



# City of Morgan Hill

## Legislation Text

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File #: 15-538, Version: 1

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## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: SEPTEMBER 2, 2015**

PREPARED BY: Andrew Crabtree, Director/Community Development  
APPROVED BY: City Manager

**USA-15-01: MONTEREY-CITY OF MORGAN HILL: A REQUEST TO ADD 11 PARCELS (POSSIBLY 4 ADDITIONAL PARCELS DENOTED WITH AN "\*\*") INTO THE MORGAN HILL URBAN SERVICE AREA (USA) BOUNDARY. SEVEN (7) OF THE 15 PARCELS ARE CURRENTLY LOCATED WITHIN THE CITY LIMITS, BUT OUTSIDE OF THE USA. THE PROPERTIES, IDENTIFIED BY ASSESSOR PARCEL NUMBERS 779-04-005, -030, -072, -074, -073, -032, -033, -010, -011\*, -012\*, -013\*, -058\*, -015, -016, AND -061 WHICH INCLUDE THE OAKWOOD COUNTRY SCHOOL AND MORGAN HILL BIBLE CHURCH, ARE GENERALLY LOCATED SOUTHEAST OF THE INTERSECTION OF MONTEREY AND WATSONVILLE ROADS; (JESSIE C. GARIBALDI TRUSTEE; JANIS ROSS TRUSTEE; KYUNG SUH TRUSTEE; ULRICH WINGENS TRUSTEE; NMHCS; LORETTA C. AND JAMES L. WILSON, TRUSTEE; PARVIZ EBADYPOUR TRUSTEE; FRANK HUNT TRUSTEE ET AL., WILLIAM C. SLAGLE JR., TORIBIO AND LUZ VALDIVIA, RODNEY L. BRAUGHTON TRUSTEE, BAY AREA CHRYSANTHEMUM GROWERS ASSOCIATION; MORAGAN HILL BIBLE CHURCH OF MORGAN HILL, OWNERS). CEQA: MITIGATED NEGATIVE DECLARATION ADOPTED DECEMBER 7, 2011.**

### **RECOMMENDATION(S)**

1. Open/Close Public Hearing
2. Adopt resolution approving Urban Service Area Amendment USA-15-01

### **COUNCIL PRIORITIES, GOALS & STRATEGIES:**

#### **Ongoing Priorities**

Enhancing public safety  
Maintaining fiscal responsibility  
Preserving and cultivating public trust

#### **2015 Focus Areas**

Stimulate Economic Development

## REPORT NARRATIVE:

The proposed Urban Service Area (USA) Amendment would expand the City's USA to include 11 parcels located along the west side of Monterey Road, south of Watsonville Road. The proposed expansion includes the Oakwood School and Morgan Hill Bible Church properties. Seven of the parcels are already located within the City's boundaries, but not within the USA. The Planning Commission has recommended that consideration be given to expanding the USA to include four more developed residential parcels to avoid creation of an unincorporated peninsula.

As discussed in the attached August 11, 2015 Planning Commission Staff Report and the attached September 30, 2013 letter to LAFCO, the intent of the proposed boundary adjustment is not to add to the City's land inventory but rather to regularize the City's boundaries, improve service delivery efficiencies, and implement the goals of the City's General Plan.

The subject site was previously part of a larger project called the, "Monterey-South of Watsonville Project" that included 17 parcels totaling approximately 67.4 acres and that was comprised of three sets of General Plan Amendment, Zoning Amendment, and Urban Service Area Amendment applications as follows:

- GPA-07-02/ZA-08-09/USA-06-01: Watsonville-Royal Oaks Enterprises (6 parcels)
- GPA-08-08/ZA-08-08/USA-08-08: Monterey-Morgan Hill Bible Church (2 parcels)
- GPA-08-09/ZA-08-10/USA-08-09: Monterey-City of Morgan Hill (9 parcels)

The three General Plan Amendment and Urban Service Area Amendment applications were approved by City Council resolutions on December 7, 2011 (Resolution Nos. 6501 and 6502, respectively) and the three Zoning Amendments were approved with the City Council adoption of Ordinance No. 2028 N.S. on January 18, 2012.

Following City Council approval of the Monterey-South of Watsonville Project applications, the City submitted an Urban Service Area boundary amendment application to Santa Clara County LAFCO and in October 2013, LAFCO approved an Urban Service Area amendment that only included a portion of the Watsonville-Royal Oaks Enterprises project site consisting of four (4) out of the six (6) parcels located closest to the intersection of Watsonville and Monterey Roads. The remaining two (2) parcels from the Watsonville-Royal Oaks Enterprises project and all 11 parcels from the Monterey-Morgan Hill Bible Church and Monterey-City of Morgan Hill projects are currently outside of the Urban Service Area.

The current Urban Service Area Amendment application (USA-15-01) combines the former Monterey-Morgan Hill Bible Church (USA-08-08) and former Monterey-City of Morgan Hill (USA-08-09) applications. A separate application is in process for the remaining unincorporated portion of the Watsonville-Royal Oaks Enterprises project area.

The Planning Commission reviewed the proposed request at their August 11, 2015 meeting and recommended that the City Council approve the Urban Service Area Amendment. The Planning Commission also recommended that the City Council consider including four (4) residential parcels (see attachment 2) within the USA that are surrounded on three (3) sides by other parcels that are

the subject of the Urban Service Area request.

Council Policy CP 94-02 - Desirable Infill

The eight parcels along Monterey Road that are designated Non-Retail Commercial and the Oakwood School and Morgan Hill Bible Church parcels that are existing Public/Quasi-Public land uses are not subject to the Residentially Planned Property Criteria of Council Policy CP 94-02 (Policy).

These parcels are subject to the Commercially and Industrially Planned Properties and Public and Quasi-Public Land Uses sections of the Policy, which state that the City may approve expansions of the Urban Service Boundary for commercial, industrial, or public/quasi-public uses/properties which are contiguous to the Urban Service Boundary to encourage economic development (for commercial/industrial) or to allow establishment of needed public and quasi-public uses.

The Policy states that if these parcels are added to the USA they would not be eligible for conversion to residential use except as provided by the Municipal Code for the commercial parcels and for a period of two years from the date the property is added to the USA for the Oakwood School and Morgan Hill Bible Church parcels.

The four residential parcels that the Planning Commission recommended be considered for inclusion within the USA would be subject to the Residentially Planned Property Criteria, including the Beneficial Criteria that requires provision of needed infrastructure or establishment of public facilities to, “fully offset and mitigate all direct and cumulative impacts on services and infrastructure from new development proposed by the applicant”.

Although the property owners of the four developed residential parcels are not proposing new development, the parcels are large enough (between 1 and 2.56 acres) that they would have development potential under the Single Family Low (1 to 3 du/ac) General Plan Land Use designation.

Since staff has not evaluated the development potential of the four residential parcels and has not determined, in consultation with the residential property owners, what might be proposed to fulfill the Beneficial Criteria requirement, staff recommends that the USA application not include the four residential parcels.

**COMMUNITY ENGAGEMENT: Inform**

Public notices were mailed to property owners within 300 feet of the project pursuant to Government Code Sections 65090-65096. Additional outreach letters were sent to the property owners of four (4) parcels that the Planning Commission recommended City Council consider for inclusion within the Urban Service Area.

**ALTERNATIVE ACTIONS:**

1. Include the four (4) additional parcels that the Planning Commission recommended be considered for inclusion within the Urban Service Area.
2. Do not adopt resolution. It is important to note that City Council adoption of a resolution approving the proposed Urban Service Area Amendment after September 2015, would postpone the City's

subsequent application to LAFCO until a date to be determined in 2016.

**PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

On August 11, 2015 the Planning Commission found that the proposed inclusion of territory within the Urban Service Area is consistent with the General Plan and “Desirable Infill” standards from the Zoning Ordinance and City Council Policy CP 94-02: Criteria for Adjustment of the Urban Service Boundary.

**FISCAL AND RESOURCE IMPACT:**

No budget adjustment required.

**CEQA (California Environmental Quality Act):**

Project, Description of CEQA requirements

Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program adopted December 7, 2011.

**LINKS/ATTACHMENTS:**

1. Planning Commission Staff Report (8-11-2015)
2. Parcels Planning Commission Recommend be Included In USA
3. Letter to LAFCO (9-30-2013)
4. USA-15-01 City Council Resolution