it applies to the Expansion Areas is discussed in more detail in the March 20, 2013 staff report. In summary, for the territory within the two Expansion Areas, the City General Plan does not include the following required components of a General Plan:

- A land use plan/map that designates the proposed general distribution and general location and extent of the uses of the land (see the City General Plan Map Land Use Plan on the following page).
- A circulation plan consisting of the general location and extent of existing and proposed major thoroughfares, transportation routes, and other local public utilities and facilities, all correlated with the land use element of the plan.
- A plan for the conservation, development, and utilization of natural resources including water and its hydraulic force, soils, rivers and other waters, wildlife, minerals, and other natural resources.
- An Open Space Plan that identifies open space for the preservation of natural resources, managed production of resources (including agriculture), recreation, and public health and safety.

The only change to the General Plan that has occurred since March 2013 of which staff is aware is the certification of the Housing Element by the State Department of Housing and Community

Development. The Housing Element identifies the two Expansion Areas as potential sites for market-rate housing in the future. However, neither site is necessary in order for the City to meet its regional housing needs obligation.



Because the General Plan does not plan for the Expansion Areas consistent with the requirements of state law, it does not provide a reliable means by which to determine the location and extent of potential future development and service needs within either Expansion Area.

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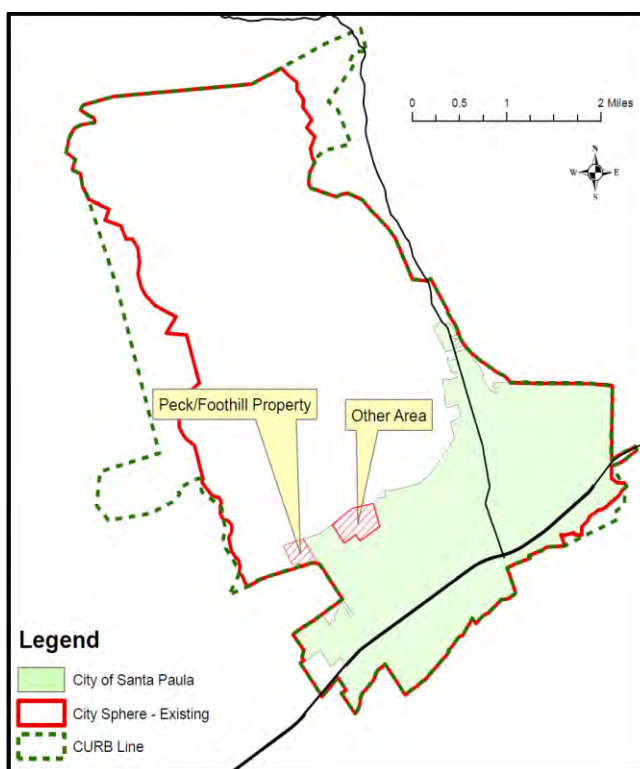
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Without adequate planning, it is difficult, if not impossible, to determine if a sphere of influence accurately denotes the probable boundaries and service area of a city. For instance, the Adams Canyon Expansion Area is 6,578 acres in size. Based on the allowed uses identified in the City General Plan, the amount of acreage devoted to development could be estimated as follows:

City General Plan	Acreage
Residential - 495 dwelling units	600 acres (1 acre lots plus 20% for roads, other)
One resort hotel	100 acres
One golf course	200 acres (according to the Golf Course Superintendent Association of America for courses in resort areas)
One school	40 acres (per City General Plan)
Recreation	100 acres (per City General Plan)
Open Space	200 acres (per City General Plan)
TOTAL	1,240 acres

Based on the above estimates, approximately 1,240 acres within the Adams Canyon Expansion Area would be devoted to the allowable uses identified by the City General Plan. Of the 6,578 acres identified as being within the Expansion Area, approximately 5,300 acres (over 8.3 square miles or 81% of the Expansion Area) would remain undeveloped and would not need urban services. Under this (or a similar) scenario, the current sphere of influence would not be consistent with the probable service area of the City.

There are two subareas, one within and one adjacent to the Adams Canyon and Fagan Canyon Expansion Areas, that warrant special consideration: the “Peck/Foothill Property” and the approximately 100 acres of undeveloped land denoted as “Other Area” (see inset). In 2003, voters elected to include the 32-acre Peck/Foothill property within the CURB line. It became part of the Adams Canyon Expansion Area as part of the vote to include Adams Canyon within the CURB in 2007. The City is currently processing an application for development of 79 residential units on this 32-acre site. This development is not associated with the larger development that was envisioned for the remainder of Adams Canyon in 2007. The “Other Area” is not a part of either Expansion Area and was within the sphere prior to 2000. It is

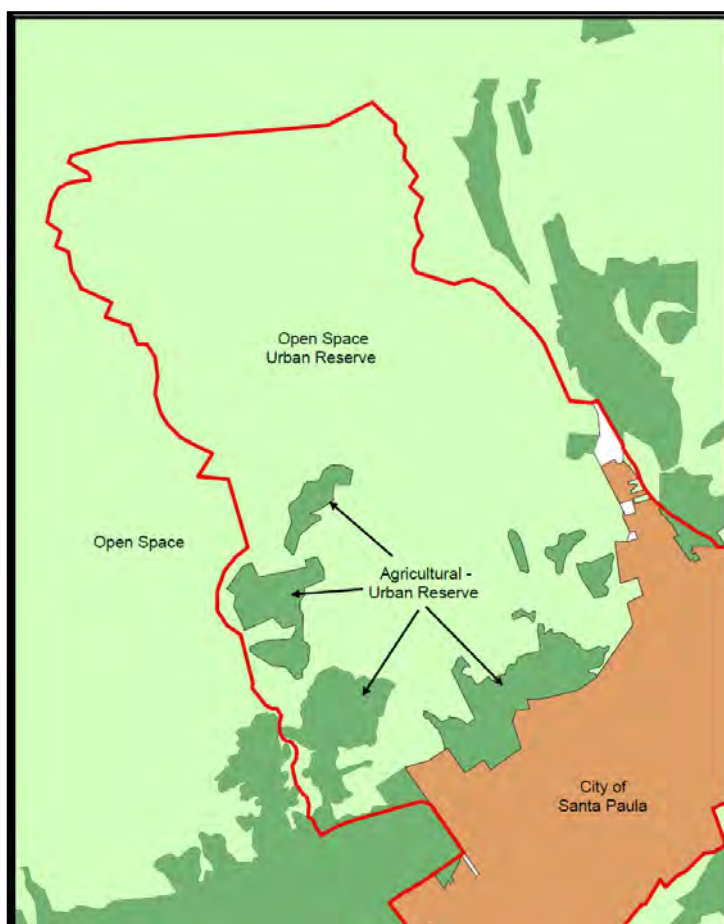


identified on the General Plan land use map for “Hillside Residential” development. Therefore, the general location, type, and density of planned development of this area are known, and thus its service needs can be anticipated. Staff recommends that both of these areas remain within the sphere.

County of Ventura General Plan

In 2014, the Commission adopted policies requiring that for changes of organization and changes to spheres of influence, LAFCo must consider the impacts to agriculture and existing open space lands as defined by the County’s General Plan. Because this policy was adopted in 2014, the March 20, 2013 staff report did not specifically evaluate the potential impact that development of the area as part of the City might have on County-designated agricultural and open space lands.

The territory is in the unincorporated County, and the County’s General Plan and Zoning Ordinance regulate land use. The County General Plan (see inset to right) designates approximately 6,626 acres of the territory as “Open Space – Urban Reserve” and this area is zoned “Open Space” with 160-acre minimum lot sizes. Approximately 960 acres are designated “Agricultural – Urban Reserve” and zoned “Agricultural Exclusive” with 40-acre minimum parcel sizes. The “Urban Reserve” designation acknowledges that the area is currently within the City’s sphere, but does not grant any land use or development potential beyond that allowed for under the “Open Space” or “Agricultural” designation. The table below indicates the County General Plan designations/acreages for the sphere of influence area within each Expansion Area.



Given the fact that the entirety of the Expansion Areas consists of existing open space and agricultural lands, any development within them is likely to result in adverse impacts. However, because the City’s General Plan does not contain a land use plan/map that identifies the extent and location of any land uses within the Expansion Areas, the full degree of these impacts of developed as part of the City cannot be determined.

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	Agricultural – Urban Reserve	Open Space – Urban Reserve
Adams Canyon Expansion Area (5,413 acres within sphere)	710 acres	4,703 acres
Fagan Canyon Expansion Area (2,173 acres within sphere)	250 acres	1,923 acres
Total	960 acres	6,626 acres

Determining a Sphere Of Influence

Govt. Code § 56425(e) provides that in determining a sphere of influence, the Commission must prepare written determinations with respect to five areas of consideration. Each of these considerations is listed below followed by a brief discussion. Additional information and discussion related to these determinations can be found in the March 20, 2013 staff report:

(1) **The present and planned land uses in the area, including agricultural and open-space lands.**

Present Uses: The approximately 7,586 acres within the Adams and Fagan Canyon Expansion Areas that are within the sphere of influence are primarily undeveloped open space land, with agriculture (orchards) in limited areas.

Planned Uses - County: The County General Plan land use designates approximately 87% of the territory within the sphere of influence north of the City as “Open Space”, with the remaining 13% designated “Agricultural”. Thus, the planned uses are open space and agricultural uses.

Planned Uses – City: The City General Plan does not identify the location or extent of any planned land use designations within either Expansion Area, including agricultural and open-space lands.

(2) **Present and Probable Need for Public Facilities and Services in the Area.**

The territory in the Adams and Fagan Canyon Expansion Areas is primarily undeveloped open space land with agriculture (orchards) in some areas, thus there is no present need for public facilities and services in the area. The County’s Agricultural and Open Space General Plan and zoning designations will allow for the existing uses to continue, thus there is no probable need for public facilities and services in the area.

The City’s current General Plan does not include many of the basic requirements of a general plan for the Expansion Areas. Because the City has not identified the location or extent of land uses within the Expansion Areas, the location of urban development that would be in

need of public facilities and services is not known. Therefore, it is unknown whether the current sphere represents the probable boundary and service area of the City.

- (3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

The City's current General Plan does not include many of the basic requirements of a General Plan for the Expansion Areas. Information is not available to determine if the City's public facilities and services are adequate for future development within the Expansion Areas because the location, extent, and service needs of future development have not been identified or analyzed.

- (4) *Social or Economic Communities of Interest in the Area.*

Staff is not aware of any social or economic communities of interest within or adjacent to the current sphere of influence.

- (5) *Any disadvantaged unincorporated community within the existing sphere of influence.*

As defined by Section 56033.5 of the Government Code, a "Disadvantaged Unincorporated Community" (DUC) is a community with an annual median household income that is less than 80 percent of the statewide annual median household income. There are no DUCs within or contiguous to the City sphere of influence.

VENTURA LAFCo COMMISSIONER'S HANDBOOK

The Commissioner's Handbook (Handbook) is a compendium of the Commission's local policies. Division 4 contains policies and standards related to determining, updating, and amending sphere of influence boundaries. As discussed below, particular sections of the Handbook pertaining to spheres of influence merit consideration with regard to the sphere for Santa Paula.

Section 4.2.1 – Consistency with Voter Approved Growth Boundaries

Section 4.2.1 of the Handbook provides:

"For cities that have enacted ordinances that require voter approval for the extension of services or for changing general plan designations, sphere of influence boundaries should coincide with, or cover lesser area than, voter approved growth boundaries."

This policy does not indicate a preference that the CURB line is to be the basis for a sphere boundary, only that the maximum extent of the sphere is to be the CURB line. A sphere may cover

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less area where appropriate. The current City sphere of influence is consistent with this policy, as it covers lesser area than the CURB (the CURB extends beyond the sphere of influence to include approximately 1,165 acres that are not within the sphere of influence). In addition, each of the options to reduce the size of the sphere of influence presented to the Commission in this report is consistent with this policy, as each would result in the sphere of influence covering lesser area than the CURB.

CURBs and their related ordinances (often referred to as SOAR ordinances) are matters of local policy. Generally speaking, they limit a city's ability to extend services or change land use designations for area outside the CURB without the approval of city voters. The approval of city voters to amend the CURB merely authorizes the city to consider future development in that area. Though the location of the CURB as established by the voters may be one of the considerations of LAFCo when determining a sphere of influence, the action of a city's voters to amend the CURB does not obligate LAFCo to recognize the CURB as the probable future boundaries of the city. LAFCo must independently evaluate the appropriateness of including territory within a city's sphere of influence based on relevant provisions of LAFCo law and local LAFCo policies.

Section 4.3.1 – General Standards

This section provides that LAFCo favors sphere boundaries that, among other standards, “[c]oincide with existing and planned service areas.” (4.3.1.1(a)) As discussed in this report, there is insufficient land use, infrastructure, and public facility planning for the Expansion Areas. Therefore, it appears that the current sphere does not represent the planned service area for the City.

This section also provides that LAFCo discourages sphere boundaries that, among other standards, “create areas where it is difficult to provide services.” (4.3.1.2(b)) The sphere extends approximately 5 miles north of City boundaries and is approximately 3 miles wide. The area contains rugged topography, steep slopes, narrow canyons, and areas subject to flooding and landslides. Given the size of the area and the variety of constraints, it can be assumed that the provision of services to certain areas would be difficult. However, in the absence of adequate land use and infrastructure planning, the level of difficulty with providing services to the Expansion Areas is unknown.

Section 4.3.2 – Agriculture and Open Space Preservation

As noted previously in this report, in 2014 the Commission amended its policies pertaining to determining spheres of influence so that consideration is given to potential impacts to agricultural and existing open space lands as identified by the County's General Plan. Several hundred acres within the Expansion Areas are used for agriculture and appear to meet the definition of prime agricultural land pursuant to LAFCo law (Govt. Code § 56064). Several thousand acres of the

territory is considered to be open space and is devoted to open space uses, as defined by LAFCo law (Govt. Code §§ 56059 and 56060).

Pursuant to Handbook section 4.3.2.1:

“LAFCo will approve sphere of influence amendments and updates which are likely to result in the conversion of prime agricultural or existing open space land use to other uses only if the Commission finds that the amendment or update will lead to planned, orderly, and efficient development.”

In order for an update to result in “planned, orderly, and efficient development”, the Commission must determine that five specific criteria have been met. Though this policy most often applies to updates that expand a sphere, it is equally applicable to updates that retract a sphere. Indeed, Section 4.1.2 defines a sphere update to be, in short, a “modification of a sphere”. Furthermore, Section 4.1.4(c) acknowledges that sphere updates can include the removal of territory from a sphere. Therefore, it is appropriate for the Commission to consider this policy in the context of this sphere update. Thus, in order for the area to remain within the sphere, the Commission should determine that it meets the five specified criteria, each of which is listed and discussed below.

(a) The territory is likely to be developed within 5 years and has been designated for non-agricultural or open space use by applicable general and specific plans.

Though not specified in the Handbook, LAFCo’s practice has been to consider the general plan of a city to be the applicable general plan for any changes to that city’s sphere of influence. However, this policy assumes that the city general plan is complete and consistent with the requirements of state law for the affected area. As explained in this report, the City’s current General Plan does not include many of the basic requirements of a general plan for the Expansion Area, and thus should not be considered to be the applicable general plan. Moreover, the City General Plan does not designate any territory of the Expansion Areas for non-agricultural or open space use.

The County General Plan designates the entirety of the territory within the Expansion Areas as “Open Space” or “Agricultural”.

(b) Insufficient non-prime agricultural or vacant land exists within the sphere of influence of the agency that is planned and developable for the same general type of use.

The 1,500-unit, 500-acre East Area 1 Specific Plan, for which the Commission amended the City sphere, was annexed to the City in February 2013. Therefore, the City sphere contains vacant land that is planned and developable for the same general type of use as that contemplated within the Expansion Areas

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- (c) The proposal will have no significant adverse effects on the physical and economic integrity of other prime agricultural or existing open space lands.

Due to the inadequacy of land use planning in the Expansion Areas, it is unknown at this time the extent to which development in the area would affect other prime agricultural or existing open space lands.

- (d) The territory is not within an area subject to a Greenbelt Agreement adopted by a city and the County of Ventura. If a City proposal involves territory within an adopted Greenbelt area, LAFCo will not approve the proposal unless all parties to the Greenbelt Agreement amend the Greenbelt Agreement to exclude the affected territory.

The area is not within a Greenbelt Agreement.

- (e) The use or proposed use of the territory involved is consistent with local plan and policies.

The City General Plan is inconsistent with state requirements and does not adequately plan for the Expansion Areas in terms of the land use map, circulation plan, public facilities plan, open space plan, and conservation plan. As such, the locations and extent of land uses have not been identified or planned for as part of the City General Plan. Attempting to establish consistency with an incomplete plan serves little purpose.

Based on the above analysis, it appears that the current sphere of influence may not “lead to planned, orderly, and efficient development”.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Changes to spheres of Influence are normally considered to be projects subject to CEQA. LAFCo has the sole responsibility for taking action to review and update spheres of influence and is, therefore, considered to be the lead agency for this project. Pursuant to CEQA Guidelines § 15061, once a project is determined to be subject to CEQA, the lead agency shall determine whether the project is exempt from CEQA. A project is exempt from CEQA if, among other factors,

“The activity is covered by the general rule the CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.”
(Section 15061(b)(3))

For CEQA purposes, the options presented in this report for the City of Santa Paula sphere of influence review and/or update are exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, the “general rule” exemption. The options are exempt because it can be seen with certainty that there is no possibility that any of the three options may have a significant effect on the environment because the options either make no modifications to the sphere of influence or reduce the extent of territory that LAFCo has determined to represent the City’s probable physical boundaries and service area.

The territory within the Expansion Areas and the sphere of influence are within unincorporated County area and subject to the County General Plan and zoning. The territory consists of primarily undeveloped lands devoted to open space and agricultural uses. These uses are consistent with the County General Plan land use designations and County zoning as discussed previously in this report. The fact that these lands are currently within the sphere of influence for the City does not preclude their development consistent with the County General Plan. Thus, the removal of these lands from the City sphere of influence would result in no greater or lesser development potential than what exists currently. The current and allowable uses would remain consistent with the General Plan.

With respect for the Adam and Fagan Canyon Expansion Areas, the City’s General Plan does not contain many of the basic components outlined in state law. As such, the General Plan does not adequately plan for the area. Moreover, because the City has no land use authority within the subject area and no jurisdiction over changes to the sphere of influence, the City General Plan is not applicable. Thus, from a CEQA perspective, LAFCo’s actions to update the sphere of influence need not be consistent with the City General Plan.

In addition, the removal of the territory from the sphere of influence does not alter the City’s General Plan in any way. Only the City can amend its General Plan. Any development identified in the General Plan for the Expansion Areas would not be displaced to another area by LAFCo’s action. If the City determines that development in the Expansion Areas is no longer feasible or desirable, it could choose to amend the General Plan to remove development potential within the Expansion Areas. If the City determines that development is desirable elsewhere, it can pursue an amendment of the General Plan accordingly. However, these would be voluntary actions by the City and the City, as lead agency, would be responsible for complying with CEQA.

COMMISSION OPTIONS

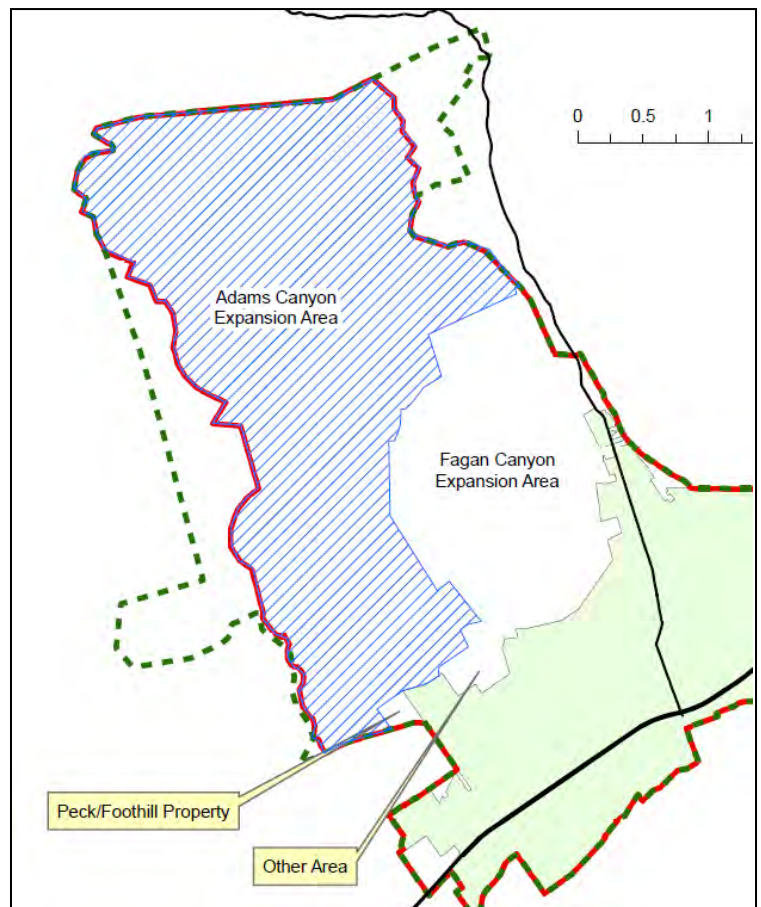
Staff has identified three options available to the Commission regarding the review and/or update of the City sphere of influence, as follows:

- Option 1: No change

Under this option, no changes would be made to the current sphere. This would allow the City to potentially annex an additional approximately 7,600 acres and expand to approximately three times its current size.

- Option 2: Remove Adams Canyon Expansion Area (See inset to right)

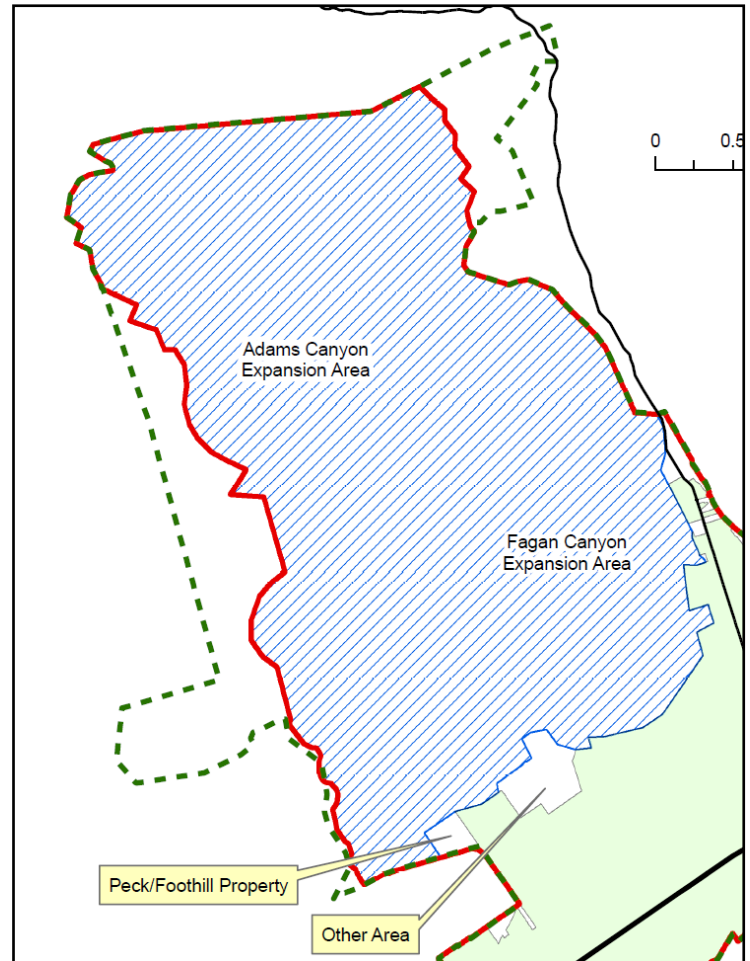
Under this option, the majority of the 5,413-acre portion of the Adams Canyon Expansion Area would be removed from the sphere of influence. Should the Commission choose this option, it is recommended that the 32-acre Peck/Foothill property remain within the sphere, as the City is currently processing a development proposal on this property. Staff also recommends that approximately 100 acres denoted as “Other Area” be retained in the sphere, as this area has been planned for as part of the General Plan and is identified for residential development.



- Option 3: Remove both Adams Canyon and Fagan Canyon Expansion Areas (See inset to right)

Under this option, the Commission would remove most of the approximately 7,600 acres of the sphere that are within the Adams Canyon and Fagan Canyon Expansion Areas. Similar to Option 2 above, should the Commission choose this option staff recommends that the 32-acre parcel at the Peck/Foothill intersection and the approximately 100 acres denoted as “Other Area” be retained in the sphere.

Should the Commission choose Option 2 or 3, the City would not be precluded from submitting an application for a concurrent sphere amendment and annexation at any time in the future subsequent to the adoption of a General Plan update and, if desired by the City, adoption of a specific plan.



PUBLIC NOTICE

Regarding public notice, Govt. Code Section 56427 provides:

The commission shall adopt, amend, or revise spheres of influence after a public hearing called and held for that purpose. At least 21 days prior to the date of that hearing, the executive officer shall give mailed notice of the hearing to each affected local agency or affected county, and to any interested party who has filed a written request for notice with the executive officer. In addition, at least 21 days prior to the date of that hearing, the executive officer shall cause notice of the hearing to be published in accordance with Section 56153 in a newspaper of general circulation which is circulated within the territory affected by the sphere of influence proposed to be adopted. The commission may continue from time to time any hearing called pursuant to this section.

Notice of the May 20 hearing was emailed to the City Manager and City Planning Director on April 23, 2015. Notice was also posted at the County Hall of Administration and published in the Ventura

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County Star on April 26. Though not required to do so, LAFCo staff emailed the public hearing notice to representatives of the property owners of the majority of the territory within the Expansion Areas on April 27.

- Attachments:
- (1) Resolution accepting the Municipal Service Review and approving the Statements of Determination for the City of Santa Paula.
 - (2) March 20, 2013 Staff Report
 - (3) Resolution to remove the Adams Canyon Expansion Area from sphere
 - (4) Resolution to remove both the Adams and Fagan Canyon Expansion Areas from sphere

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION ACCEPTING THE
MUNICIPAL SERVICE REVIEW AND APPROVING THE
STATEMENTS OF DETERMINATION FOR THE CITY OF
SANTA PAULA**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §56000 et seq.) requires each Local Agency Formation Commission (LAFCo or Commission) to conduct municipal service reviews prior to or in conjunction with sphere of influence studies and updates; and

WHEREAS, LAFCos are also required, as necessary, to review and update the spheres of influence for all agencies not less than once every five years; and

WHEREAS, the Ventura LAFCo has approved a work plan to conduct municipal service reviews and sphere of influence updates and the municipal service review for the City of Santa Paula is a part of that work plan; and

WHEREAS, the Ventura LAFCo has prepared a report titled "Municipal Service Reviews – Nine Ventura County Cities" that includes the City of Santa Paula; and

WHEREAS, the "Municipal Service Review – Nine Ventura County Cities" report contains draft statements of determinations as required by California Government Code §56430 for the City of Santa Paula; and

WHEREAS, the Ventura LAFCo Executive Officer gave notice of a public hearing by the Commission to consider the "Municipal Service Reviews – Nine Ventura County Cities" report and the statements of determinations necessary to comply with California Government Code §56430 for the City of Santa Paula; and

WHEREAS, the Ventura LAFCo Executive Officer has recommended that the municipal service review for the City of Santa Paula be determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to §15061(b)(3) of the CEQA Guidelines; and

WHEREAS, the municipal service review for the City of Santa Paula and the related recommended statements of determination were duly considered on November 14, 2012, as specified in the notice of hearing; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the recommended exemption from CEQA, the municipal service review and the written determinations for the City of Santa Paula, including, but not limited to, the "Municipal Service Reviews – Nine Ventura County Cities" report and the Executive Officer's report and recommendations;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Ventura Local Agency Formation Commission as follows:

- (1) The service review for the City of Santa Paula as contained in the Municipal Service Reviews – Nine Ventura County Cities report, together with the related statements of determination, are determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to §15061(b)(3) of the CEQA Guidelines.
- (2) The Commission directs staff to file a Notice of Exemption as the lead agency under Section 15062.
- (3) The Commission accepts the “Municipal Service Reviews – Nine Ventura County Cities” report as presented to the Commission on November 14, 2012, including any corrections and revisions accepted at the public hearing and authorizes the Executive Officer to make other minor, non-substantive revisions to this report for accuracy and completeness.
- (4) The Executive Officer's staff report recommending acceptance of the municipal service review report for the City of Santa Paula, dated November 14, 2012, is hereby adopted.
- (5) Pursuant to California Government Code §56430 the following statements of determination are hereby approved for the City of Santa Paula:

A. Growth and population projections for the affected area

According to the State Department of Finance, the City's population as of January 1, 2012 was estimated to be 29,882. If the 0.38 percent average annual growth rate of the past 12 years continues, population projections for the City are:

	2012	2015	2020	2025	2030
City Population	29,882	30,224	30,803	31,392	31,993

If all of the anticipated development projects that are identified in the General Plan were to be built, and additional approximately 8,825 residents would be added to the City.

B. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

As defined by Section 56033.5 of the Government Code, a “Disadvantaged Unincorporated Community” (DUC) is a community with an annual median household income that is less than 80 percent of the statewide annual median

household income. There are no DUCs within or contiguous to the City sphere of influence.

C. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies

Fire services:

- The City's Fire Department provides fire protection and related services within and adjacent to the City.
- The City relies on firefighter/EMT volunteers to operate two engine companies. Based on information obtained in recent budgets, without volunteers, the City's current funding would provide for only a single engine company. However, this volunteer program on which the City has relied since 2005 has enabled the City to meet its response time goals the overwhelming majority of the time.
- Additional fire protection staffing, equipment, and facilities will be required to provide services to future development anticipated in the City's General Plan. Though plans are in place to provide for adequate staffing and facilities to serve the East Area 1 and East Area 2 development projects, no plans appear to be in place to provide and fund the facilities and staffing necessary to provide adequate fire protection services to development anticipated in the Adams and Fagan Canyon Expansion Areas. Without additional fire resources to serve future development, current services may be adversely impacted.

Police services:

- The City's goal is to provide 1 sworn officer per 800 residents. The City's current ratio is 1 sworn officer per 1,150 residents. The ratio has fallen in recent years from a high of 1 officer per 912 residents. The City's decreased staffing levels have corresponded to significant increases in police response times to both emergency and non-emergency calls.
- To maintain or increase the existing ratio of 1 sworn officer to 1,150 residents as well as response times, buildout of the General Plan will require additional officers, support staff, and equipment. The fiscal analysis conducted for the East Area 1 Specific Plan demonstrated that the development would generate adequate revenue to fund additional police personnel. Information is not available at this time to determine whether other future development will provide adequate revenue to fund the additional staffing and equipment that will be needed.

Recreation and park services:

- The City provides a wide range of park facilities and recreation programs.

- The City's goal is to provide 5 acres of park space per 1,000 residents. The City operates and maintains approximately 58 acres of developed parkland and parkland equivalent, a ratio of 5 acres per approximately 2,576 residents.
- To meet the City's parkland goal for the current population, a total of 149 acres of parkland would be necessary.

Solid waste services:

- The City contracts with a refuse collection company for solid waste collection and disposal services. Customers are billed directly by the service provider for these services.
- The sale of the City's waste hauling vehicles provided one-time revenues in 2011-12 (\$575,000) and 2012-13 (\$858,875). Ongoing revenues of \$405,000 in franchise fees and rentals are anticipated.

Streets and highways:

- The City provides street maintenance, street sweeping, landscaping maintenance, and storm drain maintenance services. Street lighting services are provided by a private contractor.
- The streets maintenance function of the Public Works Department has experienced substantial staff reductions since 2009.
- Needed storm drain improvements identified in the 2008 Storm Drain Master Plan have not been funded or constructed.

Potable and recycled water:

- The City provides potable water within and adjacent to the City. The City's water supply comes exclusively from groundwater.
- The City's current groundwater allocation is adequate to meet current demands.
- The City's future water supplies appear to be adequate to meet future demands resulting from anticipated development. However, it is unclear at this time whether future development will generate sufficient revenue to cover the costs to construct, operate, and maintain the infrastructure necessary to deliver potable water, particularly to the Adams and Fagan Canyon Expansion Areas.
- The City anticipates that beginning in 2015, it will provide recycled water from the recently completed Water Recycling Facility to new development anticipated in the General Plan. However, demand projections for recycled water appear to be based on levels of future development that have since been substantially decreased. It is not clear whether it will be cost effective to install and maintain the infrastructure necessary to deliver recycled water to future development, particularly development in the Adams and Fagan Canyon Expansion Areas.

Wastewater:

- The City provides wastewater collection and treatment services to the City and to adjacent areas.
- The City entered into a contract with a private company to finance, design, build, and operate a new wastewater treatment and water recycling facility for 30 years. The new treatment facility was completed in 2010 with a treatment capacity of 4.2 million gallons per day. It appears that the facility has the capacity to provide wastewater treatment services for the City.
- Significant sections of the City's wastewater collection system are currently in poor condition and/or are over capacity and in need of replacement.
- It appears that the new wastewater treatment facility has adequate capacity to accommodate wastewater treatment demands resulting from future development anticipated in the General Plan.
- Future development anticipated in the General Plan will require substantial expansion of the City's wastewater collection system and will result in capacity deficiencies in some portions of the existing system. Information is not available at this time whether future development will generate adequate revenue to cover the costs to construct, upgrade, operate, and maintain the infrastructure necessary to provide wastewater collection, particularly to the Adams and Fagan Canyon Expansion Areas.

D. Financial ability of agencies to provide services

- At present, it appears that the City has the financial ability to provide a full range of municipal services. However, the levels of various services have decreased and service charges/rates paid by residents have increased, which is understandable due to revenue shortfalls and other budget constraints.
- According to the fiscal analysis prepared for the East Area 1 Specific Plan development, for which LAFCo approved a sphere of influence amendment and reorganization in 2011, the development will generate adequate revenue to fully fund all necessary City services.
- Due to their close proximity to existing service infrastructure, streets, and other City facilities the extension of services to the East Area 2 and West Area 2 Planning areas, as well as the Stewart Property, is likely to be cost effective. This is particularly true given that the majority of development in these areas is anticipated to be revenue-generating commercial and industrial uses.
- Given the large geographical extent of the Adams and Fagan Canyon Expansion Areas, the cost of extending, operating, and maintaining service infrastructure and facilities in these areas will likely be substantial based on the level of development anticipated in the current General Plan. Due to the fact that

planning in the way of land use, infrastructure, circulation, and financing for these areas has not yet occurred, the costs to provide services to them, as well as the sources of revenue to cover those costs, have not been identified. Given that development in each expansion area is currently limited to fewer than 500 residential units and a limited amount of revenue-generating commercial development, it is unclear whether development in these areas would be financially feasible.

- The fiscal year 2012-13 adopted budget provides \$179,052 for contingencies, or 1.6 percent of General Fund operating expenses. Thus, if actual revenues are 1.6 percent less than anticipated or actual costs are 1.6 percent greater than anticipated, funds may have to be diverted and City operations may be impacted.

E. Status of, and opportunities for, shared facilities

- The City actively cooperates with other agencies as appropriate to share facilities.
- The City has a formal joint use agreement with the Santa Paula Elementary School District for shared park and recreational facilities. Fire dispatch service is shared and provided by the Ventura County Fire Protection District.
- No other obvious additional opportunities for shared facilities were noted.

F. Accountability for community service needs, including governmental structure and operational efficiencies

- The City is locally accountable through an elected legislative body, adherence to applicable government code sections, open and accessible meetings, dissemination of information, and encouragement of public participation.
- The City's accountability to community service needs is reflected in the following objectives as described in the fiscal year 2012-13 adopted budget:
 - Traffic Safety
 - Respond within 30 minutes to all requests from dispatch regarding traffic hazards.
 - Repair/replace all damaged regulatory signs, advisory signs, and informational signs within two week of report.
 - Remove graffiti from all signs, sign posts, and signal light posts within 24 hours of report
 - Repair all City-owned street lighting fixtures within two weeks of report. Forward street lighting repair needs to Southern California Edison with 72 hours of notice.
 - Water Quality

- Respond within 30 minutes to sewage overflows; contain, report, and clean up overflow.
- Investigate all customer concerns within 30 minutes.
- Respond within 30 minutes to low-hazard spills or vehicle collision Hazmat clean up requests.
- Water Service
 - Respond within 15 minutes to all requests regarding serious system water leaks
 - Respond within 30 minutes to all daytime and after hours requests regarding water distribution.
- Wastewater
 - Keep leaks and overflows to less than 1 per month.
 - Establish a "hot spots" (problem areas) maintenance program.
- The City maintains a web site that contains basic public information and has made various improvements to it since the 2007 MSR. The City now posts current and past operating and CIP budgets and the General Plan.
- The City could substantially improve its web site for the purpose of local accountability and governance by posting staff reports linked to both City Council and Planning Commission agendas. In addition, due to the fact that the US Census reported that 59 percent of City residents speak other than English at home, the City should consider providing a bilingual format for the website. The City currently provides some public notices in Spanish and provides bilingual staff in each department. Until last year, City Council meetings were simulcast in Spanish.
- Meetings of the City Council are broadcast live by the City's franchise cable TV operator and rebroadcast multiple times in the week following the meeting.
- To achieve operational efficiencies for storm water quality purposes, the City is covered under the County's National Pollutant Discharge Elimination System permit.

G. Any other matter related to effective or efficient service delivery, as required by Commission policy

- No other matters were identified.

This resolution was adopted on November 14, 2012.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Long	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Pringle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Dandy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Ford-McCaffrey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date


Chair, Ventura Local Agency Formation Commission

Cc: City of Santa Paula



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: March 20, 2013

TO: LAFCo Commissioners

FROM: Kai Luoma, Deputy Executive Officer

SUBJECT: LAFCo 13-02S City of Santa Paula Sphere of Influence Review
(Continued from January 16, 2013)

RECOMMENDATIONS:

It is recommended that the Commission approve one of the following options:

Option 1 - Review the sphere of influence for the City of Santa Paula and determine that no update is necessary.

Option 2 - Adopt the attached Resolution (Attachment 10) making determinations and updating the sphere of influence for the City of Santa Paula to remove the Adams Canyon Expansion Area from the sphere of influence for the City of Santa Paula, consistent with Option 2 as discussed in the Staff Report.

Option 3 - Adopt the attached Resolution (Attachment 11) making determinations and updating the sphere of influence for the City of Santa Paula to remove both the Adams Canyon and Fagan Canyon Expansion Areas from the sphere of influence for the City of Santa Paula, consistent with Option 3 as discussed in the Staff Report.

BACKGROUND:

Santa Paula Sphere of influence

The Santa Paula sphere of influence (sphere) encompasses approximately 11,330 acres (17.7 square miles), of which approximately 3,550 acres (5.5 square miles) is within the City of Santa Paula boundary and approximately 7,780 acres (12.2 square miles) is unincorporated territory (Attachment 1). This makes it the largest city sphere in the County

COMMISSIONERS AND STAFF

COUNTY: Kathy Long Linda Parks, Vice Chair <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse Janice Parvin <i>Alternate:</i> Carol Smith	DISTRICT: Bruce Dandy Gail Pringle, Chair <i>Alternate:</i> Elaine Freeman	PUBLIC: Linda Ford-McCaffrey <i>Alternate:</i> Lou Cunningham
Executive Officer: Kim Uhlich	Dep. Exec. Officer Kai Luoma	Office Mgr/Clerk Debbie Schubert	Legal Counsel Michael Walker

despite the fact that Santa Paula is the fourth smallest city by area. In addition, it is the only city in the county for which the area of unincorporated territory within its sphere exceeds the total area within the city boundary. The following table lists the acreage within the boundary of each city and the acreage of unincorporated area within each city's sphere:

City	City Area within Sphere*	Unincorporated Area within Sphere*
Fillmore	2,111	0
Moorpark	7,982	0
Port Hueneme	2,888	0
Thousand Oaks	35,435	1,921
Camarillo	12,594	2,048
San Buenaventura	14,182	2,180
Ojai	2,795	2,364
Oxnard	17,219	2,800
Simi Valley	27,052	4,003
Santa Paula	3,550	7,783

* Excludes offshore area

More specifically, the amount of unincorporated area within the Santa Paula sphere is more than 2 times larger than the area of the City. The following table lists in order the percentage increase in the size of each city if the unincorporated territory within each sphere were to be annexed:

City	Percentage Increase in City Area if all Territory within Sphere were to be Annexed
Fillmore	0.0%
Moorpark	0.0%
Port Hueneme	0.0%
Thousand Oaks	5.4%
Simi Valley	14.8%
San Buenaventura	15.3%
Oxnard	16.3%
Camarillo	16.4%
Ojai	84.6%
Santa Paula	219.2%

In 1998, the City updated its General Plan to (among other revisions) include two "Expansion Areas" north of the City: the 5,413-acre Adams Canyon Expansion Area and the 2,173-acre Fagan Canyon Expansion Area. At the time, both areas were located outside of the City sphere. In 1999, the City filed a request with LAFCo to amend the City sphere to include both Expansion Areas. After multiple meetings involving hundreds of speakers and thousands of pages of correspondence, the Commission initially approved

the inclusion of only the Fagan Canyon Expansion Area within the sphere. The denial of the request to include the Adams Canyon Expansion Area was primarily due to concerns about the capacity of the City to provide services. The City subsequently filed a request for reconsideration accompanied by a white paper report which included a discussion of how the City would provide services. The Commission considered the reconsideration request in 2000 and, partly based on the white paper report, approved the sphere amendment to include both Expansion Areas.

City of Santa Paula White Paper Report – Sphere of Influence

The City's white paper report was intended "to give a broad overview of how Santa Paula will solve some of the more pressing issues" relating to City services and the infrastructure needed to serve proposed development within the Expansion Areas. In short, the white paper outlined the various General Plan policies that might apply to a development project within the Expansion Areas, as well as the City's plans to adopt impact fees and other requirements to which development would be subject. The report acknowledges that little in the way of planning has occurred within the Expansion Areas in terms of land use, circulation, infrastructure, public facilities, and open space. The report specified that the next step after inclusion of these areas within the sphere would be the development of a specific plan for each area, in which planning and the provision of services would be addressed. The white paper also indicates that in order to prepare for development in the Expansion Areas, the City was working on a number of studies, including "detailed infrastructure planning and impact analysis across the boards [sic]." These were to include capital facilities plans for water, sewer, transportation, drainage, parks and recreation, and general services.

In 2005, the City approved a request to amend the General Plan and a specific plan in Fagan Canyon. The approved project increased the number of allowable units in Fagan Canyon from 450 to 2,155 and allowed for an increased amount of commercial development. This project was the subject of a referendum effort and was subsequently rejected by voters, as discussed in more detail later in this report. To date there are no approved specific plans for either Expansion Area and staff is aware of no detailed land use or infrastructure planning for the Expansion Areas having been conducted by the City.

History of Development Proposals in Adams and Fagan Canyons 1998-2007

Since the adoption of the General Plan Update in 1998 and the approval of the sphere amendment in 2000, both the Adams Canyon and Fagan Canyon Expansion Areas have been the focus of several development proposals. In addition, both Expansion Areas have been subject to voter initiatives regarding development. The following timeline outlines the history of various actions that have affected past development proposals in each Expansion Area:

- 1998 – The City of Santa Paula General Plan Update identifies development in the Adams Canyon and Fagan Canyon Expansion Areas. Adams Canyon development was to include up to 2,250 residential units, 152,000 square feet of commercial

development, 2 hotels, 2 golf courses, schools, and recreational uses on 5,413 acres (8.5 square miles). Fagan Canyon was to include up to 450 residential units and a limited amount of commercial development on 2,173 acres (3.4 square miles). The General Plan Update did not include a land use map, infrastructure plan, circulation plan, or open space plan for either Expansion Area.

- 2000
 - LAFCo amends sphere of influence to include both Expansion Areas.
 - City voters approve SOAR to include Fagan Canyon within the City Urban Restriction Boundary (CURB) line. Adams Canyon is not included within the CURB line.
- 2002 – City voters reject a developer-backed initiative to amend the CURB line to include Adams Canyon to allow for potential annexation and development consistent with the General Plan.
- 2003 – City voters approve an amendment to the CURB to include a 32-acre parcel abutting the City (the Peck/Foothill Property).
- 2005 – Santa Paula City Council approves a General Plan amendment and development project in the Fagan Canyon Expansion Area, which allows for the development of up to 2,155 residential units, commercial development, schools, and other uses.
- 2006
 - City residents gather enough signatures to place a referendum on the ballot to overturn the Fagan Canyon development project approved by the City Council in 2005.
 - City Council rescinds approval of the previously approved development project in Fagan Canyon and places the project on the ballot subject to voter approval.
 - Voters reject General Plan amendment and development project in Fagan Canyon.
 - City voters reject a second developer-backed initiative to include Adams Canyon within the CURB line to allow for potential annexation and development of 495 dwelling units.
 - After collecting enough signatures to qualify for the ballot, voters approve a measure that requires voter approval in order to increase development density on property over 81 acres in size through 2020. This measure applies to all lands within the General Plan planning area.
- 2007 – City voters approve a third developer-backed initiative to develop Adams Canyon. The approved initiative amended the General Plan and CURB line to enlarge the Adams Canyon Expansion Area from 5,413 acres to 6,578 acres (10.3 square miles) and allowed for development of up to 495 units, a hotel, and a golf course. As a result, the Adams Canyon Expansion Area and the CURB now include an additional 1,165 acres (1.8 square miles) of territory located outside the current sphere of influence.

The current extent and the number of acres in the Adams Canyon and Fagan Canyon Expansion Areas are depicted on Attachment 2.

East Area 1 Sphere Amendment

The most recent amendment to the City sphere of influence approved by LAFCo occurred in 2011 as part of the East Area 1 Specific Plan project, which included a sphere of influence amendment and reorganization to annex approximately 550 acres to the City to allow for the development of 1,500 residential units and several hundred thousand square feet of commercial and various other uses. The Commission found that the project would lead to the conversion of prime agricultural land. When a sphere of influence amendment will lead to the conversion of prime agricultural land, Commission policies provide that the development must meet five criteria in order to be considered "planned, orderly, and efficient development" (Handbook Section 4.3.2.1). One of these criteria provides that the Commission find that "Insufficient non-prime agricultural or vacant land exists within the sphere of influence of the agency that is planned and developable for the same general type of use." The Commission determined that this criterion could not be met because Adams and Fagan Canyons contained such vacant lands. To address the potential policy inconsistency that would occur if the Commission were to approve the East Area 1 sphere amendment, the Commission adopted the following condition as part of its approval of the East Area 1 sphere of influence amendment:

"Upon this sphere of influence amendment becoming effective, the Commission directs staff to include an amendment to the City sphere of influence removing the area known as Adams Canyon in conjunction with the next sphere of influence review and update scheduled for the City."

LAFCo Municipal Service Reviews

For each city and special district LAFCo must determine and adopt a sphere of influence. A sphere of influence is defined as a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code §56077). Effective January 1, 2001 each LAFCo is required to review and, as necessary, update the sphere of influence of each city and special district on or before January 1, 2008, and every five years thereafter (Government Code §56425(g)). Prior to updating a sphere, LAFCo is required to conduct a municipal service review (MSR) (Government Code §56430).

In March 2007 LAFCo accepted a MSR report for the City. In June 2007, LAFCo reviewed the City of Santa Paula sphere of influence and, in acknowledgment of the action taken by the voters in the previous month to amend the City's CURB to include the Adams Canyon area, reaffirmed the continued inclusion of both the Fagan and Adams Canyon areas in the sphere. However, LAFCo did not include the additional areas to the west and to the northeast of Adams Canyon despite their being included in the CURB due to what was considered by LAFCo staff to be imprecise mapping of the area. In the southwesterly portion of the City, area was removed from the sphere to align it with the City boundary and the CURB, and in the southeasterly part of the City, to align with parcel boundaries rather than the more imprecise floodplain boundaries. And finally, minor changes were made to other portions of the sphere to align it with parcel boundaries.

Based on a work plan for the second round of sphere reviews adopted by the Commission in May 2008, sphere of influence reviews for each of the nine cities was scheduled for completion in 2012. On November 14, 2012, the Commission accepted a MSR for the cities, including Santa Paula. The sphere of influence review/update for the City of Santa Paula was scheduled for the January 16, 2013 LAFCo meeting. The MSR determinations generally found that the City was able to adequately and efficiently provide services within City boundaries and within areas adjacent to City boundaries slated for future annexation. However, the MSR determined that due to insufficient planning for the Expansion Areas, it is unclear whether the City has the ability or capability to efficiently provide services to these areas. At the January 16 meeting, the Commission approved a request by the City to continue the item to the March 20, 2013 meeting.

DISCUSSION:

To determine a sphere of influence, the Commission must make written determinations with respect to each of the following:

- (1) *The present and planned land uses in the area, including agricultural and open-space lands.*
- (2) *The present and probable need for public facilities and services in the area.*
- (3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*
- (4) *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*
- (5) *The present and probable need for sewer, water, and structural fire protection services of any disadvantage unincorporated community within the existing sphere of influence.*

These five considerations are discussed below.

Present and Planned Land Use

The territory in the Adams and Fagan Canyon Expansion Areas is primarily undeveloped land, with agriculture (orchards) in some areas. The County General Plan designates most of the territory as Open Space – Urban Reserve. Several hundred acres are designated Agriculture – Urban Reserve. The “Urban Reserve” designation acknowledges that the area is within the City’s sphere.

There are two subareas, one within and one adjacent to, the Adams Canyon and Fagan Canyon Expansion Areas that warrant special consideration: the “Peck/Foothill Property” and the approximately 100 acres of undeveloped land denoted as “Other Area” on Attachment 1. In 2003, voters elected to include the 32-acre Peck/Foothill property within the CURB line. It became part of the Adams Canyon Expansion Area as part of the vote to include Adams Canyon within the CURB in 2007. The City is currently processing an application for development of 79 residential units on this 32-acre site. This development is not associated with the larger development that was envisioned for the remainder of Adams Canyon in 2007. The “Other Area” is not a part of either Expansion Area and has been

within the sphere prior to 2000. It is identified on the General Plan land use map for "Hillside Residential" development. Therefore, the general location, type, and density of planned development of this area are known, and thus its service needs can be anticipated. Staff recommends that both of these areas remain within the sphere.

The City General Plan identifies the following development potential for each Expansion Area:

Expansion Area	Use/Acreage
Adams Canyon - 6,578 acres (5,413 acres within current sphere of influence)	Residential - 495 dwelling units
	One resort hotel
	One golf course
	One school - 40 acres
	Recreation - 100 acres
	Open space - 200 acres
Fagan Canyon - 2,173 acres	Single family residential – 450 dwelling units on 1,953 acres
	Commercial – 76,230 square feet on 5 acres
	Active parks - 7 acres
	Open space - 208 acres

The above table generally represents the current extent of land use planning contained on the City General Plan land use map for the two Expansion Areas (see the City General Plan Land Use Map, Attachment 3). Otherwise, there is limited information as to the general location of land uses, infrastructure, roads, public facilities, natural resources, and hazards within the 13.7 square miles of area contained within the Expansion Areas. This information is required to be part of a General Plan, as discussed below:

- **Land Use** – The General Plan identifies the type of development that is to occur within the Expansion Areas, such as the overall number of residences and acreage for schools, parks, and commercial uses. However, it contains no land use map depicting where within the Expansion Areas these uses are planned to occur. Govt. Code § 65302 provides that a General Plan shall include "a diagram or diagrams and text setting forth the objectives, principles, standards, and plan proposals" (underline added). Section 65302 continues that the land use element shall designate the "proposed general distribution and general location and extent of the uses of the land for housing, business, industry, open space, including agriculture, natural resources, recreation, and enjoyment of scenic beauty, education, public buildings and grounds, solid and liquid waste disposal facilities, and other categories of public and private uses of land..."
- **Circulation**: General Plan law requires that a circulation element be included "consisting of the general location and extent of existing and proposed major thoroughfares, transportation routes...and other local public utilities and facilities, all correlated with the land use element of the plan." Though the circulation element identifies which existing streets might be extended to access the Expansion Areas, it contains no circulation

- plans for future thoroughfares and transportation routes within the Expansion Areas themselves. In addition, no plans for local public utilities or facilities are included.
- Open Space/Conservation: State law also requires that a conservation element and open space plan are to be included in the General Plan. The City General Plan text discusses the existence of habitat, agriculture, geological hazards, and other resources/hazards within the Expansion Areas; however, no plan/map that identifies the location of the resources to be preserved and the hazards to be avoided is provided.

In January 2013, LAFCo staff met with two property owners in Fagan Canyon, Bruce Dickinson and Mike Mobley, and Simon Malk of Accretive Investments, Inc. a development company. Also in attendance was Ron Rakunas representing the primary property owner in Adams Canyon. At the meeting, LAFCo staff was provided a conceptual development plan for southern Fagan Canyon adjacent to the City boundary. The conceptual plan includes development of up to approximately 1,900 residential units on what appear to be urban-sized lots (likely under 10,000 square feet). Although the plan depicts land uses and roads in greater detail than the General Plan, it does not demonstrate that access, infrastructure, and other public facilities necessary to serve the development are feasible. Moreover, the plan has not yet been submitted to the City for review. It should also be noted that the conceptual development plan is inconsistent with the City General Plan, which currently allows up to 450 units in Fagan Canyon. Any proposed increase in the number of units allowed by the General Plan would be subject to a public vote. As noted previously in this report, voters rejected a 2,155-unit residential development in Fagan Canyon in 2006. Thus, the probable level of services needed in Fagan Canyon is unknown at this time.

The City adopted a growth management ordinance in the 1980s. The ordinance generally restricts new residential development to 124 units per year. Unused units are carried over and added to future years. The City General Plan Land Use Element provides several objectives, policies, and implementation measures which provide that the City is to adhere to the City's Growth Management Ordinance. These include Policy 1.b.b. which provides, "Allow population growth in the City and expansion and planning areas based on the numbers of new dwelling units allowed to be built under the Growth Management Ordinance." According to the City's Housing Element (adopted April 2012), as of January 2008, there were 1,909 accumulated residential units available. In the five years between 2008 and 2013, an additional 620 units will have accumulated, for a total of 2,529. According to the Housing Element, as of 2012 there were 255 units that were approved or were under construction. In addition, the East Area 1 project has been allocated 1,500 units. It appears another 159 units are allocated to vacant residential property within the City. In addition, the City is currently processing a proposal to develop 79 units on the Peck/Foothill property which, if approved, would reduce the number of available units to approximately 541. The General Plan allows for development of up to 495 units in Adams Canyon and 450 units in Fagan Canyon. Thus, it appears that there are currently not an adequate number of units available to develop both the Adams and Fagan Canyon Expansion Areas consistent with the current General Plan. It appears that a General Plan amendment to allow for the development of up to 1,900 units in Fagan Canyon would

substantially increase the disparity between the number of units available and the number of units allowed for under the General Plan.

Present and Probable Need for Public Facilities and Services in the Area

That portion of the Adams and Fagan Canyon Expansion Areas that is within the sphere of influence is generally rectangular in shape and measures approximately 2.5 miles wide by 5 miles long. The primary land use anticipated by the City General Plan in the Expansion Areas is residential. At an average of 3.5 persons per unit, the 945 units allowed within the Expansion Areas would accommodate approximately 3,300 new residents within an area that is larger than the City of Moorpark. From a population perspective, the City General Plan envisions an approximately 220 percent increase in the size of the City to accommodate an approximately 11 percent increase in population. Based on the total acreage within each Expansion Area identified for residential development and the number of residential units allowed for in the General Plan, the overall residential densities envisioned by the City General Plan are as follows:

	Acres	Units	Average Density
Adams Canyon	6,000* acres of potential residential development (9.4 sq. mi.)	495	1 unit / 12.1 acres
Fagan Canyon	1,953 acres of residential development (3.1 sq. mi.)	450	1 unit / 4.3 acres
Total	7,953 acres (12.5 sq. mi)	945	1 unit / 8.4 acres

*Excludes area identified for school (40 acres), recreation (100 acres), open space (200 acres) and hotel/golf course (estimate of 238 acres)

The aforementioned development densities are typically not considered to be urban or even suburban in terms of requiring a full array of urban services. Instead, the overall average total density of 1 unit per 8.4 acres is close to that allowed in the County of Ventura's Open Space General Plan designation (10 acre minimum lot sizes). According to the Guidelines for Orderly Development (which LAFCo has adopted as local policy), residential development is defined as urban if it consists of lots less than two acres in size. If development in this area is to occur on large rural lots, the probable need for urban-type services may not be sufficient to support annexation to the City.

Present Capacity of City Facilities and Adequacy of City Services

The 2012 MSR for the Nine Ventura County Cities includes a determination that the City of Santa Paula's facilities and services are adequate to serve development anticipated for the areas within the sphere of influence that are in close proximity to the City, such as East Area 1 and East Area 2. The MSR notes that the City General Plan does not contain basic land use and infrastructure planning for the Adams and Fagan Canyon Expansion Areas as required by state law. Due in part to this absence of information, the Commission approved the following MSR determinations regarding the City's planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies:

- Fire services: "...no plans appear to be in place to provide and fund the facilities and staffing necessary to provide adequate fire protection services to development anticipated in the Adams and Fagan Canyon Expansion Areas. Without additional fire resources to serve future development, current services may be adversely impacted."
- Police services: "Information is not available at this time to determine whether other future development [including Adams and Fagan Canyon] will provide adequate revenue to fund additional staffing and equipment that will be needed."
- Potable and recycled water: "...it is unclear at this time whether future development will generate sufficient revenue to cover the costs to construct, operate, and maintain the infrastructure necessary to deliver potable water, particularly to the Adams and Fagan Canyon Expansion Areas."

"...demand projections for recycled water [from the City's Urban Water Management Plan] appear to be based on levels of future development that have since been substantially decreased. It is not clear whether it will be cost effective to install and maintain the infrastructure necessary to deliver recycled water to future development, particularly development in the Adams and Fagan Canyon Expansion Area."

- Wastewater: "Future development anticipated in the General Plan will require substantial expansion of the City's wastewater collection system and will result in capacity deficiencies in some portions of the existing system. Information is not available at this time whether future development will generate adequate revenue to cover the costs to construct, upgrade, operate, and maintain the infrastructure necessary to provide wastewater collection, particularly to the Adams and Fagan Canyon Expansion Areas."

Regarding the City's financial ability to provide services to the Expansion Areas, the Commission determined:

"Given the large geographical extent of the Adams and Fagan Canyon Expansion Areas, the cost of extending, operating, and maintaining service infrastructure and facilities in these areas will likely be substantial based on the level of development anticipated in the current General Plan. Due to the fact that planning in the way of land use, infrastructure, circulation, and financing for these areas has not yet occurred, the costs to provide services to them, as well as the sources of revenue to cover those costs, have not been identified. Given that development in each expansion area is currently limited to fewer than 500 residential units and a limited amount of revenue-generating commercial development, it is unclear whether development in these areas would be financially feasible."

The level of planning that is necessary to evaluate a City's capacity to efficiently provide services in an area to be included within a sphere can typically be found in a General Plan that has been prepared and adopted consistent with state law. The level of detail need not be that of a specific plan or project entitlements. However, the City's current General Plan does not include many of the basic requirements of a General Plan and thus, does not provide adequate information to determine whether the current sphere represents the probable boundary and service area of the City.

Social or Economic Communities of Interest in the Area

Although LAFCo law does not define a social or economic community of interest, a community of interest is generally understood to be a group of people that can be identified by common social, political, economic, or ethnic similarities. The shared characteristics that contribute to a community of interest may include class or socio-economic status, race, ethnicity/culture, language, religion, occupations/industry, transportation patterns, family structures, population age, housing patterns, trading/shopping patterns, geography/climate, or shared history among other factors. According to City staff, the majority of development in Adams Canyon would likely occur in the northern portion of the Expansion Area where terrain is generally less steep. This area is geographically and physically separated from the remainder of the City by a distance of several miles and by intervening areas of steep topography. A preliminary fiscal analysis provided to the City by the developer in support of the 2007 CURB initiative assumes that an assessment district will fund all on-going operations and maintenance of public facilities and infrastructure. In addition, it assumes that the 495 dwelling units will be sold for an average price of \$3 million, have an annual appreciation rate of 3%, and be occupied by households with an average annual income of \$600,000, only half of whom will reside there full time. Thus it appears that the plan for this area is intended to result in an exclusive community that is separated geographically, physically, economically, and socially from the remainder of the City.

However, it appears that the development of 495 multimillion-dollar residential units is not certain. Currently, the City is processing a request to subdivide a 32-acre parcel within the Adams Canyon Expansion Area into 79 residential parcels of approximately 10,000 square feet (the Peck/Foothill property). If approved, the number of allowable units remaining within the Expansion Area would be reduced to 416. In addition, according to the white paper report prepared by the City to support inclusion of the Expansion Areas within the sphere in 2000, development proposals in Adams and Fagan Canyons "cannot conform to the hundreds of goals, policies, objectives, and implementation measures obtained in the General Plan if the projects propose nothing but high income housing. The development proposals will need to include the full range of housing types..." It is important to note that one of the factors to be considered by LAFCo in the review of an annexation proposal is the extent to which the proposal will affect a city in achieving its fair share of regional housing needs.

Based on the preliminary fiscal analysis, it appears that the development of a social/economic community of interest comprised of 495 multimillion-dollar homes occupied by high-income households is necessary to ensure that the project is financially feasible.

However, it appears that the development of 495 multimillion-dollar homes may not occur, is inconsistent with the information provided to LAFCo to justify the inclusion of Adams Canyon within the sphere, is inconsistent with the goals, policies, and implementation measures of the City General Plan, and would not help the City in meeting its regional housing needs obligation.

Any disadvantaged unincorporated community within the existing sphere of influence

As defined by Section 56033.5 of the Government Code, a "Disadvantaged Unincorporated Community" (DUC) is a community with an annual median household income that is less than 80 percent of the statewide annual median household income. There are no DUCs within or contiguous to the City sphere of influence.

VENTURA LAFCo COMMISSIONER'S HANDBOOK

The Commissioner's Handbook (Handbook) is a compendium of the Commission's local policies. Division 4 contains policies and standards related to determining, updating, and amending sphere of influence boundaries. As discussed below, two of the Handbook sections pertaining to spheres of influence merit consideration with regard to the sphere for Santa Paula.

Section 4.3.1 – General Standards

This section provides that LAFCo favors sphere boundaries that, among other standards, "[c]oincide with existing and planned service areas." (4.3.1.1(a)) As discussed in this report, there is insufficient land use, infrastructure, and public facility planning for the Expansion Areas. Therefore, it appears that the current sphere does not represent the planned service area for the City.

This section also provides that LAFCo discourages sphere boundaries that, among other standards, "create areas where it is difficult to provide services." (4.3.1.2(b)) The sphere extends approximately 5 miles north of City boundaries and is approximately 2 miles wide. The area contains rugged topography, steep slopes, narrow canyons, and areas subject to flooding and landslides. Given the size of the area and the variety of constraints, it can be assumed that the provision of services to certain areas would be difficult. However, in the absence of adequate land use and infrastructure planning, the level of difficulty with providing services to the Expansion Areas is unknown.

Section 4.3.2 – Agriculture and Open Space Preservation

Several hundred acres within the Expansion Areas are used for agriculture and appear to meet the definition of prime agricultural land pursuant to LAFCo law (Govt. Code § 56064). Most, if not all, of the territory is considered to be open space and is devoted to open spaces uses, as defined by LAFCo law (Govt. Code §§ 56059 and 56060).

Pursuant to this Handbook section, LAFCo will approve a sphere amendment or update that is likely to result in the conversion of prime agricultural or open space land use to other uses only if the Commission finds that the amendment or update will lead to planned, orderly, and efficient development. In order for an update to result in planned, orderly, and efficient development, the Commission must determine that five specific criteria have been met. Though this policy most often applies to updates that expand a sphere, it is equally applicable to updates that retract a sphere. Indeed, Section 4.1.2 defines a sphere update to be, in short, a "modification of a sphere". Furthermore, Section 4.1.4(c) acknowledges that sphere updates can include the removal of territory from a sphere. Therefore, it is appropriate for the Commission to consider this policy in the context of this sphere update. Thus, in order for the area to remain within the sphere, the Commission should determine that it meets the five specified criteria, each of which is listed and discussed below.

- (a) The territory is likely to be developed within 5 years and has been designated for non-agricultural or open space use by applicable general and specific plans.

It is unclear whether the territory is likely to be developed within 5 years. No development proposals have been submitted to the City. In addition, the only conceptual development proposal of which staff is aware (the 1,900-unit conceptual plan for Fagan Canyon) will require a public vote and appears to be inconsistent with the City growth management ordinance.

- (b) Insufficient non-prime agricultural or vacant land exists within the sphere of influence of the agency that is planned and developable for the same general type of use.

The 1,500-unit, 550-acre East Area 1 Specific Plan, for which the Commission amended the City sphere, was annexed to the City in February 2013. Therefore, the City sphere contains vacant land that is planned and developable for the same general type of use as that contemplated within the Expansion Areas

- (c) The proposal will have no significant adverse effects on the physical and economic integrity of other prime agricultural or open space lands.

Due to the inadequacy of land use planning in the Expansion Areas, it is unknown at this time the extent to which development in the area would effect other prime agricultural or open space lands.

- (d) The territory is not within an area subject to a Greenbelt Agreement adopted by a city and the County of Ventura. If a City proposal involves territory within an adopted Greenbelt area, LAFCo will not approve the proposal unless all parties to the Greenbelt Agreement amend the Greenbelt Agreement to exclude the affected territory.

The area is not within a Greenbelt Agreement.

- (e) The use or proposed use of the territory involved is consistent with local plan and policies.

The City General Plan does not adequately plan for the Expansion Areas in terms of the land use map, circulation plan, public facilities plan, open space plan, and conservation plan.

COMMENTS RECEIVED

As of the writing of this report, LAFCo staff had received five comment letters. Three of these letters (combined as Attachment 7) appear to be from City residents and are summarized below:

- The first letter is from Richard Main, J.D, received January 10, 2013, in which he expresses support for making no changes to the current City sphere so long as development in Adams and Fagan Canyons remains consistent with the levels of development currently allowed for in the General Plan. He does not support increased levels of development, such as the 1,800-2,000 residential units that have been envisioned in Fagan Canyon.
- The second letter from Robert Borrego, dated January 11, 2013, discusses various aspects of the elections affecting development in the Adams Canyon Expansion Area.
- The third letter from Douglas Smith, dated March 11, 2013, expresses support for removing both the Adams Canyon and Fagan Canyon Expansion Areas from the sphere. Mr. Smith cites concerns with development in the Expansion Areas, including, but not limited to, impacts to the environment, water availability, cost of infrastructure and public safety, traffic, and loss of open space.

The fourth letter, dated March 1, 2013, is from Latham & Watkins, LLP, a law firm retained by R.E. Loans, the owner of most of the property within the Adams Canyon Expansion Area (Attachment 8). The final letter, dated March 4, 2013, is from the City of Santa Paula (Attachment 9). Each of these letters is discussed below.

Latham and Watkins letter, dated March 1, 2013

This letter is divided into three general sections. The pertinent points of each section are summarized below followed by staff's response.

- *Section 1:* Under section 1 of the letter, the commenter maintains that the Commission must repeal or amend LAFCo Resolution 10-12S before taking any further action on the City sphere. The commenter appears to be of the understanding that a condition adopted in the resolution obligates LAFCo to remove Adams Canyon from the sphere, thereby biasing the Commission regarding the City sphere update and removing the Commission's objectivity in its determination.

Response 1: LAFCo Resolution 10-12S, which amended the City sphere, was adopted by the Commission in 2011 to allow for the annexation and development of the East

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Area 1 Specific Plan in the City. As part of the approval of the East Area 1 sphere of influence amendment, the Commission adopted a condition directing staff to include an amendment to the City sphere of influence removing the area known as Adams Canyon in conjunction with the next sphere of influence review and update scheduled for the City. The reason for this condition was to avoid a potential policy inconsistency, as discussed previously in this report (as well as the staff reports prepared for the East Area 1 project). Pursuant to this condition, staff has included the removal of Adams Canyon from the sphere among the options available to the Commission as part of the sphere update. However, the condition in no way obligates the Commission to remove Adams Canyon from the City sphere, as the commenter maintains. In fact, staff has included an option that does not involve the removal of Adams Canyon from the sphere. Furthermore, the East Area 1 sphere amendment associated with LAFCo Resolution 10-12S has already been effectuated and the annexation of the East Area 1 Specific Plan was finalized in February 2013.

- *Section 2:* Under section 2 of the letter, the commenter maintains that there is no factual basis in the record for changing LAFCo's decision in 2007 to make only non-substantive changes to the City sphere and it is unclear why LAFCo is considering changing the City sphere when it is not desired by the City. The commenter also notes that the voters amended the CURB line in 2007 to make it coterminous with the sphere.

Response 2: LAFCos are mandated to review and, as necessary, update the spheres of influence for each agency over which LAFCo exercises jurisdiction at least every five years. This mandate applies whether or not the local agency whose sphere is being reviewed and/or updated desires it. The current sphere review/update for the City was scheduled to occur in 2012 as part of the work plan adopted by the Commission in 2008. LAFCo law outlines the process for updating a sphere, which requires that a municipal service review (MSR) be prepared and that written determinations be adopted by the Commission. As noted in the staff report, a MSR for the City of Santa Paula was prepared and accepted by the Commission in November 2012. Written determinations were also approved by the Commission at that time. In addition, to amend or update a sphere, the Commission must make an additional five written determinations, which were discussed previously in this report. The 2008 work plan, the 2012 MSR, the 2012 MSR written determinations, and this staff report in which the sphere review/update is discussed provide a substantial factual basis in the record regarding the Commission's review and/or update of the City sphere.

In regards to the CURB line, when the CURB was amended to include Adams Canyon in 2007, only portions of it were established coterminous with the sphere. The majority of the CURB is not coterminous with the sphere. Most of the CURB line extends beyond the sphere and includes over 1,100 acres of territory located outside the sphere.

- *Section 3:* Section 3 of the letter begins on page 2 and ends on page 11. The commenter maintains that the possible changes to the City sphere being contemplated by the Commission warrant the preparation of an environmental impact report (EIR), as they will create conflicts with the City General Plan. To support this conclusion the

commenter cites section X.b. of Appendix G of the CEQA Guidelines which provides that a potentially significant impact to Land Use and Planning may exist if a project will "[c]onflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project..." (note this section of Appendix G is not accurately cited in the letter). On pages 4 through 11 the commenter discusses the various perceived conflicts with the City General Plan in the areas of land use, housing, agricultural lands, growth management, and transportation.

Response 3: Appendix G of the CEQA Guidelines, the legal citation offered by the commenter, expressly states that it is a "sample form" "intended to encourage thoughtful assessment of impacts" but which "do[es] not necessarily represent thresholds of significance" under CEQA. As such, Appendix G by itself does not carry any legal authority. In any event, Appendix G is inapplicable on its face for two separate reasons. First, as noted above, according to Appendix G, a potentially significant impact may occur if the project conflicts with "any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project" The project under consideration by the Commission is the review and/or update of the City sphere. Spheres of influence are established and amended solely by LAFCo. No other agency has jurisdiction over any aspect of spheres of influence, including updates or amendments. Therefore, as LAFCo is the agency with jurisdiction over decisions concerning the sphere for the City, any associated conflicts with any plans, policies, or regulations adopted by the City would not be a potentially significant impact under Appendix G. Second, Appendix G applies only to "any applicable land use plan, policy, or regulation . . . adopted for the purpose of avoiding or mitigating an environmental effect." There is no evidence that any part of the City General Plan cited by the commenter was adopted for the purpose of avoiding or mitigating an environmental effect. Because the various perceived conflicts with the City General Plan discussed on pages 4 through 11 of the letter are not relevant in a CEQA context, staff has determined that point-by-point responses are not necessary.

- *Comment 4:* In the conclusion on page 11 of the letter, the commenter maintains that the Commission's action regarding the City sphere review/update is subject to CEQA review and that sphere updates are not exempt from CEQA. The commenter claims that it has been demonstrated that any LAFCo action to remove Adams Canyon from the sphere would result in serious conflicts with the City General Plan and therefore an EIR is required under CEQA. The commenter also maintains that LAFCo regulations preclude exempting sphere updates from CEQA. Finally, the commenter notes that changes to spheres of influence require that the Commission make five written determinations.

Response: As noted in the previous response above, any conflicts resulting between the Commission's action to update the City sphere and the City General Plan would not be considered a potentially significant impact under CEQA.

The commenter is correct that a sphere update is considered to be a project subject to CEQA review. Pursuant to CEQA Guidelines 15061, once a determination has been

made that a project is subject to CEQA review, the lead agency shall determine whether the project is exempt from CEQA. As discussed in the staff report, staff believes that the sphere update is a project subject to CEQA review and that the project is exempt from CEQA under the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

The commenter's statement that LAFCo regulations do not allow for a CEQA exemption for a sphere update is unclear. Staff is aware of no such regulations. The commenter may be referring to Commissioner's Handbook Division 1, Chapter 4, which is the Commission's Administrative Supplement to CEQA. Section 1.4.4.3 identifies specific projects/actions that the Commission has determined to meet certain CEQA exemptions. However, this list does not preclude the exemption of other Commission actions/projects not on the list but for which a CEQA exemption may apply. Indeed, Section 1.4.4.2 provides that the Executive Officer is to determine whether an environmental document will be required or whether the project is exempt.

Finally, the five written determinations that are required to be adopted by the Commission in order to update the sphere are discussed in this report.

Letter from the City of Santa Paula, dated March 4, 2013

The letter from The City of Santa Paula expresses concerns with and opposition to the removal of the Adams Canyon and Fagan Canyon Expansion Areas from the sphere. The City's letter is formatted into six sections listed alphabetically. Each section is summarized below followed by staff's response.

- *Section A:* The City notes that spheres of influence are similar to General Plans in that they both are essential tools for providing well-planned, efficient urban development patterns. The City notes that development of Adams and Fagan Canyons is identified throughout the General Plan.

Response A: As discussed in the staff report, in the over 13 square miles within the Adams and Fagan Canyon Expansion Areas, the City General Plan does not provide a land use map, circulation plan, public facilities plan, open space plan, or conservation plan, all of which are required components of a General Plan pursuant to state law. Though sections of the General Plan text include general references to future development in these areas, little in the way of land use and infrastructure planning has occurred. As a result, it is unknown whether the level of development currently identified in the General Plan will result in well-planned, efficient urban development patterns.

- *Comment B:* The City maintains that the intent of directing development into Adams and Fagan Canyon is to prevent the conversion of prime agricultural lands located to the east and west of the City. According to the City, the removal of these areas from the sphere may force the City to expand into the prime agricultural lands to the east and west.

Response B: The City General Plan encourages development in the Adams and Fagan Canyon areas, in part, to direct development away from agricultural lands to the east and west of the City. However, the East Area 1 Specific Plan (which required a SOAR vote, greenbelt amendment, general plan amendment, sphere of influence amendment, and annexation) includes the conversion of over 400 acres of prime agricultural land to the east of the City. We understand that the City is currently considering an industrial development and annexation that will convert prime agricultural land to the west of the City. Thus, it appears that the intent of the General Plan to preserve prime agricultural land to the east and west of the City by directing development to these canyon areas has not occurred. In addition, there are several hundred acres of prime agricultural lands located within the Adams and Fagan Canyon Expansion Areas. Without a land use plan, it is unknown the extent to which development would convert these agricultural lands.

- *Comment C:* The City maintains that the voter's overwhelming support to expand the CURB line to include the Adams and Fagan Canyon Expansion Areas demonstrates their support for development and annexation of these areas. The City notes that Ventura LAFCo Commissioner's Handbook Section 4.2.1 recognizes the importance of voter-approved growth boundaries in establishing spheres of influence.

Response C: Section 4.2.1 of the Commissioners Handbook provides that for cities with voter-approved growth boundaries, spheres of influence should coincide with, or cover lesser area than, voter-approved growth boundaries. This policy does not indicate a preference that the CURB line is to be the basis for a sphere boundary, only that the maximum extent of the sphere is to be the CURB line. A sphere may cover less area where appropriate. With regards to establishing the sphere of influence in the Adams and Fagan Canyon Expansion Areas, the CURB line was never a factor in the location of the sphere. When the sphere was amended by LAFCo in 2000 to include the Expansion Areas, the CURB did not exist. The sections where the CURB and sphere are coterminous resulted from the establishment of, and subsequent amendments to, the CURB, not the sphere.

Measure A7, a developer-backed initiative which amended the General Plan and the CURB line to include the over 6,500-acre Adams Canyon Expansion Area, was supported by 2,485 voters, or approximately 24 percent of the registered voters in the City in 2007. The initiative included no development project, no land use plan, and no environmental review.

- *Comment D:* According to the City, no applications for development projects within the Expansion Areas have been submitted. However, representatives of land owners within the Expansion Areas have indicated to the City that they will soon submit applications for development projects. The City maintains that should the expansion areas be removed from the sphere, the application process for development in the Expansion Areas would increase by up to two years and cost up to an additional \$10 million. The City believes that such delays would discourage housing development in the Expansion

Areas, in which case the City would not be able to meet its regional housing needs obligation for the 2014-2021 period.

Response D: LAFCo staff has met with property owners and/or their representatives of both Expansion Areas. The previous owner of Adams Canyon who intended to develop the 495 multimillion-dollar residences is no longer in business. The current owner is in the process of selling, not developing, the area. Though the property owners of Fagan Canyon presented a preliminary development plan to LAFCo staff, the development would be subject to a public vote and appears to be inconsistent with the City's growth management ordinance.

The basis for the claim that the removal of the sphere will result in a two-year increase to the time it takes to process a development application and a \$10 million increase to the cost is unclear. The LAFCo application form for a sphere amendment is a single page in length. The application fee to amend a sphere in conjunction with an annexation is \$2,650. A concurrent sphere amendment would take no more time for LAFCo to process than an annexation proposal without a concurrent sphere amendment. The City may be referring to the cost and time associated with updating the General Plan to include the Expansion Areas. However, such an update must occur prior to or in conjunction with a development project, regardless of whether the area is within the sphere. The need to update the General Plan is not a function of the location of the sphere.

- *Comment E:* The City maintains that LAFCo staff repeatedly noted in the 2012 MSR that there is a lack of infrastructure in the Expansion Areas and that the lack of infrastructure necessitates the removal of the Expansion Areas from the sphere. The City states that the General Plan deferred land use, infrastructure, open space, and fiscal planning within the Expansion Areas. Such planning is to occur later through development of specific plans. The City also notes that the new wastewater treatment facility was designed to accommodate new growth anticipated in the sphere.

Response E: The City was provided with a draft of the 2012 MSR for review and comment. The City found that no substantive corrections were necessary. The MSR does not discuss an absence of infrastructure within the Expansion Area; it discusses that there exists insufficient planning in terms of land use, circulation, public facilities, and infrastructure in the Expansion Areas. The General Plan's deferral of planning in the Expansion Areas is acknowledged in the City's letter. It is the absence of sufficient planning that resulted in several MSR determinations that it is unclear whether the City has the capacity and ability to efficiently provide services within the Expansion Areas. Nowhere in the MSR does it conclude that the removal of Adams and Fagan Canyons from the sphere is necessary.

- *Comment F:* The City maintains that there is no compelling or logical reason to exclude the Expansion Areas from the sphere and there has been no change to conditions within the City to necessitate changing the sphere. The City also maintains that overarching LAFCo policies to keep the sphere consistent with voter approved growth

boundaries and limiting development of prime farmland warrant keeping the sphere in its current location.

Response F: The reasons for potentially removing one or both Expansion Areas from the sphere are outlined in LAFCo Resolution 10-12S approving the East Area 1 sphere amendment, the 2012 MSR and its determinations, and this report. Based on information in the 2012 MSR and this report, conditions related to the City have materially changed since the previous MSR was prepared in 2007. It is again noted that LAFCo policies indicate no preference that spheres are to be consistent with voter-approved growth boundaries. It is speculative to conclude that the removal of the Expansion Areas from the sphere would encourage or otherwise result in additional development of prime farmland and associated conflicts with LAFCo policies to preserve prime farmland.

SUMMARY

Pursuant to Govt. Code § 56076:

“‘Sphere of influence’ means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.”

Govt. Code Section 56425 provides:

“In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the jurisdiction of the commission to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each city and each special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”

Due to the absence of adequate land use and infrastructure planning within the Adams Canyon and Fagan Canyon Expansion Areas, it is unclear whether the current sphere boundary represents the probable physical boundaries and service area of the City. Thus, there is no certainty that the existing sphere will achieve the intended purposes of a sphere, as outlined above. It remains unclear whether the sphere will result in logical and orderly development or allow the City to advantageously provide for the present and future needs of the City.

COMMISSION OPTIONS

Staff has identified three options available to the Commission regarding the review and/or update of the City sphere of influence, as follows:

- Option 1: No change (Attachment 4)

Under this option, no changes would be made to the current sphere. This would allow the City to potentially annex an additional 7,783 acres and expand to over three times its current size. With respect to Adams Canyon, it would not address the policy inconsistency related to the Commission's approval of the East Area 1 sphere of influence amendment and annexation, as discussed on page 5 of this report.

- Option 2: Remove Adams Canyon Expansion Area (Attachment 5)

Under this option, the majority of the 5,413-acre portion of the Adams Canyon Expansion Area would be removed from the sphere of influence. Should the Commission choose this option, it is recommended that the 32-acre Peck/Foothill property remain within the sphere, as the City is currently processing a development proposal on this property. Staff also recommends that approximately 100 acres denoted as "Other Area" be retained in the sphere, as this area has been planned for as part of the General Plan and is identified for residential development. In addition, staff recommends that this option include the expansion of the sphere of influence along the eastern boundary of the Fagan Canyon Expansion Area to better align the sphere with property lines along State Route 150.

This option would address the potential policy inconsistency related to the Commission's approval of the East Area 1 proposal. This option would allow the City to annex an additional approximately 2,500 acres.

- Option 3: Remove both Adams Canyon and Fagan Canyon Expansion Areas (Attachment 6)

Under this option, the Commission would remove most of the approximately 7,600 acres of the sphere that are within the Adams Canyon and Fagan Canyon Expansion Areas. Similar to option 2 above, should the Commission choose this option staff recommends that the 32-acre parcel at the Peck/Foothill intersection and the approximately 100 acres denoted as "Other Area" be retained in the sphere.

Under this option, the level of development that would remain within the City sphere of influence and within the recently annexed East Area 1 Specific Plan would allow for up to approximately 2,120 residential units, 835,000 square feet of commercial development, 1,900,000 square feet of light industrial/research development, and 340,000 square feet of industrial development. Also, this option would address the

potential policy inconsistency related to the Commission's approval of the East Area 1 proposal.

Should the Commission choose Option 2 or 3, the City would not be precluded from submitting an application for a concurrent sphere amendment and annexation at any time in the future subsequent to the adoption of a General Plan update and, if desired by the City, adoption of a specific plan. The preparation of a specific plan and a concurrent sphere of influence amendment and annexation was the process undertaken for the East Area 1 project.

Although not recommended, another possible option would be to increase the current sphere of influence so that the sphere and the CURB are coterminous in the area to the west and northeast of the Adams Canyon Expansion Area. This action would also align the sphere boundary with the boundary of the Adams Canyon Expansion Area, thus adding an additional 1,165 acres to the territory within the sphere. However, as noted previously in this staff report, mapping of the CURB is not precise. In addition, the expansion of the sphere would require the preparation of a CEQA document, which would be problematic given that the location and type of development within the area is unknown.

Summary of Options

	Unincorporated Area in Sphere	Development potential* (per General Plan)
Option 1	7,783 acres	Residential.....2,895 units Commercial.....910,000 sq. ft. Light Industrial/Research.....1,900,000 sq. ft. Industrial340,000 sq. ft. Hotel/Golf Course.....1
Option 2	2,500 acres	Residential.....2,570 units Commercial.....910,000 sq. ft. Light Industrial/Research.....1,900,000 sq. ft. Industrial340,000 sq. ft.
Option 3	322 acres	Residential.....2,120 units Commercial.....835,000 sq. ft. Light Industrial/Research.....1,900,000 sq. ft. Industrial340,000 sq. ft.

*Includes the recently annexed East Area 1 project

CEQA

For CEQA purposes, the options presented in this report for the City of Santa Paula sphere of influence review and/or update are exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, the "general rule" exemption. The options are exempt because it can be seen with certainty that there is no possibility that any of the three options may have a significant effect on the environment because the options either make no modifications to

the sphere of influence or reduce the extent of territory that LAFCo has determined to represent the City's probable physical boundaries and service area.

PUBLIC NOTICE

Regarding public notice, Govt. Code Section 56427 provides:

The commission shall adopt, amend, or revise spheres of influence after a public hearing called and held for that purpose. At least 21 days prior to the date of that hearing, the executive officer shall give mailed notice of the hearing to each affected local agency or affected county, and to any interested party who has filed a written request for notice with the executive officer. In addition, at least 21 days prior to the date of that hearing, the executive officer shall cause notice of the hearing to be published in accordance with Section 56153 in a newspaper of general circulation which is circulated within the territory affected by the sphere of influence proposed to be adopted. The commission may continue from time to time any hearing called pursuant to this section.

As indicated previously in this report, this matter was originally scheduled to be considered by the Commission at a public hearing on January 16, but was continued by the Commission to the March 20 meeting at the request of the City. Notice of the January 16 hearing was emailed to the City Manager and Planning Director on December 7, 2012. Notice was mailed to the City Clerk and posted at the County Hall of Administration on December 17, 2012. Notice was also published in the Ventura County Star on December 23, 2012. In addition, at the December 17 Santa Paula City Council meeting, LAFCo staff informed the City Council and all others in attendance that the matter was scheduled to be considered by the Commission at a public hearing on January 16.

- Attachments:
- (1) Map of current City sphere of influence
 - (2) Map of Adams Canyon and Fagan Canyon Expansion Areas
 - (3) City General Plan land use map
 - (4) Map Option 1 – No change
 - (5) Map Option 2 – Removal of Adams Canyon Expansion Area from sphere of influence
 - (6) Map Option 3 – Removal of Adams Canyon and Fagan Canyon Expansion Areas from sphere of influence
 - (7) Letters from Richard Main, Robert Borrego, and Douglas Smith
 - (8) Letter from Latham & Watkins, LLP, dated March 1, 2013
 - (9) Letter from City of Santa Paula, dated March 4, 2013
 - (10) Resolution to remove the Adams Canyon Expansion Area from sphere
 - (11) Resolution to remove both the Adams and Fagan Canyon Expansion Areas from sphere

Attachment 1

Of the March 20, 2013

Staff Report

0 0.5 1 2 Miles



Adams Canyon
Expansion Area

Fagan Canyon
Expansion Area

East Area 1
Annexed February 2013

Peck/Foothill Property




Other Area

West Area

East Area 2

LAFCo 13-02S
City of Santa Paula
Sphere of Influence Review/Update

Legend

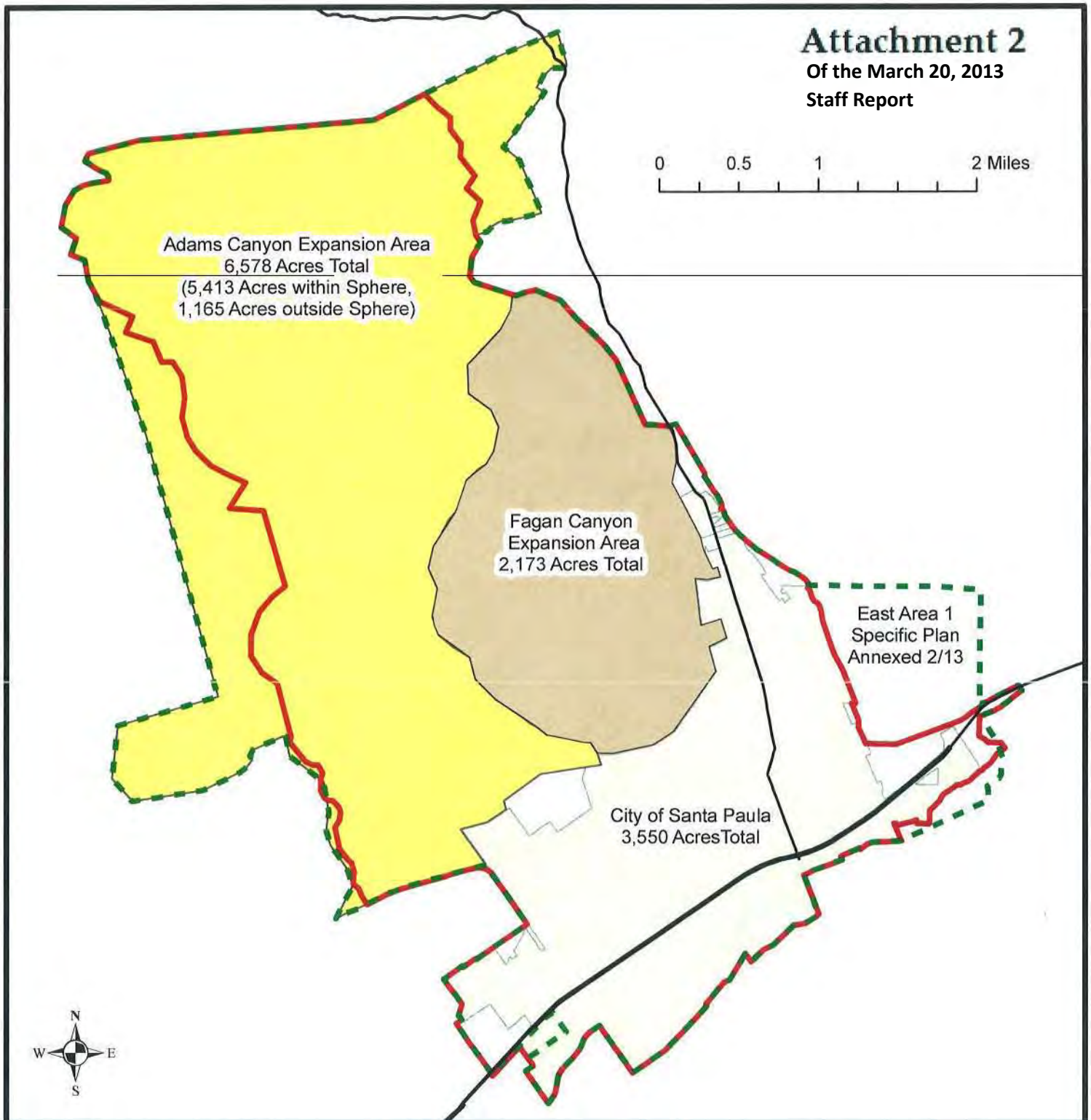
-  City of Santa Paula
-  City Sphere - Existing
-  CURB Line



Attachment 2

Of the March 20, 2013

Staff Report



Legend

-  City of Santa Paula
-  CURB Line
-  City Sphere - Existing
-  Adams Canyon Expansion Area
-  Fagan Canyon Expansion Area

LAFCo 13-02S
City of Santa Paula
Sphere of Influence Review/Update





General Plan Map Land Use Plan and Expansion Areas

Attachment 3

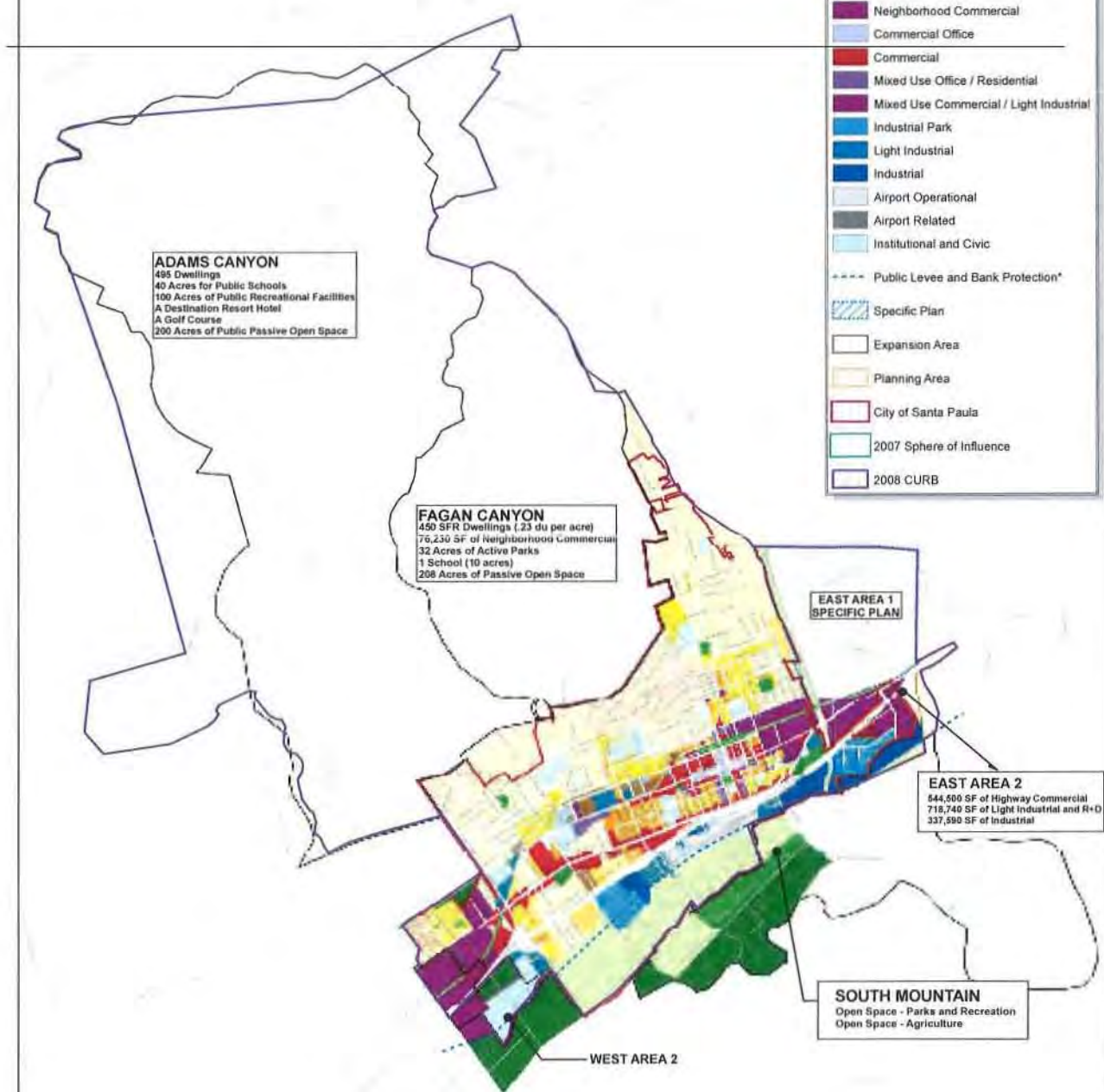
Of the March 20, 2013

Staff Report

Legend

General Plan

- Open Space - Passive and Golf Course
- Agriculture
- Open Space - Parks and Recreation
- Residential Canyon
- Hillside Residential
- Single Family Residential
- Residential Medium Density
- Medium-High Density Residential
- High Density - Residential
- Mobile Home Park
- Neighborhood Commercial
- Commercial Office
- Commercial
- Mixed Use Office / Residential
- Mixed Use Commercial / Light Industrial
- Industrial Park
- Light Industrial
- Industrial
- Airport Operational
- Airport Related
- Institutional and Civic
- Public Levee and Bank Protection*
- Specific Plan
- Expansion Area
- Planning Area
- City of Santa Paula
- 2007 Sphere of Influence
- 2008 CURB



*1998 Data, Pending revision by FEMA

Where the Sphere of Influence line is the same as the actual City Limit, it is drawn slightly offset of the City Limit line for graphic clarity.

The information displayed on this map is intended for general reference purposes only, and is not warranted for completeness or accuracy. Please contact City Planning Department for official map.

1. Approved by City Council on April 13, 1998.
2. Amended through Ordinance No. 6351, 10/16/06.
3. Revised 12/10/07, converted to GIS by the County of Ventura, IT Services.
4. Revised 12/18/08, through City Council Resolution No. 6459.
5. Revised 9/20/10 through City Council Resolution No. 6700 (Sphere of Influence related to East Area 1 pending LAFCO approval).

ADOPTED 39/20/2010
78

Figure LU 5



Attachment 4

Of the March 20, 2013

Staff Report

0 0.5 1 2 Miles



Adams Canyon
Expansion Area

Fagan Canyon
Expansion Area

East Area 1
Annexed February 2013

Peck/Foothill Property




Other Area

West Area

East Area 2

LAFCo 13-02S
City of Santa Paula
Sphere of Influence Review/Update
OPTION 1

Legend

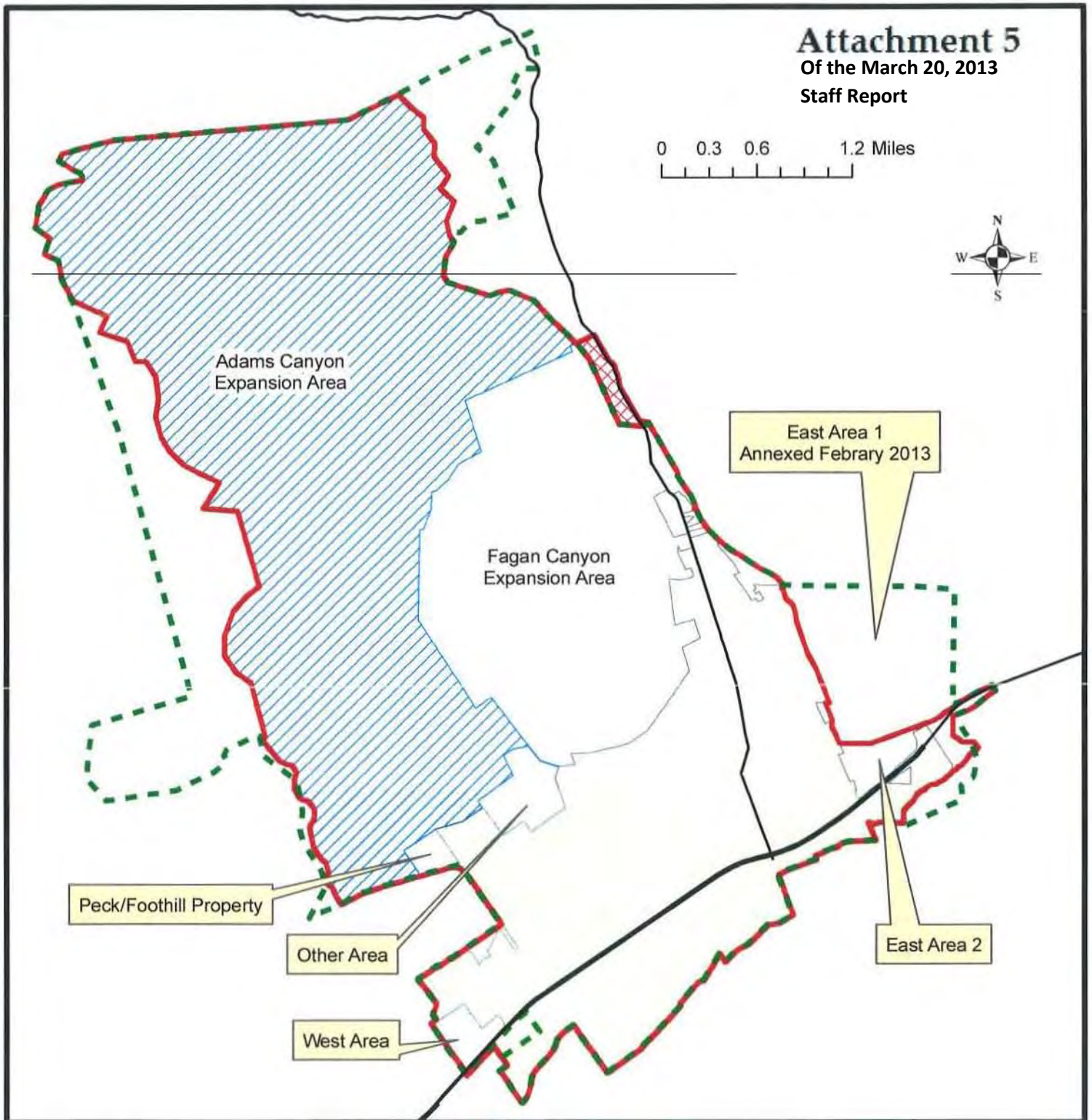
-  City of Santa Paula
-  City Sphere - Existing
-  CURB Line



Attachment 5

Of the March 20, 2013
Staff Report

0 0.3 0.6 1.2 Miles



Legend

- City of Santa Paula
- City Sphere - Existing
- CURB Line
- Area to be Removed from Sphere
- Area to be Added to Sphere

LAFCo 13-02S
City of Santa Paula
Sphere of Influence Review/Update
OPTION 2



Attachment 6

Of the March 20, 2013

Staff Report

0 0.5 1 2 Miles



Adams Canyon
Expansion Area

Fagan Canyon
Expansion Area

East Area 1
Annexed February 2013





Peck/Foothill Property

Other Area

West Area

East Area 2

Legend

-  City of Santa Paula
-  City Sphere - Existing
-  CURB Line
-  Area to be Removed from Sphere

LAFCo 13-02S
City of Santa Paula
Sphere of Influence Review/Update
OPTION 3





RICHARD MAIN 15888 FOOTHILL ROAD SANTA PAULA, CA, 93060

Tel: 805-525-2326 email: rzmain@verizon.net

Attachment 7

Of the March 20, 2013

Staff Report

LAFCO,
Attn: Kim Uhlich

Re: Pending Review
Santa Paula City Sphere of Influence
(Fagan Canyon – Adams Canyon)

The undersigned has been involved in land development and land use issues for many years. My family was involved in development of home sites in the U.S. Virgin Islands and in Coral Gables and Naples (Port Royal) Florida in the 1950's through the 1990's. The Virgin Islands property near Christiansted, St. Croix, was mountainous (Seven Hills) about to the same degree as is Fagan Canyon. In the 1970's, the undersigned owned/controlled approximately 800 acres of mountainous terrain in North San Diego County (the Merriam Mountains) which adjoins I-15, north of Escondido and opposite the Lawrence Welk Resort. It stands undeveloped today. This is where LAFCO first popped up on my radar screen.

Several years ago I authored the "81 Acre" development limitation for lands in Santa Paula and then wrote the Referendum which reversed the City Council's approval of a 2000 plus unit planned development for Fagan Canyon, which was then ratified by the voters, and which was upheld by the Appellate Court when challenged in court. Had Fagan been development at that time, at the peak of the overblown housing market 5 years ago, we would now have a huge mess on our hands in Fagan Canyon, as Centex, the developer, went out of business and was absorbed by another developer, many projects abandoned and left in a state of complete disaster. That could be Fagan Canyon today.

We (our citizens group in Santa Paula) did support the plans for Adams Canyon to be developed into 495 "higher end" homes surrounding a golf course (Pinnacle Developers of Phoenix, Az.), and we still do support that plan. We also would support development in Fagan Canyon, but only at a level far below the 1800-2000 units that has been consistently proposed by developers. The developers always say that fewer units "will not pencil out".

P.1/2

That may be true, depending upon the price paid for the raw land, the infrastructure costs associated with development, the state, county and local fees, the then housing market and economy, the amount of profit targeted, and a critical component, frequently overlooked, *luck*.

The voters of Santa Paula are not stupid. They know what they want by way of development. They do not want the groves, especially west of the city limits, developed into housing tracts. They have spoken multiple times in favor of rational, limited development in the foothills and canyons, and that is why LAFCO and the County should honor the vote of the people and make no significant changes to the City's sphere of influence – at least that is my opinion and the opinion of all the people I have spoken with in Santa Paula.

Economically we are in an "intermission" in California. We do not know when the economy will grow in a significant manner. Sometime the best thing to do is – nothing. We (our group in Santa Paula) believe this is such an issue and such a time.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Richard Main', followed by a long horizontal flourish.

Richard Main, J.D.

P.2/2

Kim Uhlich,
Hall of Administration 4th Floor
800 S. Victoria Avenue
Ventura, California.

January 11, 2003

R

JAN 15 2003

D

Dear Ms. Uhlich:

I am writing in response to LAFCO's review of Adams and Fagan Canyons sphere of influence designation in Santa Paula. Enclosed is a document that may disqualify Bob Gonzales and Jim Tovias from testifying at LAFCO's meeting next week.

In 1997 When Robin Sullivan was Mayor of the city, she asked that a citizens committee be formed to review the city's proposed General Plan that included Limoneira's East Area One, Fagan and Adams Canyon. The committee focused its attention to Adams Canyon. I served on the committee that included a school board member, a city council member, a building contractor, a real estate broker, architect, a bank president, a housing specialist a house wife, a Head Start Teacher and others. After ten or so meetings where we rotated the chair plus the meticulous review of all the negative environmental impacts if the Adams were developed the committee reported to the city council that with the exception of one committee member all the others voted against the development of Adams Canyon.

The negative impacts identified included the provision of water and sewer services widening of Foothill Road and, the cost of city services. The committee also felt that the development of the canyon constituted leap frog development and that it would not be a part of the rest of the city. Residents there would shop in Ventura only fifteen minutes away and not in Santa Paula. In 2007 the Santa Paula Chamber of Commerce also voted against the development of Adams Canyon.

The first time the Pinnacle Group proposed to develop Adams Canyon it failed to receive voter approval. A couple of years later Pinnacle came back into town an election was already scheduled for Centex's Fagan Canyon development. When Pinnacle came back one of the first things it did was fly, wine and dine about two dozen prominent city residents to Estancia, an impressive Pinnacle project in Arizona. Pinnacle hinted that it is what a developed Adams Canyon would look like.

In order to get ahead of the Centex election, Pinnacle collected signatures for a special election to have a vote on its plan to develop Adams Canyon. They asked individuals coming out Von's Market to sign a petition against child molesters. Once they got their attention they asked them to sign the petition asking for a special election. Enough signatures were gathered to have the election.

When Pinnacle begin it's election campaign it said the development would include a Ojai Valley Inn type hotel, a world class golf course and prepare 495 parcels for mansions to be built. Pinnacle said all this would generate \$20 million annually for the city starting

from day one. Twice in letters to the SP Times paper I asked Pinnacle to reveal the source of the \$20 million and it ignored my request. I kept asking questions, so to protect its back Pinnacle said that the calculations on the project had been done by a former City Manager from Fillmore. Pinnacle had a former mayor from Fillmore on its payroll. Towards the end of the campaign Pinnacle said its project would generate \$22 million instead of \$20 million. After spending \$1 million to spread its lies in its effort to gain approval for approval of its plans it failed. About seven months later Pinnacle admitted it had erred on its calculations and the its project would only raise under \$6 million. Although Pinnacle lost the election it did not give up. It got together with its most loyal supporters and told them what needed to be done so it could have another opportunity to get into the canyon. These supporters were Bob Gonzales, Jim Tovas and Steve Smead. Bob Gonzales was hired by Pinnacle to help on Measure Y. When the campaign on A7 started the three named above said it was a local citizen driven effort with no participation from Pinnacle. However, before and during the campaign Steve Smead was in and out of Pinnacle's Main Street Office. It appeared as if it were the campaign headquarters for A7. In the end the will of the voters was tainted because they were lied to. First the monumental \$22 million lie the false pure citizen driven committee on A7.

When the so-called Citizen's Committee claimed it had no ties to Pinnacle, daily I would daily visit a shoe repair shop that was located next to Pinnacle's campaign headquarters. The shop belonged to a lifetime friend of mine. He told me time and again that the leader of the committee was in and out of Pinnacles headquarters throughout the A-7 campaign. I myself saw him once carrying an armload of what appeared to be voter registration forms.

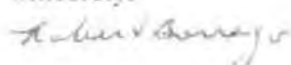
When a member of the city council said LAFCO was ignoring the wishes of Santa Paula voters if Adams is taken of the city's sphere of influence he should be reminded that the committee got approval of the measure by lying to the voters.

Pinnacle got as far as it did by lies from beginning to end, and the committee aided the organization.

I have a question of LAFCO, based on the work Gonzales and Tovas at Pinnacle's request should they not be deemed as having a conflict of interest that would prohibit them from testifying at LAFCO's hearing on Adams Canyon.

I have enclosed documents including an SP times report by Peggy Kelly that raises questions of conflict of interest of the above named individuals. I ask that you have County Counsel review it. Prior to A-7 Gonzales, Tovas and Smead met with a Pinnacle rep to get their marching orders. Smead and Gonzales were the leading proponents of Measure Y that was voted down.

Sincerely,



verizon
Verizon Message Center

NOTE: Document received
by LAFCo in partially
illegible condition.

Saturday, Jan 5 at 1:34 PM

From: pkellywriter@aol.com
To: bobbietb@verizon.net
Subject: Re: Tovias

Hi Bobbie

I don't have Works just Word but this is the article...

Jim Tovias tells of financial benefits of Adams Canyon Measure A7

By **Peggy Kelly**

Santa Paula News

Published: **March 28, 2007**

Jim Tovias of Santa Paulans for Quality Growth, whose initiative to bring Adams Canyon into the city's urban development boundary for future growth will be decided by voters with a special May election, talked about the issue at the March Good Morning Santa Paula.

By Peggy Kelly

Santa Paula Times

Jim Tovias of Santa Paulans for Quality Growth, whose initiative to bring Adams Canyon into the city's urban development boundary for future growth will be decided by voters with a special May election, talked about the issue at the March Good Morning Santa Paula. Hosted by Phil Caruso of Bankers Investment Consulting, the Chamber-sponsored event was held at The Grove restaurant. Tovias said Measure A7 really got its start when "I had the opportunity to be away in Scottsdale, Arizona," where the Pinnacle Group - which was then sponsoring a similar measure - has a resort. "At dinner I was talking to Greg Bos, and told him it was a really beautiful facility... but what's in it for Santa Paula, that's the whole purpose." Bos supplied "some information, some projections" of revenue, and "I thought that would be wonderful to change the financial direction of Santa Paula. But we stood back, weren't involved in that election," one of several that had unsuccessfully targeted potential development in the canyon.

"I thought to myself why Santa Paula would not want this kind of assistance, and thought Measure A failed," narrowly defeated in an April special election. "I felt bad for Santa Paula... A couple of days later, Steve (Smead), Bob (Gonzales) and I got together and started hashing things around," but Pinnacle "wanted nothing to do with it. We thought let's let them cool off a bit," although Pinnacle representatives said they would develop through the county.

"We figured maybe we could do something on our own, and we met with them

(Pinnacore) in May last year... they said if you move this line we'll consider coming back to Santa Paula, but you're on your own. If this doesn't pass, it goes to the county and it's over."

Tovias said that there are many "highlights and financial benefits" to bringing the canyon into the CLRB.

Although initially "there was a lot of confusion" preparing the initiative, "Steve had to meet with the developers to make sure they would agree with what we did," and the initiative process was launched.

The measure is "not a development agreement. It's just to move the line" to include Adams Canyon for future growth. "Adams was part of the expansion area up until 1998, and we're just trying to move the line back to where the city intended to grow."

At 2005 planning workshops, "people said they want high up homes and are worried about generating traffic... the measure limits development to 495" custom home sites. The 100-acre active park would be paid "100 percent by the developer... we wait in it's done... the measure also requires a connector road to Fagan Canyon," deflecting traffic concerns of an earlier development bid. Without Adams, traffic goes right into the downtown "if Fagan Canyon is ever developed. Since the incentive for bringing Adams into the boundary is financial benefit. "We wanted to make sure that the figures we throw out are accurate." Tovias listed various one-time fees that would result in millions of dollars to the city and school districts, close to \$100,000 per home.

"A projection came out last year" for Measure Y that stated that the city would receive about \$22 million annually at build-out. "We brought in Roy Payne," who prepared the financial report, "and he, Bob, Steve and I met in July. Roy came back and said he made a mistake" in the original projection.

At build-out - projected at 2030 - the city would receive "85 million annually and, however," and net revenue to the community would be about \$1 million, a "long term financial base" said Tovias. "Since Roy was wrong the first time we didn't trust him the second time," and the financial projection - a link is available on the city's web page - was certified.

"The city has many serious needs. The bottom line is that if we can move this line and the Council approve a development agreement," the passage of Measure Y "will benefit the city" said Tovias. "The people working on this campaign have no personal agenda... they gain nothing from this."

—Original Message—

From: Bob Borrego <

To: pkellywriter <

Sent: Sat, Jan 5, 2013 1:29 pm

Subject: Tovias

Peggy, I inadvertently deleted the e-mail with the attachment regarding Tovias' report to GMSP. If you can send it to me again in Works form I will be indebted to you for life. I don't mean to take advantage of our freindship but I do need the attachment.

RECEIVED
MAR 11 2013

Dear Ventura LAFCo,

Ventura LAFCo

March 11, 2013

I write to urge you to remove Adams and Fagan Canyons from the sphere of influence of Santa Paula. I have lived in the Santa Paula area since age 5 for 58 years, 13 in the rural area west of town most affected by Adams development, and the last 33 in central SP.

There are local and global reasons why developing these canyons is a bad idea. Globally, consider the significant percentages of the natural environment disturbed by draining wetlands, cutting down swaths of forest – in general, ecosystems overwhelmed by overdevelopment. We've raised atmospheric CO2 levels by about 100 ppm. Average temperatures have risen as much in the last two centuries as they did in a 5000 year period after the last ice age. This carbon excess has acidified our oceans, and on land, hundreds of species have gone extinct due to loss of habitat.

These proposed local developments are typical examples of human behavior ignoring the damage to the Earth. These canyons have little or no connection to our city, making transportation difficult and polluting. They have no extra water to support the influx. The water would have to be imported from already overtaxed groundwater supplies we depend on. These huge areas, almost four times the area of the present city, would have wildlife corridors interrupted by mini-ranch development, further contributing to species extinctions.

The history of this development quest is that it was repeatedly denied by LAFCo, until a narrow 3-2 approval for the city. Since then 3 of 4 city elections about proposed developments have lost. The proposal which won, in 2006, was in the height of the housing bubble, when a majority of city voters, looking through rose colored glasses, foresaw easy money from the 1% who could afford rural canyon estates, to augment city coffers.

Luckily, the housing bubble burst, and now we have a better view of financial realities. I fear it could cost the city more for infrastructure and public safety costs than would be realized from development fees. After two years of drought, water supply realities should be clearer.

Since the city vote on Adams Canyon in 2006, a much more practical area for development, Limoneira's East Area, has been approved. This makes the need to disturb open space in the canyons and clog poor traffic access routes even less wise. Even to develop the East Area, commissioner Wisda has raised serious water supply issues.

Please consider returning control of Adams and Fagan Canyons to county control. The county is more likely to value the preservation of open space, wildlife corridors, and the plight of affected rural residents.

Douglas Smith

Douglas Smith
424 N. 9th Street
Santa Paula, CA 93060
525-4734

600 West Broadway, Suite 1800
San Diego, California 92101-3375
Tel: +1.619.236.1234 Fax: +1.619.696.7419
www.lw.com

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Attachment 8
Of the March 20, 2013
Staff Report

File No. 049217-0002

LATHAM & WATKINS LLP

March 1, 2013

VIA FEDERAL EXPRESS AND EMAIL

Kim Uhlich
Executive Officer
Ventura LAFCO
County Government Center
Hall of Administration, 4th Floor
800 S. Victoria Avenue
Ventura, CA 93009-1850

Re: Santa Paula Sphere of Influence Decision Scheduled For March 20, 2013

Dear Ms. Uhlich:

We represent R.E. Loans, the owner of over 4,000 acres in the City of Santa Paula's ("City") sphere of influence known as Adams Canyon. We previously provided comments for the Local Agency Formation Commission's ("LAFCO") January 16, 2013 meeting, item 10, "City of Santa Paula Sphere of Influence Review and Update." We are concerned that LAFCO is contemplating an action to amend the Santa Paula Sphere of Influence ("SOI") and remove R.E. Loans' property from the City's sphere of influence without proper diligence and analysis.

1. LAFCO must start with a "clean slate" in making any decision, and must first take action to repeal or amend Resolution 10-12S (2011)

In 2011, for whatever reason, LAFCO voted to direct staff to undertake the procedures necessary to remove Adams Canyon from the City of Santa Paula Sphere. The language of Resolution 10-12S is clear and unequivocal as to the decision that was made--- this was not a decision to direct staff to merely "re-study" the issue. Resolution 10-12S was explicitly contains a specific decision by LAFCO on the removal of property from the Sphere that now prevents LAFCO and its staff at this from objectively analyzing whether or not the removal is an appropriate decision. the proper course of action is for LAFCO to rescind resolution 10-12S and to analyze the impacts of the proposed sphere-of-influence update before committing to it. If LAFCO proceeds to hear the matter in its March meeting without first revisiting Resolution 10-12S and reviewing and setting aside its explicit prior decision on this same issue in 2011, we do not believe that the current LAFCO Commissioners will be able to consider the issue in an unbiased and objective manner, free of the prior commitment made by LAFCO in 2011.

2. No Factual Basis In The Record For Change From Recent Past Decisions.

Second, it is difficult to understand why LAFCO is contemplating a change in the SOI, when it is not desired by the City, the SOI has been confirmed as an area for growth by the voters, and when LAFCO re-affirmed the SOI only 5 years ago. The Ventura County LAFCO re-affirmed the SOI for Santa Paula on June 13, 2007. The LAFCO staff report notes that the SOI for Santa Paula was a controversial action at LAFCO which was originally denied in 1998 and then approved in 2000.

“The sphere of influence for the City of Santa Paula was substantially amended in 2000 to include large areas to the north of the City known as Fagan Canyon and Adams Canyon. This action, based on the City’s 1998 General Plan update, was extremely controversial at LAFCO. After multiple meetings with hundreds of speakers and thousands of pages of correspondence, it was originally denied. Then, at the City’s request, it was reconsidered and subsequently approved in February 2000. In the fall of 2000 the voters in Santa Paula adopted a SOAR ordinance that established a CURB line that included Fagan Canyon, but not Adams Canyon, the larger of the two canyons and the one located farthest to the west.”

The voter’s adoption of measure A7 put Adams Canyon within the CURB line and made the CURB line co-terminus with the SOI. The initiative also amended the City’s General Plan to incorporate the specific land use densities and infrastructure requirements of the Adams Canyon Development, thereby predicated growth planning in the Santa Paula General Plan on the eventual annexation of the territory within the SOI.

3. Any Change In The Sphere For Adams Canyon Will Cause Major Conflicts With The City of Santa Paula’s General Plan

Because the eventual annexation and development of Adams Canyon is included with many detailed provisions of the the City of Santa Paula’s General Plan, any change to the SOI by LAFCO would create significant land use impacts to the City General Plan that must be studied in an environmental impact report (“EIR”) before action can be taken. Under the CEQA Guidelines, Appendix G, LAFCO must determine whether its proposed sphere change to delete Adams Canyon from the City of Santa Paula Sphere will “conflict with any applicable land use policy or regulation of an agency with jurisdiction over the project.” In addition, a change in the SOI by LAFCO would thwart the clear direction from the voters of Santa Paula, that Adams Canyon is the preferred area for growth.

As noted in our January 14, 2013 letter, We believe this SOI update may cause several significant environmental impacts that LAFCO must analyze under CEQA. The update would remove approximately 12 square miles from the City’s SOI in the Adams and Fagan Canyon areas. As the City noted in its January 13, 2013 letter to LAFCO, this would make developing this property much more difficult. We have done further research on the significant impacts that may occur and provide detailed comments below. You and your staff have been very helpful in providing documents that we have requested. These and other documents in the record clearly show that significant impacts may occur in the areas of land use, housing, agricultural lands, and growth management among others.

The City's General Plan is predicated on the annexation of the SOI, and therefore LAFCO must analyze and mitigate the impacts of displacing development from the Adams and Fagan Canyon areas to other portions of the City or to the County.¹ These impacts are readily foreseeable. The homes and other amenities planned for the Adams and Fagan Canyon areas will need to be built elsewhere to meet the City's and the County's housing needs.² Development at these alternate locations may cause additional impacts related to traffic, noise, air quality, affordable housing, prime agricultural lands and other resources that LAFCO must analyze.

The June 13, 2007 LAFCO staff report on the Sphere of Influence Update acknowledges that CEQA review is required for any change in a Sphere of Influence.³ Indeed, the 2007 staff report suggests that the City and not LAFCO should perform the analysis when significant impacts will potentially occur. However, whichever jurisdiction takes the role of lead agency, full CEQA review must be completed through an EIR.⁴

The following are areas where significant impacts are likely to occur with a change in the SOI, and must be analyzed in an EIR. This research is still preliminary and we believe that there are many other impact areas that will present themselves in the environmental analysis.

¹ The reasonably foreseeable impacts of displacing development from one area to another through increased development restrictions must be analyzed under CEQA. *Muzzy Ranch Co. v. Solano County Airport Land Use Commission* (2007) 41 Cal.4th 372, 383.

² *Id.* at 382 ("The population of California is ever increasing. Our Legislature has declared that '[t]he availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.'").

³ "Sphere of influence updates are considered as 'projects' under CEQA and LAFCO is the lead agency for these projects." – LAFCO Staff Report for the Sphere of Influence Update for City of Santa Paula June 13, 2007, page 3.

⁴ *Id.* at 3 - "For the sphere update process, if sphere of influence changes could be determined to be generally or categorically exempt, or if a simple negative declaration could be prepared without any detailed environmental analysis, the change is being recommended. However, in instances where sphere of influence changes would require detailed or substantial analysis to comply with CEQA, possibly including mitigated negative declarations or EIRs, then such changes are not being recommended. In such instances it is more proper, including both the cost and usefulness of the analysis, to allow a city to be the CEQA lead agency for major sphere changes in conjunction with future sphere amendment and annexation applications that also include land use entitlements."

I. REMOVAL OF THE SOI FROM THE CITY OF SANTA PAULA WILL CAUSE THE PROPERTY TO DEVELOP AT A MUCH LOWER DENSITY, WHICH WOULD UNDERMINE THE STATED GROWTH NEEDS OF THE AREA.

The City of Santa Paula's White Paper on the SOI which was approved by the Santa Paula City Council on October 18, 1999 and submitted to LAFCO as part of the SOI application ("City White Paper"), states that "Adams Canyon and Fagan Canyon have been selected to be the principal residential growth areas for the City." The General Plan calls for the development of 495 residential units in Adams Canyon and 450 units in Fagan Canyon. Previous attempts to develop Adams Canyon as part of the County of Ventura, contemplated far fewer dwelling units. The Adams Canyon Ranch Project processed through the County of Ventura in 2007 proposed only 34 dwelling units on 4,800 acres. This is less than 10% of the growth contemplated by the City of Santa Paula General Plan and approved by voters for Adams Canyon.

Without the SOI area available for annexation and development, the City is not likely to achieve its growth and economic development goals. The SOI area includes planned parks, and schools that the City is counting on to serve the existing population as well as the new residents.

Page LU-28 of the City General Plan states, "The Land Use Plan allows for build-out of existing City lands as well as phased annexations. Table LU-6 illustrates the theoretical new development potential of both existing City lands and the expansion and planning areas, and summarizes the potential development upon full build out of the General Plan. The type and amount of development that actually occurs will depend on market forces and an aggressive marketing plan by the City. The City realizes that total industrial, commercial, and residential build-out may not occur within the 2020 horizon of the General Plan. However, making the land available will eliminate one obstacle and provide an incentive for growth to occur."

Thus, having the SOI available for annexation and development will eliminate an obstacle to growth and provide an incentive for expansion in line with the City's planning paradigm. A direct impact to Land Use and growth potential will occur if the SOI is modified by LAFCO. This must be studied as part of an EIR prior to taking any action.

In addition, the measure making the CURB line co-terminus with the SOI was put in place, specifically to provide the economic growth and public infrastructure necessary to serve the new as well as the existing community. The Statement of Reasons in the initiative states:

The purpose of this initiative is to amend the City of Santa Paula General Plan, including the City Urban Restriction Boundary (CURB) to include Adams Canyon within the CURB...

'This initiative will result in a more vibrant and economically attractive downtown, resulting in more viable retail establishments to serve the Community; enhancing property and sales tax revenues necessary to finance critical police, fire, schools and other public services, including road maintenance, that have too long been underfinanced, leaving the citizens under served. The need for land for educational purposes, as well as public recreational facilities and open space within the City can be accommodated by amending the General Plan to provide for those uses in Adams Canyon.

A change in the SOI would lead to the City's inability to provide the infrastructure, services and amenities contemplated by the initiative and subsequent General Plan amendment, thereby creating a direct impact to land use under CEQA.

II. THE CITY'S GENERAL PLAN IS PREDICATED ON ANNEXATION OF THE SOI.

- A.** The SOI area is the principal residential growth area of the City. Impacts will occur from restricting this growth.

The City of Santa Paula's White Paper on the SOI, states that "Adams Canyon and Fagan Canyon have been selected to be the principal residential growth areas for the City."

The General Plan at Page LU-18 goes on to note, "The City of Santa Paula embarked on an update of the General Plan to address growth and economic issues. Beginning in 1993, city staff and citizens began studying conditions, opportunities, and constraints. Several expansion areas were developed to test and determine the direction Santa Paula should plan to grow for the year 2020. In 1997, these expansion areas were modified and grouped into three land use scenarios. A preferred growth scenario was selected by the City Council, and that scenario forms the basis of this General Plan. That scenario has been modified as a result of a citizens' initiative known as the Save Open-Space and Agricultural Resources (SOAR) Santa Paula City Urban Restriction Boundary Initiative, as subsequently amended by the voters. The CURB, which modifies the preferred build out scenario to require public involvement is set forth in Figure LU-4a. The Land Use Element of the General Plan in particular, carries out the preferred scenario by calling for expansion outside the existing City limits and recommending several land use and policy changes for the existing City lands." (Emphasis added) The preferred scenario includes expansion of the City into the SOI.

The Santa Paula General Plan Land Use Element is predicated on maintenance of the SOI and future annexation of that area. A major change in the SOI would undermine the assumptions in the General Plan, and significant impacts under CEQA to land use, transportation and circulation, and infrastructure would occur.

- B.** The Economic Development strategy of the City counts on the eventual annexation of the SOI to achieve the General Plan goals.

Page LU-11 of the General Plan states, "In 1997, the City commissioned a study by Hausrath and Associates to determine the City's potential to capture future development. The Hausrath Land Absorption Study states that:

'Should the City seek higher levels of growth, the strength of projected job growth within the Ventura Market Area indicates the potential for the City to seek redistribution of some of those jobs to its jurisdiction with an aggressive and effective economic development strategy. The City may become more successful than projected in attracting new businesses to the Ventura Market Area that would not have otherwise located in the area.'

Based on this theory, the Land Use Element presents aggressive commercial and industrial development plans based on amending the Sphere of Influence and annexing new lands.” (Emphasis added)

If the SOI becomes unavailable for growth, reduced economic activity is likely to occur which could impact the City’s ability to provide services to the existing population. In addition, as discussed below, removing the SOI could increase the likelihood of development in other areas in and around the City that have agricultural and other resources that the City has sought to preserve.

III. IMPACTS TO HOUSING

A. The SOI is necessary for the City to meet its housing allocation under the Regional Housing Needs Assessment.

As noted in the City White Paper at page 2, “Adams Canyon and Fagan Canyon have been selected to be the principal residential growth areas for the City.” The City’s General Plan Housing Element makes it clear that the annexation areas are being counted on to address the impact of too much low income housing on the City and to balance the City’s housing stock under the Regional Housing Needs Assessment. LAFCO’s own findings in the resolution approving the expansion of the SOI to include Adams Canyon states at finding 7 that, “There is insufficient alternative land available for similar types of uses within the existing sphere.”

The Housing Element of the City’s General Plan counts on growth in the SOI. Section V of the Housing Element at Goal 3 and Policy 3.3 states:

GOAL 3 - To provide adequate housing sites through appropriate land use and zoning designations to accommodate the City’s share of regional housing needs.

Policy 3.3 Pursue phased annexation of land located within the City’s Sphere of Influence to provide additional growth opportunities consistent with infrastructure capacities.

The Housing Element of the City of Santa Paula General Plan provides the Regional Housing Needs Assessment (RHNA). Page 38 of the Housing Element notes that “The Housing Action Plan (Chapter V) contains Program 16 to facilitate the annexation of properties in the Sphere of Influence to provide a portion of the sites needed for the planning period. It is important to note that the RHNA methodology, which was adopted by VCOG and SCAG and approved by HCD, assumed annexation and development of the Sphere of Influence during the current planning period.” (Emphasis added)

Removal of Adams Canyon from the Sphere of Influence would preclude the development of the housing assumed as part of the City’s build out to fulfill the RHNA. In addition, removal of Adams Canyon from the Sphere would impact the methodology used to develop the RHNA for Ventura County by the Ventura County Organization of Governments (VCOG) and Southern California Association of Governments (SCAG), causing broader impacts that could impact RHNA’s throughout the County.

B. Additional Upper Income Housing is needed to create a balanced community. The SOI is counted on to produce this housing.

The City White Paper details a unique housing imbalance in the City of Santa Paula. The City White Paper at page 19 notes that “it has long been recognized that Santa Paula has more than its fair share of low and very low income households. According to the 1999 regional Housing Needs Assessment, now underway, Santa Paula has 53% of its households in the low and very low income range. SCAG has determined that the regional fair share for these lower income households is 39%...The Santa Paula General Plan recognizes this problem and seeks to address it by setting goals that ‘the housing supply should be balanced to meet the needs of all economic social and ethnic groups...and the City should promote upper income housing as a means to improve community resources.’”

The Adams Canyon area is planned for larger estate housing and upper-income housing that would achieve the desired balance discussed in the City White Paper.

The General Plan has specific goals and policies to encourage development that will effect this balance. Land Use Element Goal 3.1 states, “A healthy balance of land uses and adequate land for all community needs should be provided.” Land Use Element policy 3.f.f - “Encourage the development of high quality estate subdivisions,” can only be achieved if the SOI is maintained. As noted at Page LU-11, the Adams Canyon annexation area is being counted on to fulfill this goal. The General Plan states, “Therefore, the Land Use Element recommends large land additions through Sphere of Influence amendments. This is to provide a mix of new housing types, with an emphasis on higher-cost housing that would be an alternative to the existing housing stock and would provide a net positive fiscal contributor to the City.”

IV. GROWTH NEEDS OF THE CITY WOULD IMPACT PRIME FARMLAND

A. Significant Impacts to Prime Agricultural Land are likely to occur

The CEQA initial study checklist requires that an analysis be conducted to determine if a project will “convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance...to non-agricultural use.” Independently, the Ventura County LAFCO sphere of influence policy 4.1.5.3 requires that LAFCO review how the change to a sphere of influence will “impact on adjoining prime agricultural or open space lands.”

The City White Paper specifically addresses this issue and states that the Adams Canyon area was chosen as an area of growth for new housing because of the lack of Prime Agricultural Land in the canyon, and to avoid the need to expand housing onto Prime Agricultural Lands or Greenbelt Agreement areas.

Page 1 of the City White Paper states that, “Santa Paula adopted a new General Plan last year after several years of study and community involvement. The Plan recognizes a need for room to grow and it directs that growth toward the least productive agricultural land. The planning process examined all contiguous growth possibilities around the City.”

Page 2 notes that, "After excluding Santa Paula Canyon and West Area 1, the General Plan was adopted. It included Adams Canyon, Fagan Canyon...These areas admittedly include agriculture, but to a far lesser extent than the rejected areas." Page LU-23 of the City's General Plan states that as to development of Adams Canyon, "The impact on agriculture would be relatively low due to the predominantly low-value grazing use of the canyon."

Measure A7 which added Adams Canyon within the CURB line specifically states that the "purpose of this initiative is to...preserve prime agriculture by including Adams Canyon in the CURB and directing residential development into the foothills of Adams Canyon."

If the City of Santa Paula is prevented from annexing these areas planned for growth, it will need to extend growth into those areas that have been analyzed and rejected as having greater impacts to agricultural resources. Indeed LAFCO's own findings in the resolution approving the expansion of the SOI to include Adams Canyon states at finding 7 that, "There is insufficient alternative land available for similar types of uses within the existing sphere." Therefore, the pressure for growth into agricultural areas around the City is certain and a direct impact will occur under CEQA.

B. Greenbelt Agreements may be undermined and Prime Agricultural Lands impacted by the need for growth into these areas if the SOI is changed.

The City General Plan at page LU-26 notes that the City of Santa Paula and surrounding jurisdictions are participants in Greenbelt Agreements. The General Plan describes these agreements:

In Ventura County, greenbelts are agreements between public agencies with land use control. They represent a form of mutual regulatory control between two or more jurisdictions concerning urban form, the protection of farmland and open space land, the future extension of urban services/facilities, and annexations. These greenbelts are intended to operate as "community separators" or "buffers" and participating cities agree not to extend municipal services into the greenbelts or annex greenbelt lands.

The General Plan notes that the City specifically rejected Greenbelt Agreement areas for growth due to the Prime Agricultural Lands in those areas and placed them outside the SOI for the City in recognition of these agreements. Indeed the General Plan notes at LU-26 that, "because the lands within a city's sphere of influence are intended for eventual annexation to a city, greenbelt agreements usually involve lands outside a city's sphere of influence." However, although these agreements exist, participant jurisdictions may seek to amend them and annex these territories. Page LU-26 of the General Plan notes the following:

- *Generally, the lands within a greenbelt area are designated "Agricultural" or "Open Space."*
- *Greenbelts have no binding legal authority to regulate land uses. That authority is found in the jurisdiction's general plans and zoning regulations. Greenbelts, together with other planning and regulatory tools have functioned as a deterrent*

to the premature development of farmland and open space lands. Greenbelts, however, do not provide for permanent conservation or preservation.

- *Any party to a greenbelt agreement may elect to terminate their participation in the policy agreement at any time.*

Therefore, the agricultural, Greenbelt Agreement areas are susceptible to development. An amendment to the SOI by LAFCO to exclude from growth the areas that the City General Plan has designated for development, will inevitably push growth into these Greenbelt Agreement areas, where no protections exist, and greater impacts to agricultural resources are assured. CEQA requires that these issues be thoroughly analyzed and disclosed prior to any action to amend the SOI.

C. City Urban Restriction Boundary (CURB) Preserves Agricultural Land and Includes the Sphere of Influence.

Page LU-29 defines the purpose of the CURB. It states that “The City of Santa Paula and surrounding area, often referred to as part of the Heritage Valley, with its unique combination of soils, micro-climate, and hydrology, has become one of the finest growing regions in the world. Agricultural production from the County of Ventura and in particular production from the solids and silt from the Santa Clara River provides beneficial food and fiber to local inhabitants and to the world at large and has achieved international acclaim, enhancing the City’s economy and reputation. The purpose of this CURB, as amended is to provide for the reasonable urban growth of the City of Santa Paula and ensure that the development policies, and underlying goals, objectives, principles and policies set forth in the Santa Paula General Plan relating to Land Use are inviolable against transitory short-term political decisions and that agricultural, watershed, and open space lands are not prematurely or unnecessarily converted to other non-agricultural or non-open space uses without public debate and vote of the people.”

By eliminating the annexation area that the voters (and the subsequently amended General Plan) specifically placed within CURB, the City may be forced to utilize land for growth within the City that is currently being utilized for agriculture. The purpose of the CURB is to constrain urban sprawl by defining the areas for potential growth away from prime agricultural areas. As noted above, unlike the bulk of land surrounding the City, Adams Canyon has very little agricultural potential and therefore has been designated for growth to avoid encroachment into agriculturally productive areas.

V. HYDROLOGICAL IMPACTS FROM FLOODING

The City of Santa Paula White Paper on the SOI states at page 4 that, “Adams Canyon and Fagan Canyon both drain by way of barrancas flowing into or alongside the City....All will require flood protection improvements as an integral part of their development plans...An important side benefit of the flood protection improvements on Adams Barranca will be the reduction of flooding problems in the existing and proposed industrial-zoned area on the west side of the City...The proposed development in Adams Canyon cannot proceed unless this flooding problem is corrected...The General Plan requires each of the major expansion areas to

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have a specific plan prepared and adopted before the annexation and development can occur. Each plan will include a drainage mater plan with a detailed description of the improvements needed and the schedule of construction.”

Page LU-12 states, “The Land Use Element addresses flooding as follows:

- Requiring reasonable flood protection measures in all new land development projects.
- Outlining programs to reduce the flood threat from Santa Paula Creek, Fagan Barranca, and Adams Barranca.
- Restricting development adjacent to the Santa Clara River and Santa Paula Creek.”

Page LU-23 of the General Plan goes on to state that “Drainage would follow Adams Barranca to the Santa Clara River. Major flood retention facilities would be required within the canyon. With the retention facility, flood threats in the areas west of town adjacent to SR 126 would be reduced, and the water would be used for irrigation and fire protection.”

The General Plan Land Use Element relies on improvements in the Adams Canyon area that will be required of future development to solve chronic flooding in the Adams Barranca. The water from flood control infrastructure would also be used for fire protection and agricultural irrigation. Therefore, the elimination of this planned infrastructure, through the development changes that would be required if the SOI were altered, would certainly impact the ability of the area to protect against flooding and could impact agriculture operations that would use the irrigation water from these facilities. The CEQA guidelines are clear that this area must be analyzed as part of an EIR. The CEQA initial study checklist provides that projects that could expose people or structures to a significant risk of loss, injury or death involving flooding, could create a significant impact under CEQA and therefore must be analyzed.

VI. TRANSPORTATION IMPACTS

Amendments to the SOI that displace or discourage development of the area could cause transportation impacts by eliminating the ability for critical road infrastructure to be developed. Measure A7 specifically states that one of the purposes of the initiative to include Adams Canyon in the CURB line is to allow for “the dedication of sufficient right-of-way for the construction of a connection road to Fagan Canyon [which] will reduce the impact of the traffic from Fagan Canyon on existing residential neighborhoods to the south.”

Improvements to future and existing roadways have been assumed as part of the Transportation Element of the City General Plan. The General Plan at page C1-29 provides the following list of improvements in Adams Canyon, and within the City:

“Adams Canyon. Primary access for Adams Canyon would be provided via an arterial roadway extending northerly into the canyon from Foothill Road. A secondary access connection to SR 150 is also anticipated. Anticipated improvements on existing streets include widening

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Foothill Road from Peck Road to the Adams Canyon access road to four lanes and widening Peck Road from SR 126 to Foothill Road to four lanes. The Foothill Road/Peck Road intersection would be modified to include a sweeping curve and the Foothill Road/Adams Canyon intersection may also be designed with a sweeping curve to encourage the use of Peck Road. The Foothill Road/Adams Canyon intersection will require signalization to accommodate the traffic volume expected for that area.”

Precluding development of this area would decrease the funding available to make circulation connections to existing and future roadways, and thus a significant impact would occur.

Conclusion:

As we noted in our letter of January 14, 2013, LAFCO’s regulations expressly require CEQA review. The regulations recognize that LAFCO must serve as a lead agency under CEQA when “a sphere of influence update pursuant to Government Code Section 56425” is initiated by LAFCO, such as the one here. Under LAFCO’s regulations, only certain specified projects are exempt from CEQA review—these projects do not include sphere-of-influence updates. As such, LAFCO’s regulations require it, at a minimum, to prepare an initial study for the proposed sphere-of-influence change. However, we believe that we have shown that there is potential for significant impacts to occur and therefore an EIR is required. Even a cursory look at the attached City of Santa Paula General Plan Land Use Plan and Expansion Areas document shows that any LAFCO action to remove Adams Canyon from the City’s Sphere would create serious conflicts with an adopted General Plan.

LAFCO must also comply with the Cortese-Knox-Hertzberg Act before considering the proposed update. Before updating a sphere of influence, the act specifically requires LAFCO to consider, and to “prepare a written statement of its determinations” with respect to the following specific factors:

(1) The present and planned land uses in the area, including agricultural and open-space lands.

(2) The present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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This analysis has not been completed, and LAFCO must prepare an EIR analyzing the CEQA impacts of its action before considering the sphere-of-influence update.

We appreciate the opportunity to submit these comments. We look forward to playing a constructive role as the proceedings unfold and as LAFCO conducts CEQA review.

Sincerely,

Christopher Garrett

Christopher W. Garrett
at LATHAM & WATKINS LLP

Attachment

cc Ron Rakunas



General Plan Map Land Use Plan and Expansion Areas

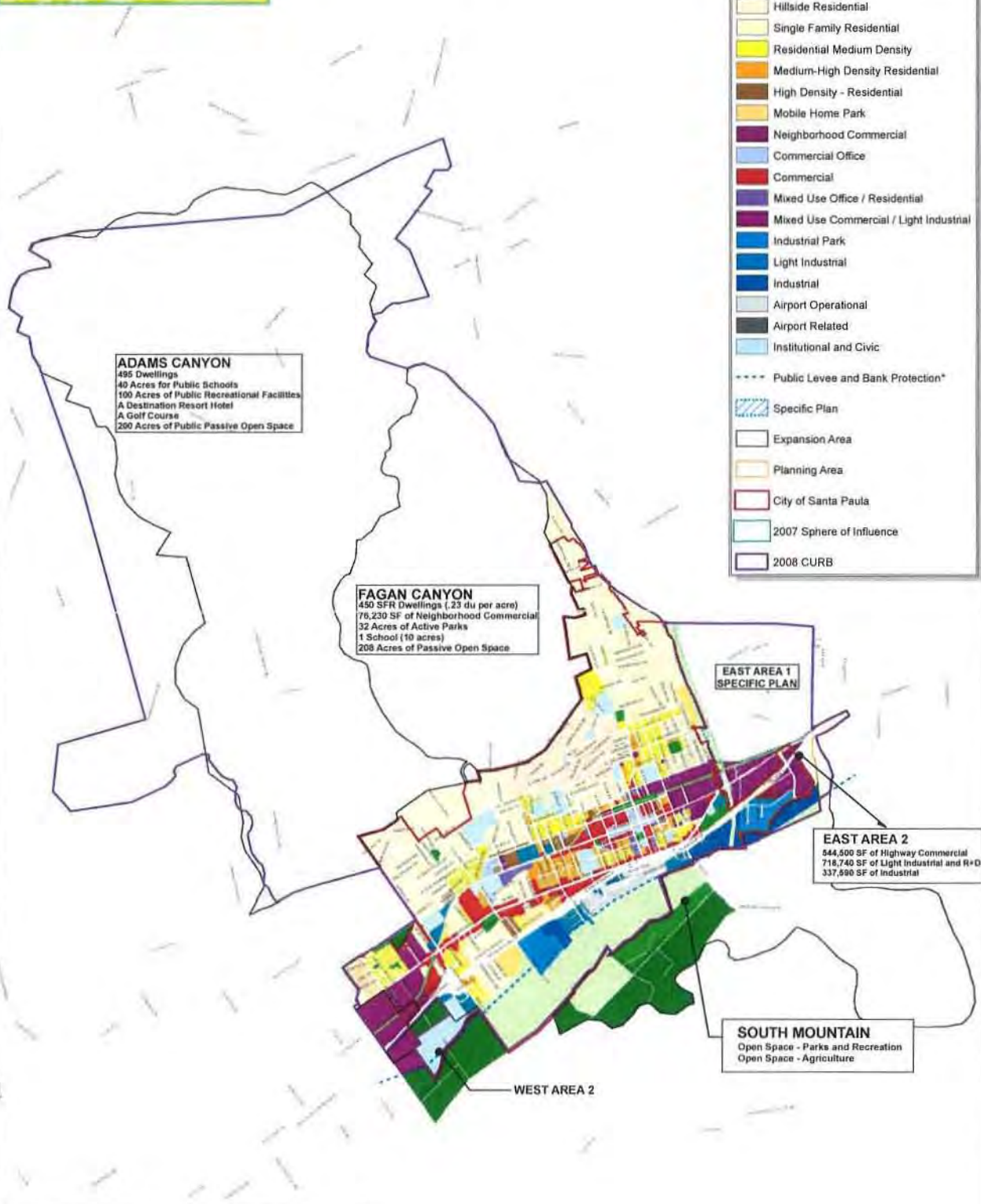
Legend

General Plan

- Open Space - Passive and Golf Course
- Agriculture
- Open Space - Parks and Recreation
- Residential Canyon
- Hillside Residential
- Single Family Residential
- Residential Medium Density
- Medium-High Density Residential
- High Density - Residential
- Mobile Home Park
- Neighborhood Commercial
- Commercial Office
- Commercial
- Mixed Use Office / Residential
- Mixed Use Commercial / Light Industrial
- Industrial Park
- Light Industrial
- Industrial
- Airport Operational
- Airport Related
- Institutional and Civic
- Public Levee and Bank Protection*

Specific Plan

- Expansion Area
- Planning Area
- City of Santa Paula
- 2007 Sphere of Influence
- 2008 CURB



*1998 Data, Pending revision by FEMA

Where the Sphere of Influence line is the same as the actual City Limit, it is drawn slightly offset of the City Limit line for graphic clarity.

The information displayed on this map is intended for general reference purposes only, and is not warranted for completeness or accuracy. Please contact City Planning Department for official map.

1. Approved by City Council on April 13, 1998.
2. Amended through Ordinance No. 6351, 10/16/06.
3. Revised 12/10/07, converted to GIS by the County of Ventura, IT Services.
4. Revised 12/18/08, through City Council Resolution No. 6459.
5. Revised 9/20/10 through City Council Resolution No. 6700 (Sphere of Influence related to East Area 1 pending LAFCO approval).

ADOPTED 62
101 9/20/2010

Figure LU 5





"Citrus Capital of the World"

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Attachment 9
Of the March 20, 2013
Staff Report
City of Santa Paula

March 4, 2013

Ventura County Local Agency Formation Commission
Attn: Kim Uhlich, Executive Officer
800 South Victoria Avenue
Ventura, CA 93009

RE: LAFCo's Review/Update of the City of Santa Paula's Sphere of Influence

Honorable Members of the Commission:

The City appreciates the opportunity to comment on the Ventura County Local Agency Formation Commission's quinquennial review of the City of Santa Paula's sphere of influence pursuant to Public Resources Code §56425(g). The Commission's review is scheduled to occur on March 20, 2013. Through discussions with Executive Officer Kim Uhlich, the City learned that as part of its review the Commission may remove the Adams and Fagan Canyon expansion areas from the City's sphere of influence. We write to convey to the Commission specific and serious concerns in opposition to this potential action and, we appreciate the Commission's consideration of those concerns.

A. Geographic Constraints and LAFCo Policies Direct Growth to the Current Sphere of Influence Area

At the outset, we note the importance of adopted spheres of influence as long-range planning tools. As the Commission knows, spheres of influence are designed to guide the future growth of a city. Like general plans, spheres of influence serve as an essential tool for providing well-planned, efficient urban development patterns. As far back as 1998, the City planned for the urbanization and development of Adams and Fagan Canyons, which form the lion's share of the City's current sphere area. City of Santa Paula General Plan (the "General Plan"), at p. LU-20 (1998). Throughout each of the General Plan's elements, both Adams and Fagan Canyons are repeatedly identified as the logical area for the future growth of the City. Expansion into the Adams and Fagan Canyon Areas is now, and has always been, the preferred growth scenario. General Plan at p. LU-18.

B. The Current Sphere Boundary was Drawn with an Eye Toward Preserving Agricultural Lands

The City recognizes and supports the Commission's laudable goal of preserving prime agricultural land. See Commissioner's Handbook, Specific Policies of the Ventura

County LAFCo, Policy 4.3.2 (2012). Indeed, Santa Paula is world-renown for its orange, lemon and avocado groves and is often referred to as the "Citrus Capital of the World." Consistent with LAFCo policies, the current sphere was drawn with an eye toward preserving the prime agricultural land to the east and west of the City, where much of this citrus is grown. But, unlike the agricultural areas to the east and west, the overwhelming majority of Adams and Fagan Canyons do not contain prime farmland and are generally used for animal grazing. The topography in these canyons greatly limits their use for productive agricultural. Nor are the Adams and Fagan Canyon areas subject to any greenbelt agreement. General Plan at pgs. CO-37 to CO-40. The General Plan states specifically that the impact to agriculture from development in the sphere area "would be relatively low." General Plan at p. LU 23.

To the north -- toward Adams and Fagan Canyons -- is the only area where future growth can occur. As noted above, areas to the east and west are considered prime farmland the conversion of which is considered inconsistent with LAFCo policies. The South Mountain area, which as the name implies is located to the south of the City, contains several heavy industrial uses, including the City's new sewer plant and the Santa Paula Airport, and is located adjacent to the Santa Clara River, which is prone to flooding. It seems only logical to direct future growth to the north, away from South Mountain and fertile farmland to the east and west of the City. Why then, given these geographic constraints, would the Commission consider removing Adams and Fagan Canyons from the City's sphere?

By removing the Adams and Fagan Canyon areas from the sphere of influence, the City may be forced to expand in an easterly or westerly direction, which would result in the invasion of prime farmland that both the City and LAFCo hold inviolable.

C. Santa Paulans Favor Expansion into the Current Sphere Area

LAFCo Policy 4.2.1 recognizes the importance of voter-approved growth boundaries in setting a local jurisdiction's sphere of influence. In 2007, Santa Paula voters overwhelmingly approved an amendment to the City Urban Restriction Boundary to make the CURB line substantially coterminous with the City's current sphere of influence boundary. In addition to adjusting the CURB line to specifically include Adams and Fagan Canyons, Measure A7 also amended the general plan to include specific land use densities and imposed specific infrastructure requirements for those areas. These actions evidence the voter's intent to eventually annex the sphere areas in order to direct the future growth of Santa Paula in that direction. Why would LAFCo interfere with the clear intent of Santa Paula voters?

D. Development in Adams and Fagan Canyons in on the Horizon

Both Adams and Fagan Canyons continue to be the subject of substantial development interest. In 2005, the Council approved development for Fagan Canyon and certified an EIR. Unfortunately, in 2006, the voters voted to reject the development. However, City

Kim Uhlich, Executive Officer
Local Agency Formation Commission
March 4, 2013

staff continues to meet with interested parties regarding both Adams and Fagan Canyons. And at the December 17, 2012, City Council meeting, several owners and their representatives discussed the status of proposed development of the Adams and Fagan Canyon areas and noted that the submittal of development applications will soon occur. Certainly, removing Adams or Fagan Canyons from the current sphere would greatly increase the cost of the development process in these areas. Through our due diligence we have been informed that should Adams and Fagan Canyons be removed from the City's sphere of influence, the application process for those areas would increase in time by as much as two years and in cost by as much as ten million dollars.

While formal applications have not been filed with the City, this reflects the poor economic climate and should not be perceived as a lack of development interest in these sphere areas. Indeed, all of California (and much of the United States) suffered from this unprecedented economic slowdown. This fact then should not be used as justification to remove land from the City's sphere of influence.

With knowledge that potential future uses will require a sphere amendment through LAFCo, with all of the attendant costs and delays, future developers might be unwilling to construct much needed housing in these areas. This is problematic because the City's Regional Housing Needs Assessment for the 2014 to 2021 projection period calls for the development of 1,285 units. Of those, 945 of the units are planned to be built in the Adams and Fagan Canyon areas. Why put another roadblock in the way of future housing construction in the sphere of influence?

E. Infrastructure Needs in the Sphere of Influence Area will Be Addressed at Time of Development Application

Relying on the City's Municipal Services Review, LAFCo staff has repeatedly noted that the removal of Adams and Fagan Canyons from the sphere area is necessary to resolve an apparent lack of infrastructure in that area. The City concedes that the sphere area currently lacks the infrastructure necessary to support a large-scale development. It could be argued that most spheres of influence lack adequate infrastructure capacity. Typically though, such infrastructure deficiencies are handled in the development process through the approval of development agreement or specific plan. The City's General Plan indicates as much. See General Plan at p. LU-20 ("Details of siting, design, infrastructure, provision of open space, and financing will be established through the specific plan... Annexation would occur on a case-by-case basis after completion of a Specific Plan and the market and fiscal evaluation.")

It should also be noted that the City's state-of-the-art wastewater treatment facility was designed to accommodate new development in the sphere areas. The sewer rates of our current residents already reflect this increased capacity. As new connections come online in the expansion areas, sewer rates for our current customers will decrease. Other deficiencies noted by LAFCo, including the sizing of pipelines on Harvard

Kim Uhlich, Executive Officer
Local Agency Formation Commission
March 4, 2013

Boulevard, are scheduled for improvement in the near future as part of the City's Capital Improvement Program.

F. Conclusion

No compelling (or even logical) reason exists to justify removing Adams or Fagan Canyon from the City's adopted sphere of influence. Nor have conditions changed in the City or the expansion areas such that a revision of the sphere boundary is necessary. Indeed, overarching LAFCo policies – keeping spheres consistent with voter approved growth boundaries and limiting development in prime farmland – warrant keeping the sphere of influence in its current location.

Leaving the sphere of influence boundary in its current location upholds the prior vote of Santa Paula citizens and provides them and the development community with certainty as to where future growth is likely to occur. Put simply, there is no harm in leaving the sphere of influence in its current location.

Thank you for your consideration of the City's concerns. And, please do not hesitate to contact City Manager Jaime M. Fontes or Planning Director Janna Minsk with any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Ralph J. Fernandez", with a long horizontal flourish extending to the right.

Ralph J. Fernandez
Mayor

c: Vice-Mayor
Councilmembers
City Manager
City Attorney

LAFCo 13-02S

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION MAKING DETERMINATIONS
AND APPROVING THE UPDATE OF THE SPHERE OF
INFLUENCE FOR THE CITY OF SANTA PAULA**

WHEREAS, Government Code Section 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

WHEREAS, Government Code Section 56425(g) requires that LAFCo, as necessary, review and update the adopted sphere of influence boundaries on or before January 1, 2008 and every five years thereafter; and

WHEREAS, Government Code Section 56430 requires that a municipal service review be conducted prior to or in conjunction with a sphere of influence update; and

WHEREAS, LAFCo accepted a municipal service review of the services provided by the City of Santa Paula (City) and adopted written determinations as required by Government Code Section 56430 on November 14, 2012 for the services provided by the City; and

WHEREAS, no change in regulation, land use, or development will occur as a result of updating the City's sphere of influence; and

WHEREAS, at the times and in the manner required by law, the Executive Officer gave notice of the consideration of this action by the Commission; and

WHEREAS, on January 16, 2013, at the request of the City of Santa Paula, the Commission continued action on the sphere of influence update to March 20, 2013; and

WHEREAS, the sphere of influence update action was duly considered at a public hearing on March 20, 2013; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the sphere of influence update including, but not limited to, testimony at the public hearing on March 20, 2013 and the LAFCo staff report and recommendations;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

- (1) The Staff Report and Option 2 of the recommendations for approval of the sphere of influence update for the City of Santa Paula, dated March 20, 2013 are adopted.

- (2) The Commission has considered the criteria set forth in Government Code §56425(e) and determines as follows:
- a) *The present and planned land uses in the area, including agricultural and open-space lands.*
- Most of the subject area is comprised of undeveloped land designated as open space by the County General Plan. Several hundred acres are planted with orchards and designated Agriculture by the County General Plan.
 - The City is currently processing a development application for 79 residential units on the 32-acre "Peck/Foothill Property", as depicted on Exhibit A. The approximately 100-acre area depicted as "Other Area" on Exhibit A has been designated by the City General Plan for "Hillside Residential". As such, the probable uses for these areas have been identified and adequate information exists to determine their probable service needs.
 - The City General Plan contains limited information as to the location of land uses, infrastructure, roads, public facilities, natural resources, and hazards within the approximately 10.3-square mile "Adams Canyon Expansion Area" as depicted on Exhibit A.
 - It appears that the number of units available for development under the City's growth management ordinance is not adequate to allow for the level of development identified by the General Plan for the Expansion Areas. Any changes to the General Plan resulting in an increase in the number of residential units allowed within the Expansion Areas would increase this disparity.
 - There will be no change in land use, no change in land use authority, and no impact to agricultural and open space lands as a result of the sphere of influence update.

b) *The present and probable need for public facilities and services in the area.*

- Because the area is comprised of undeveloped open space and agricultural uses, there is no present need for public facilities and services in the area.
- No City-adopted comprehensive land use/infrastructure plan currently exists for the area and no applications for entitlements to develop the area are currently in process with the City. Therefore, the probable level of urban services needed in the Adams Canyon Expansion Area is unknown at this time.
- Based on the apparent residential densities as currently reflected in the City General Plan of 1 unit per 12.1 acres, the probable need for urban services in the area may not require annexation to the City.

c) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

- In accordance with the 2012 Municipal Service Review prepared for the City of Santa Paula, the Commission determined that the City provides adequate fire protection services, recreation and park services, solid waste services, potable and recycled water services, and wastewater treatment services to areas within and adjacent to City boundaries. The Commission also determined that reductions in police personnel have resulted in increased response times within the City, that the City has substantially underfunded street maintenance services needed to prevent further deterioration of City streets, that the City's sewer collection system suffers from existing capacity deficiencies and that substantial sections of the system were in need of repair/replacement. Further, the Commission determined that there was inadequate information available to determine whether adequate fire protection service, police service, street maintenance service, water infrastructure and service, and wastewater collection service

Resolution of Approval
LAFCo 13-02S City of Santa Paula Sphere of Influence Update
March 20, 2013
Page 3 of 5

could be feasibly extended to the Adams Canyon Expansion Area and whether funding for the ongoing operation and maintenance of these services and related infrastructure would be available.

- d) *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*
 - Should the type of development envisioned for the Adams Canyon Expansion Area occur, a social and/or economic community of interest may be created. It appears that this community would be geographically, topographically, and economically distinct from the remainder of the City.
 - e) *The present and probable need for City sewer, municipal and industrial water, or structural fire protection services for any disadvantaged unincorporated communities within the existing sphere of influence.*
 - As defined by Section 56033.5 of the Government Code, a “Disadvantaged Unincorporated Community” (DUC) is an unincorporated community with an annual median household income that is less than 80 percent of the statewide annual median household income. There are no DUCs within or contiguous to the City sphere of influence.
- (3) The sphere of influence for the City of Santa Paula is hereby updated to exclude the area known as the “Adams Canyon Expansion Area”, consistent with Option 2 discussed in the Staff Report, as generally depicted on Exhibit A attached hereto.
- (4) The Commission directs staff to have the official sphere of influence geographic information system data maintained for the Ventura LAFCo by the Ventura County Information Technology Services Department as the official sphere of influence record for the City of Santa Paula updated consistent with this action.

- (5) In accordance with the Executive Officer's determination, the Commission, as lead agency for the purposes of the California Environmental Quality Act (CEQA), hereby determines that the sphere of influence update for the City of Santa Paula is exempt pursuant to Section 15061(b)(3) of the CEQA Guidelines.
- (6) The Commission directs staff to file a Notice of Exemption as lead agency under Section 15062 of the CEQA Guidelines.

This resolution was adopted on March 20, 2013.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Long	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Ford-McCaffrey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Pringle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated: _____

Chair, Ventura Local Agency Formation Commission

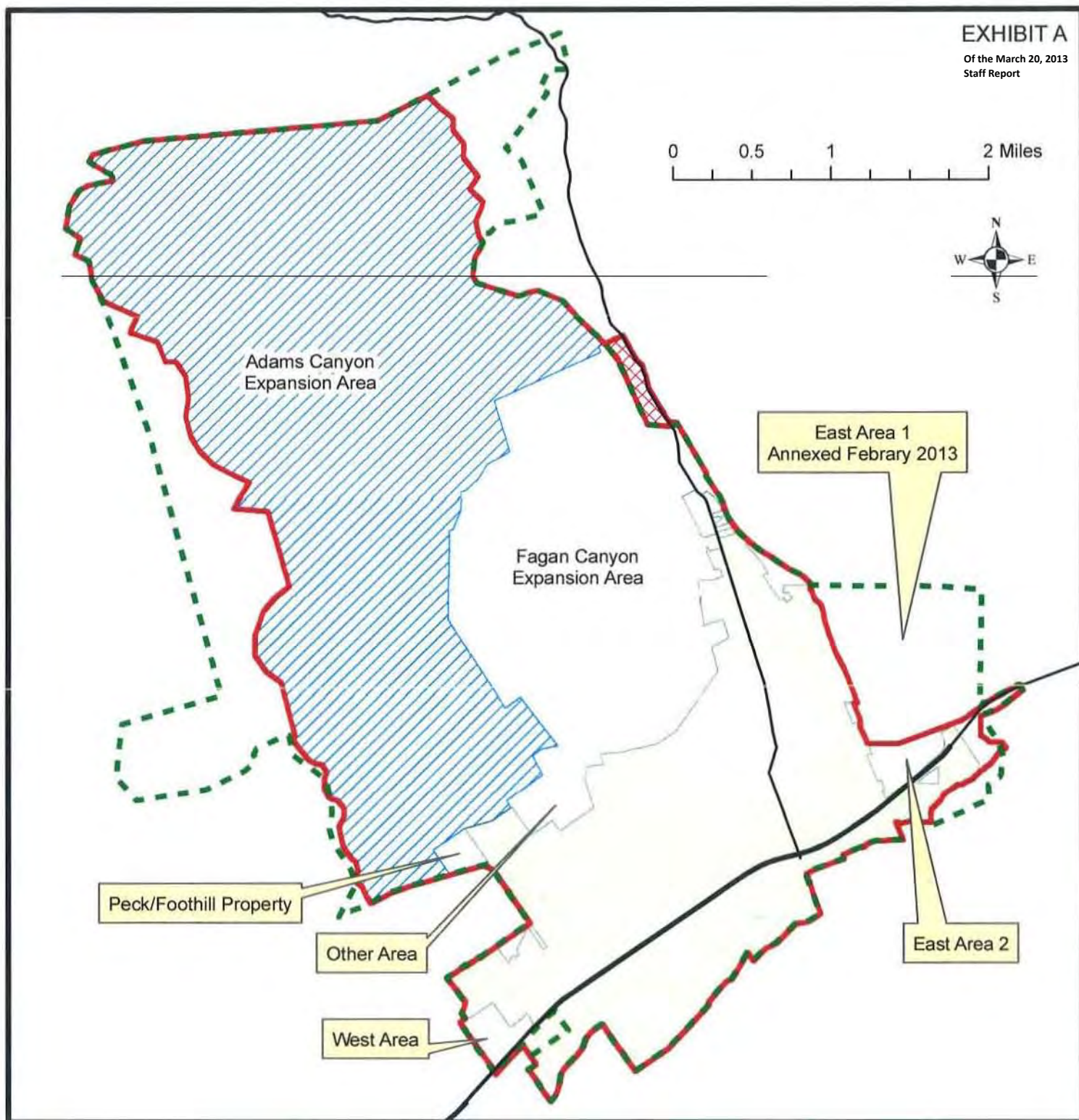
Attachments: Exhibit A

Copies: City of Santa Paula
Ventura County Surveyor
Ventura County Geographic Information Systems Officer
Ventura County Planning Department

Resolution of Approval
LAFCo 13-02S City of Santa Paula Sphere of Influence Update
March 20, 2013
Page 5 of 5

EXHIBIT A

Of the March 20, 2013
Staff Report



Legend

- City of Santa Paula
- City Sphere - Existing
- CURB Line
- Area to be Removed from Sphere
- Area to be Added to Sphere

LAFCo 13-02S
City of Santa Paula
Sphere of Influence Review/Update
OPTION 2



LAFCo 13-02S**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION MAKING DETERMINATIONS
AND APPROVING THE UPDATE OF THE SPHERE OF
INFLUENCE FOR THE CITY OF SANTA PAULA**

WHEREAS, Government Code Section 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

WHEREAS, Government Code Section 56425(g) requires that LAFCo, as necessary, review and update the adopted sphere of influence boundaries on or before January 1, 2008 and every five years thereafter; and

WHEREAS, Government Code Section 56430 requires that a municipal service review be conducted prior to or in conjunction with a sphere of influence update; and

WHEREAS, LAFCo accepted a municipal service review of the services provided by the City of Santa Paula (City) and adopted written determinations as required by Government Code Section 56430 on November 14, 2012 for the services provided by the City; and

WHEREAS, no change in regulation, land use, or development will occur as a result of updating the City's sphere of influence; and

WHEREAS, at the times and in the manner required by law, the Executive Officer gave notice of the consideration of this action by the Commission; and

WHEREAS, on January 16, 2013, at the request of the City of Santa Paula, the Commission continued action on the sphere of influence update to March 20, 2013; and

WHEREAS, the sphere of influence update action was duly considered at a public hearing on March 20, 2013; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the sphere of influence update including, but not limited to, testimony at the public hearing on March 20, 2013 and the LAFCo staff report and recommendations;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

- (1) The Staff Report and Option 3 of the recommendations for approval of the sphere of influence update for the City of Santa Paula, dated March 20, 2013 are adopted.

- (2) The Commission has considered the criteria set forth in Government Code §56425(e) and determines as follows:
- a) *The present and planned land uses in the area, including agricultural and open-space lands.*
- Most of the subject area is comprised of undeveloped land designated as open space by the County General Plan. Several hundred acres are planted with orchards and designated Agriculture by the County General Plan.
 - The City is currently processing a development application for 79 residential units on the 32-acre "Peck/Foothill Property", as depicted on Exhibit A. The approximately 100-acre area depicted as "Other Area" on Exhibit A has been designated by the City General Plan for "Hillside Residential". As such, the probable uses for these areas have been identified and adequate information exists to determine their probable service needs.
 - The City General Plan contains limited information as to the location of land uses, infrastructure, roads, public facilities, natural resources, and hazards within the approximately 13.7-square miles contained within the "Adams Canyon Expansion Area" and the "Fagan Canyon Expansion Area", as depicted on Exhibit A.
 - It appears that the number of units available for development under the City's growth management ordinance is not adequate to allow for the level of development identified by the General Plan for the Expansion Areas. Any changes to the General Plan resulting in an increase in the number of residential units allowed within the Expansion Areas would increase this disparity.
 - There will be no change in land use, no change in land use authority, and no impact to agricultural and open space lands as a result of the sphere of influence update.

b) *The present and probable need for public facilities and services in the area.*

- Because the area is comprised of undeveloped open space and agricultural uses, there is no present need for public facilities and services in the area.
- No City-adopted comprehensive land use/infrastructure plan currently exists for the area and no applications for entitlements to develop the area are currently in process with the City. Therefore, the probable level of urban services needed in the Adams Canyon and Fagan Canyon Expansion Areas is unknown at this time.
- Based on the apparent residential densities as currently reflected in the City General Plan of 1 unit per 12.1 acres within the Adams Canyon Expansion Area and 4.3 acres within the Fagan Canyon Expansion Area, the probable need for urban services may not require annexation to the City.

c) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

- In accordance with the 2012 Municipal Service Review prepared for the City of Santa Paula, the Commission determined that the City provides adequate fire protection services, recreation and park services, solid waste services, potable and recycled water services, and wastewater treatment services to areas within and adjacent to City boundaries. The Commission also determined that reductions in police personnel have resulted in increased response times within the City, that the City has substantially underfunded street maintenance services needed to prevent further deterioration of City streets, that the City's sewer collection system suffers from existing capacity deficiencies and that substantial sections of the system were in need of repair/replacement. Further, the Commission determined that there was inadequate information available to determine whether adequate

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March 20, 2013
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fire protection service, police service, street maintenance service, water infrastructure and service, and wastewater collection service could be feasibly extended to the Adams Canyon and Fagan Canyon Expansion Areas and whether funding for the ongoing operation and maintenance of these services and related infrastructure would be available.

d) *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*

- Should the type of development envisioned for the Adams and Fagan Canyon Expansion Areas occur, a social and/or economic community of interest may be created. It appears that this community would be geographically, topographically, and economically distinct from the remainder of the City.

e) *The present and probable need for City sewer, municipal and industrial water, or structural fire protection services for any disadvantaged unincorporated communities within the existing sphere of influence.*

- As defined by Section 56033.5 of the Government Code, a "Disadvantaged Unincorporated Community" (DUC) is an unincorporated community with an annual median household income that is less than 80 percent of the statewide annual median household income. There are no DUCs within or contiguous to the City sphere of influence.

(3) The sphere of influence for the City of Santa Paula is hereby updated to exclude the areas known as the "Adams Canyon Expansion Area" and the "Fagan Canyon Expansion Area", consistent with Option 3 discussed in the Staff Report, as generally depicted on Exhibit A attached hereto.

(4) The Commission directs staff to have the official sphere of influence geographic information system data maintained for the Ventura LAFCo by the Ventura County Information Technology Services Department as the

official sphere of influence record for the City of Santa Paula updated consistent with this action.

- (5) In accordance with the Executive Officer's determination, the Commission, as lead agency for the purposes of the California Environmental Quality Act (CEQA), hereby determines that the sphere of influence update for the City of Santa Paula is exempt pursuant to Section 15061(b)(3) of the CEQA Guidelines.
- (6) The Commission directs staff to file a Notice of Exemption as lead agency under Section 15062 of the CEQA Guidelines.

This resolution was adopted on March 20, 2013.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Long	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Ford-McCaffrey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Pringle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Alt. Commissioner Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

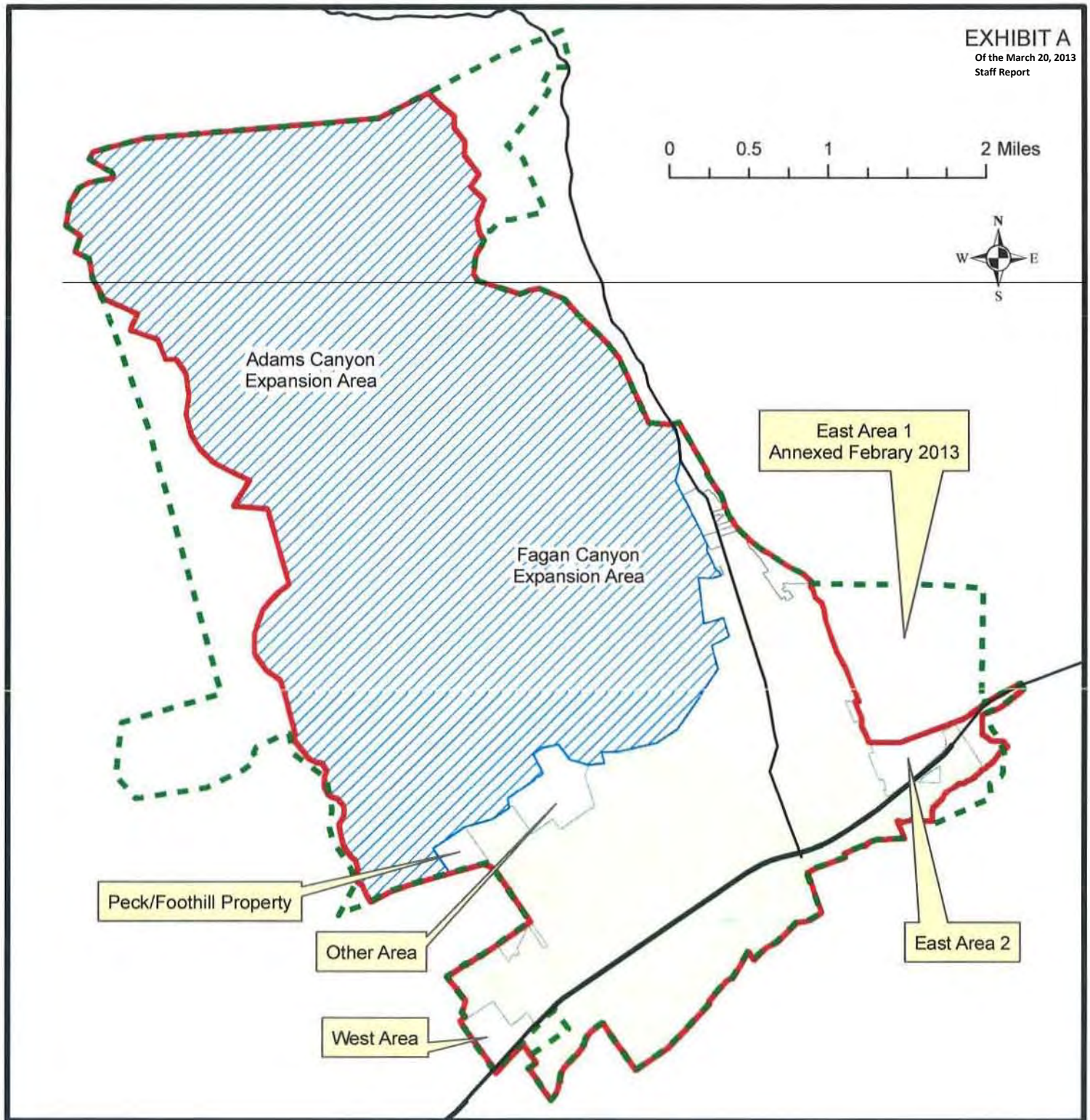
Dated: _____

Chair, Ventura Local Agency Formation Commission

Attachments: Exhibit A

Copies: City of Santa Paula
Ventura County Surveyor
Ventura County Geographic Information Systems Officer
Ventura County Planning Department

Resolution of Approval
LAFCo 13-02S City of Santa Paula Sphere of Influence Update
March 20, 2013
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LAFCo 13-02S
City of Santa Paula
Sphere of Influence Review/Update
OPTION 3

Legend

- City of Santa Paula
- City Sphere - Existing
- CURB Line
- Area to be Removed from Sphere



LAFCo 15-08S

**RESOLUTION OF THE VENTURA LOCAL AGENCY FORMATION
COMMISSION MAKING DETERMINATIONS AND APPROVING THE
UPDATE OF THE SPHERE OF INFLUENCE FOR THE CITY OF SANTA PAULA**

WHEREAS, Government Code Section 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County in order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the County and its communities; and

WHEREAS, LAFCo accepted a municipal service review of the services provided by the City of Santa Paula (City) and adopted written determinations as required by Government Code Section 56430 on November 14, 2012 for the services provided by the City; and

WHEREAS, no change in regulation, land use, or development will occur as a result of updating the City's sphere of influence; and

WHEREAS, at the times and in the manner required by law, the Executive Officer gave notice of the consideration of this action by the Commission; and

WHEREAS, the sphere of influence update action was duly considered at a public hearing on May 20, 2015; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the sphere of influence update including, but not limited to, testimony at the public hearing on May 20, 2015 and the LAFCo Staff Report;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

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 - a) *The present and planned land uses in the area, including agricultural and open-space lands.*
 - Most of the subject area is comprised of undeveloped land designated as Open Space by the County General Plan. Several hundred acres are planted with orchards and designated Agricultural by the County General Plan.
 - The City is currently processing a development application for 79 residential units on the 32-acre "Peck/Foothill Property", as depicted on Exhibit A. The approximately 100-

acre area depicted as “Other Area” on Exhibit A has been designated by the City General Plan for “Hillside Residential”. As such, the probable uses for these areas have been identified and adequate information exists to determine their probable service needs.

- The City General Plan does not identify the location or extent of any planned land use designations within the approximately 10.3-square-mile Adams Canyon Expansion Area as depicted on Exhibit A.
- There will be no change in land use, no change in land use authority, and no impact to agricultural and open space lands as a result of the sphere of influence update.

b) *The present and probable need for public facilities and services in the area.*

- Because the area is comprised of undeveloped open space and agricultural uses, there is no present need for public facilities and services in the area.
- The County’s Agricultural and Open Space General Plan and zoning designations will allow for the existing uses to continue, thus there is no probable need for public facilities and services in the area.
- No City-adopted comprehensive land use/infrastructure plan currently exists for the area and no applications for entitlements to develop the area are currently in process with the City. Therefore, the probable level of urban services needed in the Adams Canyon Expansion Area is unknown at this time.

c) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

- The City’s current General Plan does not include many of the basic requirements of a General Plan for the Adams Canyon Expansion Area. Information is not available to determine if the City’s public facilities and services are adequate for future development within the Expansion Area because the location, extent, and service needs of future development have not been identified or analyzed.

d) *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*

- Staff is not aware of any social or economic communities of interest within or adjacent to the current sphere of influence.

e) *The present and probable need for City sewer, municipal and industrial water, or structural fire protection services for any disadvantaged unincorporated communities within the existing sphere of influence.*

- As defined by Section 56033.5 of the Government Code, a “Disadvantaged Unincorporated Community” (DUC) is an unincorporated community with an annual median household income that is less than 80 percent of the statewide annual median household income. There are no DUCs within or contiguous to the City sphere of influence.
- (3) The sphere of influence for the City of Santa Paula is hereby updated to exclude most of the area known as the “Adams Canyon Expansion Area”, consistent with Option 2 discussed in the Staff Report, as generally depicted on Exhibit A attached hereto.
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Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Zaragoza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ramirez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date

Lou Cunningham, Chair, Ventura Local Agency Formation Commission

Attachments: Exhibit A

Copies: City of Santa Paula
Ventura County Surveyor
Ventura County Geographic Information Systems Officer
Ventura County Planning Department

Resolution of Approval
LAFCo 15-08S City of Santa Paula Sphere of Influence Update
May 20, 2015
Page 4 of 5

LAFCo 15-08S

**RESOLUTION OF THE VENTURA LOCAL AGENCY FORMATION
COMMISSION MAKING DETERMINATIONS AND APPROVING THE
UPDATE OF THE SPHERE OF INFLUENCE FOR THE CITY OF SANTA
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- c) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*
- The City’s current General Plan does not include many of the basic requirements of a General Plan for the Adams Canyon and Fagan Canyon Expansion Areas. Information is not available to determine if the City’s public facilities and services are adequate for future development within the Expansion Areas because the location, extent, and service needs of future development have not been identified or analyzed.
- d) *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*
- Staff is not aware of any social or economic communities of interest within or adjacent to the current sphere of influence.

e) *The present and probable need for City sewer, municipal and industrial water, or structural fire protection services for any disadvantaged unincorporated communities within the existing sphere of influence.*

- As defined by Section 56033.5 of the Government Code, a “Disadvantaged Unincorporated Community” (DUC) is an unincorporated community with an annual median household income that is less than 80 percent of the statewide annual median household income. There are no DUCs within or contiguous to the City sphere of influence.

- (3) The sphere of influence for the City of Santa Paula is hereby updated to exclude most of the area known as the “Adams Canyon Expansion Area” and all of the area known as the “Fagan Canyon Expansion Area”, consistent with Option 3 discussed in the Staff Report, as generally depicted on Exhibit A attached hereto.
- (4) The Commission directs staff to have the official sphere of influence geographic information system data maintained for the Ventura LAFCo by the Ventura County Information Technology Services Department as the official sphere of influence record for the City of Santa Paula updated consistent with this action.
- (5) In accordance with the Executive Officer’s determination, the Commission, as lead agency for the purposes of the California Environmental Quality Act (CEQA), hereby determines that the sphere of influence update for the City of Santa Paula is exempt pursuant to Section 15061(b)(3) of the CEQA Guidelines.
- (6) The Commission directs staff to file a Notice of Exemption as lead agency under Section 15062 of the CEQA Guidelines.

This resolution was adopted on May 20, 2015.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Zaragoza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ramirez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date	Lou Cunningham, Chair, Ventura Local Agency Formation Commission
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Attachments: Exhibit A

Copies:City of Santa Paula

Ventura County Surveyor

Ventura County Geographic Information Systems Officer

Ventura County Planning Department

Resolution of Approval

LAFCo 15-08S City of Santa Paula Sphere of Influence Update

May 20, 2015

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