



NOTICE OF FILING

DATE: August 1, 2025

TO: Eureka Elementary School District
 Eureka Unified School District / Eureka SCID No. 1
 Humboldt County Office of Education
 Redwoods Joint Community College District
 Humboldt No. 1 Fire Protection District (Humboldt Bay Fire Authority)
 Humboldt Bay Municipal Water District
 Humboldt Bay Harbor, Recreation, and Conservation District
 Humboldt County Flood Control District (Zone 05)
 Humboldt County Roads (District No. 03)
 Humboldt County Resource Conservation District
 Humboldt County Office of Education
 Humboldt County Administrative Office
 Humboldt County Assessor's Office
 Humboldt County Auditor-Controller's Office
 Humboldt County Sheriff's Office
 Humboldt County Elections Office
 Humboldt County Environmental Health
 Humboldt County Office of Emergency Services
 Humboldt County Planning and Building Department
 Humboldt County Public Works Department
 City of Eureka

Cc: Terrence Williams, Humboldt Community Services District
 Kurt Kramer & Travis Green, Kramer Properties Inc.
 Mike Wilson, District 3 Supervisor
 Rex Bohn, District 1 Supervisor

FROM: Colette Santsche, LAFCo Executive Officer
 Krystle Brogna, LAFCo Clerk/Analyst

SUBJECT: APPLICATION RECEIVED – HUMBOLDT CSD NORTH MCKAY RANCH ANNEXATION

APPLICATION INFORMATION

Project: North McKay Ranch Annexation to the Humboldt Community Services District

Location: Cutten; Fern Street at Harrison Avenue – see Exhibit A

APNs: 017-032-003, 017-071-009, 017-072-003, 017-073-007 and 017-073-008

Notice: The above referenced application has been submitted to LAFCo and this notice of filing is being issued in accordance with Government Code Section 56658(b)(1). If you wish to receive a copy of the application and supporting documents, please contact LAFCo staff at colette@humboldtlaftco.org. We request agency comments by **September 1, 2025**.

Proposal Overview

LAFCo has received an application submitted by the Humboldt Community Services District (HCSD or District) requesting annexation of approximately 72.35 acres (5 parcels) of land located adjacent to the District boundary and within its adopted Sphere of Influence (SOI). The proposed annexation would enable the District to extend water, wastewater, and street lighting services to the North McKay Ranch Subdivision—a mixed-use development with up to 320 housing units—located at the eastern terminus of Fern Street in the Cutten area.

Reasons for Proposal

The annexation was initiated by resolution of application of HCSD. The property owner Fairhaven Cottages LLC has requested HCSD expand their jurisdictional boundary to provide water, wastewater, and street lighting services to the following APN's: 017-032-003, 017-071-009, 017-072-003, and 017-073-007. In addition, one parcel associated with the Redwood Empire Little League (APN 017-073-008) owned by Field Committee Corporation is proposed for annexation due to the proximity of the land entirely surrounded by the North McKay Ranch Subdivision Project.

Development of Subdivision

The North McKay Ranch Subdivision consists of seven parcels totaling approximately 81 acres and is proposed to be developed in nine phases. The project includes a mix of residential and commercial uses, with full buildout allowing for up to 320 residential units and approximately 22,000 square feet of commercial space. Residential development would include 50 small-lot single-family homes, 96 standard-lot single-family homes, and 174 multifamily units. An additional 34 accessory dwelling units (ADUs) may also be constructed, bringing the potential total to 354 residential units.

The anticipated residential mix includes 146 single-family homes and 174 multifamily units. Approximately 21.73 acres of the site would remain undeveloped and preserved as open space, to be dedicated to the County for future trail management and public use. The subdivision is expected to be built over a 20-year period, with actual phasing to be determined based on market conditions.

The project also includes a variety of on-site and off-site infrastructure improvements to support development. The subdivision was approved by the Humboldt County Board of Supervisors on March 7, 2023, through a General Plan Amendment, Zoning Reclassification, Tentative Subdivision Map, and Planned Development Permit (County Record No. PLN-9902-GPA).

Provision of Public Services

HCSD will provide water, wastewater, and street lighting services to the annexation area. To accommodate increased service demands associated with the North McKay Ranch Subdivision, the project's Water Supply Assessment identifies several critical infrastructure improvements.

A new 250,000-gallon water storage tank and upsizing of approximately 1,000 feet of existing water main along Walnut Drive (between Holly Street and Cypress Avenue) to 12-inch diameter are required to ensure adequate capacity and fire flow. These improvements will be funded by the project proponent, Kramer Properties, and are incorporated as Conditions of Approval. The water tank must be permitted before building permits are issued for Phase 2 and beyond, and it must be operational prior to final occupancy of any Phase 2 and beyond development.

HCSD currently provides water service to an existing single-family residence on APN 017-071-002, which lies outside the annexation area but is served by infrastructure that traverses the project site. As a condition of approval, HCSD will ensure that this existing service is maintained without interruption during all phases of project construction and implementation.

Wastewater service to the annexation area will require construction of a new sewer lift station in the northeastern portion of the site, also to be developed by the project proponent. In addition, the Hemlock Sewer Transmission Line Project—funded and completed by HCSD—must be in place before wastewater connections can be made for Phase 2 and beyond. Only Phase 1, consisting of three single-family homes on an extension of Manzanita Avenue, may proceed prior to completion of this capital project.

If street lighting services are requested, the developer will establish one or more assessment zones in accordance with HCSD Code. All necessary infrastructure will be installed at no cost to the District, and funding for ongoing services may come from private or other sources.

The annexation area is located within the jurisdiction of the Humboldt No. 1 Fire Protection District and will continue to be served by Humboldt Bay Fire Authority for fire protection and emergency response services.

Property Tax Exchange Agreement

Revenue and Taxation (R&T) Code Section 99 requires that, prior to LAFCo considering jurisdictional changes, a determination must be made regarding the exchange of property tax revenue among the affected local agencies. This ensures that the redistribution of tax revenue reflects changes in service responsibility.

This proposal is subject to the provisions of R&T Code Section 99.01, as it involves the extension of services by a special district to an area where those services have not previously been provided by any local agency. In such cases, the exchange of property tax revenue is limited to the annual tax increment generated within the area subject to the jurisdictional change and attributable to the affected local agencies.

Any special district involved may negotiate on its own behalf; however, if a district does not adopt a resolution approving the exchange, the County Board of Supervisors is authorized to determine the exchange on the district's behalf. The final property tax exchange must be documented by resolution of the County and must specify how the annual tax increment will be allocated in future years.

Completion of the property tax negotiation process is required before the LAFCo Executive Officer may issue a Certificate of Filing for the annexation.

Environmental Review

The North McKay Ranch Subdivision Project was subject to environmental review pursuant to the California Environmental Quality Act (CEQA). An Environmental Impact Report (EIR) was prepared to evaluate the potential environmental effects associated with the proposed development. Both a Draft EIR and Partial Recirculation Draft EIR were circulated for public review and comment, with all responses to comments incorporated into the Final EIR.

On March 7, 2023, the Humboldt County Board of Supervisors certified the Final Environmental Impact Report (SCH# 2019049166), finding that the EIR had been completed in compliance with

CEQA and that it adequately analyzed the environmental impacts of the project. As part of the certification, the Board adopted CEQA Findings of Fact, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program (MMRP) to ensure implementation of required mitigation measures.

Humboldt LAFCo is a Responsible Agency under CEQA for this project and will rely on the certified EIR during its review and consideration of the proposed annexation.

The application described above is currently pending review by LAFCo and is anticipated to be presented as an informational item at the September 17, 2025, LAFCo meeting. Please review and provide any comments by September 1, 2025.

If you have any questions or would like a copy of the application materials, please contact LAFCo at (707) 445-7508 or via email at colette@humboldtlaftco.org.

Exhibit A: Annexation Area Figure

Exhibit B: Plan for Services

