



AGENCY: City of Fort Bragg
MEETING DATE: April 26, 2021
DEPARTMENT: Community Development
PRESENTED BY: Tabatha Miller
EMAIL ADDRESS: tmiller@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

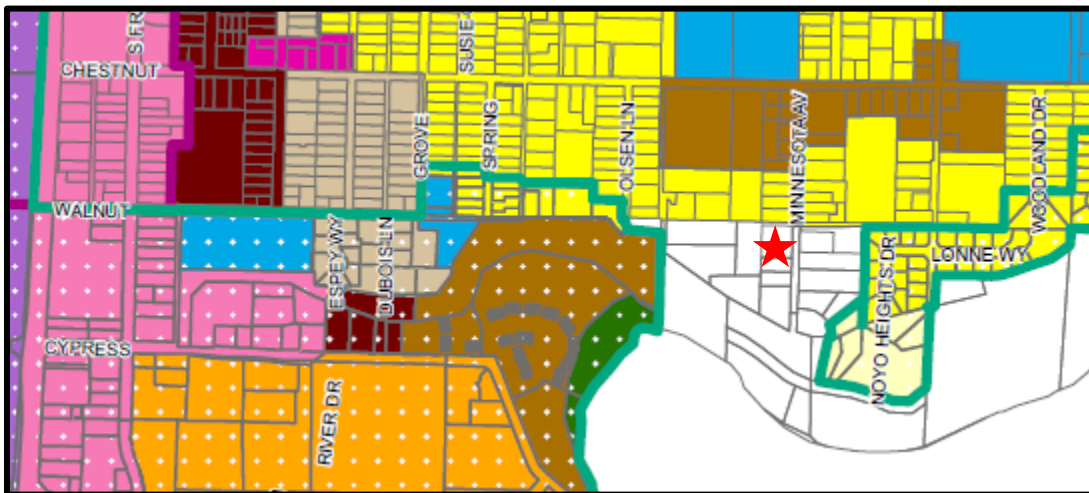
Receive Report on Request to Connect Out-of-City Property to City Water System and Provide Direction to Staff on Council Policy

ISSUE:

The Property owners at 203 Minnesota Ave (19970 Jacobson Lane), which is located outside the City Limits in a designated coastal zone, are requesting to connect to the City's water system. Fort Bragg Municipal Code Section 14.04.180 provides "Outside City water shall be considered on an individual basis on application to City Council" (Ordinance 416 § 18, passed 1973).

ANALYSIS:

The property at 19970 Jacobson Lane is served by City sewer but depends on a well that is not reliable for water service. The HUD eligible rental house is just outside of city-limits on the south end of town in a pocket of unincorporated Mendocino County.



Historic Council Policy:

Since the year 2000, the City of Fort Bragg's policy has been to disallow new water service connections to parcels outside the City limits. In 2003, the City Council passed a resolution allowing for sewer connections outside of the City Limits with a number of conditions, but did not change the policy on new water service connections. Since that time, requests for the provision of potable water service outside the City have been denied. The policy was reviewed in 2005, 2006, and 2013, and each time the committee/council decided to uphold the existing policy.

The reasoning for the policy is based on continued studies and monitoring of City Water Supplies and the conclusion that:

- The City does not have “surplus” water to serve additional properties outside the City limits.
- The City has a primary obligation to provide water service to its own citizens before serving others.
- The City has planned development areas that might be limited if water is used for services outside the City.

General Plan Guidance:

The Coastal General Plan does not address the policy of providing water services to parcels outside the City Limits. It states that out-of-area service agreements may be approved for new connections to the sanitary sewer system (Coastal General Plan Policy LU 2.2) for development proposals that comply with the policy of the Municipal Improvement District. The Policy is silent on potable water service connections.

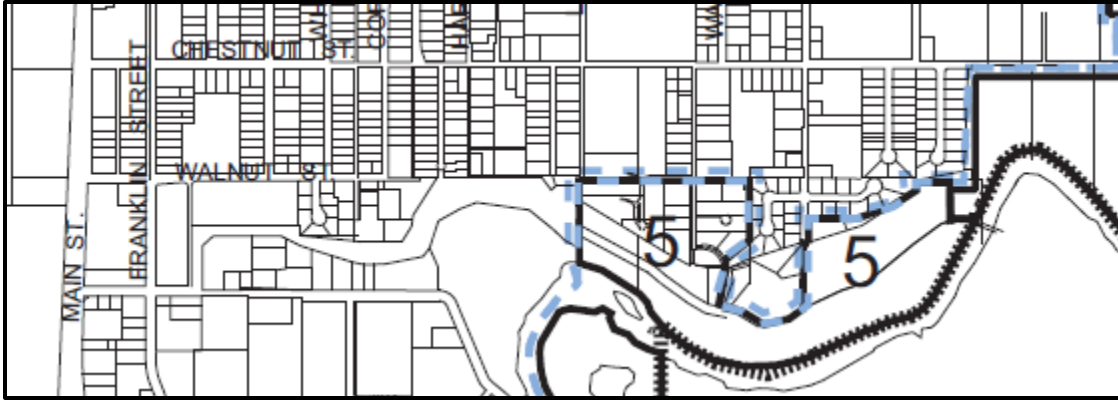
However, Policy PF-2.2: Potable Water Capacity does include the following text:

“The City shall identify and implement water system improvements or changes in service areas that are designed to ensure adequate service capacity to accommodate existing, authorized, and projected probable future coastal dependent priority uses. Such uses include, but are not limited to, industrial (including commercial fishing facilities), visitor serving, and recreational priority uses in commercial, industrial, parks and recreation, and public facilities districts.”

The provision of water to properties outside the City Limits could affect the City’s priority for development of the Mill Site and new housing. There have been numerous requests for water service to parcels outside the City limits over the years. Changing the City’s longstanding policy on no new potable water connections is inconsistent with the Coastal General Plan. Another consideration is the trigger that any water system with 3,000 or more connections is considered an urban water supplier and subject to [additional regulation, reporting and conservation measures](#). The City has hovered below that threshold for a number of years.

Annexation:

The property owners at 203 Minnesota Avenue have indicated that they would be open to the possibility of annexation into the City Limits. The City could consider annexation, which would expand the City limits to add additional parcels or properties. Based on the Coastal General Plan, this would require annexing all of Zone 5 as seen on the LU-3 Annexation Areas Map. (See also Attachment 1.)



Annexation is a complex process, which is expensive for both the applicant and the City, and likely the reason it does not take place very often. The last annexation was in 2006, to annex Pomo Bluffs Park, and prior to that it was 1998. An annexation requires an application submitted to the Local Agency Formation Commission (LAFCo) who manages and approves the process. A proposed annexation must conform to the City's Coastal General Plan (CGP).

The CGP addresses annexations in the Land Use Chapter in the following policies and programs:

Policy LU-2.4 Annexation Standards: Require annexations to the City to meet all of the following standards:

- Areas annexed must be able to be served by existing City facilities and by facilities provided by other agencies, or by environmentally and economically feasible improvements to these facilities.
- Prior to City approval of an annexation application, findings shall be made indicating that:
 - Necessary public and private infrastructure to support the development is available, or that a development plan for extending or upgrading the infrastructure has been adopted, and that the annexation would not result in a substantial reduction or deterioration of public services and facilities, including streets, water supply, wastewater treatment, storm drainage facilities, fire, police, schools, and other public services and facilities.
 - Proposed annexations must be contiguous to existing developed areas. Annexation proposals that "leapfrog" over vacant and undeveloped land shall not be approved.
- Based on a cost-revenue analysis, annexations shall have a cumulative net positive fiscal effect on the City within fifteen years of approval. The fiscal analysis must demonstrate that annexed properties would generate sufficient City revenues to pay for ongoing services to the annexed area and infrastructure cost benefiting annexed area borne by City – such as public safety, road maintenance, street lighting, etc. To achieve this, property owner(s) may be required to establish Mello-Roos districts and/or other forms of benefit assessment districts as a condition of, and at the time of, annexation to the City.

- All annexation applications shall include an environmental review document, which provides full disclosure of any potential adverse environmental impacts. To the maximum extent possible, annexations that would result in significant environmental impacts will not be approved.
- A development plan, including maps and text, showing how existing and proposed future development within the annexation area contributes to the attainment of Coastal General Plan goals and policies, shall be submitted with an annexation application.
- All proposed future development within an annexation area shall be consistent with the land use designations shown on the Land Use Designations Map and all other requirements of the Coastal General Plan and the Fort Bragg Municipal Code.

Program LU-2.4.1: Require a fiscal impact analysis of proposed annexations, at the applicant's cost, as deemed appropriate by the City. The fiscal impact analysis shall include, at a minimum, the cost of providing City services on a per capita basis for residential projects, or per square foot of building for commercial and industrial projects, the impact on existing and future property owners, and a comparison of the potential revenues anticipated from the proposed annexation versus the cost to the City of providing services for a period of at least five years from the date of project completion.

Policy LU-2.5 Discourage Piecemeal Annexations: Discourage annexations of small, individual parcels of land in a piecemeal fashion.

Program LU-2.5.1: Consider revising the Coastal LUDC to establish a minimum area for an annexation request or a process for pre-approval of the annexation area by the City Council prior to accepting an annexation application as complete.

Program LU-2.5.2: Annexation applications should include, to the maximum feasible extent, the entire annexation area as shown in Map LU-3: Annexation Areas...

Additionally the Public Facilities element of the CGP provides the following guidance:

Policy PF-2.2: Potable Water Capacity... The City shall identify and implement water system improvements or changes in service areas that are designed to ensure adequate service capacity to accommodate existing, authorized, and projected probable future coastal dependent priority uses. Such uses include, but are not limited to, industrial (including commercial fishing facilities), visitor serving, and recreational priority uses in commercial, industrial, parks and recreation, and public facilities districts.

Annexation Process:

If the property owner applied to the City for Annexation and the City were to determine that annexation was in conformance with the CGP, City Council would need to adopt a resolution to apply for annexation through the Mendocino County Local Agency Formation Commission (LAFCo). This process is regulated by the Cortese–Knox–Hertzberg Local Government Reorganization Act of 2000. Depending on the size of the annexation and the socio-

economic factors, LAFCO has different requirements. The process is public and requires agreement from the majority of property owners. See Attachment 2 for the LAFCO Policies and Procedures.

Summary:

The City of Fort Bragg is in the midst of a housing crisis and a drought that affects the entire state of California. In the Regional Housing Needs Assessment (RHNA) developed by the Mendocino Council of Governments, the City's share of the regional housing need is 137 units. The City will have to provide water to these residences. An additional priority of the Council is developing the former Georgia Pacific Mill Site, which will also require additional water.

In drought years, local residents have been required to conserve water and local businesses have had to go to such extreme steps as having to use paper plates and disposable utensils to conserve water. Adding new water users to the City's water system at this time could exacerbate conditions with existing residents and businesses.

Annexation is an option for the property in question, if the majority of the zone were to agree. However, it is a long and complicated process, and may face challenges if the City does not have sufficient water resources to serve the zone.

Although not consistent with several Coastal General Plan Policies, adding a small individual parcel by itself would have little impact on water resources and the system. The consideration for Council, if Council chooses to take this approach, would be policy going forward for future utility service requests. Is there a threshold (number of connections or water availability) or a physical boundary to limit how many individual service connections are viable before the system and future growth is limited or even compromised?

Separate from this request and subject to the Inland General Plan, property owners in Zone 1 and Zone 3 of the sphere of influence on the east side of town have also requested connection to the City's water and sewer systems. In March 2020, just before the pandemic shutdown, the then members of the Public Works and Facilities Committee directed the prior Public Works Director to investigate annexation of and utility connections for properties in these Zones. These requests should be considered in Council's direction on out-of-City utility connections.

ALTERNATIVE ACTION(S):

1. Make no changes to the City's no out-of-area water connections policy and do not pursue annexation at this time.
2. Direct staff to conduct a feasibility study for providing water service to out-of-area parcel(s).
3. Direct staff to conduct a survey of Zone 5 to determine if the current property owners in the district would like to pursue annexation.

FISCAL IMPACT:

The fee for adding a new water service connection on an existing line outside the city limits would typically range from \$6,500 to \$7,000. However, in this particular case, the size of the pipe beyond the City's fire hydrant, is reduced from 6" to 4". There are already about 18 properties served by the line and it cannot handle any more without upsizing to a 6" pipe. The estimated cost of upsizing about 450' of 4" pipe to 6" pipe would be roughly \$25,000 - \$30,000 and could serve no more than three additional properties. Additional work would be necessary to provide a more accurate estimate.

In comparison, some of the other options for an individual water user may include digging a deeper well and/or a water tank, and purchasing a water delivery. In comparison, the cost of annexation to both the City and the applicant would likely be upwards of \$25,000 and would take at least a minimum of a year, to complete all the necessary agreements between the property owners, the City, and the County of Mendocino.

GREENHOUSE GAS EMISSIONS IMPACT:

This could have a miniscule minimization of greenhouse gas emissions if the property owners are using a water delivery service and switch to municipal water, it would limit the number of vehicle trips, but the amount would be insignificant.

CONSISTENCY:

See above analysis.

IMPLEMENTATION/TIMEFRAMES:

Dependent on Council direction, as outlined above.

ATTACHMENTS:

1. Request for Extension of Water Service
2. Coastal General Plan Map LU-3 Annexation Areas
3. Mendocino LAFCo Policies and Procedures Manual
4. Fort Bragg Zoning Map

NOTIFICATION:

1. Pam Sotak