

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF FEBRUARY 28, 2018

REGULAR MEETING

TO: Shiva Frentzen, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

PREPARED BY: Erica Sanchez, Assistant Executive Officer

AGENDA ITEM #7: Deubel Annexation to the Cameron Estates Community
Services District

LAFCO Project No. 2012-03

PROPONENT: Deubel Enterprises, LP

AGENT: George Deubel, Landowner

DESCRIPTION OF PROJECT

The Deubel Annexation to the Cameron Estates Community Services District (CECSD) is a proposal to annex a 40-acre parcel (APN 109-010-03) into the CECSD in order to gain roadway access to the property through gated, CECSD-maintained roads. The annexation site is located just outside the southwestern boundary of the CECSD, adjacent to the District's current service area. The annexation was initiated by landowner petition.

LOCATION

The parcel proposed for annexation is located in the Cameron Park area south of U.S. Highway 50, approximately one mile south of the Cambridge Road exit and Flying C Road. Access to the parcel is by way of Native Lane.

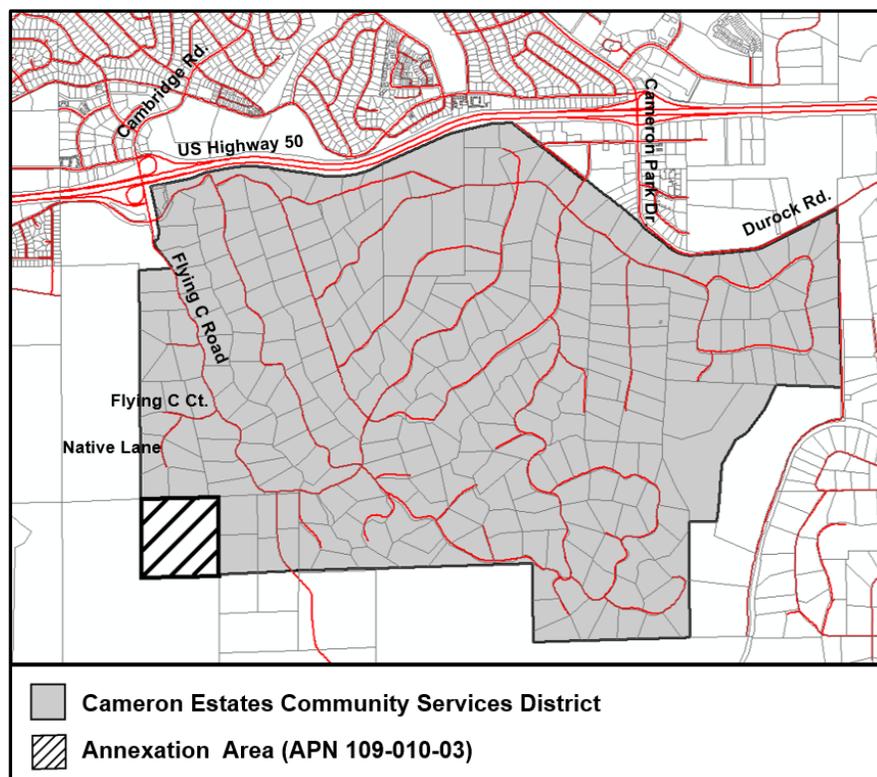
PURPOSE

The landowner is requesting annexation into CECSD in order to be able to use CECSD roads to access his parcel. The property is currently vacant and there is no specific development proposal for the annexation area at this time. The subject parcel is essentially landlocked and does not currently have access to any improved roads. The nearest paved roadway is CECSD-maintained Native Lane, located approximately 500 feet north of the District's southern boundary. A dirt access road extends southward from Native Lane to the Deubel property.

CECSD is somewhat unique, in that it is a public district with gated roads. Typically, roadways financed by taxpayer funds and maintained by a public entity such as a special district are considered public roadways and cannot be gated to obstruct public access. However, CECSD's roadways are gated and considered private, per Government Code §61105(g), despite being maintained by the District and financed by taxpayer funds.

Cameron Estate CSD's roadways have never been formally dedicated to the public. Special legislation in Government Code §61105(g) authorizes CECSD, along with six other CSDs containing roads not formally dedicated to or kept open for public use, to limit access to, and use of, roads within the District to landowners and residents of the District. CECSD has exercised this right by installing gates at each of the District's entrances, which require an access code, resident remote-control device, or resident approval through an electronic telephone entry system to allow entry.

CECSD Resolution No. 2013-01 requires that property must be annexed to the District before permission will be granted to owners of such parcels to access and use the roads of the District. Upon such annexation, the subject parcel would be granted access to roads within the CECSD boundaries. The CECSD Board supports the annexation and has entered into an annexation agreement with the landowner stipulating the terms of the annexation.



RECOMMENDATIONS

Staff recommends that the Commission take the following actions:

1. Recognize that the Cameron Estates Community Services District, as the lead agency for the project, has prepared a Mitigated Negative Declaration and CEQA determinations which have been found to be adequate for the purposes of the

- annexation and direct staff to file a Notice of Determination in compliance with CEQA and local ordinances implementing the same.
2. Adopt LAFCO Resolution L-2018-05 (**Attachment F**), adding any additional conditions the Commission finds appropriate, and approve the Deubel Annexation to the Cameron Estates Community Services District.
 3. Waive the Conducting Authority Proceedings subject to Government Code §56663 and local policies.
 4. Direct the Executive Officer to complete the necessary filings and transmittals as required by law.
 5. Determine the effective date of the annexation to be five (5) working days after recordation by the County Recorder of the Executive Officer's Certificate of Completion once the imposed conditions are met.

REASON FOR RECOMMENDATION

After careful consideration of the 28 factors listed in Government Code §56668 (see below) and LAFCO Policies, staff recommends the Commission approve the Deubel Annexation into the Cameron Estates Community Services District in order to provide access to the subject parcel through CECSD roads.

BACKGROUND

Cameron Estates CSD provides road maintenance and trail maintenance services for 291 residential parcels in the Cameron Estates subdivision. CECSD's road system is gated and public use is restricted by electronic security gates at each of the entrances.

Pursuant to Government Code §61105(g), CECSD has the power to adopt ordinances limiting access to, and use of, the roads within its jurisdiction to land owners and residents of the District. CECSD adopted Ordinance No. 2016-01 for that purpose.

Deubel Enterprises, LP (George Deubel, General Partner) acquired the subject property in 2007. As a result of prior land divisions by preceding landowners, the parcel does not currently have access to any improved roads. Mr. Deubel has been advised by the El Dorado County Planning Department that road access will be a condition of approval on any subdivision or other future development of the property. Consequently, Mr. Deubel entered into conversations with CECSD related to the use of roads within the CECSD to access his property. In May 2012, Mr. Deubel submitted a landowner petition to LAFCO requesting annexation into the CECSD.

After lengthy negotiations, the CECSD Board and Mr. Deubel reached mutually acceptable terms for the proposed annexation. In August 2017, the District and Mr. Deubel entered into a pre-annexation agreement for the purpose of agreeing to a process for consideration of the annexation. The pre-annexation agreement, contingent upon LAFCO approval of the annexation, imposes limitations on development of the subject parcel, restricts access to District roads through the property, specifies the process and scope of environmental review, and confirms the reimbursement terms between the applicant and the District. Among other stipulations, the pre-annexation agreement maintains the existing RE-5 zoning of the project site and limits future subdivision to a maximum of four lots, with two units each for a maximum development potential of eight

units, among other provisions. The pre-annexation agreement will remain in effect until LAFCO approval of the annexation and recordation of the annexation agreement.

In November 2017, the CECSD and Mr. Deubel negotiated an annexation agreement to preserve the terms of the pre-annexation agreement after annexation and to further specify the terms and conditions of the annexation. The CECSD Board adopted Resolution 2017-06 on November 16, 2017, approving the annexation agreement and the proposed Deubel Annexation (***Attachment D***).

Annexation Agreement

The annexation agreement is a legally enforceable document which will be recorded on the title report of the subject property by the CECSD seven business days after the effective date of LAFCO action, assuming the annexation is approved. The annexation agreement also includes a subdivision improvement agreement, to be signed by the landowner at the time of development. Upon subdivision, the terms of the annexation agreement will be recorded with the title to any newly created lots.

Terms of the agreement would be monitored and enforced by CECSD; LAFCO is not a party to the agreement, nor does LAFCO have any legal responsibility to record or enforce the terms of the agreement. If LAFCO exercises its authority to impose additional conditions on the annexation, both parties retain the right to rescind the annexation agreement if they are not agreeable to a LAFCO condition.

The annexation agreement between the Applicant and the District provides as follows: (1) provision of access to the Property over roads maintained by the District; (2) limitation of future development of the Property to no more than four parcels, a reduction in density from the existing zoning for the Property; (3) agreement of the Property Owner that develops the Property or any portion thereof to enter into a Subdivision Improvement Agreement with the District to construct new road improvements pursuant to County and District approvals (the "Improvements") to provide the Property access to existing District roads, which Improvements will be dedicated to District for maintenance purposes; (4) restriction of access to District roads through the Property to the owners thereof and their invitees or guests, which excludes any other persons or property owners including owners of parcels adjacent to the Property including the developments known as Marble Valley and Lime Rock Valley, without the express written consent of the District.

Informational Hearing

CECSD did not request termination of the informational hearing proceedings pursuant to Government Code §56857(b); however, the informational hearing requirement pursuant to Government Code §56857 has been satisfied through written and verbal updates to the Commission during public hearings on March 27, 2013; September 25, 2013; January 24, 2014; January 28, 2015; January 27, 2016; and February 22, 2017. Additionally, the CECSD Board was duly informed of the annexation proposal through written and verbal updates during public hearings on August 16, 2012; March 21, 2013; July 18, 2013; November 21, 2013; January 19, 2017; July 20, 2017; and November 16, 2017.

CEQA

Cameron Estates CSD, as the Lead Agency for the annexation, contracted with Raney Planning and Management, Inc. to prepare an Initial Study and Mitigated Negative Declaration (MND) for the annexation. The environmental impacts of the annexation were

addressed within the scope of this environmental document. The MND, accompanying Errata sheet which included comments submitted during the public comment period, and Mitigation Monitoring Reporting Program (MMRP) were certified by the CECSD Board on November 16, 2017. The MMRP includes mitigation measures as necessary to lessen the potential significant effect that the project could have on the surrounding area. The MND determined that the proposed annexation project will not have a significant effect on the environment with the implementation of the required mitigation measures specified in the MMRP. The MND, Errata sheet and MMRP are included as **Attachment E**.

DETERMINATIONS

After reviewing the factors discussed below, the Commission should make its own determinations regarding the project. Staff recommends the following determinations based on project research, state law and local policies:

1. The subject territory is “uninhabited” per Government Code §54046. Application for this annexation is made subject to Government Code §56650 et. seq. by landowner petition.
2. The territory proposed for annexation is within the sphere of influence of the Cameron Estates Community Services District and is contiguous to the existing boundary. The annexation will provide a logical and orderly extension of the boundary.
3. The Mitigated Negative Declaration prepared for this project by the Cameron Estates Community Services District satisfies the requirements of the California Environmental Quality Act.
4. The annexation will not result in negative impacts to the cost and adequacy of service otherwise provided in the area, and is in the best interests of the Applicant and annexing District.
5. The annexation will not have an adverse effect on agriculture and open space lands.
6. The annexation will not have an effect on water supply available for the buildout of regional housing needs determined by the Sacramento Area Council of Governments.

DISCUSSION OF STATUTORY AND POLICY CONSIDERATIONS

Government Code §56668 and LAFCO Policies require that the Commission review 28 factors of consideration in the review of a reorganization proposal. Each of the 28 factors is individually summarized in Table 1 (**Attachment B**), and fully addressed in the following sections: I. Services, II. Cost and Revenues, III. Boundaries, IV. Potential Effect on Others and Comments, and V. Land Use Population and Planning.

I. SERVICES

Need for Services

Annexation into the CECSD is necessary in order to gain access to the property through gated CECSD roads. The subject parcel does not have access to any improved roads; the nearest paved roadway is CECSD-maintained Native Lane, located approximately 500 feet north of the District’s southern boundary and the subject parcel.

Although CECSO is a public district, its roadways have never been formally dedicated to the District and are considered private roads. Government Code §61105(g) authorizes CECSO to limit access to, and use of, roads within the District to landowners and residents of the District. CECSO has exercised this right by installing gates at each of the District's entrances, which require an access code, resident remote-control device, or resident approval through an electronic telephone entry system to allow entry. Unrestricted access to the subject parcel is not possible without first annexing into the District.

Existing and Necessary Infrastructure to Deliver Service

Existing roads located within the District are capable of providing access to the subject property, contingent upon property owner constructing new road improvements to connect the property to existing District roads. The nearest paved roadway is CECSO-maintained Native Lane, which currently terminates approximately 490 feet to the north of the Deubel parcel. A dirt access road extends southward from Native Lane to the Deubel property. Upon annexation, the property owner holds easements necessary to connect to Native Lane.

Ability of Annexing District to Provide Service

The *2018 Cameron Estates Community Services District Municipal Service Review and Sphere of Influence Update* noted that CECSO governance, management, operations and funding appear sufficient to provide reliable and timely road services within its boundaries. There were no significant service issues identified in the MSR that would suggest CECSO would be unable to provide roadway maintenance services to the territory proposed for annexation. The annexing territory was discussed in the MSR and staff recommended inclusion of the Deubel parcel into the CECSO sphere of influence in anticipation of annexation. The CECSO adopted Resolution 2017-06 in support of the Deubel Annexation.

Timely Availability of Water Supply

The proposed annexation will not have any effect on the provision of public water service to the subject parcel or any other parcel within the CECSO service area. CECSO is almost entirely within the service area of the El Dorado Irrigation District (EID), which provides municipal water service to this area of the county. Developed parcels within CECSO receive water from either EID or from private wells. This annexation will not affect EID boundaries. Should the eventual development require annexation into EID, a subsequent petition will be filed with LAFCO and the Commission can then analyze and evaluate the appropriateness of annexing it into EID. Should the eventual development rely on private wells, the County's Community Development Department will review the adequacy of the site's water production.

Service Impacts to Existing District Customers

The level of services CECSO currently provides within its service area is not expected to change as a result of this annexation. The CECSO and existing residents will benefit by a commitment to lesser development on the District's boundaries, as well as additional financial contribution in the future towards road maintenance from properties annexed into the CECSO. If tentative maps for future development of the project site are submitted to El Dorado County, Mitigation Measure XVI-1 of the MND Mitigation Monitoring and Reporting Program would require the applicant to assess

the existing roadways and provide for any improvements necessary to maintain the condition of affected roadways during potential future construction activity.

Alternatives to Service

Native Lane is the only existing improved roadway that could feasibly be extended to provide access to the subject parcel at this time. Marble Valley Road, a dirt road south of the subject parcel, could conceivably provide access to the subject parcel. However, this portion of Marble Valley Road is unimproved at this time, and will be a (potential) connector road between the proposed Village of Marble Valley and Lime Rock Valley Specific Plans. Connecting through Marble Valley Road is not a timely, option for Mr. Deubel, as neither specific plan has been approved by the County Board of Supervisors and development is conceptual only at this point. In addition, CECSD has expressed concerns regarding potential residents of these large developments utilizing their roadways in the future, if a connector road is constructed to Mr. Deubel's property. Annexation into the CECSD would be considered the most feasible means of providing services to the project site and in a way that addresses the needs and concerns of Mr. Deubel and CECSD residents.

Coordination of Applications

Prior to taking action on this annexation proposal, the Commission must first take action on Agenda Item #6 to add the Deubel property to the CECSD sphere of influence for the agencies. For additional information about the CECSD SOI and the addition of the Deubel Property, refer to Agenda Item #6 and the 'Boundaries' section below. There are no additional annexation areas that should be combined with this annexation proposal.

II. COST AND REVENUES

Cost to Provide Service

Prior to development of the annexation site, the property owner would be required to construct new road improvements to connect to existing District roads. Per the terms of the annexation agreement, CECSD will require execution of a subdivision improvement agreement by the property owner for improvements that will be constructed to provide access to District roads and which will be dedicated to the District for maintenance.

If the annexation is approved, CECSD will receive an agreed upon portion of the property taxes collected from the Deubel property (see below), along with a \$250 annual special tax, levied by CECSD on all parcels within the District for road maintenance purposes. If and when the Deubel property is eventually split into the agreed upon four parcels, the negotiated property tax increment and special tax direct charge will transfer to any newly created parcels.

Assessed Value / Property Tax Exchange Agreements

The Deubel Property is currently assessed as unimproved, vacant land. The current assessed value of APN 109-010-03 is \$160,000. The assessed value of the property has increased slightly, from \$152,000 in 2012, at the time the annexation was initiated.

In 2012, CECSD and El Dorado County negotiated a property tax increment for the proposed annexation area of 9.6149% for CECSD. The County and CECSD both

adopted property tax redistribution resolutions approving this increment for the annexation; the County's resolution is included as **Attachment C**.

Sufficiency of Revenues

The annexation is expected to provide revenue that will offset the short- and long-term costs to CECSO for providing roadway services. Based on the 2012 assessed value of the property, the estimated portion of new tax revenue from the annexation area would be approximately \$146 annually (**Attachment C**, Exhibit B). In addition to property tax revenue, an annual \$250 special tax will support the cost of future road maintenance services.

III. BOUNDARIES

Proximity to District Boundaries / Sphere of Influence

The Deubel Property is adjacent to the southern boundary of the CECSO, but is not currently within the CECSO sphere of influence. Adding the Deubel property to the CECSO sphere of influence is a necessary precursor required prior to annexation. Government Code §56375.5 requires LAFCO actions regarding changes of district boundaries be consistent with the affected district's sphere of influence. Agenda Item #6, the Cameron Estates CSD Municipal Service Review and Sphere of Influence Update Study, is, in part, a precursor to the Deubel Annexation. Staff recommendation for Commission action on Agenda Item #6 is to add the Deubel property to the CECSO sphere of influence in anticipation of annexation.

Creation of Irregular Boundaries

The area proposed for annexation into CECSO is adjacent to the current CECSO service area and will not create an irregular service boundary for the District. The proposed annexation map has been reviewed by the El Dorado County Surveyor's Office the boundaries of the proposed annexation conform to the existing lines of assessment and ownership of APN 109-010-03.

Topographical Information

The annexation site consists of gently rolling hills populated with low-lying chaparral shrubs and a small number of scattered trees. There are no topographical features that will hinder service to this area.

IV. POTENTIAL EFFECT ON OTHERS AND COMMENTS

Effect on Adjacent Areas

The proposed annexation will have a minimal effect on adjacent areas. The annexation agreement limits the development potential of the subject property, and restricts access to District roads of parcels adjacent to the subject property, including the Marble Valley and Lime Rock Valley developments, without the express written consent of the District.

Effect on Other Community Services

There are no negative impacts expected for other public service providers to the proposal area. Other public service providers to the affected territory include: El

Dorado County Fire Protection District, El Dorado County Service Area 9, Zone 17 – Ponderosa Recreation Zone, El Dorado County Sheriff’s Department, Buckeye Union School District, El Dorado Union High School District, and Los Rios Community College District.

Comments and/or Objections from Other Agencies and the Landowner

The following agencies were notified of, and provided an opportunity to comment on, this proposal:

- Buckeye Union School District
- Cameron Estates Community Services District
- El Dorado County Assessor’s Office
- El Dorado County Auditor’s Office
- El Dorado County Chief Administrative Office
- El Dorado County Department of Agriculture
- El Dorado County Elections Department
- El Dorado County Emergency Services Authority
- El Dorado County Farm Bureau
- El Dorado County Fire Protection District
- El Dorado County Office of Education
- El Dorado County Planning Department
- El Dorado County Representing County Service Areas 7, 9, 9 Zone 17-Ponderosa Recreation, 10, and 10 Zone D-Library
- El Dorado County Resource Conservation District
- El Dorado County Sheriff’s Department
- El Dorado County Surveyor’s Office
- El Dorado County Water Agency
- El Dorado Hills Community Services District
- El Dorado Irrigation District
- El Dorado Union High School District
- Los Rios Community College District

As part of the standard notification process, LAFCO sent a project notice requesting agency comments to all affected agencies in March 2012 and a project hearing notice in December 2017. As of the date of this report, LAFCO has not received any comments from the above affected agencies in response to the proposed annexation.

The annexation petition was initiated by the landowner, who is in full support of the change of organization. The CECSD Board supports the annexation and has entered into an annexation agreement with the landowner, stipulating the terms of the annexation.

Public Notice

A notice of public hearing was published in the Mountain Democrat 21 days in advance of this hearing. As of the date of this report, LAFCO has not received any comments from the public in response to the proposed annexation.

V. LAND USE, POPULATION AND PLANNING

Zoning and Land Use Designations, Consistency with General / Specific Plans

The proposed project site is designated LDR per the El Dorado County General Plan and zoned RE-5. The proposed annexation does not include a specific development proposal at this time.

Per the agreed upon terms of the Annexation Agreement, potential future development of the subject parcel could include development of up to four parcels, with a maximum of eight total residential units. Such development would be consistent with the existing El Dorado County General Plan land use designations and zoning for the project site. Future development applications would require discretionary approval by El Dorado County.

Surrounding Land Uses

The annexation site is located in a Rural Region south of the Cameron Park Community Region. The site is generally surrounded by existing and approved/proposed residential development. Surrounding land uses to the north, northeast and east include rural single-family residences on 5-10 acre lots in the Cameron Estates subdivision; the approved Marble Valley subdivision (proposed Village of Marble Valley Specific Plan) lies directly to the west and south, and the proposed Lime Rock Valley Specific Plan area is located southeast of the annexation site.

The areas directly adjacent to the annexation site boundaries are currently undeveloped and absent of any permanent structures. The nearest existing residence is located approximately 350 feet to the northeast of the project site. Grading for a single-family lot is currently being conducted immediately north of the project site, atop the adjacent hill.

Impact to Agriculture / Open Space

The proposed annexation will have no effect on agricultural lands or open space.

The annexation site and neighboring properties are designated for low-density residential development. Several nearby residences feature small agricultural activities such as garden plots and vineyards.

According to the California Department of Conservation Farmland Mapping and Monitoring Program, the proposed annexation site is designated as Grazing Land and does not include land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. The proposed annexation would not involve changes in the existing environment which, due to their location or nature, could individually or cumulatively result in loss of Farmland to non-agricultural use. The El Dorado County Resource Conservation District and Agricultural Department reviewed the project and did not identify any impacts to agriculture.

Population and Growth in the Area

Potential future development within the proposed annexation site would be restricted to rural single-family residential development; such development would essentially act as an extension of the existing residential land uses to the north and east of the project

site. Per the terms of the Annexation Agreement, future development of the project site would remain consistent with the site's existing zoning designation.

Regional Housing Needs Considerations

The annexation proposal does not include any type of new housing or other development; therefore, it will neither assist or detract from the County's ability to achieve its RHNA (Regional Housing Needs Assessment) targets.

ATTACHMENTS

Attachment A: Project Map

Attachment B: Table 1: Summary of 28 Factors to be Considered

Attachment C: BOS AB-8 Resolution

Attachment D: CECSD Resolution 2017-06 in support of the annexation

Attachment E: CECSD Mitigated Negative Declaration, Errata Sheet and Mitigation Monitoring Reporting Program

Attachment F: LAFCO Draft Resolution L-2018-05 and Map