



**VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT**

Meeting Date: February 21, 2018

TO: LAFCo Commissioners

FROM: Kai Luoma, Executive Officer 

SUBJECT: Sphere of Influence Review and Update: LAFCo 18-02S City of Santa Paula

RECOMMENDATIONS:

- A. Determine that the sphere of influence update for the City of Santa Paula (City) is exempt from the California Environmental Quality Act (CEQA) pursuant to § 15061(b)(3) of the CEQA Guidelines.
- B. Review and update the sphere of influence for the City pursuant to Government Code § 56425(g).
- C. Adopt Resolution LAFCo 18-02S (Attachment 1) making determinations and updating the sphere of influence for the City.

BACKGROUND:

Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code § 56000 et seq.), the Commission was required to determine and adopt a sphere of influence for each city and special district on or before January 1, 2008. A sphere of influence is defined in Government Code § 56076 as the probable physical boundary and service area of a local agency, as determined by the Commission. Every five years thereafter, the Commission must, as necessary, review and update each sphere of influence (Government Code § 56425(g)). Before it may update an agency’s sphere, LAFCo is required to conduct a Municipal Service Review (MSR) pursuant to Government Code § 56430.

In compliance with Government Code § 56425(g), the Commission accepted MSR reports in 2007 and 2012 for the City of Santa Paula, and considered a Draft MSR as a previous agenda item at this LAFCo meeting.

The following represents a summary of sphere of influence review/update actions taken by LAFCo with regard to the City of Santa Paula:

COMMISSIONERS AND STAFF

COUNTY: Linda Parks, Chair John Zaragoza <i>Alternate:</i> Steve Bennett	CITY: Janice Parvin Carmen Ramirez <i>Alternate:</i> Claudia Bill-de la Peña	DISTRICT: Elaine Freeman Mary Anne Rooney <i>Alternate:</i> Andy Waters	PUBLIC: David J. Ross, Vice-Chair <i>Alternate:</i> Pat Richards
Executive Officer Kai Luoma, AICP	Analyst Andrea Ozdy	Office Manager/Clerk Richelle Beltran	Legal Counsel Michael Walker

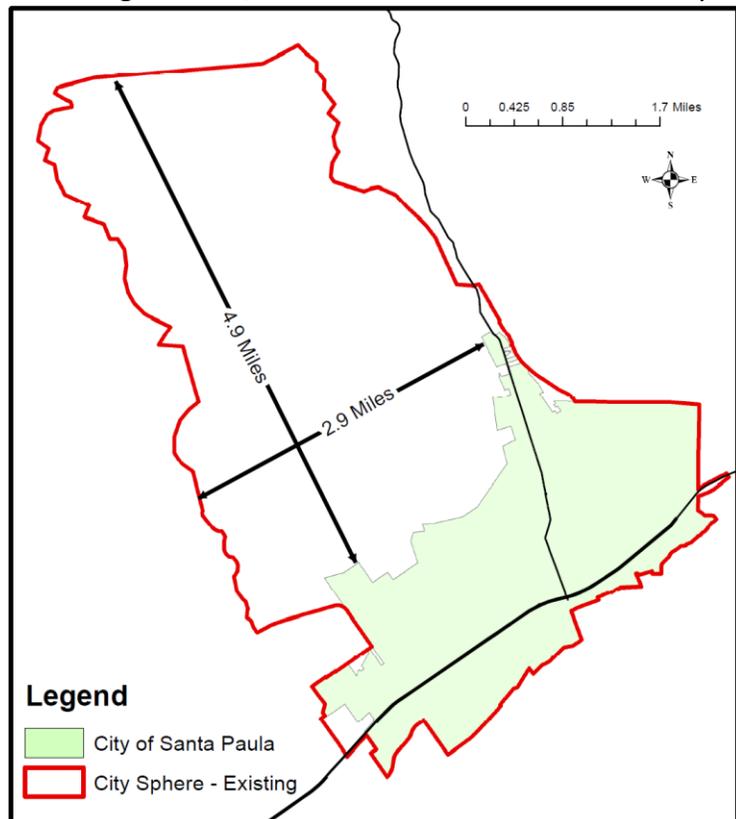
- On June 13, 2007, the Commission updated the City’s sphere of influence (in conjunction with LAFCo’s March 21, 2007, MSR prepared for the City);
- On March 20, 2013, the Commission reviewed, but did not update, the City’s sphere of influence (in conjunction with LAFCo’s November 14, 2012, MSR prepared for the City) (Attachment 2 is the Staff Report prepared for the March 2013 item without attachments - the entire Staff Report, including attachments, is posted on the LAFCo website and available at [Staff Report - March 20, 2013](#));
- On May 20, 2015, the Commission considered a review of the City’s sphere of influence and continued the matter to the meeting of September 16, 2015 (Attachment 3 is the Staff Report prepared for the May 2015 item without attachments - the entire Staff Report, including attachments, is posted on the LAFCo website and available at [Staff Report - May 20, 2015](#));
- On September 16, 2015, the Commission reviewed, but did not update, the City’s sphere of influence (Attachment 4 is the Staff Report prepared for the September 2015 item without attachments - the entire Staff Report, including attachments, is posted on the LAFCo website and available at [Staff Report - September 16, 2015](#)).

DISCUSSION:

Based on the work plan established by the Commission, review/update of the cities’ spheres of influence was to be initiated during 2017. In August 2017, LAFCo staff consulted with the City manager to discuss the sphere of influence, and to determine: (1) if the City has experienced any changes to its service needs or areas since LAFCo’s most recent evaluation of its sphere of influence, and (2) if the City staff anticipates any service changes that would warrant adjustment of the sphere boundaries.

Sphere of Influence:

The City’s sphere of influence contains approximately 11,319 acres of territory, of which 3,653 acres are within City boundaries. Thus, there are approximately 7,666 acres of unincorporated land within the existing sphere of influence, more



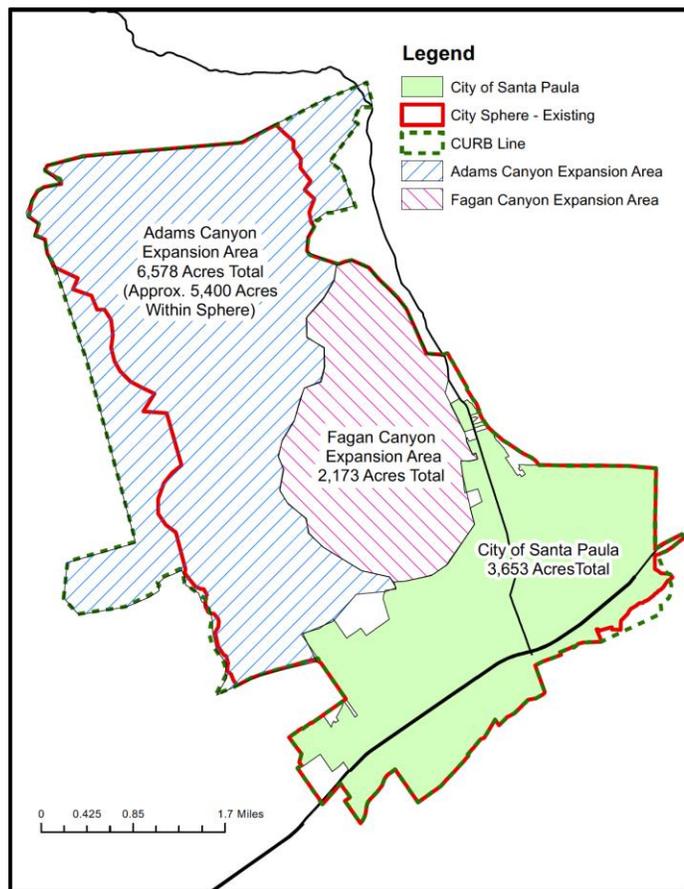
than the spheres of influence for any other city in the County. The majority of this land (approximately 7,586 acres or 11.85 square miles) is located in an area that extends up to approximately five miles north of the City (see inset on previous page).

As explained in more detail later in this report, the current location of the sphere in the area north of the City was determined by LAFCo in 2000. The location was not based on any type of land use plan, infrastructure plan, or service plan and predated the establishment of the City’s urban restriction boundary (CURB). Most of the sphere bisects property lines and properties.

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 extends beyond the sphere of influence and encompasses approximately 6,600 acres, approximately 5,400 of which are located within the sphere of influence. The Fagan Canyon Expansion Area encompasses approximately 2,173 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 actions by the City and City voters since 2000 and are discussed in detail in the September 16, 2015 Staff Report (Attachment 4). Currently, the City General Plan allows for the following land uses within the Expansion Areas:



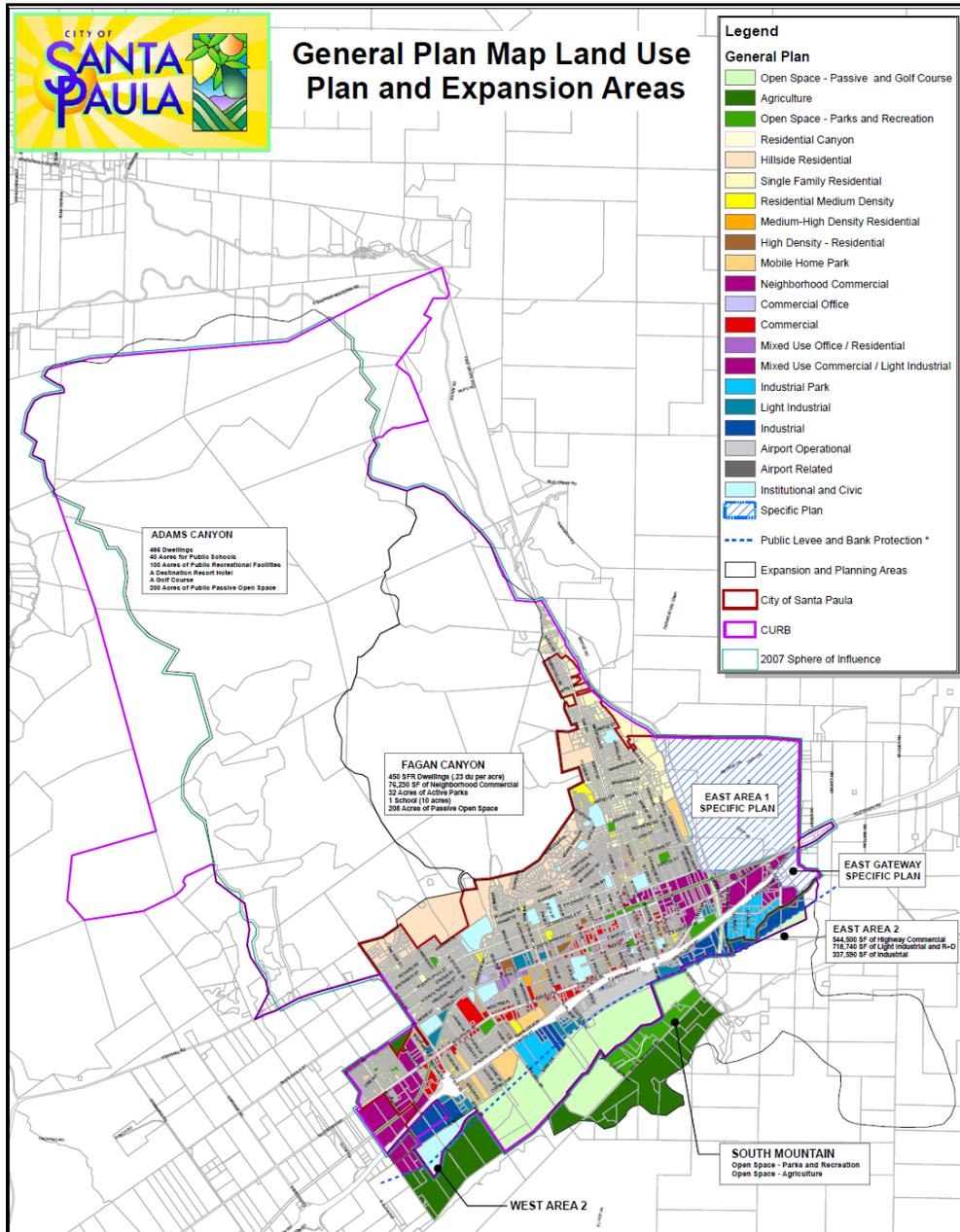
Expansion Area	Use/Acreage
Adams Canyon - 6,578 acres (5,413 acres within current sphere of influence)	Residential - 495 dwelling units
	One resort hotel
	One golf course
	One school - 40 acres
	Recreation - 100 acres
	Open space - 200 acres
Fagan Canyon - 2,173 acres	Single family residential - 450 dwelling units on 1,953 acres
	Commercial - 76,230 square feet on 5 acres
	Active parks - 32 acres
	Open space - 208 acres

The above table is essentially the extent of City land use planning that has occurred in the Expansion Areas. 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 (see *Santa Paula General Plan Map Land Use Plan and Expansion Areas* inset on next page).

The inadequacy of the General Plan as it applies to the Expansion Areas is discussed in more detail in the attached staff reports. 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* inset 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.

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. Without adequate planning it is impossible to determine if the sphere of influence accurately denotes the “plan for the probable boundaries and service area” of the City, as is the purpose of the sphere of influence (Govt. Code § 56076).



Previous LAFCo sphere of influence reviews:

The absence of planning within the Expansion Areas was a significant point of discussion during the Commission's last scheduled review of the City's sphere of influence in 2012-2013. On March 20, 2013 (in conjunction with LAFCo's November 14, 2012, MSR prepared for the City) (Attachment 2 is the Staff Report prepared for the 2013 item without attachments), the Commission reviewed the City sphere and considered the following three options:

1. Determine that no update to the sphere is necessary (i.e., make no changes).
2. Update the sphere of influence to remove most of the Adams Canyon Expansion Area.
3. Update the sphere of influence to remove most of the Adams Canyon Expansion Area and all of the Fagan Canyon Expansion Area.

Following extensive discussion, the Commission took no action related to the sphere of influence¹. As a result of two failed motions (i.e., the first motion (to update the sphere to remove the Adams Canyon Expansion area) failed on a 3-3 vote, and the second motion (to review the sphere and make no changes to it) failed on a 3-3 vote), the "Commission completed the sphere of influence review for the City of Santa Paula and no action to update or otherwise amend the sphere was taken"(minutes for the March 20, 2013 meeting) and the sphere remained in its existing configuration. Though no action regarding the sphere was taken, the Commission encouraged the City to comprehensively plan for the two Expansion Areas prior to LAFCo's next scheduled sphere of influence review in 2017.

Approximately two years later, on May 20, 2015, the Commission again reviewed the sphere of influence for the City² (Attachment 3 is the Staff Report prepared for this item without attachments). The continued absence of comprehensive planning in the Expansion Areas was again the primary topic of discussion. The City requested that the review be continued to 2017 to coincide with LAFCo's adopted five-year review schedule. In a letter dated May 19, 2015, the

¹ No action was taken despite the Commission's determination in 2011 (as a condition of approval of a sphere of influence amendment to the City to allow for the annexation of the East Area 1 Specific Plan) that "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."

² At the March 18, 2015 meeting, staff informed the Commission that the City of Santa Paula's Planning Commission was scheduled to consider a development project and annexation proposal on approximately 50 acres located within the Adams Canyon Expansion Area (the project has since been denied by the City Council). The Commission was also informed that the City had made little progress on planning for the Expansion Areas. Following receipt of the project update, the Commission directed LAFCo staff to agendaize a review of the City's sphere of influence at an upcoming meeting. The review was placed on the agenda for the May 20, 2015 LAFCo meeting.

City's Mayor informed the Commission that "the City took the Commission's charge^[3] to heart" and that, on May 4, 2015, the City Council had authorized funding to update the City General Plan. According to the City, the update, which is to include the Expansion Areas, was expected to take no more than two years. The Commission continued the matter to the LAFCo meeting of September 16, 2015.

At the September 16, 2015 meeting the absence of comprehensive planning for the Expansion Areas was once again discussed at length (Attachment 4 is the Staff Report prepared for this item without all attachments). In written correspondence and testimony, City representatives informed the Commission that the City would complete an update of its General Plan to fully plan for the Adams Canyon and Fagan Canyon Expansion Areas by the next scheduled sphere review in 2017. Based on the assurances that comprehensive planning would be completed by 2017, the Commission voted 4-3 to make no changes to the sphere and that it would revisit the issue at the next sphere review scheduled for 2017.

City General Plan

To date, the City has not comprehensively planned for either Expansion Area. According to City staff, though the City has begun the process to update its General Plan, comprehensive land use planning for the Expansion Areas will not be included⁴. Instead, any effort to comprehensively plan for either Expansion Area must be driven by the property owners, not the City. Though representatives of property owners in Adams Canyon have submitted preliminary land use and other plans to the City as part of a preliminary review process, as of the writing of this staff report, no formal application to comprehensively plan for either Expansion Area has been filed with the City.

While the City's General Plan acknowledges the two Expansion Areas and provides a tally of contemplated development within each (i.e., number of dwellings and a list of potential facilities), it remains inconsistent with California general plan law (Government Code § 65302) as it does not provide any specificity as to:

³ The "charge" refers to the Commission's encouragement in March 2013 that the City comprehensively plan for the Expansion Areas before the next LAFCo sphere review scheduled in 2017.

⁴ In October 2017, the City completed a 2040 General Plan Update Background Report. The Background Report is not a policy document, but rather documents existing conditions and is to be used for informational purposes for the General Plan update and establish the baseline setting to be used during environmental review. In November 2017, the City issued a revised notice of preparation (NOP) for the preparation of a draft environmental impact report for the General Plan update. No proposed land use plans for either Expansion Area are included as part of the Background Report or NOP.

- type of land use (i.e., proposed general distribution and general location and extent of the uses of the land);
- circulation (i.e., general location and extent of existing and proposed major thoroughfares and transportation routes);
- infrastructure and public facilities (i.e., general location and extent);
- hazards (e.g., seismically-induced surface rupture, ground-shaking, slope instability leading to mudslides and landslides, flooding, and wildland and urban fires); or
- open space planning.

As a result, the City has not demonstrated that the sphere of influence represents the probable boundaries and service area for the City. Moreover, there is no apparent basis for the current location of the sphere of influence. When LAFCo determined the sphere in 2000, it based its location on a conceptual level of development envisioned, but never planned for, by the City. That level of development is no longer allowed. The current location of the sphere is not based on any of the criteria and policies that LAFCo would normally use as a basis for determining the location of a city sphere of influence, as discussed later in this report.

When the sphere of influence was established in its current location, there were no voter-imposed restrictions on the level of development that could occur within either Expansion Area. There was no voter-imposed limitation on the level of development in the Fagan Canyon Expansion Area when it was included in the sphere in 1998, enabling the City in 2005 to approve a development in Fagan Canyon consisting of 2,155 residential units and other uses. Likewise, the City's request to LAFCo in 2000 to include the Adams Canyon Expansion Area within the sphere was based on anticipated development that included 2,250 residential units, 152,000 square feet of commercial uses, 2 hotels, 2 golf courses, schools, and recreational areas. The current voter-imposed limitations on the amount of development in Fagan Canyon and Adams Canyon occurred in 2006 and 2007, respectively. Therefore, the level of potential development envisioned by the City within the sphere of influence has been reduced from 4,405 units to a maximum of 945 units (a decrease of 79%). Potential commercial development was reduced by over 50%, and the number of hotels and golf courses was reduced from two to one. However, even though the level of allowed development was substantially reduced, there was never a corresponding reduction to area within the sphere of influence. As a result, the 5,413 acres of unincorporated land north of the City within the sphere of influence represents a 250% increase in the territory of the City to accommodate an approximately 11% increase in population⁵.

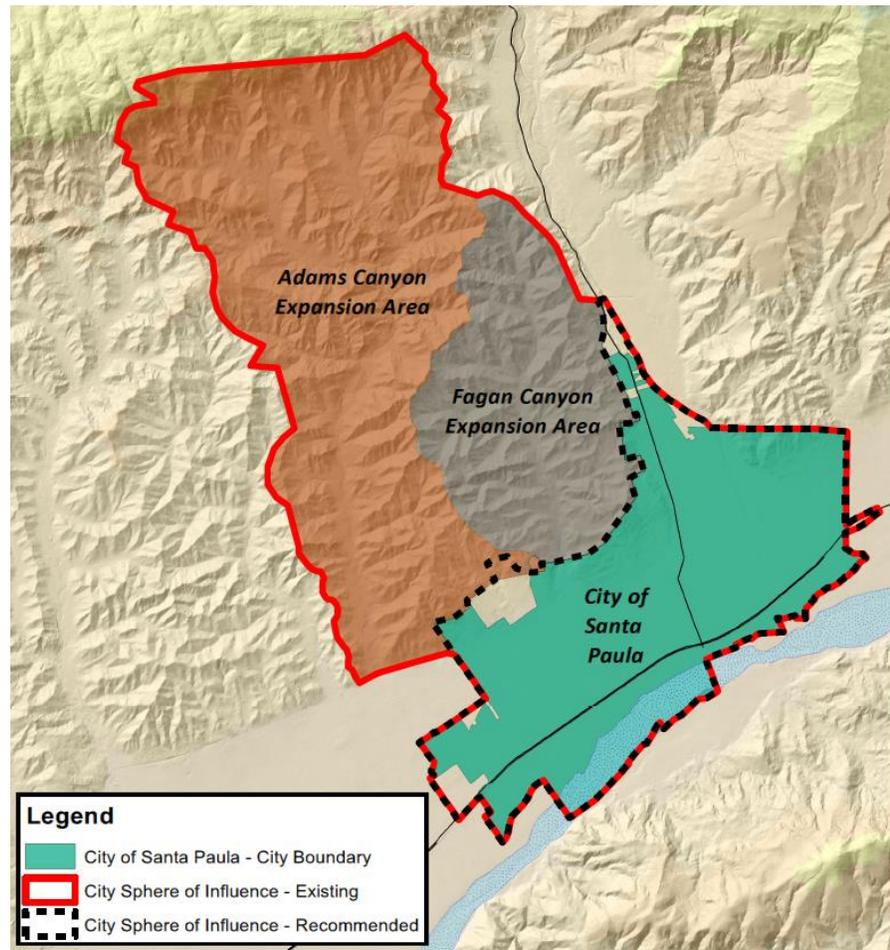
⁵ The City is 3,653 acres in area. The percentage increase in population assumes 3.5 persons per unit for the Expansion Areas and an estimated 2016 City population of 30,752 per the State Department of Finance .

In addition, the substantial reduction in the level of allowed development in the Expansion Areas results in a corresponding reduction in the amount of area that would otherwise have been necessary to accommodate development, resulting in thousands of additional acres of open space that were once considered to be necessary for the envisioned development that would no longer be developed and need urban services. LAFCo policies generally provide that only territory in need of urban services should be annexed to a city. Therefore, the thousands of acres that would not be developed would likely not be annexed to the City, in which case the sphere of influence does not represent the probable boundaries and service area of the City.

Determining a Sphere of Influence

Staff recommends that the Commission update the City’s sphere to remove both the Adams Canyon Expansion Area and the Fagan Canyon Expansion Area (see inset). The recommended changes to the sphere involve a reduction of the existing sphere to generally align with the areas the City has planned for in its General Plan, as depicted on the City’s *General Plan Map Land Use Plan and Expansion Areas*. As part of staff’s recommendation, the following unincorporated areas would remain in the sphere, most notably:

- Two agricultural parcels totaling approximately 110 acres located north of Santa Paula Cemetery. Approximately 89 acres are designated for *Hillside Residential* on the City’s *General Plan Map Land Use Plan and Expansion Areas*. The remaining approximately 21-acre area does not have a City General Plan land use designation but is included within the recommended sphere due to Ventura



LAFCo’s policy that sphere boundaries should coincide with lines of assessment or ownership (Ventura LAFCo Commissioner’s Handbook Section 4.1.3.2).

- Several residential parcels, totaling approximately 40 acres, located along State Route 150 (Ojai-Santa Paula Road). These parcels are designated for residential uses by the City General Plan.

The recommended sphere boundary reflects the City’s current and probable service area, is consistent with the City’s General Plan land use map, and is justified based on the MSR report⁶ which demonstrates that the City has the ability to provide urban services at acceptable levels. Should the Commission approve the recommended sphere of influence, any future development and annexation proposal within either Expansion Area would then be accompanied by a concurrent sphere of influence amendment request to LAFCo, the evaluation of which would be based on an approved land use plan, infrastructure plan, plan for services, and a comprehensive environmental review.

Government 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 as they apply to the current and the recommended sphere of influence:

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

Current sphere of influence:

The approximately 7,586 acres of unincorporated territory within the Adams and Fagan Canyon Expansion Areas that are recommended for removal from the sphere of influence are primarily undeveloped open space land, with agriculture (orchards) in limited areas. The County General Plan land use map designates approximately 87% of the territory within the sphere of influence north of the City as “Open Space,” with the remaining approximately 13% designated “Agricultural.” Thus, the planned uses are open space and agricultural uses.

The City’s *General Plan Map Land Use Plan and Expansion Areas* has not identified land use designations for any of the areas that are recommended to be removed from the City sphere, or the location and extent of future development within this area. Based on the

⁶ The MSR report is included as Agenda Item 9 for Commission consideration at the Commission’s February 21, 2018, meeting. The staff recommendation regarding the sphere of influence is based, in part, on the information provided in the draft MSR report.

territory's County General Plan designations and the prolonged absence of City planning for the area, the existing uses of the land are expected to remain unchanged.

Recommended sphere of influence:

The recommended sphere of influence generally follows City boundaries north of the City. It includes two parcels, totaling 110 acres, located in unincorporated area that are currently used primarily for orchards. The City general plan designates approximately 90 of these 110 acres for residential use. In addition, the recommended sphere of influence includes approximately 40 acres of unincorporated residential uses located along State Route 150 north of the City.

(2) *Present and probable need for public facilities and services in the area.*

Current sphere of influence:

The territory in the Adams and Fagan Canyon Expansion Areas that is recommended for removal from the sphere of influence is primarily undeveloped open space land with agriculture (orchards) in some areas. The County's Agricultural and Open Space General Plan and zoning designations allow for the existing uses to continue, thus there is no current or probable need for public facilities and services in the area. The area recommended to be removed from the City sphere does not receive urban services from the City and there is no adopted plan for the City to provide municipal services to the area. The territory contains rugged terrain, steep slopes, narrow canyons, and is subject to fire, flooding, and landslide danger. The area is anticipated to remain in undeveloped open space for the foreseeable future, based on its County General Plan designations and the absence of City planning for the area (e.g., the location and extent of future development). Therefore, there appears to be no need for municipal services from the City within the area in the foreseeable future.

Moreover, given the size of the Expansion Areas and the limitations on the amount of development that can occur under the City General Plan, it is expected that should the City conduct comprehensive planning for the territory, the majority of the area within the sphere of influence would not be planned for urban development. As a result, a majority of the area would not be in need of municipal services and annexation to the City would be unnecessary, in which case the current sphere of influence is likely not consistent with the probable service area of the City.

Recommended sphere of influence:

The recommended sphere of influence generally follows City boundaries north of the City and has been designated for urban development by the City general plan. With the exception of the approximately 20 acres that has no City land use designation discussed previously, the unincorporated area that would remain in the sphere is designated for residential or urban uses by the City General Plan. Therefore, the recommended sphere of influence includes area where there is a present or probable need for public services and facilities.

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

Current sphere of influence:

The sphere of influence update, as recommended, would reduce the size of the City's sphere. Therefore, it would not result in new demands on the City that would adversely impact the present capacity of public facilities and adequacy of public services that the City provides or is authorized to provide. Due to the absence of comprehensive planning for the area, the location, extent, and service needs of future development have not been identified or analyzed and the ability of the City to provide adequate facilities and services in support of development has not been demonstrated.

Recommended sphere of influence:

The recommended sphere of influence generally follows City boundaries north of the City and has been designated for urban development by the City General Plan. With the exception of the approximately 20 acres that has no City land use designation discussed previously, the unincorporated area that would remain in the sphere is designated for residential or urban uses by the City General Plan. The City's land use plan, circulation plan, and infrastructure/service plans take into consideration current and potential development of the areas within the recommended sphere of influence. Therefore, it appears that the present capacity of public facilities and adequacy of public services provided by the City are adequate to serve the territory within the recommended sphere of influence.

- (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 or recommended 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 existing or recommended sphere of influence.

Ventura LAFCo’s 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 City of Santa Paula.

- Commissioners Handbook Section 4.3.1.1(a) provides that LAFCo favors sphere of influence boundaries that coincide with existing or planned service areas.

The City does not provide services to the area within the sphere of influence and has prepared no plans to determine the location, extent, cost, or financing for the provision of services within the sphere. Therefore, the current sphere of influence does not coincide with an existing or planned service area of the City.

The recommended sphere of influence, which generally follows City boundaries and includes areas that have been planned for in the City general plan, does coincide with existing and planned service areas of the City.

- Handbook Section 4.1.3.2 provides that sphere of influence boundaries should coincide with lines of assessment or ownership or a legal description.

In the area north of the City, the length of the sphere is approximately 13 miles, approximately eight miles of which, or 61.5%, does not coincide with lines of assessment or ownership or legal descriptions. The sphere crosses property lines and bisects several parcels.

The entirety of the recommended sphere of influence coincides with lines of assessment or ownership.

- Handbook Section 4.3.2.1 provides that 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 the territory within the current sphere, the County General Plan designates approximately 960 acres for agricultural use and approximately 6,626 acres for open space. Therefore, any development in the area would result in the conversion of agricultural or open space land to other uses. However, due to the absence of City land use planning, the Commission has not made a finding for the current sphere of influence that the conversion of agricultural and open space to allow for the level of development envisioned by the City General Plan will lead to planned, orderly, and efficient development.

Pursuant to this Handbook Section, LAFCo will find development to be “planned, orderly, and efficient” only if it meets all of the following criteria:

- 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.*

The City General Plan does not designate the territory within the current sphere of influence for non-agricultural or open space use. There are no specific plans for the area.

The City General Plan does designate the majority of the area within the recommended sphere of influence for non-agricultural and open space uses.

- 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 500-acre East Area 1 Specific Plan was annexed to the City in 2013 and is approved for the development of 1,500 residential units, commercial development, and other uses. Therefore, there exists sufficient vacant land within the City and sphere of influence that is developable for the same general type of use that is envisioned for the area north of the City.

- 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 absence of City land use planning in the expansion areas, the extent of adverse effects that development would have on the physical and economic integrity of other prime agricultural or existing open space lands in the area cannot be determined. Therefore, this criterion, which requires a finding that no significant adverse impacts would occur, cannot be met.

The recommended sphere of influence includes areas that are largely designated for urban use by the City general plan and about other areas that are already developed with, or planned for, urban uses. Impacts to these agricultural/open space lands were identified and evaluated in the City General Plan and accompanying environmental review.

- 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 territory within the current and recommended spheres of influence are not subject to a Greenbelt Agreement.

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

The City's proposed use for the subject territory within the current sphere of influence includes development of no more than 945 residences, 76,230 square feet of commercial development (in the Fagan Canyon Expansion Area only), and a hotel/golf course (in the Adams Canyon Expansion Area only). However, the City has not prepared a local plan for the proposed use in the subject territory. Therefore, the proposed use is not consistent with a local plan or policies.

The recommended sphere of influence contains territory that has been designated by the City General Plan for urban uses and, therefore, development within it would appear to be consistent with the City's plans for the area.

California Environmental Quality Act (CEQA)

A project is defined in CEQA Guidelines § 21065, in part, as "an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." The subject sphere of influence update is considered to be a project subject to CEQA because it involves a net reduction to the existing sphere boundary, which will reduce the area available for the expansion of municipal services. However, it is recommended that the Commission find that the reduction in the City's sphere of influence is exempt from CEQA pursuant to § 15061(b)(3) of the CEQA Guidelines, because "it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." No change in regulation, land use, or development will occur as a result of the recommended sphere of influence update.

Notice of Public Hearing

This matter has been noticed as a public hearing pursuant to Government Code § 56427. Additionally, all affected agencies have been notified of the public hearing.

ALTERNATIVE ACTIONS AVAILABLE

1. The Commission can choose to review the sphere of influence for the City of Santa Paula and determine that no update to the sphere is necessary (i.e., make no changes).
2. The Commission can choose to review the sphere of influence for the City of Santa Paula and determine that an update to the sphere that is different from that recommended by staff is warranted. The Commission should direct staff to prepare a sphere of influence map consistent with its direction and prepare a resolution making determinations and updating the City's sphere of influence for consideration at a future LAFCo meeting.

Attachments:

1. LAFCo 18-02S Resolution
2. Staff Report - March 20, 2013 (without all attachments)
3. Staff Report - May 20, 2015 (without all attachments)
4. Staff Report – September 16, 2015 (without all attachments)

LAFCo makes every effort to offer legible map files with the online and printed versions of our reports; however, occasionally the need to reduce oversize original maps and/or other technological/software factors can compromise readability. Original maps are available for viewing at the LAFCo office by request.

LAFCO 18-02S

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

WHEREAS, Government Code § 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 § 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, the Commission updated the sphere of influence for the City of Santa Paula (City) in 2007 and reviewed the City's sphere of influence in 2013 and 2015; and

WHEREAS, the Commission desires to update the sphere of influence for the City; and

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

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

WHEREAS, the sphere of influence update item was duly considered at a public hearing on February 21, 2018, as specified in the notice of hearing; 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, the LAFCo Staff Report dated February 21, 2018, and recommendations; and

WHEREAS, the Commission accepted the Municipal Service Review report for the City of Santa Paula dated February 21, 2018.

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

- (1) The LAFCo Staff Report dated February 21, 2018, and recommended update of the sphere of influence for the City are adopted; and

(2) The subject sphere of influence update is assigned the following distinctive short form designation:

LAFCO 18-02S CITY OF SANTA PAULA SPHERE OF INFLUENCE UPDATE; and

(3) The sphere of influence update for the City is exempt from the California Environmental Quality Act (CEQA) pursuant to § 15061(b)(3) of the CEQA Guidelines, and LAFCo staff is directed to file a Notice of Exemption as the lead agency pursuant to § 15062 of the CEQA Guidelines; and

(4) 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. [§ 56425(e)(1)]*

Current sphere of influence: The approximately 7,586 acres of unincorporated territory within the Adams and Fagan Canyon Expansion Areas that are recommended for removal from the sphere of influence are primarily undeveloped open space land, with agriculture (orchards) in limited areas. The County General Plan land use map designates approximately 87% of the territory within the sphere of influence north of the City as “Open Space,” with the remaining approximately 13% designated “Agricultural.” Thus, the planned uses are open space and agricultural uses.

The City’s *General Plan Map Land Use Plan and Expansion Areas* has not identified land use designations for any of the areas that are recommended to be removed from the City sphere, or the location and extent of future development within this area. Based on the territory’s County General Plan designations and the prolonged absence of City planning for the area, the existing uses of the land are expected to remain unchanged.

Recommended sphere of influence: The recommended sphere of influence generally follows City boundaries north of the City. It includes two parcels, totaling 110 acres, located in unincorporated area that are currently used primarily for orchards. The City general plan designates approximately 90 of these 110 acres for residential use. In addition, the recommended sphere of influence includes approximately 40 acres of unincorporated residential uses located along State Route 150 north of the City.

b. *The present and probable need for public facilities and services in the area.*
[§ 56425(e)(2)]

Current sphere of influence: The territory in the Adams and Fagan Canyon Expansion Areas that is recommended for removal from the sphere of influence is primarily undeveloped open space land with agriculture (orchards) in some areas. The County's Agricultural and Open Space General Plan and zoning designations allow for the existing uses to continue, thus there is no current or probable need for public facilities and services in the area. The area recommended to be removed from the City sphere does not receive urban services from the City and there is no adopted plan for the City to provide municipal services to the area. The territory contains rugged terrain, steep slopes, narrow canyons, and is subject to fire, flooding, and landslide danger. The area is anticipated to remain in undeveloped open space for the foreseeable future, based on its County General Plan designations and the absence of City planning for the area (e.g., the location and extent of future development). Therefore, there appears to be no need for municipal services from the City within the area in the foreseeable future.

Moreover, given the size of the Expansion Areas and the limitations on the amount of development that can occur under the City General Plan, it is expected that

should the City conduct comprehensive planning for the territory, the majority of the area within the sphere of influence would not be planned for urban development. As a result, a majority of the area would not be in need of municipal services and annexation to the City would be unnecessary, in which case the current sphere of influence is likely not consistent with the probable service area of the City.

Recommended sphere of influence: The recommended sphere of influence generally follows City boundaries north of the City and has been designated for urban development by the City general plan. With the exception of the approximately 20 acres that has no City land use designation discussed previously, the unincorporated area that would remain in the sphere is designated for residential or urban uses by the City General Plan. Therefore, the recommended sphere of influence includes area where there is a present or probable need for public services and facilities.

c. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide. [§ 56425(e)(3)]*

Current sphere of influence: The sphere of influence update, as recommended, would reduce the size of the City's sphere. Therefore, it would not result in new demands on the City that would adversely impact the present capacity of public facilities and adequacy of public services that the City provides or is authorized to provide. Due to the absence of comprehensive planning for the area, the location, extent, and service needs of future development have not been identified or analyzed and the ability of the City to provide adequate facilities and services in support of development has not been demonstrated.

Recommended sphere of influence: The recommended sphere of influence generally follows City boundaries north of the City and has been designated for urban development by the City General Plan. With the exception of the approximately 20 acres that has no City land use designation discussed previously, the unincorporated area that would remain in the sphere is designated for residential or urban uses by the City General Plan. The City's land use plan, circulation plan, and infrastructure/service plans take into consideration current and potential development of the areas within the recommended sphere of influence. Therefore, it appears that the present capacity of public facilities and adequacy of public services provided by the City are adequate to serve the territory within the recommended sphere of influence.

- 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. [§ 56425(e)(4)]***

There are no known social or economic communities of interest within or adjacent to the current or recommended sphere of influence.

- e. ***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. . . the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence. [§ 56425(e)(5)]***

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 existing or recommended sphere of influence.

- (5) The sphere of influence for the City is hereby updated as generally depicted in Exhibit A, “City of Santa Paula – Recommended Sphere of Influence Update, February 21, 2018,” attached hereto; and
- (6) LAFCo staff is directed to have the official Geographic Information System (GIS) sphere of influence 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.

This resolution was adopted on February 21, 2018.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Freeman	<input type="checkbox"/>	<input checked="" 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 Ramirez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commissioner Ross	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Zaragoza	<input checked="" 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 Bill-de la Peña	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Waters	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2-21-2018
Date

Linda Parks
Linda Parks, Chair, Ventura Local Agency Formation Commission

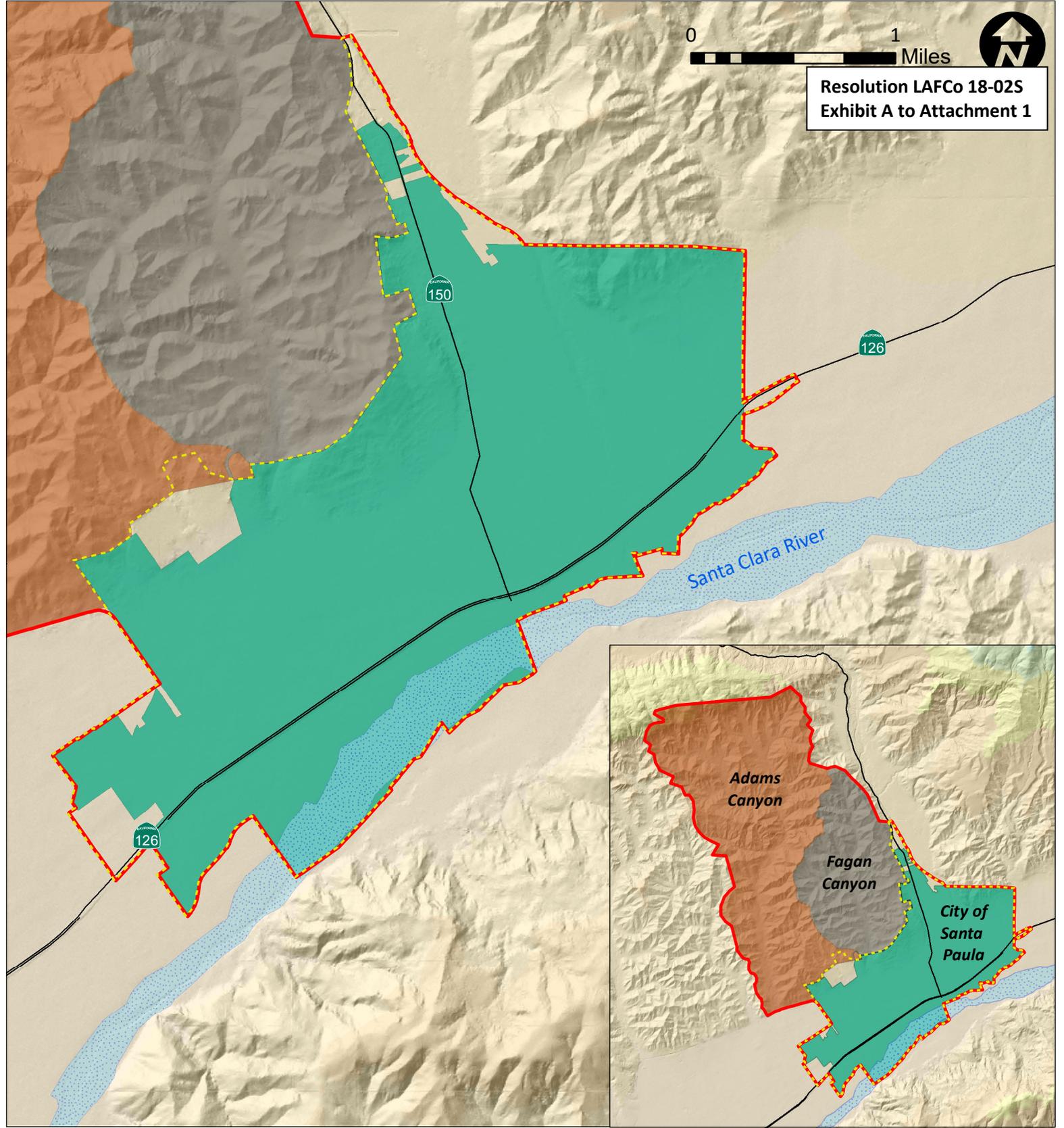
Attachment: Exhibit A

c: City of Santa Paula
Ventura County Information Technology Services Department

0 1 Miles



Resolution LAFCo 18-02S
Exhibit A to Attachment 1



-  City of Santa Paula - City Boundary
-  City Sphere of Influence - Existing
-  City Sphere of Influence - Recommended
-  "Adams Canyon Expansion Area" (approx. 5,413 acres)
-  "Fagan Canyon Expansion Area" (approx. 2,173 acres)

City of Santa Paula
LAFCo 18-02S
City of Santa Paula
Sphere of Influence Update
February 21, 2018
Exhibit A





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

Staff Report

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

March 20, 2013

Page 8 of 23

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

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~~



VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: May 20, 2015

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

COMMISSIONERS AND STAFF

COUNTY: Linda Parks John Zaragoza <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse, Vice Chair Janice Parvin <i>Alternate:</i> Carmen Ramirez	DISTRICT: Bruce Dandy Elaine Freeman <i>Alternate:</i> Mary Anne Rooney	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Vacant
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.”

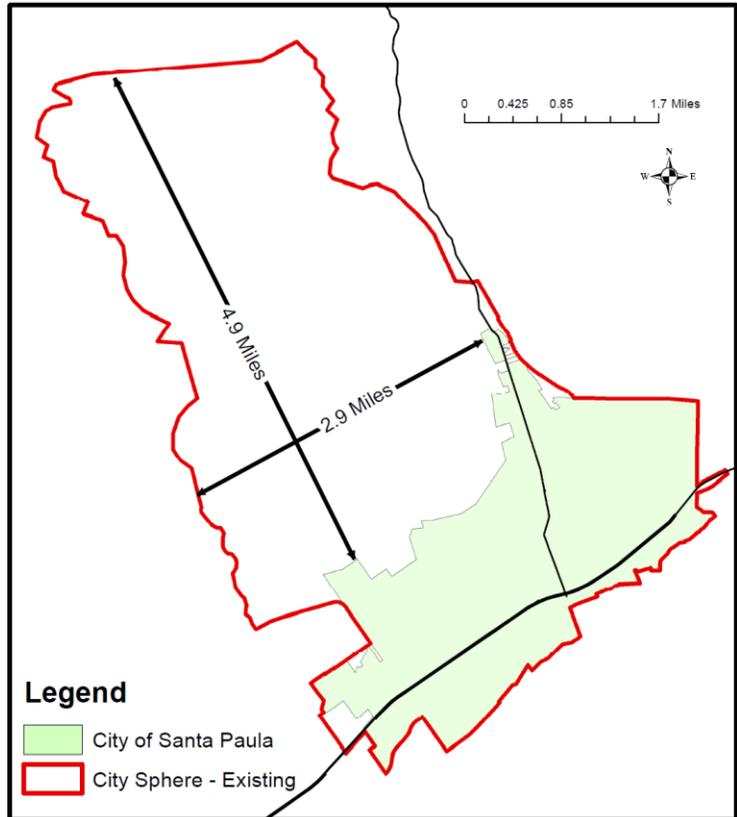
Summarizing these (and predecessor) statutes, one court stated, “A sphere of influence is a *flexible planning and study tool to be reviewed and amended periodically as appropriate.*” (*City of Agoura Hills v. Local Agency Formation Com.* (1988) 198 Cal. App. 3d 480, 490, italics added.) Consistent with 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.

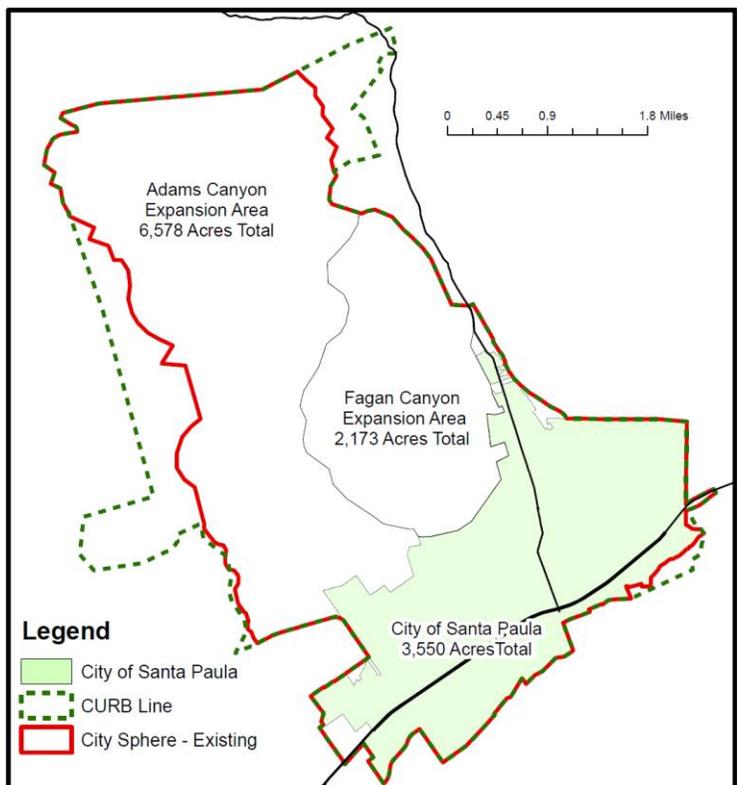
The City’s sphere of influence contains approximately 7,783 acres of unincorporated land, more than the spheres of influence for any other city in the County. The majority of this land (approximately 7,586 acres or 11.85 square miles) is located in an area that extends up to approximately five miles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

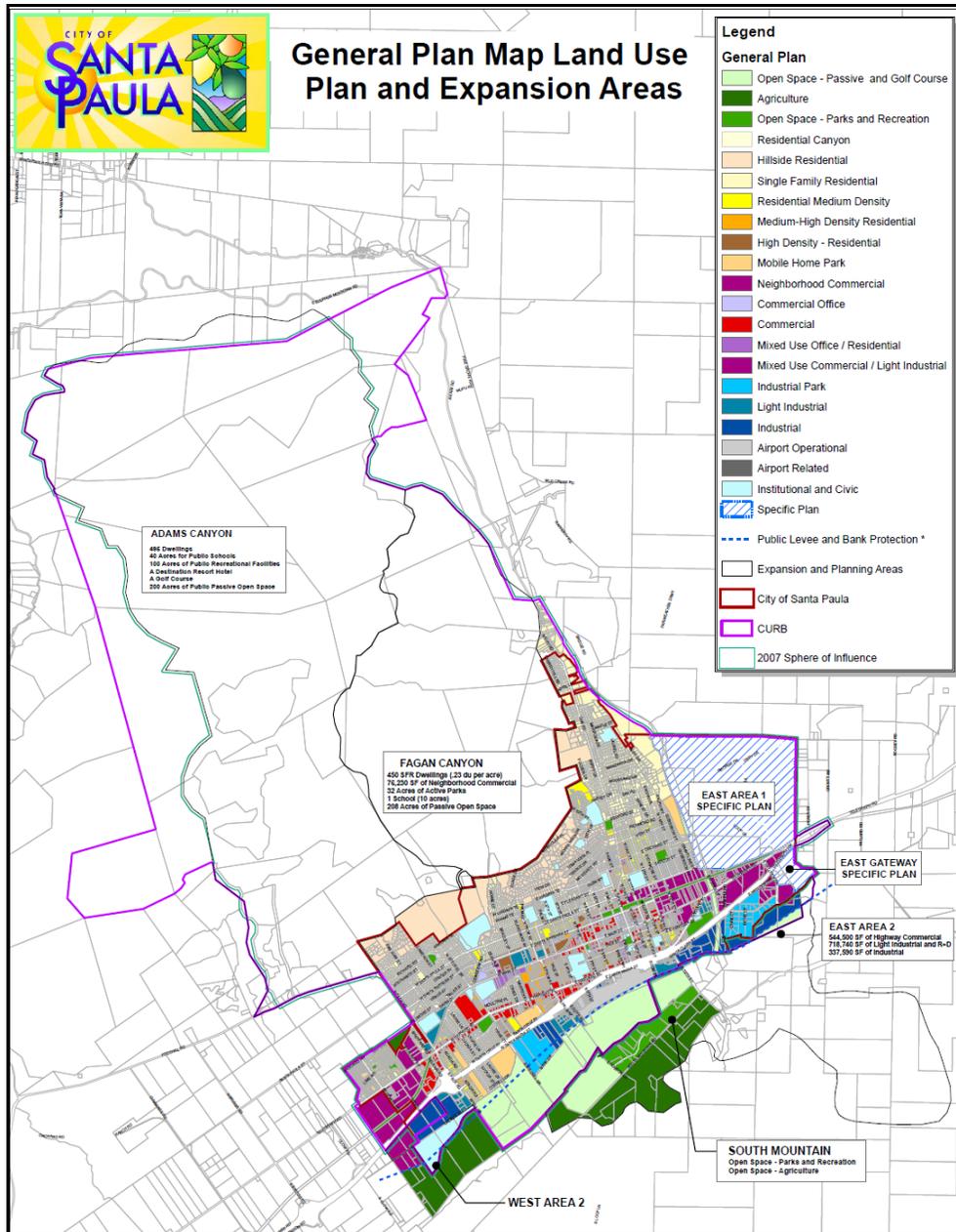
Though the City General Plan lists the uses that are allowed within each Expansion Area, the General Plan does not address future development within the Expansion Areas to the degree required by state general plan law. Indeed, it is unknown, even in the most general terms, where within the 13.7 square 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.



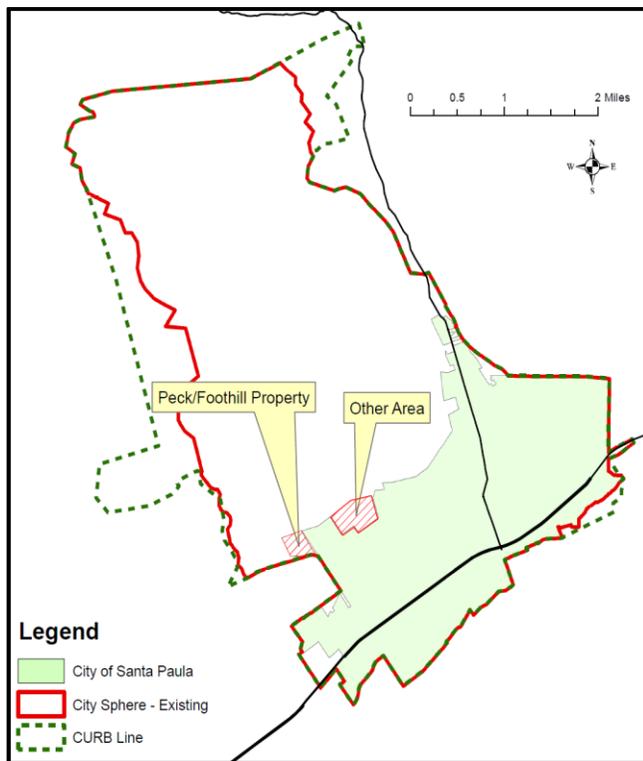
Because the General Plan does not plan for the Expansion Areas consistent with the requirements of state law, it does not provide a reliable means by which to determine the location and extent of potential future development and service needs within either Expansion Area.

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

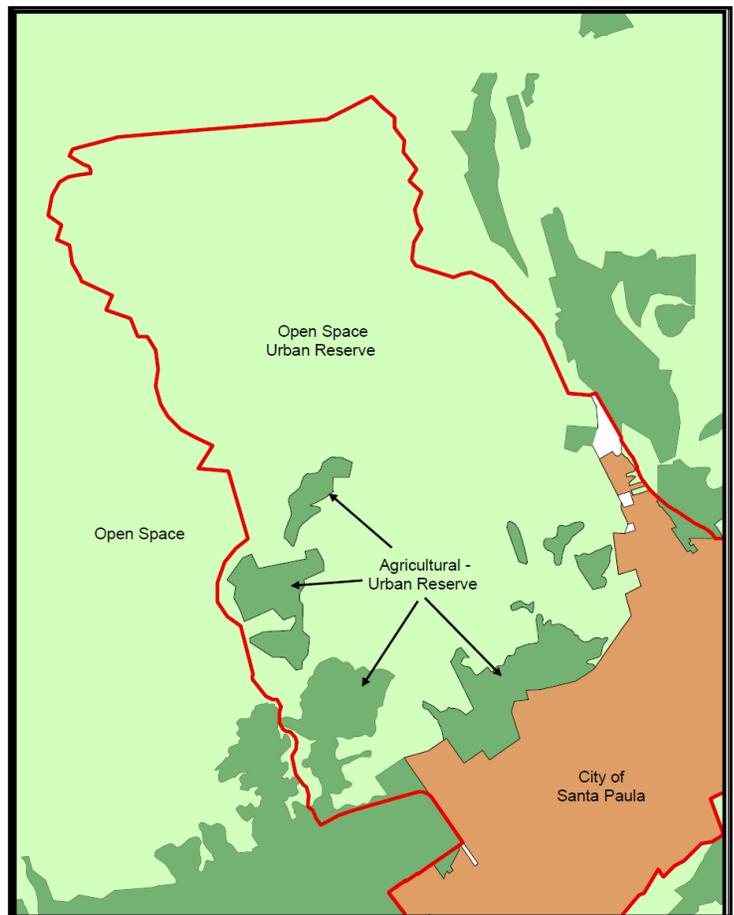


identified on the General Plan land use map for “Hillside Residential” development. Therefore, the general location, type, and density of planned development of this area are known, and thus its service needs can be anticipated. Staff recommends that both of these areas remain within the sphere.

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

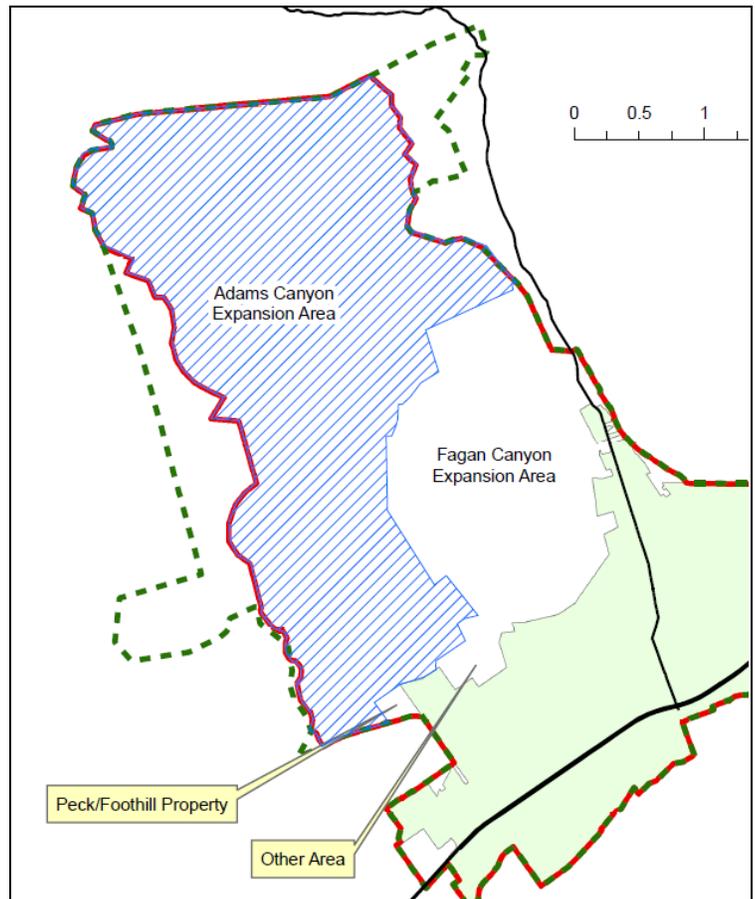
Staff has identified three options available to the Commission regarding the review and/or update of the City sphere of influence, as follows:

- 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)

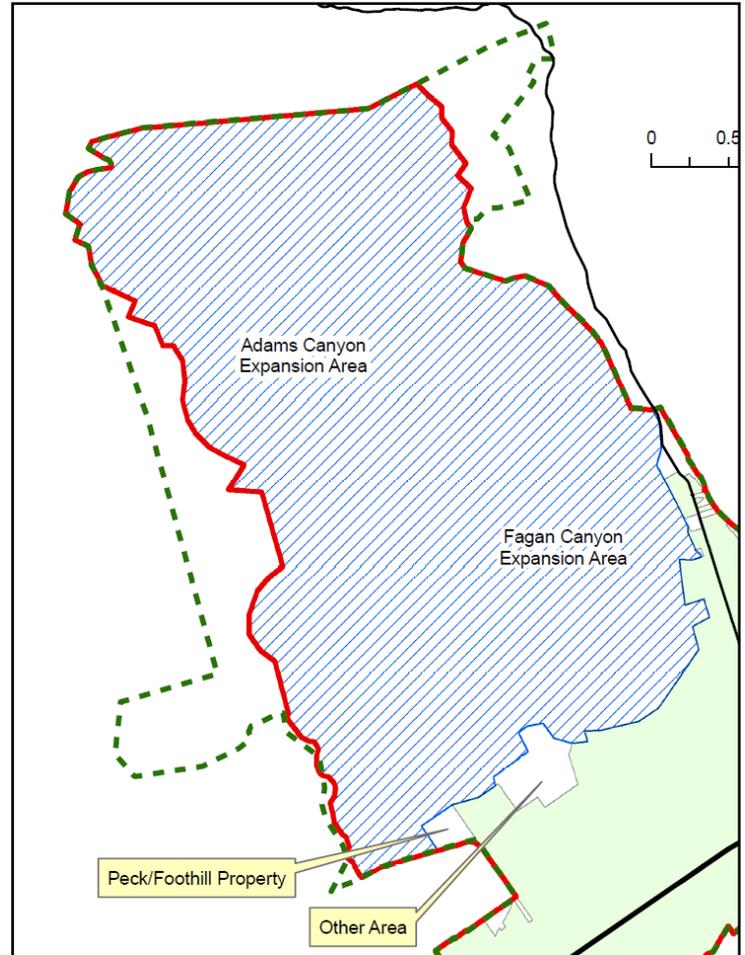
Under this option, the majority of the 5,413-acre portion of the Adams Canyon Expansion Area would be removed from the sphere of influence. Should the Commission choose this option, it is recommended that the 32-acre Peck/Foothill property remain within the sphere, as the City is currently processing 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~~



VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: September 16, 2015
 (Continued from meeting of May 20, 2015)

TO: LAFCo Commissioners
FROM: Kai Luoma, Executive Officer
SUBJECT: LAFCo 15-08S City of Santa Paula Sphere of Influence Review/Update

This item was continued from the May 20 LAFCo meeting to allow the City of Santa Paula additional time to prepare for the hearing and for LAFCo staff to review and prepare responses to comment letters that were received.

The recommendations, background, and discussion contained in the May 20 Staff Report (Attachment 1) remain applicable. This Staff Report provides a more detailed background of the history of the City sphere of influence and how it relates to the City Urban Restriction Boundary (CURB). It also provides some general and specific responses to the many comments that have been submitted on the matter.

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 Resolution (Attachment 4) 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 Resolution (Attachment 5) 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.

COMMISSIONERS AND STAFF

COUNTY: Linda Parks John Zaragoza <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse, Vice Chair Janice Parvin <i>Alternate:</i> Carmen Ramirez	DISTRICT: Bruce Dandy Elaine Freeman <i>Alternate:</i> Mary Anne Rooney	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> David J. Ross
Executive Officer: Kai Luoma, AICP	Analyst Andrea Ozdy	Office Manager/Clerk Richelle Beltran	Legal Counsel Michael Walker

BACKGROUND

Sphere of influence review / update

Consistent with its adopted work plan, in November 2012, the Commission accepted Municipal Service Reviews (MSRs) for nine of the ten cities within the County (no MSR was prepared for the City of Port Hueneme). Also in November 2012, following acceptance of the MSRs, the Commission reviewed and reaffirmed the spheres of influence for the Cities of Moorpark, Ojai, Oxnard, and Thousand Oaks. The Commission also reviewed and updated the sphere of influence for the City of Camarillo to remove approximately 20 acres of agricultural land. In 2013, the Commission reviewed and reaffirmed the spheres of influence for the Cities of Fillmore and Simi Valley. The Commission also reviewed and updated the sphere of influence for the City of San Buenaventura to remove approximately 65 acres of agricultural land.

The sphere of influence for the City of Santa Paula was scheduled to be reviewed and possibly updated by the Commission in January 2013, but the matter was continued to the March 2013 meeting. At that time, the Commission was provided with the same three options regarding the City sphere of influence that are recommended in this Staff Report. A motion to approve Option 2 (to remove most of Adams Canyon from the sphere of influence) failed on a 3-3 vote. A second motion to approve Option 1 (to determine that no update to the sphere of influence is necessary) also failed on a 3-3 vote. Thus, the sphere of influence for the City of Santa Paula was the only review of a city sphere of influence for which the Commission took no action: it was neither updated nor reaffirmed by the Commission.

In February 2015, the City of Santa Paula Planning Commission was scheduled to consider a development proposal on approximately 50 acres of land located within the Adams Canyon Expansion Area, which would require annexation to the City. The 79-unit hillside residential project involved the grading of two million cubic yards of earth and the deposition of several hundred thousand cubic yards of earth in three canyons located north of the project site and also within the Adams Canyon Expansion Area. LAFCo staff provided a comment letter to the City outlining a number of issues with the development proposal and provided the letter to the LAFCo Commission in March 2015. At the March 2015 LAFCo meeting, the Commission directed staff to schedule the review (and possible update) of the City sphere of influence for a subsequent meeting. As noted, the matter was scheduled for the May 2015 LAFCo meeting and continued to the September 2015 meeting.

History of the sphere of influence and CURB in Adams and Fagan Canyon areas

Since the City Council's adoption of the General Plan Update in 1998 and LAFCo's approval of a 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

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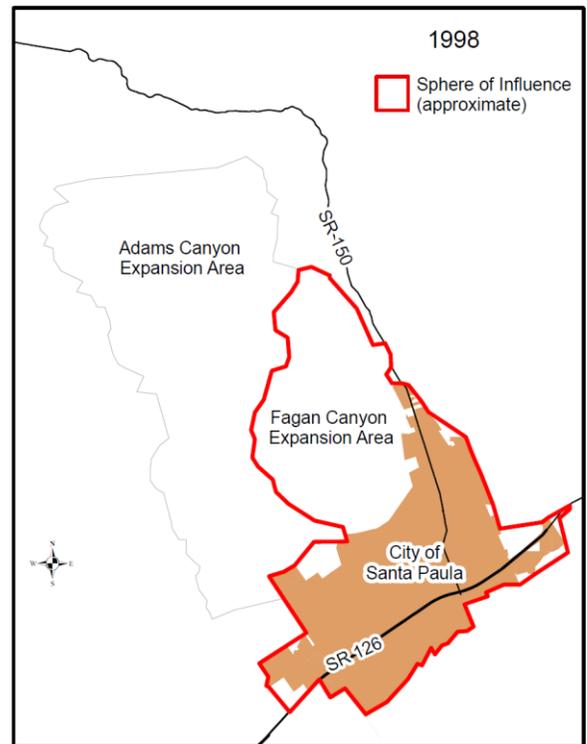
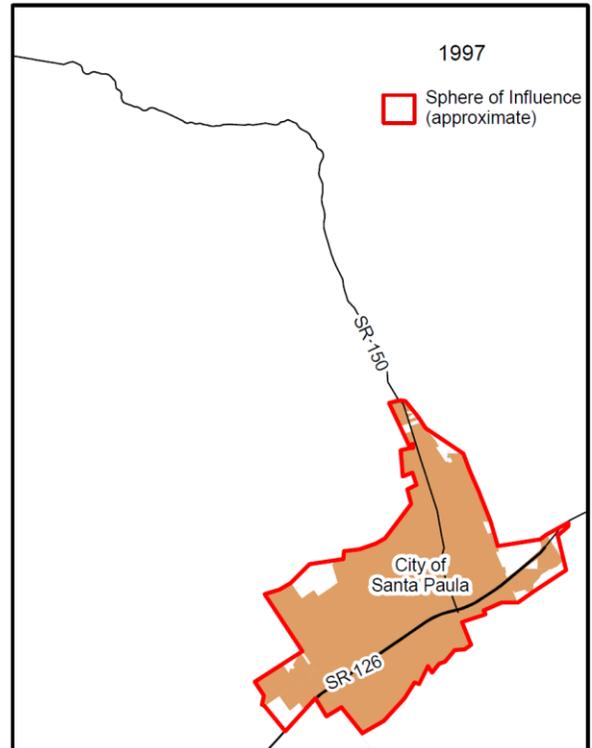
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to voter initiatives regarding development. The following timeline outlines the history of various events that have affected past development proposals in each Expansion Area:

1997: The Adams Canyon and Fagan Canyon Expansion Areas are not identified in the City General Plan and are not included in the City sphere of influence (see inset to right).

1998:

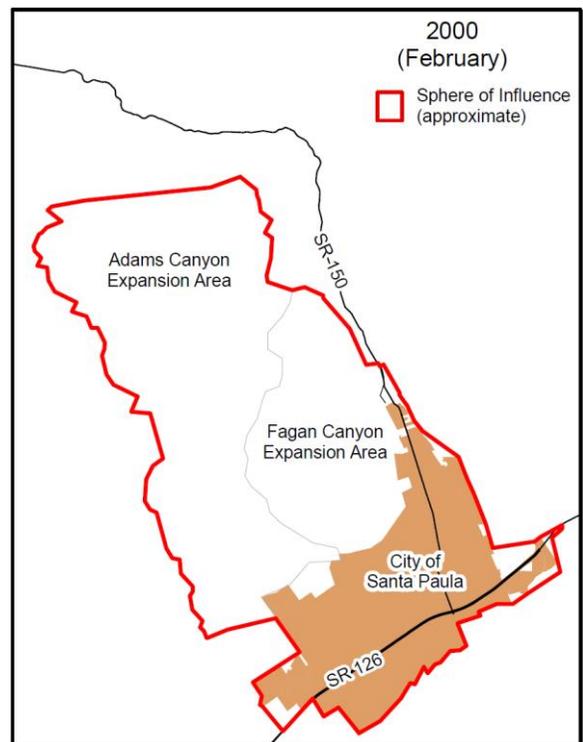
- The City amends its General Plan to identify the City’s two Expansion Areas to the north of the City. The General Plan Update did not include a land use map, infrastructure plan, circulation plan, or open space plan for either Expansion Area.
 - Fagan Canyon:
 - 2,173 acres (3.4 square miles)
 - 450 residential units
 - Limited commercial development.
 - Adams Canyon:
 - 5,413 acres (8.5 square miles)
 - 2,250 residential units and a population of 6,750
 - 152,000 square feet of commercial development,
 - 2 hotels, 2 golf courses, schools, and recreational uses.
- The City submits a request to LAFCo to include both Expansion Areas within the City sphere. LAFCo approves the inclusion of only Fagan Canyon (2,173 acres) in the sphere of influence (see inset to right). Adams Canyon is not included within the sphere of influence based on the Commission’s concerns over the City’s ability to provide services in this area.
- The City submits a request for reconsideration for the inclusion of Adams Canyon in the sphere.



1999: City submits a “White Paper Report” to LAFCo outlining how services would be provided to Adams Canyon. The White Paper Report conclusions are based on development of 2,250 units with a population of 6,750, 152,000 square feet of commercial development, 2 hotels and 2 golf courses in Adams Canyon.

2000:

- February: Based largely on information submitted in the White Paper Report, LAFCo amends the sphere of influence to include the 5,413-acre Adams Canyon Expansion Area (see inset to right).
- November: City voters approve Save Open-Space and Agricultural Resources (SOAR) to include Fagan Canyon Expansion Area within the CURB. Adams Canyon is not included within the CURB (see inset below).



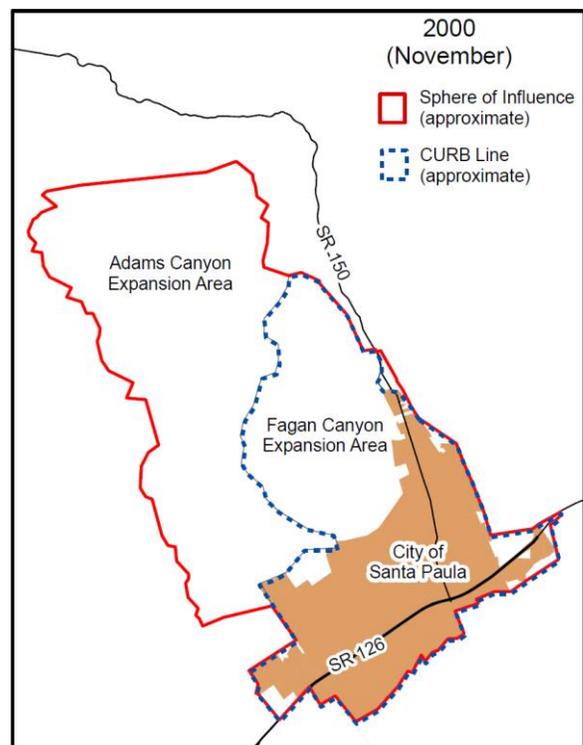
2002: City voters reject a developer-backed initiative to amend the CURB line to include the Adams Canyon Expansion Area to allow for potential annexation and development consistent with the General Plan.

2003: City voters approve an amendment to the CURB to include a 32-acre parcel abutting the City (the Peck/Foothill Property). (See top inset next page).

2005: The City Council approves a General Plan amendment and development project in the Fagan Canyon Expansion Area, which increases the number of residential units in the Area from 450 to 2,155, and includes commercial development, schools, and other uses.

2006:

- City residents gather enough signatures to place a referendum on the ballot to overturn the City



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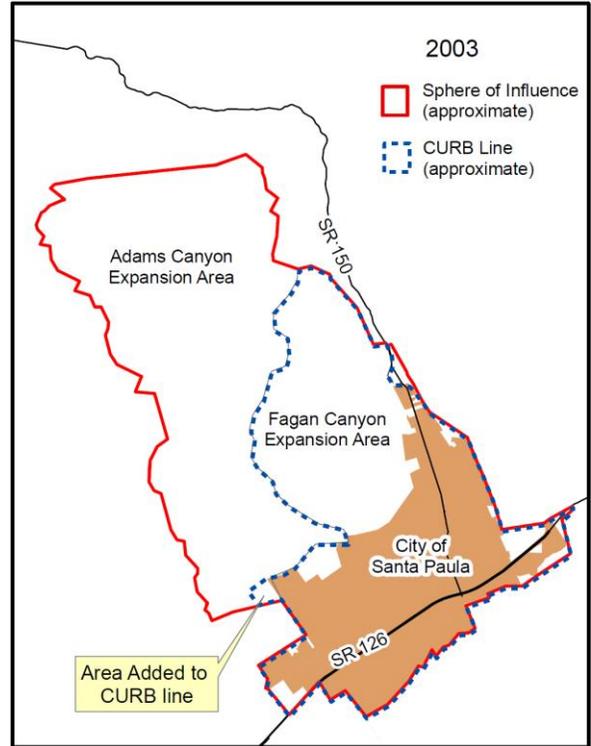
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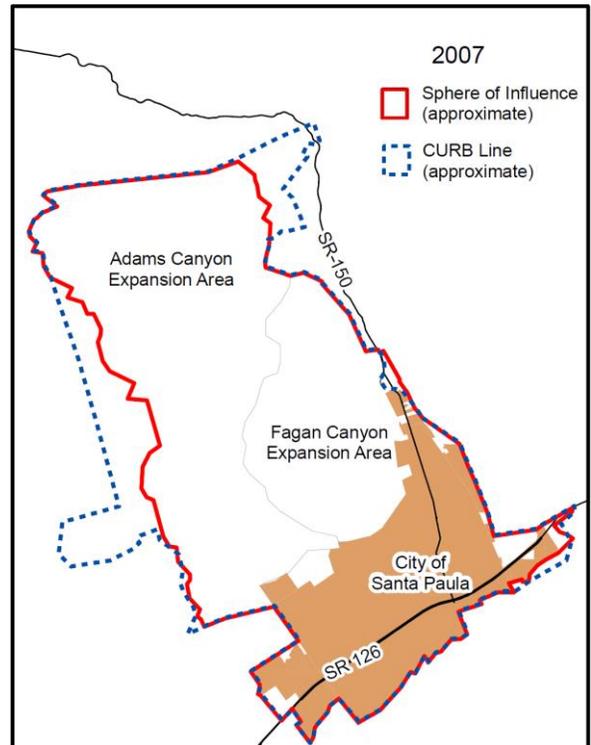
Council's approval of the Fagan Canyon development project.

- The City Council rescinds its approval of the previously-approved development project in Fagan Canyon and places the project on the ballot.
- Voters reject the Fagan Canyon project.
- City voters reject a second developer-backed initiative to include the Adams Canyon Expansion Area within the CURB to allow for the 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 any property over 81 acres in size through 2020. This measure applies to all lands within the City's General Plan planning area.



2007:

- May: City voters approve a third developer-backed initiative to increase the size of the CURB and amend the General Plan's allowable uses in the Adams Canyon Expansion Area (see lower inset to right). The initiative did not include a land use map, infrastructure plan, circulation plan, or open space plan for the Expansion Area. The approved initiative:
 - Increases the size of the CURB to include an additional 6,578 acres (10.3 sq. mi) for a total of 8,751 acres (13.7 sq. mi) north of the City.
 - Increases the size of the Adams Canyon Expansion Area to include an additional 1,165 acres (from 5,413 acres (8.5 sq. mi.) to 6,578 acres (10.3 sq. mi.)).
 - Reduces the maximum number of units from 2,250 to 495.
 - Eliminates the 150,000 square feet of potential commercial development.



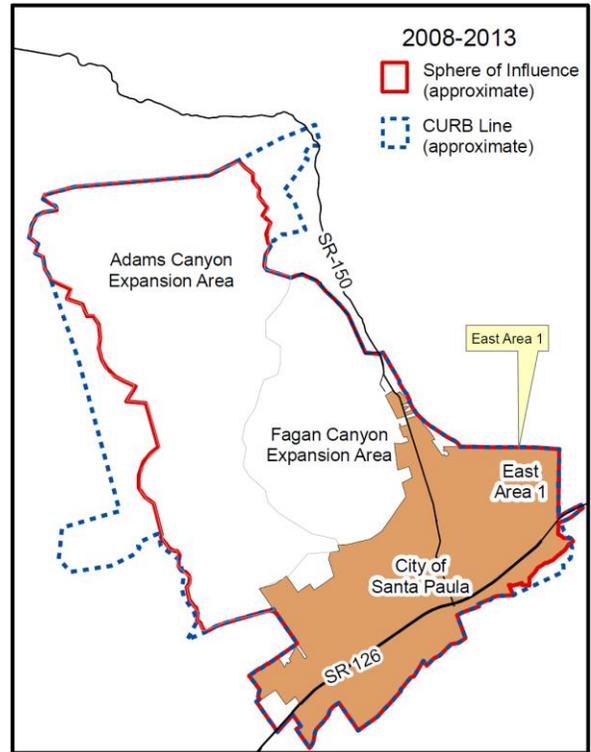
- Reduces the number of hotels and golf courses from 2 each to 1 each.
- June: LAFCo reviews and updates the City sphere of influence and makes no changes to the sphere of influence north of the City.

2008: City voters amend the CURB to include the 550-acre East Area 1 development site, to allow for development of:

- 1,500 residential units
- 150,000 square feet of light industrial
- 285,000 square feet of commercial
- 376,000 square feet of civic uses
- Parks and open space

2011: LAFCo approves an amendment to the City sphere of influence and annexation of the East Area 1 development site (see inset to right).

2013: The East Area 1 sphere of influence amendment and annexation become effective.



DISCUSSION

The current sphere of influence is discussed in detail in the March 2013 and May 2015 Staff Reports (both are contained in Attachment 1). Following is a brief summary of the current sphere of influence within the Adams and Fagan Canyon Expansion Areas.

	Unincorporated area within sphere	Area per General Plan	Residential units per General Plan
Adams Canyon Expansion Area	5,413 acres (8.5 sq. mi.)	6,578 acres (10.3 sq. mi.)	495
Fagan Canyon Expansion Area	2,173 acres (3.4 sq. mi.)	2,173 acres (3.4 sq. mi.)	450
Total	7,586 acres (11.9 sq. mi)	8,751 acres (13.7 sq. mi)	945

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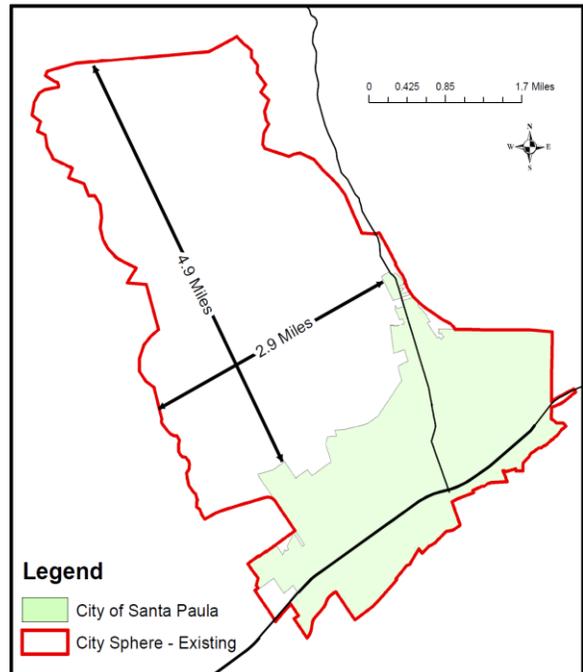
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The City's current sphere of influence extends nearly 5 miles north of the City and up to nearly 3 miles east to west (see inset to right). It contains more unincorporated territory than any other city sphere of influence in the County and is the only city's sphere in which the amount of unincorporated territory is greater than the territory within the corresponding city.

With over 1,000 total acres (1.6 square miles) of unincorporated agricultural land, it is second only to the approximately 1,175 acres of unincorporated agricultural land within the City of Oxnard's sphere of influence. With approximately 6,626 acres (10.3 square miles) of undeveloped unincorporated open space land (see inset to lower right), it exceeds the total amount of unincorporated undeveloped open space land within all of the other city spheres of influence combined (approximately 4,800 acres).



The current size of the City is 3,653 acres (5.7 square miles) with an estimated population in 2014 of 30,441. If the area within the sphere of influence where to be annexed to the City and developed consistent with the allowable uses in the General Plan, it would represent a more than 300% increase in the physical size of the City to accommodate an approximately 9% increase in the City's population.

The City's General Plan provides no land use plan, circulation plan, infrastructure/public facilities plan, or open space plan for the area within the sphere of influence north of the City.

COMMENTS RECEIVED:

Five comment letters were received prior to the May 20 meeting, but after the May 20 Staff Report was prepared. One was from the City of Santa Paula and four were from Latham and Watkins, LLP, a law firm that represents R.E. Holdings (the owner of a



majority of the property within the Adams Canyon Expansion Area). These letters and a summary of their content is as follows:

- City of Santa Paula, May 19, 2015 – Regarding LAFCo’s authority to review the City’s sphere of influence and the purported need to prepare an updated municipal service review.
- Latham and Watkins, May 19, 2015 – Regarding the purported failure of the May 20, 2015 Staff Report to provide a sufficient basis to remove Adams Canyon from the City sphere of influence.
- Latham and Watkins, May 15, 2015 - Regarding the application of LAFCo’s Handbook policies.
- Latham and Watkins, May 15, 2015 - Regarding the California Environmental Quality Act (CEQA).
- Latham and Watkins, May 15, 2015 - Regarding the purported need to prepare a MSR.

Each of these letters and staff’s response to the points within them are attached (Attachment 2 is regarding the letter from Santa Paula; Attachment 3 is regarding the letters from Latham and Watkins). The letters do not raise any issues that would preclude the Commission from taking any of the three recommended options: LAFCo’s authority to review the City’s sphere is clearly explained in the May 20 Staff Report; the Staff Reports provide a sufficient basis to support an action to remove territory from the sphere if the Commission chooses to do so; the removal of territory from the sphere would not conflict with any of the Commission’s policies; the three recommended options are exempt from CEQA, as explained in the May 20 Staff Report; and there is no requirement that a new MSR be prepared.

Some of the comments received pertain to issues that require additional clarification, as the comments are either not entirely accurate or broach matters that were not fully covered in previous staff reports. Each comment is generally summarized below in italics followed by staff’s response.

- *Comment: LAFCo is being unfair, arbitrary, capricious, and/or punitive by singling out only the City of Santa Paula for a sphere of influence review before it is scheduled to next do so in 2017.*

As explained in the “Background” section of this report, the City’s sphere of influence is the only city sphere for which the Commission took no action to either update or reaffirm it as part of its reviews of all of the city spheres in 2012 and 2013. In addition, the City Planning Commission recently took an action to recommend that the City Council approve a development project within the Adams Canyon Expansion Area and sphere of influence that would include LAFCo action to annex a portion of the project site to the City. Based on these circumstances, it is reasonable at this time to review the sphere of influence.

- *Comment: City voters established the CURB to be substantially coterminous with the sphere of influence in the Expansion Areas.*

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As can be seen from the history of the City's sphere of influence and CURB, the location of the sphere of influence and CURB do not correspond with each other in the Expansion Areas. The CURB did not affect the location of the sphere of influence, as the sphere was established before the CURB existed. Additionally, the location of the sphere of influence played only a minor role in the location of the CURB in the Expansion Areas. For instance, when the CURB was first established to include the Fagan Canyon Expansion Area in 2000, only approximately 25% of the CURB was located coterminous with the sphere of influence (the CURB covered less area than the sphere). When the CURB was amended to include the Adams Canyon Expansion Area in 2007, only approximately 37% of the amended CURB was established to generally follow, or be coterminous with, the sphere of influence (the CURB covered more area than the sphere).

- *Comment: LAFCo policies recognize the importance of CURBs and the will of the voters in establishing spheres of influence.*

Regarding spheres of influence, LAFCo policies recognize CURBs only insofar as they establish that city spheres of influence should not extend beyond them. CURBs are not recognized in any other way in the determination of a sphere of influence.

CURBs and spheres of influence serve different purposes. CURBs and their related SOAR ordinances are matters of local policy that apply only to a particular city. LAFCo is not subject to them. The location of a CURB is established and controlled by city voters and generally specifies where a city may, and where it may not, consider allowing development to occur. A sphere of influence is established and amended by LAFCo. A sphere of influence for a city is the location where LAFCo, after having exercised its independent judgment to consider and make various written determinations, has determined the city's "probable physical boundaries and service area" to be (Govt. Code § 56076). Thus, the location of a CURB and the location of a sphere of influence represent different things and they may or may not align.

Commissioner's Handbook Section 4.2.1 provides that "sphere of influence boundaries should coincide with, or cover lesser area than," a CURB line. Pursuant to this policy and the definition of a sphere of influence, a sphere of influence should coincide with a CURB only if the Commission determines that the location of the CURB also represents the probable physical boundaries and service area of the city. However, if the Commission determines that a CURB line does not represent the probable boundaries and service area of a city, and a lesser area does, the sphere of influence should cover lesser area than the CURB. Thus, it is LAFCo's independent determination of the probable physical boundaries and service area of the City, not the location of the CURB, which is to determine the location of the sphere of influence.

- *Comment: Removing the Expansion Areas from the sphere of influence would conflict with the will of City voters.*

As noted in the history section of this report, the City General Plan envisioned development in both Expansion Areas before the voters established the CURB. However, the General Plan did not include any type of land use, infrastructure, circulation, public facilities, or open space planning for the Expansion Areas, as is required by state general plan law. In 2000, the City's voters amended the General Plan to establish the CURB, which included the Fagan Canyon Expansion Area. In 2007, the voters amended the General Plan to reduce the level of development envisioned for Adams Canyon and include the Adams Canyon Expansion Area within the CURB. However, the voters were not provided a land use plan, or any other plan, as part of either initiative. Thus, the actions of the voters did not correct the deficiencies in the City General Plan.

Moreover, the actions of city voters apply only to the city. They do not apply to LAFCo. LAFCo is an independent agency that must exercise its independent judgment to achieve its purposes as outlined in state law. Govt. Code § 56425 provides that LAFCo must determine a sphere of influence for each city "[i]n order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development...of the county and its communities". Basing the location of a sphere of influence solely on the location of a voter-established CURB would be an unlawful abdication of LAFCo authority and responsibility.

- *Comment: Removing territory from the sphere of influence would conflict with the City General Plan.*

There is no provision in LAFCo law or in Ventura LAFCo's local policies pertaining to spheres of influence that mandate that spheres of influence be consistent with a general plan. Indeed, if LAFCo's actions were required to be consistent with a general plan, there would be little purpose for the existence of LAFCos. As explained above, LAFCo must exercise its independent judgement in determining a sphere of influence. Though LAFCo often looks to general plans to help inform it of land use, infrastructure, and service plans when considering a sphere of influence, its determinations need not be consistent with it. In this case, the City General Plan contains no such plans for the Expansion Areas. In addition, should the Commission choose to reduce the size of the sphere of influence, it has determined that the current location of the sphere is *not* the probable physical boundary and service area of the City, thus, the City General Plan would not be the probable general plan for the area and there would be little purpose in considering consistency with it.

- *Comment: Removing territory from the sphere of influence would displace the development envisioned by the City General Plan for that territory to another location.*

This premise is cited repeatedly in comments that were submitted. The Expansion Areas are located within the unincorporated County area and are subject to the County’s General Plan and zoning ordinances. The City has no jurisdiction in the Expansion Areas and its General Plan has no force or effect, thus the development envisioned by it is theoretical and speculative. If territory were to be removed from the sphere of influence, there would be no change in the existing land use conditions: the City would continue to have no jurisdiction and its General Plan would continue to have no force or effect and City development would remain theoretical and speculative. Nonexistent development potential cannot be displaced.

- *Comment: Removing Adams Canyon from the sphere of influence would contradict the findings and actions made by the Commission when it included Adams Canyon in the sphere of influence in 2000.*

The inclusion of the Adams Canyon Expansion Area within the sphere of influence occurred prior to changes in LAFCo law that now require the preparation of a municipal service review in order to update a sphere of influence. LAFCo’s approval of the inclusion of Adams Canyon in the sphere in 2000 was primarily based on the analysis and conclusions provided by the City in a “White Paper Report”. The White Paper Report described in general terms the City’s plans for providing/funding services in Adams Canyon; however, the Report included no actual land use, infrastructure, circulation, or open space plans. In addition, the analysis and conclusions in the White Paper Report were based on a level of development in Adams Canyon that has since been substantially reduced, as indicated in the following table:

	Allowable Uses in 2000	Current Allowable Uses
Residential units	2,250	495
Commercial	152,000 sq. ft.	0
Hotels	2	1
Golf courses	2	1

The findings and determinations that were made by LAFCo in 2000 were based on now outdated information and a level of potential development that no longer exists. As a result, the findings/determinations made by LAFCo in 2000 are no longer applicable or relevant.

- Attachments: (1) ~~May 20, 2015 Staff Report (excluding some repetitive attachments)~~
 (2) ~~Responses to May 19, 2015 letter from City of Santa Paula~~

- (3) Responses to May 15 and May 19, 2015 letters from Latham and Watkins
- (4) Resolution to remove most of the Adams Canyon Expansion Area from sphere
- (5) Resolution to remove most of the Adams Canyon and all of the Fagan Canyon Expansion Areas from sphere