Annexation Questions & Answers

What does it mean to annex to the City of Merced?

Annexation is a term used when an area of land within the boundary of a county is brought into the boundary of a city. The process of annexation typically involves at least three public hearings and all property owners are notified as to the annexation process and the time, date and place of the public hearings. For annexation of land to the City of Merced, approval from both the City and the Merced County Local Agency Formation Commission (LAFCO) is required.

What are the costs of annexation to the City of Merced and how long does it take?

If a property owner proposing annexation does not have plans for development and the City requests that their property be included as part of a formal application already submitted, then the fees are usually waived.

Otherwise, annexation fees vary depending on the size of the annexation. Typically, the City of Merced charges a fee for processing an application. The fee can vary widely depending on the size of the annexation and what is included in the application (i.e. development permits for subdivision, pre-zoning, etc.). In addition to City fees, the LAFCO fee for annexation and related environmental review is approximately $3,500 (YR 2019). State Board of Equalization filing fees can range between $300 and $3,500 depending on the amount of land to be annexed. These costs are likely to rise over time. The total process can take more than one year to complete provided that environmental clearance can be obtained with a “Negative Declaration.” Where environmental clearance must be obtained through an environmental impact report, the total process will be longer.

Will my taxes increase?

No change will occur. All properties are taxed at the same rates whether annexed to the City or not (approximately one percent of assessed value). That is, City and County property owners pay the same tax rates. Thus, property tax assessments will not be affected by annexation. However, if the property is resold, or if new improvements to the property are constructed, the assessed value of the property will most likely increase. This increase, however, has nothing to do with a property being in the City or the County.
If I have a private septic system, will I be required to connect to City sewer?

Not under most circumstances, Ordinance No. 2249, adopted in 2006 by the City of Merced waives connection requirements except under limited circumstances. The ordinance states:

> The owner or occupant of lands, building or premises having private sewage disposal systems, hereafter annexed to the City may continue the use of such system within the City, provided that the same is not enlarged, modified, or expanded and is approved by the Chief Building Official; However, in no event shall such system be used or be available for use upon failure as determined by the appropriate health official or regulatory authority, and the land, building, or premise shall thereafter be connected to the City’s municipal sewer disposal system at the owner’s sole cost and expense.

Undeveloped parcels need not hook up to sewer services until development begins, unless the property owners wish to have the services and are willing to pay for them.

All homes in the annexed area would be allowed to hook up to City sewers if available at the owner’s sole cost and expense. This is now prohibited in County areas except for documented health problems for a failing septic tank or water well. There may be homes in some proposed annexation areas that already have sewer service via previous agreements with the City. Depending upon a homeowner’s income level, low-interest loans to cover the costs of sewer hook-up may be available through the City’s Housing Department.

What is the cost of City sewer service?

There are a variety of fees related to connecting to the City of Merced sewer system. These include: “Sewer Facility Charges,” “Plant Component,” and “North Merced Sewer District Fee.” An estimate of total fees is $6,359 per house in North Merced and approximately $6,198 in all other areas (YR 2019, 1st Quarter Estimate). These costs are likely to rise over time. Additional fees also apply if a property is located in North Merced, but outside the North Merced Sewer Assessment District (formed in the 1970’s). It is likely that a new assessment district or other financing mechanism will be formed in the future to serve areas currently inside the City’s growth boundary (or “Sphere of Influence”) but outside of the older North Merced Sewer Assessment District.

Other Sewer Related Costs

Right-of-Way Encroachment and Building Permit: Cost varies depending upon amount of work.

Construction Costs: The property owner must hire a licensed plumber to install the sewer lateral in the public right of way. The owner does have the option of installing the sewer lateral on his/her property.

It might be advantageous for a special sewer district to be set up for existing neighborhoods to spread these costs over a longer period of time. The City could do this if there were sufficient citizen requests.

Monthly Service Fees: After hook up, there is a monthly fee; current fee is $42.64 (YR 2019) per month for a single-family residence. These costs are likely to rise over time.
**What If I have a private water well?**

All homes in an annexed area would be allowed to hook up to the City water service (in some cases, water service has already been extended into an area by the former water company which was purchased by the City in the early 1970s). Water rates are metered. The base rate for a 1” connection is $30.39 which includes 20 hundred cubic feet (HCF) of water per month (YR 2019). An additional charge of $0.73 per HCF is applied if use exceeds 20 HCF per month. The estimated cost to hook-up to the City water service is $6,074 for a 1-inch service (YR 2019). This estimate does not include the cost of the work to be done by the City to bring the water line to the property. A deposit of $6,500 is collected to cover the cost of this work. These costs are likely to rise over time.

**My property is presently served by the Merced Irrigation District. Will I continue to be able to get water in the same way after my property is annexed to the City?**

Yes, the Merced Irrigation District will continue to provide water and the property will remain within its service district.

**Will my garbage collection service change?**

The City would eventually be responsible for collecting garbage. Rates for this service are comparatively low and would be approximately $37.08 per month (YR 2019) for residential “curbside” service (three cans). This cost is likely to rise over time. City service would not begin until the private hauler franchise expires, but no later than five years from annexation. There is no garbage charge for undeveloped parcels until the service is being used.

**What about curbs, gutters, sidewalks, street trees or streetlights?**

There is no requirement that curbs, gutters, sidewalks, street trees or streetlights be installed as part of the annexation. The City may require a developer to make off-site improvements, which may include improvements along the frontage of individual properties. If a property owner undertakes substantial building remodeling or new building construction on an individual lot basis after annexation, then curbs, gutters, sidewalks, street trees and street lights must be constructed along the frontage of property. If desired by a neighborhood, a special district could be established to install these items at the cost of the property owners. The City may also establish a special district in an existing neighborhood to install such public improvements to be paid for by the property owners over time.

**City zoning regulations compared to County zoning regulations.**

Perhaps the most significant change to the circumstances of a property will be that City zoning and development laws, rather than County laws would apply. Zoning for an annexed area would be established at the time of annexation, consistent with the City’s General Plan for the area. Under City development standards and most zoning districts, with the availability of City sewer and water, individual properties may qualify to be used and developed more intensely than would normally be possible under County regulations. For example, a site designated for low-density residential uses in the City’s General Plan, could be zoned R-1-6 or R-1-5 when it is annexed, thereby allowing construction of single-family homes on 5,000 or 6,000 square-foot residential lots.
Typically, the potential uses and the type of development that can be considered under County standards are more restricted than under City zoning because City services that support more intense development are not available in the County. However, if a property is annexed with Urban Transition (U-T) zoning, then uses that were legally established in the County may continue, but cannot be expanded unless the zoning for the property is changed to allow the uses.

While City regulations tend to be more restrictive with respect to some types of appearance requirements, keeping of animals, and property maintenance, the City has routinely amended its regulations to permit the keeping of agricultural animals. If a property owner has an interest in annexation and a desire to maintain and keep agricultural related animals, a City Planner may be able to help prepare regulations to allow this to happen.

**If my property is used for farming now, will I be permitted to continue to farm?**

Yes. First of all, all uses and activities that are presently conducted on the property will become “legal non-conforming uses” if they do not comply with the City’s zoning regulations. While farming is not a normal use in the City code, existing farming operation will be permitted to continue in their present form. That does not mean that if a farm is presently a row-crop operation, that a dairy or poultry operation could be established; nor would an existing poultry or dairy operation be permitted to expand beyond its present boundaries if doing so is inconsistent with City regulations. Additionally, the City has adopted a code provision (Title 6, Section 6.04.081-Exception to Livestock and Poultry Regulations) which, if applied to a specific area (zone) permits the continuation of existing livestock and poultry keeping that would otherwise be limited under most current City zoning regulations. For those properties that do not have legal non-conforming use status, a maximum of two chickens are permitted on a City residential lot.

**Fire protection**

Fire protection service would be provided by the City Fire Department. The City has an excellent fire protection rating and fire insurance rates are generally lower in the City than in the County. If there are an insufficient number of fire hydrants in a newly annexed area, the City would likely require installation of fire hydrants, probably by special assessment in which landowners pay a fair share of the cost of installing hydrants.

**Police protection**

Police protection service would be provided by the City Police Department. The department has a highly trained staff of police officers. Response time to any call for emergencies is usually five to eight minutes.

**Can we park our vehicle in front of our home on the street?**

Operative vehicles can be parked on the street. Unlicensed or inoperable vehicles may be subject to removal immediately depending on the circumstances. Licensed/operational and legally parked vehicles should not be parked on the street for more than 72 hours without being driven; this is to prevent “storage” of vehicles (including motor-homes) on public streets. There is no restriction against parking on the street at night. The spot in front of a residence is **NOT** reserved for that residence (courtesy would say otherwise, but it isn’t a law). Other residents in the area may park on the street in front of other properties.
**Election**

After annexation, residents of the area would become citizens of the City, entitled to vote in City elections, and eligible to hold elective and appointive positions.

**Annexation Process Information**

**Who Can Apply for an Annexation?**

Any landowner or representative of a landowner (applicant) with land in the City of Merced’s adopted Sphere of Influence can submit an annexation to the City of Merced. If the applicant’s land is already adjacent to the city limits, and the annexation would create a logical city boundary, no other property owners/properties need be included in the proposed annexation boundary. If the applicant’s land is not directly adjacent to the city limits, the proposed annexation boundary will typically also include the land located between the applicant’s land and the city limit so that at least one portion of the proposed annexation boundary is adjacent to the city limits.

**How are Landowners and Registered Voters Notified of Public Hearings for Annexation Proposals?**

**City Notification Process**

Once a landowner applies to annex land within Merced County to the City of Merced, the City will begin reviewing the application. Before any public hearings by the Planning Commission or City Council to consider the application, landowners within the proposed annexation boundary and within 300 feet of the boundary will be notified. This is in addition to the standard requirement to publish notices for Planning Commission and City Council meetings in the local newspaper. If the City Council approves the application, it is then forwarded to LAFCO for review.

**LAFCO Notification Process**

Once received, LAFCO will begin processing the annexation application and will send a notice with the application to all interested/affected agencies such as school districts, fire districts, conservation districts, etc., for their review and comment.

Twenty-one days prior to its public hearing to consider the annexation application, LAFCO will publish a notice in the newspaper about the hearing, post information about the hearing on its website, notify affected agencies, and mail information about the application and public hearing to all registered voters and property owners within the annexation boundary and to all registered voters and property owners within 300 feet of the annexation boundary.

**When are There Opportunities to Oppose/Protest a Proposed Annexation?**

**City of Merced Process**

A written statement of opposition to a proposed annexation may be submitted to the City prior to Planning Commission and/or City Council hearings at which the annexation is being considered. Opposition can also be expressed in person at such meetings.
**LAFCO Process**

**Inhabited Annexation Protest Process**

A written statement of opposition to a proposed annexation may be submitted to LAFCO prior to or at the LAFCO hearing, or opposition can be expressed in person at the hearing.

If LAFCO approves the annexation and the annexation boundary is “inhabited” (it contains 12 or more registered voters), and one or more landowners did not sign a petition in support of the annexation, then LAFCO will hold a subsequent public protest hearing. LAFCO must provide notice of the protest hearing to all landowners and registered voters within the annexation boundary within 35 days of its decision to approve the annexation, but no less than 21 days before the protest hearing.

If fewer than 25 percent of the registered voters and/or less than 25 percent of the landowners owning less than 25 percent of the assessed land value within the annexation boundary protest, LAFCO can record/finalize the annexation. If more than 50 percent of registered voters or landowners owning more than 50 percent of the assessed land value within the boundary protest, the annexation application is terminated.

However, a vote (election) of registered voters must be held if between 25 percent and 50 percent of the registered voters file protest, or if landowners who own at least 25 percent but less than 50 percent of the assessed land value file protests. LAFCO then sends notice to the City and to the County Registrar of Voters with a requirement that an election be held. Only registered voters within the annexation boundary participate in the vote. If more than 50 percent of the registered voters vote against the proposed annexation, the application is terminated.

**Uninhabited Annexation Protest Process**

An “uninhabited” annexation boundary is one which contains 11 or fewer registered voters. Only landowners within an uninhabited annexation boundary have the option to protest the annexation. If LAFCO approves the annexation and one or more landowners protest the approval, then LAFCO will hold a subsequent public protest hearing. LAFCO must provide notice of the protest hearing to all landowners within the annexation boundary within 35 days of its approval of the annexation, but no less than 21 days before the protest hearing.

If landowners owning 50 percent or more of the assessed land value within the annexation boundary protest, the annexation is terminated. If landowners owning less than 50 percent of the assessed land value protest, the annexation is approved.

**For more information**

Property owners are encouraged to visit or call the Merced City Planning and Development Services Department at 678 W. 18th Street, Merced, CA 95340, (209) 385-6858 to discuss these or other questions, future plans, or options resulting from annexation.

*Source: City of Merced Planning and Development Services Department*