



## STAFF REPORT

Agenda Item No. 5a	
<b>MEETING DATE</b>	November 4, 2024
<b>MEETING BODY</b>	Mendocino Local Agency Formation Commission
<b>FROM</b>	Uma Hinman, Executive Officer
<b>SUBJECT</b>	<b>Public Hearing for City of Ukiah Western Hills Annexation and Sphere Amendment (File No. A-2022-02) and Findings Pursuant to the California Environmental Quality Act</b>

### RECOMMENDED ACTION

It is recommended that the Commission take the following actions:

- (1) Acting as the Responsible Agency pursuant to the California Environmental Quality Act (CEQA), find that the Mitigated Negative Declaration and the Addendum thereto (SCH No. 2021040428) adopted by the City of Ukiah for the project were reviewed, considered, and determined to be adequate pursuant to CEQA.
- (2) Adopt LAFCo Resolution 2024-25-04, approving the City of Ukiah Western Hills Annexation and Sphere Amendment (File No. A-2022-02) and making findings.
- (3) Waive Protest Proceedings pursuant to GOV §56663 unless written opposition to the proposal is received, and not withdrawn, from landowners/voters within the affected territory before the close of the hearing.

### BACKGROUND

This item is a Public Hearing for Commission consideration of a Reorganization proposal from the City of Ukiah as detailed in the Application Summary below and the associated application materials (Attachments 1 – 6).

Application Summary	
<b>LAFCo File No.:</b>	A-2022-02
<b>Short-term Designation:</b>	City of Ukiah Western Hills Annexation and Sphere Amendment
<b>Date Filed:</b>	June 8, 2022 (resubmitted on March 21, 2024, and July 19, 2024)
<b>Certificate of Filing Issued:</b>	September 27, 2024
<b>Affected Territory:</b>	Uninhabited (less than 12 registered voters residing in the area)
<b>Proposal:</b>	City of Ukiah proposed annexation of 27 assessor parcels of approximately 791 acres (732 acres to be City-owned) and sphere amendment for one parcel (APN 003-190-11) in the Western Hills of the Ukiah Valley for open space preservation, public-access, and limited residential development, per Resolution No. 2024-27.
<b>APNs:</b>	003-110-90; 003-190-09; 001-420-40; 001-041-02; 001-041-03; 001-041-04; 001-041-05; 001-041-06; 001-041-01; 001-040-81; 003-190-13; 003-190-15; 157-050-18; 157-070-05; 003-190-16; 003-190-17; 001-040-83; 157-050-16; 157-050-15; 157-030-02; 157-050-14; 157-050-13; 157-060-02; 157-030-03; 157-050-03; 157-060-03; 003-190-11

## **Justification of Proposal**

The applicant's primary reasons for the proposed annexation and sphere amendment are summarized as follows:

- Preserve property in the Western Hills as open space and watershed for the Ukiah Valley.
- Create opportunities for access trails, including, but not limited to, public hiking, biking, and associated recreational activities.
- Develop public facilities for various municipal purposes, provided that it does not conflict or interfere with the preservation of the property as open space and for watershed protection.
- Allow for the limited development of residential improvement in proximity to resources and available infrastructure to prevent sprawl and unorderly development.

The proposal involves annexation of:

- (a) City-owned property to the City limits for logical jurisdictional authority (aligning municipal oversight, controls, and services) and property tax exemption status, and
- (b) Intervening private lands located contiguous to the City limits to avoid illogical boundaries through the creation of islands.

The proposal will also allow for future clustered residential development to occur near City limits, infrastructure, and services and allow for increased land management and fire prevention for the large open space preservation area, subject to the City permit process for post-annexation lot line adjustments (Attachment 1).

## **SOI Consistency**

A Sphere of Influence (SOI) boundary indicates the probable physical boundary or service area for local government agencies under LAFCo purview. Most of the proposed annexation area is located within the City's existing SOI boundary approved by the Commission on December 19, 2022 per Resolution No. 2022-23-06. The proposal includes a sphere amendment to add 40-acres of City-owned property (APN 003-190-11) that is within the City's General Plan Planning Area and adjacent to both the City limits and the original 692-acre Western Hills City land acquisition area. The recommended action to approve the requested sphere amendment is based on the 2022 City of Ukiah Municipal Service Review and Sphere of Influence (MSR/SOI) Update determinations included as Attachment 11.

## **Property Tax Exchange Agreement**

Per Revenue and Taxation Code (RTC) § 99(b), upon the filing of an application, but prior to the issuance of a certificate of filing, the Executive Officer shall give notice of the filing to the County Assessor and Auditor.

Per RTC § 99(b)(6), an application for a change of organization or reorganization will not be deemed complete and scheduled for public hearing until proof (in the form of adopted resolutions from all applicable negotiating parties) of a property tax exchange agreement is provided by the local agencies whose service area or service responsibility will be altered by the proposed jurisdictional change.

The County and Cities in Mendocino County have negotiated a Master Tax Sharing Agreement (MTSA), as provided for in RTC § 99(d), which is intended to satisfy the requirements for future changes of organization (Attachment 8). As of July 30, 2024, all Cities and the County have approved the MTSA, making it legally in full force and effect.

On September 13, 2024, Mendocino County and the City of Ukiah provided a joint letter to LAFCo to express their agreement that the recently adopted MTSA applies to the proposed annexation and that there are no special circumstances particular to this request that require additional or separate negotiation between the parties (Attachment 7). The letter further clarifies the following:

- The subject annexation parcels are outside of the “Ukiah Balance Area” identified by the MTSA and do not include any commercial parcels that convey sales tax revenue, which simplifies tax collection and distribution considerations.
- Besides limited residential development adjacent to existing infrastructure and services, the majority of the annexed land will be preserved as open space.
- In addition to the preservation of critical open space, A-2022-02 will correct several long-standing mapping errors that have resulted in the bifurcation of multiple residential parcels between the County and City.
- As determined by the MTSA, A-2022-02 assigns 27 future unincorporated housing units to the City of Ukiah for the 7th Cycle Housing Element, ensuring compliance with California Government Code (GC §56668(m)).
- While no formal conference was conducted, staff of the City of Ukiah’s Department of Community Development and Mendocino County’s Department of Planning & Building Services engaged on numerous occasions, and closely collaborated on application aspects related to mapping, housing and permit coordination.

The MTSA Key Term Sheet provides an outline of the agreement principals and tax share method (Attachment 8)

**Plan for Services**

A plan for providing services within the affected territory is required for changes of organization or reorganizations pursuant to GOV § 56653 and includes the following information and any additional information required by LAFCo.

- (1) An enumeration and description of the services to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

Development Plans

The City’s Limited Development Agreement allows for the development of ten parcels with a maximum of twenty dwelling units, but does not include any specific designs or proposals, nor does it grant any entitlements.

Per Ukiah City Code §9139 Hillside Development Standards, “Any parcel of land or subdivision having an average ground gradient across any portion of the property in excess of fifteen percent shall require a use permit for development.” Regardless of discretionary review, applicants are required to comply with all associated standards and regulations of the Hillside combining district. Based on information from the developer, none of the proposed Development Parcels will have an ‘Average Parcel Slope’ of less than 15%. Therefore, a Use Permit is likely required prior to the development of any residential improvements for the ten Development Parcels.

In addition to the ten Development Parcels, the annexation area includes ten assessor parcels under private ownership to ensure that an Unincorporated Island is not created, and that properties overlapping the City and County boundary line are fully incorporated. Development of the five overlap private parcel fragments is unlikely due to the small size. The remaining five private parcels are undeveloped or partially developed properties to be annexed to provide access to the ten Development Parcels or to prevent the creation of an Unincorporated Island. Two of these undeveloped private parcels (APN 003-190-09 with 10.2-acres and APN 001-041-01 with 35.5-acres) would be considered eligible for additional residential improvements. However, any development proposal on these private parcels would be constrained by the slope and standards of the Hillside combining district.

Presently, Development Parcels #9-11 are not conveyed any road or utility improvements. Access to these parcels would be established through a private drive from Redwood Avenue. At this time, there are no associated water, sewer or electric utility infrastructure provided to Development Parcels #9-11. While access to municipal water and sewer becomes available to the undeveloped private parcels upon annexation, no extension of infrastructure is contemplated at this time. Therefore, any utility or infrastructure improvements to these parcels would be evaluated in concert with the appropriate development permits for residential construction in conformance with the requirements of Chapter 2, Article 11 - Regulations in Hillside (-H) of Ukiah City Code.

The following municipal service information is from the City's Plan for Services (Attachment 5).

#### Electrical Service

Presently, electrical service is not provided to any of the parcels identified for annexation but can be provided in conjunction with approved development. For Development Parcels #1-7 and #9-11, the electrical infrastructure will be constructed by the developer, subject to the review and approval of the public utility providing the service.

Electrical service is planned for Development Parcels #1-7. While Development Parcels #9-11 do not feature a plan for electrical service, easements along the proposed roadway have been provided via the associated purchase agreement. Detailed electrical infrastructure planning and analysis for these parcels will occur in concert with the associated discretionary permits required to facilitate residential improvements.

No development is proposed for any of the privately owned parcels associated with the annexation request. The overlap private parcels with existing residences were developed within the City's jurisdiction and are provided with electric services from the City of Ukiah.

#### Roads and Trails

The areas identified for annexation currently feature a myriad of existing roads, trails and fire breaks. The existing access road that extends from Redwood Avenue ranges in width from 16-20 feet and was previously compacted and improved with gravel. For Development Parcels #1-7, residential access will be provided along this extension of Redwood Avenue. This access road will be improved to allow for residential development. Road improvements include, but are not limited to, paving, storm drains, as well as other drainage facilities and utilities. The road improvements and utility infrastructure that support the residential development of these parcels will comply with the applicable provisions of state and local law, including fire safety standards for state responsibility areas, meaning that fire suppression (e.g. fire hydrants, water storage tanks, etc.) will be installed in required locations. All access improvements, roadways and residential development will be reviewed by the Fire Prevention Division and adhere to all local, state and federal fire regulations relating to access and safety.

Road or utility improvements are not planned for the development of Parcels #9-11, since these considerations will be undertaken in concert with the required discretionary permits. Access to these parcels is established from an existing private drive from the extension of Redwood Avenue.

No development is proposed for any of the privately owned parcels associated with the annexation request. The overlap private parcels with existing residences were developed within the City's jurisdiction and are provided access from existing public right-of-way or private roads.

Through the City's Purchase Agreement, the City released public access on the private drive segment of Redwood Avenue across the annexation area and the developer granted the City additional trail easements. While the City does not propose any recreational facilities at this time, the City aims to develop trails and recreational open space areas in the future as funds and resources become available.

### Sewer and Water Services

Presently, water and sewer services are not provided to any of the parcels identified for annexation, although private wells do exist. Common sewer and water infrastructure for new residential development will be undertaken by the developer. All common sewer and water infrastructure will be owned and maintained by the accompanying Homeowner Association, who will reserve all water rights for each of the Development Parcels, whether it is surface water, spring water, or subterranean water. The Development Parcels may also connect to public water and/or sewer utilities, upon application and permitting by governing agencies.

For Development Parcels #1-7, an existing shared well is intended to provide water for fire prevention and domestic uses. A water storage tank is identified for development along the existing road/access easement. The water system consists of a well, water-storage tank, pumps, and water pipelines to enable connection to individual lots. The proposed sewage disposal system includes holding tank(s), pumps, and other components to enable connection by individual lots to an effluent line along the access road, which will connect to a public sewer main operated by the City of Ukiah.

For Development Parcels #9-11, a shared well is intended to provide water for fire prevention and domestic uses. While the existing well will be located off-site, the developer will retain the associated water rights with access and utility easements for subsequent use in enhancing fire protection activities and provision of potable water to Development Parcels #9-11.

Upon annexation, the sewer system for Development Parcels #9-11 may consist of a private sewage disposal system in compliance with Division 4, Chapter 2, Article 4 of the Ukiah City Code. Alternatively, the developer may install sewage holding tank(s), pumps, and other components to enable future connection to the individual residential lots for the treatment of sewage solids and an effluent line along the road or in another suitable location, which may connect to a public sewer main approved by the local government entity with jurisdiction over the main.

At full built-out, the Development Parcels are anticipated to use twenty equivalent sanitary sewer units (ESSUs). The City's Wastewater Treatment Plant (WWTP) currently has available, between the City of Ukiah and the Ukiah Valley Sanitation District (UVSD), 1,571 ESSUs. The WWTP has more than sufficient capacity to serve the Development Parcels.

### Public Services

Police protection services for the entire City limits is provided by the Ukiah Police Department, and the Mendocino County Sheriff's Office provides law enforcement services in unincorporated areas, as well as specific services like the County Jail on a countywide basis. Fire protection services in the Western Hills are provided by the Ukiah Valley Fire Authority and California Department of Forestry and Fire Protection (Cal Fire).

Although no residential development is proposed at this time, it is assumed that future development would result in construction and development of residential uses (up to twenty units). New homes in the City's jurisdiction would be served by the City's Police Department and the Ukiah Valley Fire Authority. This minimal increase in residential service area would not be considered significant, as the development would be staggered and undertaken on a parcel-by-parcel basis.

An increasingly important and motivating factor for City annexation of the Western Hills is to gain further control over fire mitigation activities, which the City is well-prepared to accommodate given the "Ukiah Valley and Mendocino Hazardous Fuels Reduction Project" that will allow for a crew of 11 people to conduct defensible space inspections, maintain current fuel breaks in shaded and non-shaded areas, perform defensible space work, conduct prescribed burns in appropriate areas to restore fire adapted ecosystems, conduct project assessments, and increase community fire resiliency in the Ukiah Valley.

As recreational improvements and public access opportunities are considered by the City of Ukiah, the Ukiah Valley Fire Authority, Community Services Department, and Ukiah Police Department, the City will need to analyze existing maintenance equipment and response vehicles commiserate with the proposed recreational or open-space improvements. Presently, these Departments maintain an assortment of equipment, including motorized all-terrain vehicles, drones, and maintenance vehicles that are sufficient for accessing and monitoring the properties identified for annexation as presently utilized. As recreational opportunities and access are expanded, the City will need to calibrate their equipment and personnel needs commensurate with the recreational improvements proposed.

### Service Summary

Although no residential development is proposed at this time, it is assumed that future development would result in construction and development of residential uses for ten parcels with a maximum of twenty dwelling units; however, no specific designs are proposed or entitlements granted at this time. No additional development or public services are anticipated or planned for the ten private residential properties at this time either. In addition, the development potential for the three vacant private residential parcels is limited and unlikely due to slope constraints and standards of the Hillside combining district.

In the immediate post-annexation timeframe, the only changes in public services will be related to law enforcement from the County Sheriff's Office to the City Police Department. Fire protection services will continue to be provided by the Ukiah Valley Fire Authority. For all future residential development, municipal service considerations will be undertaken in concert with the required discretionary permits. The City's water and sewer systems have more than sufficient capacity to serve the Development Parcels, if on-site services are not pursued.

### **Prezoning**

On October 6, 2021, the Ukiah City Council adopted Ordinance 1217 (Attachment 9b) to prezone certain parcels associated with the Western Hills Open Land Acquisition and Limited Development Agreement Project. The original (2021) Western Hills Project approved by the City included the following:

- ±640 acres preserved for open space conservation and public uses. These parcels were prezoned Public Facilities ("PF").
- ±54 acres included in a Limited Development Agreement between the City and the private property owner (Hull; D&J Investments, LLC.) to allow for residential development (14 units total) through the creation of seven "Development Parcels" (via a series of sequential Lot Line Adjustments) beginning at the terminus of Redwood Avenue. These parcels are prezoned Single-Family Residential-Hillside Overlay (R1-H).
- ±14 acres of privately owned property included in the Limited Development Agreement for access to the open space parcels. These parcels were prezoned R1-H.

On December 6, 2023, the City of Ukiah City Council adopted Resolution 2023-42 (Attachment 9d) to facilitate the purchase, development agreement, and prezoning of APN 003-190-11, to be added to the annexation area. On April 19, 2024, LAFCo staff requested that the City prezone all proposed annexation parcels as required by Govt. Code §56375(a)(7).

On July 17, 2024, the City of Ukiah City Council Adopted Ordinance 1240 (Attachment 6) amending Ordinance 2017 to prezone certain parcels in association with the Wester Hills Annexation and Sphere of Influence Amendment Application (LAFCo File No. A-2022-02).

Ordinance 1240 described the proposed annexation area to include approximately 797 acres.

The currently proposed Annexation and Sphere Amendment increased the size of the originally proposed annexation area by 84 acres; approximately 44 acres of privately-owned property (comprising 9 legal parcels) rezoned R1-H, and approximately 40 acres of City-owned property to be used for open space and access opportunities, rezoned PF.

GOV § 65859 allows the City to adopt a zoning district for land outside the City limits in anticipation of annexation, which does not become effective unless and until the land is annexed into the City. The City rezoning of the proposed annexation area was found to be consistent with GOV § 65859, Ukiah City Code § 9267, and the City's 2040 General Plan and Ukiah Zoning Code.

### **Land Use**

The Annexation area is undeveloped with the exception of an existing access road, firebreaks and previous land improvements for potential future housing development. The 54 acres associated with the Development Agreement and private access parcels is rezoned to Single-Family Residential-Hillside Overlay District (R1-H) with a General Plan Designation of Low Density Residential (LDR). 15 acres of privately owned parcels would be available for development of three single-family homes and three ADUs (six units total) and is also rezoned R1-H. An additional 44 acres of privately-owned property (comprising 9 legal parcels) are rezoned R1-H for consistency with existing and adjacent development but are not included in the Development Agreement. 680 acres will be utilized for open space and municipal purposes and are rezoned Public Facilities (PF) with a Public (P) General Plan designation.

### **Development Potential**

The current Ukiah Valley Area Plan land use designation of the Western Hills Project parcels is Remote Residential, 40 Acre Minimum ("RMR40") and the existing zoning is Upland Residential, 40-acre minimum ("UR:40"). Under the County's General Plan and Zoning Ordinance, the entirety of the area has the potential to be developed with up to one dwelling per 40 acres, for a total of 19 primary dwellings. In addition, an ADU may be constructed as of right on each parcel, resulting in the potential for up to 39 total units to be developed.

Once annexed, the 54 acres subject to the Development Agreement could be developed with up to 14 residential units (seven single family homes and one associated ADU per lot). The City of Ukiah's General Plan land use designation of Low Density Residential (LDR) allows for a density of six dwelling units per acre. Under these regulations, the proposed Development Parcels (54 acres for residential development) could conceivably be developed with up to 330 units. However, the proposed Development Agreement would restrict development to one single family dwelling per parcel and one ADU (except for in cases where the slope exceeds 50 percent, per the City's Hillside Overlay Ordinance), for a total of up to 14 units.

Once annexed, the 15 acres of privately-owned property not subject to the Development Agreement could be split into three (3), five-acre parcels and developed with three single family homes and three ADUs, in accordance with R1-H zoning and development regulations. The remaining 680 acres would be rezoned PF, and no residential development would occur within this area.

As analyzed within the City's 2040 General Plan EIR (Land Use Section), the maximum buildout potential assumed within the General Plan would result in an additional 2,350 housing units and an additional 4,514,820 non-residential square footage (City of Ukiah 2022). This buildout is projected to occur specifically within the existing City limits and Annexation Areas. However, the six additional units would be included in the existing Planning Area and the amended Western Hills Annexation Area. Although the proposed Annexation would allow for the potential of six additional units than the original Western Hills Project, and four additional units when compared to the existing County zoning regulations, this change in potential units (and population) would not be considered substantial.

## **Agriculture**

The proposed annexation area and adjacent unincorporated areas do not contain land under a Williamson Act Contract or Farmland Security Zone or land with a Wildlife/Habitat Easement or Agricultural Land Conservation Easement. The State Farmland Mapping and Monitoring Program has identified the proposed annexation area and surrounding areas as Grazing Land and has not identified any farmland-type designation in the area. The proposed annexation area would not convert farmland to non-agricultural uses because farmland does not exist.

## **Disadvantaged Unincorporated Communities**

A Disadvantaged Unincorporated Community (DUC) is an unincorporated geographic area with 12 or more registered voters and with a median household income (MHI) that is less than 80% of the State MHI. The City's recent 2022 MSR and 2040 General Plan did not identify any DUCs contiguous to the proposed annexation area.

## **CEQA Compliance**

On December 6, 2023, the City of Ukiah, as Lead Agency, adopted an addendum ("Addendum") to the original Initial Study and Mitigated Negative Declaration ("MND") adopted on September 15, 2021 for the Ukiah Western Hills Open Land Acquisition and Limited Development Agreement Project (Notice of Determination recorded as 2021-E0080 on September 22, 2021 and State Clearing House (SCH) Number 2021040428 <https://ceqanet.opr.ca.gov/Project/2021040428>). The City also adopted an amended resolution of approval for the Addendum on February 7, 2024. The Ukiah Western Hills Open Land Acquisition and Limited Development Agreement project includes the City of Ukiah Western Hills Annexation and Sphere Amendment ("Annexation" and "Sphere Amendment") and the MND and Addendum were prepared by the Lead Agency to analyze the impacts of the Annexation and Sphere Amendment currently proposed for approval by the Commission.

The Lead Agency may prepare an addendum to an adopted negative declaration where all of the following apply 1) only minor technical changes or additions are necessary; 2) no substantial changes have been made or occurred that would require major revisions to the Negative Declaration due to either new significant effects or substantial increases in the severity of previously identified significant effects; 3) substantial changes have not occurred with respect to the circumstances under which the project is undertaken; 4) new information of substantial importance which was not known or could not have been known at the time of the adopted negative declaration.

In 2023, the City reviewed changes to the original annexation area proposed and reviewed in 2021, and determined that all the above conditions applied, and so the Addendum was prepared. The basis for this conclusion is described in the Addendum (Attachment 9c).

The Commission, as a Responsible Agency, will independently review and analyze the City of Ukiah MND and its Addendum and associated documents (Attachment 9a – 9e) in connection with consideration of the Annexation and Sphere Amendment proposal and consider making findings as detailed in the attached LAFCo Resolution No. 2024-25-04 (Attachment 12).

Under the requirements of CEQA, a Responsible agency relies on the Lead Agency's environmental documentation to approve the portion of the project under its jurisdiction. LAFCo, acting as Responsible Agency, will rely upon the MND and Addendum for compliance with CEQA with respect to the Annexation and Sphere Amendment proposal. Pursuant to CEQA Guidelines Section 15132 (Subsequent EIRs and Negative Declarations), no subsequent environmental review is required because no new or further environmental effects are anticipated by the proposed annexation, nor has any new information about the annexation been revealed since adoption of the MND, Mitigation Monitoring and Reporting Program (MMRP), and the Addendum. Staff has determined that the MND, MMRP, and Addendum were prepared in accordance with the requirements of CEQA and are adequate for the proposed action before the Commission.



**Public Notice**

The 21-day Notice of Public Hearing and Notice of Intent to Waive Protest Proceedings was properly published, posted, and distributed by Monday, October 14, 2024. The newspaper Proof of Publication is included as Attachment 10.

**Protest Proceedings**

LAFCo intends to waive Protest Proceedings pursuant to GOV § 56663 unless written opposition to the proposal is received, and not withdrawn, from landowners or registered voters within the affected territory before the hearing concludes. Be advised, there is potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the City of Ukiah in the annexation area.

**Public Comments**

No public comments have been received to date.

**Policy Consistency**

The proposed annexation and sphere amendment is consistent with Commission policies related to changes of organization or reorganizations.

**Factors for Consideration**

There are seventeen factors to be considered by the Commission in review of a change of organization or reorganization pursuant to GOV §56668, which are addressed in the following table. No single factor is determinative; each factor is to be evaluated within the context of the overall proposal. Some factors are not relevant to the reorganization proposal and are so noted.

<b>Factors for Consideration</b>	
<b>Factor</b>	<b>Evaluation</b>
(a.1) Population and population density.	It is expected that the ten residential parcels (with twenty potential dwelling units total) created through the post annexation lot line adjustments will be sold and developed incrementally. Based on past examples of residential development subject to the City’s Hillside combining district, it would be unprecedented for the build-out of all units to occur in a coordinated, immediate, and comprehensive manner. It is expected that parcels will be sold and developed individually over the next five to ten years. No additional development or public services are anticipated or planned for the ten private residential properties (five overlap parcels, two parcels with existing residences, and three vacant parcels), which contain four registered voters. Population growth in the annexation area is estimated to be minimal and will be spread out over the next five to ten years.
(a.2) Land area and land use.	The proposal involves annexation of 27 assessor parcels of approximately 791 acres (732 acres to be City-owned) in the Western Hills of the Ukiah Valley for open space preservation, public-access, and limited residential development. The annexation parcels intended for residential development have

<b>Factors for Consideration</b>	
<b>Factor</b>	<b>Evaluation</b>
	been Prezoned Low Density Residential-Hillside (R1-H) and feature a Hillside Residential (HR) General Plan Land Use Designation, and annexation parcels proposed for public uses are Prezoned Public Facilities (PF) and feature a Public (P) General Plan Land Use Designation.
(a.3) Assessed valuation.	Property taxes in the area are unknown. The recently adopted Master Tax Sharing Agreement is being applied to the proposed annexation and no data was prepared by the Assessor/Auditor. The annexation area does not include any commercial parcels that convey sales tax revenue, and besides the ten future residential development parcels and two parcels with existing residences, the majority of the annexation area is vacant or open space land.
(a.4) Topography, natural boundaries, and drainage basins.	The annexation area is located in the Western Hills of the Ukiah Valley area with an elevation change of roughly 800-feet in the east to 2,722-feet in the west at Lookout Peak, is bound by Gibson Creek to the north and Doolin Creek to the south, and is located in the Ukiah Valley groundwater basin.
(a.5) Proximity to other populated areas.	The nearest adjacent communities include The Forks, Pinoleville Rancheria, Presswood, Vichy Springs, Regina Heights, Talmage, El Roble, and Ukiah Rancheria.
(a.6) The likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.	Population growth in the annexation area is estimated to be minimal with construction of twenty dwelling units spread out over the next five to ten years. Adjacent areas to the north, west, and south are remote rural hillside and are anticipated to remain as such, and adjacent incorporated areas to the east are primarily existing residential neighborhoods.
(b.1) Need for organized community services.	In the immediate post-annexation timeframe, the only changes in public services will be related to law enforcement from the County Sheriff's Office to the City Police Department. Fire protection services will continue to be provided by the Ukiah Valley Fire Authority. For all future residential development, municipal service considerations will be undertaken in concert with the required discretionary permits. The City's water and sewer systems have more than sufficient capacity to serve the Development Parcels, if on-site services are not pursued.
(b.2) The present cost and adequacy of governmental services and controls in the area.	The current range and level of services from law enforcement and fire protection are anticipated to remain the same post-annexation. The adequacy of governmental controls will likely improve by annexing

<b>Factors for Consideration</b>	
<b>Factor</b>	<b>Evaluation</b>
	City-owned property to the City limits for logical jurisdictional authority (aligning municipal oversight, controls, and services).
(b.3) Probable future needs for those services and controls.	The annexation area currently receiving public services will continue to need those services. For all future residential development, municipal service considerations will be undertaken in concert with the required discretionary permits, if on-site services are not pursued.
(b.4) Probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.	The majority of the annexation area is anticipated to remain vacant or open space land. For all future residential development, municipal service considerations will be undertaken in concert with the required discretionary permits. The City's water and sewer systems have more than sufficient capacity to serve the Development Parcels, if on-site services are not pursued.
(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.	No negative effects of the proposed annexation are anticipated for adjacent areas or mutual social and economic interests.
(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.	The proposed annexation is not anticipated to facilitate significant growth, urban development, or sprawl and is consistent with Commission policies. The majority of the annexation area will be preserved as open space and will result in increased land management and fire prevention activities.
(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.	The State Farmland Mapping and Monitoring Program has identified the proposed annexation area and surrounding areas as Grazing Land and has not identified any farmland-type designation in the area. The proposed annexation area would not convert farmland to non-agricultural uses because farmland does not exist.
(f.1) The definiteness and certainty of the boundaries of the territory.	The proposal boundaries are definite, certain, and fully described.
(f.2) The nonconformance of proposed boundaries with lines of assessment or ownership.	The proposal boundaries follow lines of assessment or ownership.
(f.3) The creation of islands or corridors of unincorporated territory.	The proposed annexation boundaries will not result in illogical shapes and will correct existing long-standing overlap issues between the County and City jurisdictional boundary line. The proposal involves annexation of intervening private lands located contiguous to the City limits to avoid illogical boundaries through the creation of unincorporated islands.

<b>Factors for Consideration</b>	
<b>Factor</b>	<b>Evaluation</b>
(f.4) Other similar matters affecting the proposed boundaries.	Not applicable.
(g) A regional transportation plan adopted pursuant to Section 65080.	Not applicable.
(h) The proposal's consistency with city or county general plans.	The proposal is consistent with the City of Ukiah 2040 General Plan. The annexation parcels intended for residential development have been Prezoned Low Density Residential-Hillside (R1-H) and feature a Hillside Residential (HR) General Plan Land Use Designation, and annexation parcels proposed for public uses are Prezoned Public Facilities (PF) and feature a Public (P) General Plan Land Use Designation. This Prezoning supports the proposal outcomes of open space preservation, public-access, and limited residential development.
(i) The sphere of influence of any local agency that may be applicable to the proposal being reviewed.	Most of the proposed annexation area is located within the City's Sphere of Influence boundary adopted by the Commission on December 19, 2022, and the proposal includes a sphere amendment to add 40-acres of City-owned property (APN 003-190-11) that is within the City's General Plan Planning Area and adjacent to the City limits.
(j) The comments of any affected local agency or other public agency.	No comments have been received from any affected local agency or other public agency to date.
(k) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.	In the immediate post-annexation timeframe, the only changes in public services will be related to law enforcement from the County Sheriff's Office to the City Police Department. Fire protection services will continue to be provided by the Ukiah Valley Fire Authority. The majority of the annexation area is anticipated to remain vacant or open space land. For all future residential development, municipal service considerations will be undertaken in concert with the required discretionary permits and impact fees for police and fire protection would be collected. The City's water and sewer systems have more than sufficient capacity to serve the Development Parcels, if on-site services are not pursued.
(l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	Not applicable.

<b>Factors for Consideration</b>	
<b>Factor</b>	<b>Evaluation</b>
(m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.	The City of Ukiah and County of Mendocino have agreed to transfer a proportional split between moderate-income and low-income units as a component of the fair share housing requirements. The result is a transfer of 14 Low Income Units and 13 Moderate Income Units. The agencies recognize that the proposed residential parcels identified for annexation are unlikely to be developed within the remaining years of the 6th Housing Cycle allocation, which concludes in 2027. Therefore, the agencies have agreed that the 27 identified units are more appropriately applied to the upcoming 7th Housing Cycle allocation using the formula identified in the newly adopted Master Tax Share Agreement.
(n) Any information or comments from the landowner or landowners, voters, or residents of the affected territory.	No public comments have been received from landowners, voters, or residents to date.
(o) Any information relating to existing land use designations.	The current Ukiah Valley Area Plan land use designation of the Western Hills Project parcels is Remote Residential, 40 Acre Minimum (“RMR40”) and the existing zoning is Upland Residential, 40-acre minimum (“UR:40”).
(p) The extent to which the proposal will promote environmental justice. As used in the law, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.	The proposed reorganization makes no representations or exclusions of people of any race, culture, and income with respect to location of public facilities and public services.
(q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 21178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.	The annexation area is located in a Very High Fire Hazard Severity Zone and State Responsibility Area (SRA). Upon annexation, the area will be designated as a Local Responsibility Area (LRA) and the City of Ukiah, through the Ukiah Valley Fire Authority, will be the emergency responder to the area. The majority of the annexation area will be preserved as open space and will result in increased land management and fire prevention activities. Population growth is estimated to be minimal with twenty dwelling units spread out over the next five to ten years and that is planned to be clustered near existing City limits, infrastructure, and services. The development potential for the three vacant private residential parcels is limited and unlikely due to size, slope, access, and topography, and since no public services are proposed to be provided to the area. Per Ukiah City Code §9139 Hillside Development Standards, “Any parcel of land or subdivision having an

<b>Factors for Consideration</b>	
<b>Factor</b>	<b>Evaluation</b>
	average ground gradient across any portion of the property in excess of fifteen percent shall require a use permit for development.” Regardless of discretionary review, applicants are required to comply with all associated standards and regulations of the Hillside combining district.

**ATTACHMENTS**

- (1) Parcel Map/List & Tentative Map
- (2) Resolution of Application (No. 2024-27)
- (3) Justification of Proposal
- (4) Various GIS Maps
- (5) Plan for Services
- (6) Rezoning Information (Ordinance 1240)
- (7) County-City Joint Letter - Master Tax Sharing Agreement
- (8) Key Term Sheet & Master Tax Sharing Agreement
- (9) City of Ukiah CEQA Documents
  - a) 2021 Mitigated Negative Declaration (MND)
  - b) 2021 Ordinance 1217 and Findings approving MND
  - c) 2023 Addendum MND
  - d) 2023 Resolution 2023-42
  - e) 2024 Amended Resolution 2023-42
- (10) Proof of Publication
- (11) City of Ukiah 2022 MSR/SOI Update determinations
- (12) LAFCo Resolution No. 2024-25-04