



Legislation Text

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SUBJECT: Report for Discussion on Preliminary Annexation Application #23-01 for Annexation of Property Near the Northeast Corner of South G Street and Cone Avenue for Surjit Purewal, Applicant

REPORT IN BRIEF

The City Council will be asked to evaluate Preliminary Annexation Application #23-01 for an annexation project, 5.9 acres of proposed Low Medium Density Residential (R-2), for the development of for-sale duplexes on the north side of Cone Avenue, east of South G Street.

RECOMMENDATION

City Council - Adopt a motion indicating general support for an official annexation application being processed for the proposed annexation project submitted by Surjit Purewal.

ALTERNATIVES

1. Indicate general support for an official annexation application moving forward; or,
2. Indicate general non-support for an official annexation application moving forward; or,
3. Direct staff and/or the applicants to provide additional information or analysis (to be specified in Council motion) before making a decision; or,
4. Continue to the item to a future Council meeting (date and time to be specified in motion).

AUTHORITY

On July 6, 2021, the City Council approved an Annexation Pre-application Process to give early Council input on potential annexation projects. The City Council has reviewed several annexation pre-applications since then. The Cortese-Knox-Hertzberg Act of 2000 establishes procedures for city annexations and other local government changes in organization.

CITY COUNCIL PRIORITIES

Not Applicable.

DISCUSSION

Annexation Pre-Application Process

On July 6, 2021, the City Council approved an Annexation Pre-application Process as outlined in detail in Attachment 1. In summary, the Pre-Application process allows for early input from the City Council into the annexation process by allowing applicants to present their proposal for a potential future annexation application to the City Council before submitting an official application. After reviewing the information and the staff analysis, the City Council will indicate either general support

or non-support for an official annexation application moving forward. The applicants may then decide whether to move forward or not.

Since that time, the City Council has reviewed several annexation pre-applications and has indicated general support for many of them, though most of them are located north of the City. This specific parcel is located adjacent to the southeast boundary. See Attachment 2 for a map of preliminary and active annexation applications.

South G and Cone Avenue Pre-Application

The Project involves land owned by the applicant, Surjit Purewal, with Stephen Morgan representing Mr. Purewal. The applicants have submitted detailed information about their proposed development which is included in Attachment 3 along with a letter with some supplemental information at Attachment 4. In summary, the proposed project would involve the annexation of a total of approximately 5.9 acres, all of it owned by the applicant. It would also include the addition of the entirety of Cone Avenue, both westbound and eastbound lanes that fronts and is directly adjacent to the property. The future Low Medium Residential (R-2) development would include an estimated 60 dwelling units attached in pairs as duplexes on a total of 30 lots for a density of 10 dwelling units to the acre.

The Pre-Application packet at Attachment 3 includes detailed maps, illustrations, and narrative descriptions of the project, including ownership and annexation boundaries. The project will be subject to the Regional Housing Needs Allocation (RHNA) Unit Production Plan (Plan), adopted by City Council at the time of development. Currently development is required to comply with the Plan adopted by the City Council in 2022. The current Plan seeks to ensure that new housing entitlements that require a Pre-Annexation Development Agreement (PADA) provide housing at various income levels. This approach intended to help the City achieve Regional Housing Needs Allocation (RHNA) production goals for 2015-2023. The new Plan will be updated to conform to the Housing Element which will be considered, adopted by the City Council, and Certified by the State all later this year.

Merit Based Criteria

As part of the application packet at Attachment 3, the applicants provided their own evaluation of how their application meets the merit-based criteria as outlined in General Plan Policy UE-1.3.g and other General Plan policies. The applicant's analysis and/or response is included below with Staff's notes in *italics*.

"1.3.g Evaluate future annexation requests against the following conditions:

- a) Is the area contiguous to the current City limits and within the City's Specific Urban Development Plan (SUDP)/Sphere of Influence (SOI)? Do the annexed lands form a logical and efficient City limit and include older areas where appropriate to minimize the formation of unincorporated peninsulas?*

Response: The proposed project is located within the Sphere of influence and is contiguous to the City on two sides. At the time of annexation, LAFCO may require more land to be annexed, but even if not, the current proposal will help fill in an unincorporated peninsula.

b) Is the proposed development consistent with the land use classifications on the General Plan Land Use Diagram?

Response: The proposed project area has a General Plan Land Use Designation of Low Density Residential which allows for a density of 2-6 dwelling units per acre. The project proposes a designation of Low Medium Density Residential with a density of 10 dwelling units per acre. Because of this change, the annexation will require a General Plan Amendment, if the project is annexed under the currently adopted General Plan. The City of Merced is moving to update its General Plan within the next few years. If adopted under a new General Plan with a supporting designation, the project may not require the additional entitlement. *[Staff Response: In general, the City does not usually propose many changes in land use designation for areas that were covered by a previous General Plan during a General Plan Update, so it is likely that the entitlement will be required.]*

c) Can the proposed development be served by the City water, sewer, storm drainage, fire and police protection, parks, and street systems to meet acceptable standards and service levels without requiring improvements and additional costs to the City beyond which the developer will consent to provide or mitigate?

Response: The proposed project can be served by City services including, but not limited to, water, sewer, storm drainage, fire and polices protection, parks, and street systems. As illustrated in the map of city utilities (Attachment 5), the proposed project would connect to existing services in Cone Avenue and at the end of Skylark Street. Development of the project will require the payment of impact fees to support needed public services, including fire and protection services, parks and street systems. Details regarding the provision of City services will be addressed through the environmental review and entitlement processes if the annexation moves forward.

d) Will this annexation result in the premature conversion of prime agricultural land as defined on the Important Farmland Map of the State Mapping and Monitoring Program? If so, are there alternative locations where this development could take place without converting prime soils?

Response: No, the proposed project area is designated "Unique Farmland" according to the Department of Conservation Important Farmland Maps, dated 2018. Unique Farmland is considered lesser quality soils used for the production of the state's leading agricultural crops. This land is usually irrigated, but may include non-irrigated orchards or vineyards. Impacts on agricultural land and possible mitigation will be addressed through the environmental review and entitlement process if the annexation moves forward.

e) Will a non-agricultural use create conflict with adjacent or nearby agricultural uses? If so, how can these conflicts be mitigated?

Response: Impacts on agricultural land and possible mitigation will be addressed through the environmental review and entitlement process if the annexation moves forward.

f) Does annexation of the area help the City reach one of the following goals?

1) Does annexation of the area bring the City closer to annexation of the UC Merced campus and University Community?

- 2) *Does the area contain significant amounts of job-generating land uses, such as industrial, commercial, office, and business/research & development parks?*
- 3) *Does the project provide key infrastructure facilities or other desirable amenities, such as the extension of major roads, utility trunk lines, parks and recreational facilities, etc.?"*

Response: Responses to the specific questions are as follows:

1. The proposed project area is not adjacent to the UC Merced Campus, so it does not bring the City closer to annexation of the UC or the University Community.
2. The proposed project is a residential development. The jobs it would provide would be related to the construction and improvement of the property. After the construction is finished, there may be a home occupation that locates within one or more of the residential units, but the intent is to provide additional housing within the City boundaries.
3. The proposed project would involve the expansion and improvement of at least one roadway, Cone Avenue. If a traffic study requires more improvement, then more improvement could be implemented. The proposed project will also extend existing utility infrastructure along Cone Avenue and through Skylark Street.

City Staff/LAFCO Discussions

Staff met with Merced County Local Agency Formation Commission (LAFCO) Executive Director Bill Nicholson to discuss the viability of several proposals. LAFCO staff expressed that an annexation at this location could be supported. On May 2, 2024, the City's Development Review Committee (consisting of representatives of various City departments, including Police, Fire, Engineering, Public Works, Parks, Building, Planning, and Economic Development) met to discuss the proposed annexation. Staff said that the project could be served and that those services and impacts could be analyzed and addressed through the environmental review and entitlement processes if the annexation moves forward.

Wastewater Analysis

Impacts on the City's wastewater system will be addressed through the environmental review and entitlement process if the annexation moves forward, but they will likely be rather minor due to the size of the project and number of homes proposed.

Next Steps

If the City Council indicates general support for the annexation, the applicants will need to decide if they want to proceed with submitting an official annexation application. Required entitlements in addition to Annexation/Pre-Zoning would be a Pre-Annexation Development Agreement, General Plan Amendment, and a Vested Tentative Subdivision Map along with the environmental review process. After completing the required application process for the above (generally takes 12 to 18 months), the project could be scheduled for public hearings before the City Planning Commission and City Council and finally LAFCO.

Council Action

After reviewing the pre-application materials and hearing from the applicants, the City Council should indicate either general support or non-support for the applicants moving forward with an official annexation application.

IMPACT ON CITY RESOURCES

There will be no immediate impacts on City resources from this pre-application. However, if an annexation moves forward, there will likely be impacts that will be outlined and evaluated at that time.

ATTACHMENTS

1. Summary of Annexation Pre-Application Process (approved July 6, 2021)
2. Map of Current Preliminary and Active Annexations
3. Location Map
4. Cone and South G Street Pre-Application Submittal
5. Supplemental Letter from Applicant
6. Maps of City Utilities
7. Presentation