

**LAFCO RESOLUTION 2004-01
APPROVING AN OUT-OF-CITY WATER SERVICE AGREEMENT BETWEEN
CITY OF UKIAH AND RURAL COMMUNITY HOUSING
DEVELOPMENT CORPORATION FOR APN 02-101-17**

WHEREAS, Rural Communities Housing Development Corporation (RCHDC) has made application to the City of Ukiah for water service for a housing project for low and moderate income families to be constructed on subject property outside the City limits; and

WHEREAS, there is a shortage of housing which is affordable to low and moderate income families and limited opportunities within the City's limits to increase the supply of such housing; and

WHEREAS, the reason for this application is that the City believes that it is in the interest of the City to provide water service to this property for purposes of supporting the development of low and moderate income housing; and

WHEREAS, RCHDC must have proof of water availability in order to seek funding for the proposed low and moderate income housing project; and

WHEREAS, if RCHDC cannot provide proof of water availability to the funding authorities by July of 2004, then the opportunity for funding may not be available; and

WHEREAS, RCHDC and the City are willing to annex subject property to the City; and

WHEREAS, in order to secure funding for the project, RCHDC must secure commitment for water service before annexation of the property into the City can be completed; and

WHEREAS, Government Code Section 56133(b) provides the authority for the Commission to authorize the City of Ukiah to provide water service outside its jurisdictional boundaries and within its sphere of influence via an out-of-City service agreement in anticipation of a later change of organization (annexation); and

WHEREAS, an approved out-of-City Water Service Agreement will support the opportunity for RCHDC to obtain funding; and

WHEREAS, the subject property is outside the City's boundary but within the sphere of influence and contiguous to the City's boundary; and

WHEREAS, the subject parcel is in the City's land use or annexation element of the City's General Plan; and

WHEREAS, LAFCO policy requires that a defined date be set for undertaking the annexation process, if the out-of-area service agreement is approved by the Commission so as to meet the "anticipation of a later change of organization" requirement of G.C. 56133; and

WHEREAS, the Commission at its regular meeting on December 7, 2003 approved the concurrent processing of an out-of-area water service agreement application and annexation application; and

WHEREAS, processes for both applications have proceeded forward; and

WHEREAS, a public notice has been published on April 8, 2004 declaring that the Commission will be conducting a public hearing on May 3, 2004 on this proposed out-of-City Water Service Agreement; and

WHEREAS, the territory proposed to be served by the out-of-City Water Service Agreement has less than 12 voters and thus is considered uninhabited for purposes of notification and a map identifying the location of subject property is attached hereto as Exhibit "A"; and

WHEREAS, a Water Service Agreement concerning real property identified as AP# 02-101-17 will be executed between RCHDC and the City of Ukiah, in the form attached hereto as Exhibit "B", if the Commission approves said agreement; and

WHEREAS, the City agrees to provide water service limited to subject property, for RCHDC to provide low and moderate income housing, and will not provide water for any other development on this property and will not provide service to other parcels under the proposed Water Service Agreement in Exhibit "B"; and

WHEREAS, the City of Ukiah via letter from City Manager Candace Horsley has confirmed that the City can provide water to the project according to the terms and conditions of the Water Service Agreement.

WHEREAS, if RCHDC does not acquire title to the property, the City will have no obligation to serve water to the parcel; and

WHEREAS, the Executive Officer has reviewed the proposal and prepared a report as per the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and Government Code Section 56133, including his recommendation thereon, and the proposal and report have been presented to and considered by this Commission; and

WHEREAS, this Commission called for and held a public hearing on the proposal on May 3, 2004 where the Commission heard and received any and all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, the Commission certifies that they have reviewed and considered the environmental document prepared for this proposal by the City as the Lead Agency and accepts the Categorical Exemption developed by the City; and

NOW, THEREFORE, BE IT DETERMINED, RESOLVED AND ORDERED BY the Local Agency Formation Commission of the County of Mendocino, as follows:


1. The out-of-City Water Service Agreement noted as Exhibit "B" attached hereto and by reference incorporated herein, is approved according to the terms and conditions in Exhibit "B", the City's Resolution of Application and this Resolution of Approval.
2. The City of Ukiah is prohibited from providing service to any other development on the subject property or to other parcels utilizing this approved Out-of-City Water Service Agreement.
3. As a condition of approval of this Water Service Agreement, the City of Ukiah and RCHDC are required to submit a complete annexation application for this parcel and if they do not submit a complete application, then the Water Service Agreement is null and void.
4. RCHDC is required to pay for all costs of the annexation application process to LAFCO and the City including the environmental review.
5. RCHDC is required to pay a proportionate share of the costs, as determined by the Executive Officer, for LAFCO to complete the SOI/MSR process for the City.
6. RCHDC is required to pay a proportionate share of the costs, as determined by the Executive Officer, for completion of the Water Service Review for the Ukiah Valley/Russian River Watershed.
7. The territory of subject parcel is found to be uninhabited, and the application is found to have 100 per cent landowner consent and is assigned the following distinctive short form designation:

CITY OF UKIAH-RCHDC OUT-OF-CITY WATER SERVICE AGREEMENT—MAY, 2004

8. The end date for the reconsideration period as required in Government Code Section 56895 subdivision (b) and Section 57002 is determined to be June 3, 2004.
9. The Vice-Chair, acting as Chair for this public hearing, is hereby authorized to sign and date the Out-of-City Water Service Agreement.

Passed and adopted on May 3, 2004 by the following vote, to wit:

AYES: Orth, Melo, Simon, Oslund, and Delbar
NAYS: Colfax
ABSTAINS: None
ABSENT: Ranker and O'Brien

Dated: May 3, 2004 
Michael Delbar, Vice-Chairman—LAFCO

Attest: Frank McMichael
Frank McMichael, Executive Officer-LAFCO