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**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)**  
**EXECUTIVE OFFICER'S REPORT**

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AGENDA ITEM No.   6  

**DATE:**       October 14, 2020

**TO:**         Fresno Local Agency Formation Commission

**FROM:**       David E. Fey, Executive Officer 

**BY:**         George Uc, Senior LAFCo Analyst

**SUBJECT:**   **Consider Adoption:** Addendum to Municipal Service Review and Sphere of Influence Update for the City of Kerman, Eastside Community Park (File No. USOI-199).

**Attachment A** – Kerman SOI Update Map

**Attachment B** – Draft Addendum to Kerman MSR and SOI Update, MSR 07-23B-A/USOI-199

**Attachment C** – Notice of Determination, Kerman Eastside Community Park SOI Update

**Attachment D** – Addenda to the Kerman MSR and SOI Determinations

**Recommendation:** Adopt the Addendum to Municipal Service Review update prepared for City of Kerman and update the sphere of influence by taking the following actions:

**Action 1: Municipal Service Review Addendum**

- A. Acting as Lead Agency pursuant to California Environmental Quality Act ("CEQA") Guidelines find that the MSR addendum prepared for the City is Categorically Exempt from the provisions of CEQA under section 15306, "Information Collection."

**Action 2: City of Kerman SOI Update**

- B. Find that City of Kerman, acting as Lead Agency under California Environmental Quality Act ("CEQA"), prepared an initial study and a Negative Declaration ("ND") for the Eastside Community Park (SCH No. 2019080200) proposal pursuant to Public Resources Code section 21092 and CEQA Guidelines section 15070.
- C. Find that as a Responsible Agency, LAFCo considered the Eastside Community Park (SCH No. 2019080200) initial study and certified Negative Declaration, as prepared by the City of Kerman, Lead Agency, for its review and update of the Kerman SOI, and determine these documents to be legally adequate pursuant to CEQA Guidelines (Attachment D).

**Action 3: Written Determinations and Recommendations**

- D. Receive this report and any public testimony regarding the proposed Municipal Service Review addendum and proposed sphere of influence update.

- E. Approve the recommended Municipal Service Review determination addendum, together with any changes deemed appropriate.
- F. Approve the recommended sphere of influence update determination addendum, together with any changes deemed appropriate.
- G. Determine that the Kerman SOI amendment is consistent with the Kerman General Plan.
- H. Amend the Kerman SOI to include the 17.17-acre site planned to accommodate the Eastside Community Park site as depicted in **Attachment A**.
- I. Recommend that the City of Kerman consider a comprehensive SOI update application to LAFCo based on the updated Kerman General Plan.

**Proponent:** City of Kerman, John Jansons, City Manager; Phillip Gallegos, Director of Parks, Recreation and Community Services

### **Executive Summary**

This Municipal Service Review ("MSR") addendum has been prepared in response to the City of Kerman's sphere of influence ("SOI") update application filed with LAFCo on June 23, 2020 (LAFCo File USOI-199).

The proposed Kerman SOI amendment includes two unincorporated parcels<sup>1</sup> located at the northeast corner of Goldenrod Avenue and California Avenue totaling 17.17 acres (**Attachment A**). The City owns 15.6 acres and the Union Pacific Railroad Company owns 1.57 acres of abandoned railroad right-of-way. The City expects to purchase the parcel from the Railroad Company in the near future.

Both parcels are designated as Open Space by the Kerman General Plan. The proposed Kerman SOI amendment is necessary for the annexation of Kerman's Eastside Community Park. The proposed SOI amendment represents a less than one percent change to the existing Kerman SOI. Further background, analysis, and determinations are presented in the draft Kerman MSR addendum and SOI update (**Attachment B**).

### **MSR Addendum Summary**

The 2007 Kerman SOI encompasses 3,092 acres of which 68.9 percent (2,129 acres) of the available land within the existing Kerman SOI has been annexed into the City. The current Kerman SOI has existed in its current form for over 13 years.

On June 12, 2020, the City informed LAFCo that Kerman is scheduled to receive a \$2.2 million grant in support of the Eastside Community Park ("ECP") project from the California Natural

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<sup>1</sup> Assessor Parcel Numbers: 025-200-18S and 025-010-04U.

Resources Agency's - Proposition 68 program. The grant is contingent upon the City's ability to have the site shovel-ready no later than December 31, 2020. According to the City, shovel-ready means that the ECP project is at the stage where workers can be employed or contracted to begin the construction.

In the interest of conforming to the City's grant funding time constraints, the MSR addendum is limited in scope to the analysis and determinations necessary to examine the SOI amendment needed for the ECP and the City's parks and recreational services. The proposed Kerman SOI amendment will facilitate annexation of the ECP proposal.

The Kerman General Plan establishes a city-wide parkland standard to serve future city growth at a rate of four acres of combined park and open space land per 1,000 residents. The City has ten park locations amounting to a total of 40 acres of land developed for recreational use. Based on California's Department of Finance 2020 population estimates, the City's population is 15,767 residents. The City's current inventory of 40 acres of developed parkland equates to a parkland to resident ratio of 2.5 acres per 1,000 residents. The addition of ECP's approximately 16 acres (developed parkland) would increase the City's developed parkland inventory from 40 acres to 56 acres and improve the parkland to resident ratio to 3.5 acres per 1,000 residents.

The ECP project is a high priority for the City to address unmet park and recreational need in Kerman. The City coordinates the delivery of recreational programs to residents through various partnerships with local agencies, organizations, and community volunteers that supports the City's vision to build and maintain sustainable parks and recreational programs.

Kerman's park maintenance is primarily funded by the City's General Fund, which is made up of general revenues. Most of the revenue comes from sales and property tax revenues. For Fiscal Year ("FY") 2019-2020, the City's projected General Fund revenue amounted to \$7,295,631, of which \$1,001,166 was allocated to the City's recreational programs and social services and \$161,173 is allocated to the City's Parks Landscape Maintenance Program.

In 2018, Measure M was approved by the Kerman voters which enacted a 3/4 cent transaction and use tax to supplement funding for several capital improvement projects including but not limited to the construction of a senior center, regional fairgrounds, police station, animal kennel, and other similar projects. For FY 2019-2020, Measure M generated an approximate \$1 million in revenues for the City. Of the \$1 million, approximately \$700,000 is secured for the construction of a new Multigenerational Center and the ECP project.

The City estimates that the ECP will cost approximately \$5.9 million to construct, of which \$2.2 million would be funded by the Proposition 68 State grant, \$2.5 million from Land Water Conservation Fund grant and the City will match the remaining balance with the City's Measure M funds and community in-kind work.

Prior to submitting an application to LAFCo, the City studied its General Plan land uses for the project location, conducted the necessary environmental review, and approved the necessary land use entitlements to provide for the logical progression for the growth of City's parks and recreational programs and services.

## **City-County Agreement**

As prescribed by State law, City of Kerman and Fresno County representatives convened to discuss the proposed SOI update; and, both local agencies have reached a formal agreement by the way of a Memorandum of Understanding ("MOU") on the proposed Kerman SOI amendment. On December 20, 2019, the County of Fresno County Administrative Officer found that the proposed Kerman SOI amendment and the ECP Reorganization were consistent with the Amended and Restated MOU between the City of Kerman and County of Fresno.

## **Municipal Service Reviews and Public Review Availability**

The draft MSR addendum was circulated September 23, 2020 through October 13, 2020. Pursuant to Government Code sec. 56427, mailed notices of the hearing were sent to the affected local agencies and owners of land within the affected territory. Additionally, a 21-day notice of Commission hearing was published on September 23, 2020, in *The Business Journal*.

As of the date of publishing this staff report, LAFCo has received no comments on the draft MSR addendum or proposed Kerman SOI update.

## **Kerman SOI U7pdate Analysis**

This MSR addendum has been prepared in response to Kerman's 2020 application because it has been determined to be a minor technical change to the adopted MSR, affects a public facility only, and is not growth inducing.

The majority of the land in the proposed Kerman SOI is owned by the City of Kerman. Additional landowners in the affected territory include County of Fresno for the section of Goldenrod Avenue's public right-of-way, and the Union Pacific Railroad Company owns 1.57 acres of abandoned railroad right-of-way near California Avenue. Additional information is provided in **Attachment B** of this staff report.

## **Summary / Background**

Cortese-Knox-Hertzberg Act requires LAFCOs to review and update, as necessary, local agencies' SOIs every five years. Prior to, or in conjunction with a local agency's SOI update, LAFCo is required to conduct an MSR. State law requires that the LAFCo adopt written MSR determinations for each of the following seven items:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.

6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

As part of the SOI update, the Commission is required to consider the following five criteria and make appropriate determinations in relationship to each:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence

The attached MSR addendum presents these determinations with Kerman's information and the analysis used in support of the determinations and recommendations.

### **Required Findings and Determinations**

Under CKH, there are a series of required findings that need to be made in respect to this SOI update. Staff presents in this report and attachments as the evidence and analyses in support of the required findings.

#### *SOI Expansion and Williamson Act Land Conservation Contracts*

Under GC sections 56426, and 56426.6(a), the Commission shall not approve a change to the SOI of a local government agency of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1) if that local government agency provides, or would provide, facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the sphere of influence. Williamson Act Contracts are administered by Fresno County to conserve productive agricultural resources.

There are no active Williamson Act Contracts within the areas requested to be included in the Kerman SOI update.

#### *Environmental Determination*

A MSR collects and analyzes data in support of future LAFCo actions and therefore is exempt from environmental review, pursuant to section 15306, "Information Collection" of the California Environmental Quality Act ("CEQA") Guidelines.

The City of Kerman, acting as Lead Agency under CEQA, prepared an Initial Study and a Negative Declaration ("ND") for the Eastside Community Park (SCH No. 2019080200) pursuant to Public Resources Code section 21092 and CEQA Guidelines section 15070. The Kerman SOI amendment and subsequent annexation were included in the project description and analyzed in the Initial Study. On November 13, 2019, the City adopted Resolution No. 19-64 certifying the ND for the Eastside Community Park. The City filed a Notice of Determination with the County of Fresno's Clerk Office on December 23, 2019.

Acting as a Responsible Agency pursuant to CEQA Guidelines, LAFCo considered the Initial Study and certified the ND prepared by the City of Kerman, Lead Agency, for the Eastside Community Park (SCH No. 2019080200) for its review and update of the Kerman SOI and related reorganization for Kerman's Eastside Community Park.

Pursuant to CEQA Guidelines section 15096(i), if the Commission determines that these documents are adequate, a draft Notice of Determination has been prepared (**Attachment D**) to be filed with the County of Fresno Clerk's office in compliance with section 21152 of the Public Resources Code.

#### **Individuals and Agencies Receiving this Report**

- Ken Price, LAFCo Counsel
- Bernard Jimenez, Manager, Fresno County Department of Public Works and Planning
- John Jansons, Kerman City Manager
- Phillip Gallegos, Director of Kerman's Parks, Recreation and Community Services