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

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AGENDA ITEM No. 7

**DATE:** June 8, 2020

**TO:** Fresno Local Agency Formation Commission

**FROM:** Brian Spaunhurst, Executive Officer

**SUBJECT:** **Consider Adoption:** Municipal Service Review and Sphere of Influence Update for the City of Kerman, (File No. USOI-205).

**Attachment A** – Kerman SOI Update Map

**Attachment B** – Draft Kerman MSR and SOI Update, MSR 22-01/USOI-205

**Recommendation:** Adopt the Municipal Service Review update prepared for the City of Kerman and update the Kerman Sphere of Influence by taking the following actions:

**Action 1: Municipal Service Review**

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

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

Find that as a Responsible Agency, Fresno LAFCo considered the certified 2040 Kerman General Update Environmental Impact Report ("EIR," SCH No. 2019049018) for its review and update of the Kerman SOI and conclude that the proposed SOI update is consistent with future urban development as contemplated in the 2040 Kerman General Plan and associated certified EIR.

**Action 3: Written Determinations and Recommendations**

- A. Receive this report and any public testimony regarding the proposed Municipal Service Review and proposed SOI update.
- B. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
- C. Find that the proposed Kerman SOI update would facilitate planned, orderly, and efficient patterns of land use or provision of services, and the public interest in the change substantially outweighs the public interest in the current continuation of Williamson Act contracts beyond their current expiration date.

D. Approve the recommended SOI update determinations, together with any changes deemed appropriate.

E. Amend the Kerman SOI to as depicted in **Attachment A**.

**Proponent:** City of Kerman, John Jansons, City Manager

### **Executive Summary**

This Municipal Service Review (“MSR”) has been prepared in response to the City of Kerman’s SOI update application filed with LAFCo on July 7, 2021 (LAFCo File USOI-205).

The proposed Kerman SOI update includes two areas: approximately 244 acres on the west side of the existing city limits, and 205 acres on the east side, for a total of 449 acres. These expanded SOI areas are designated for urban development in the 2040 Kerman General Plan.

Further background, analysis, and determinations are presented in the draft Kerman MSR and SOI update (**Attachment B**).

### **Municipal Service Review Summary**

The draft MSR describes and evaluates the range of municipal services provided by the City and other agencies. No significant issues associated with these services were raised and no substantive recommendations to the City were deemed necessary.

### **Kerman SOI Update Summary**

Prior to amendment in 2020 for the Kerman Eastside Community Park, the Kerman SOI had not been amended for over 13 years. In 2020 the Commission amended the Kerman SOI to include the Eastside Community Park (“ECP”) project funded by the California Natural Resources Agency’s - Proposition 68 program.

The current SOI is comprised of land within the City’s boundaries and land beyond the outer city limits. The SOI encompasses 4.83 square miles, of which 1.57 square miles is unincorporated land.

The City planned and environmentally assessed areas that are significant to the fulfillment of the 2040 Kerman General Plan. Based on this assessment, the proposed SOI expansion totals approximately 638 acres in two areas, known as West and East. The west side area is approximately 229 acres, and the east side area is approximately 408 acres. Approximately 576 acres of the proposed expansion area have a “Residential” land use designation, with others as seen in the listing below. Currently, the east and west areas are under predominantly agricultural uses with approximately 22 single-family residential units.

## **City-County Agreement**

As prescribed by Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) section 56425, prior to the City’s application to LAFCo, City of Kerman and Fresno County representatives convened to discuss the proposed SOI update. These agencies reached a formal agreement in April 2021, by the way of a Memorandum of Understanding (“MOU”) on the proposed Kerman SOI amendment.

## **Public Review of Draft Documents**

The draft MSR was available for public review May 18, 2022, through June 7, 2022. Pursuant to CKH section 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 May 18, 2022, in *The Business Journal*.

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

## **Summary / Background**

CKH 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 CKH sections 56426, and 56426.6(a), the Commission shall not approve a change to the SOI of a local 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 active Williamson Act Contracts within the areas requested to be included in the Kerman SOI update. Not all land owners under Williamson Act contracts in the affected territory have consented to inclusion in the SOI.

The Commission may nevertheless approve a change for that territory if it finds that the change of the SOI would facilitate planned, orderly, and efficient patterns of land use or provision of services, and the public interest in the change substantially outweighs the public interest in the current continuation of the contract beyond its current expiration date.

If the Commission supports the amended SOI, it should consider the following:

- The policies and implementation measures adopted by the City or Fresno County that would administer the contract both before and after any ultimate annexation, relative to the continuation of agriculture or other uses allowable under the contract.

The Kerman General Plan's relationship to agriculturally zoned land or land under ag contract. As noted in the Kerman General Plan EIR,

By focusing on developing lands adjacent to the City limits, compact infill, and mixed-use projects, the 2040 General Plan (directs) growth in the areas that are already urbanized or planned for urban development, which (reduces) conflicts with existing agricultural zoning, as well as avoiding lands currently designated for agriculture and/or under a Williamson Act contract. Almost all of the annexations within the city over the last 30 years have been contiguous to existing urban development and only on an "as needed" basis

to provide land for additional urban growth. If necessary, Williamson Act contracts have been canceled during the annexation process to provide additional land for urban development.

- The infrastructure plans of the City of Kerman account for service to the amended SOI as future development is approved.

### *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, certified an environmental impact report ("EIR") for the ((SCH No. 2019049018) pursuant to Public Resources Code section 21092 and CEQA Guidelines section 15070. The proposed amendment of the Kerman SOI pursuant to the goals and policies of the General Plan are within the scope of analysis of the EIR.

Acting as a Responsible Agency pursuant to CEQA Guidelines, LAFCo considered the EIR prepared by the City of Kerman for the 2040 General Plan.

Pursuant to CEQA Guidelines section 15096(i), if the Commission determines that this document is adequate, a Notice of Determination will be prepared and 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
- Jesus Orozco, Community Development Director, City of Kerman