
Appendix L
*Policies, Standards and
Procedures for LAFCO,*
Sacramento LAFCo, 1990
(Amended 1993)
(Provided on CD Only)

CORRECT AS TYPED

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION (LAFCO)

POLICIES, STANDARDS AND PROCEDURES FOR LAFCO

ADOPTED SEPTEMBER 5, 1990

AMENDED MAY 5, 1993

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ACKNOWLEDGMENTS

It is with extreme pleasure that I circulate for formal use the recently adopted SACRAMENTO LOCAL AGENCY FORMATION COMMISSION'S POLICIES AND PROCEDURES AND GUIDELINES. From the inception of the project--to develop a policy document which would guide the public, staff and Commission through a complex and sometimes controversial LAFCo process--a number of individuals have offered valuable insight to the betterment of the Sacramento LAFCo and have taken an active part in the evolution of this report.

In January of 1989, the Sacramento LAFCo contracted with the firm of Peat Marwick Main & Company to help develop Policies, Procedures and Guidelines for the Sacramento LAFCo. Jim Carney, Bob O'Neill and Jeff Myers of Peat Marwick Main & Company did an outstanding job creating a baseline review and early drafts for the development of the Policies, Procedures and Guidelines. Ron Bass and Earl Nelson of Jones & Stokes made outstanding contributions by answering environmental questions as they were encountered in the many drafts. A Regional Advisory Committee (please see Appendix K) also offered a different perspective and well appreciated critique of the policy document. The Regional Advisory Committee represented various points of view: cities, regional government, the building industry, open space and farm land, special districts within Sacramento County, and alternative forms of local government (incorporation and city-county consolidation).

In February, 1990, the Commission retained Marc Mihaly of Shute, Mihaly and Weinberger, in order that he might work with Commission Counsel Barry Steiner to further refine and finalize the document. Marc Mihaly and Barry Steiner were of invaluable assistance in fine-tuning and finalizing the Policies, Procedures and Guidelines. Sacramento County Planning and Public Works staff as well as Gary Cassady and Russell Fehr of the Administration and Finance Agency also provided critical review from the County's point of view. Al Freitas, Environmental Coordinator, County of Sacramento, provided indepth review and critique from a policy and environmental perspective. Finally, County Executive Brian Richter early on noted the importance of such a document and wholeheartedly encouraged its preparation. Thanks to Brian and the Board of Supervisors for the support and making the funding possible.

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SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
POLICIES, PROCEDURES AND STANDARDS MANUAL**

Table of Contents

	<u>PAGE</u>
GLOSSARY OF TERMS	i - xii
I. INTRODUCTION	I-1
A. THE PURPOSE OF THESE POLICIES, STANDARDS AND PROCEDURES	I-1
B. THE LEGISLATURE'S CREATION OF LAFCos	I-1
C. THE LEGISLATURE'S POLICY DIRECTION TO LAFCo	I-2
D. THE SPECIFIC AND DELIMITED LAFCo JURISDICTION	I-2
E. THE LAFCo COMMISSION: ITS COMPOSITION AND LEGISLATIVE CHARGE	I-3
F. LEGISLATIVE AUTHORITY FOR THE SACRAMENTO LAFCo's POLICIES, STANDARDS AND PROCEDURES	I-4
II. DESCRIPTION OF LAFCo's DECISION-MAKING	II-1
A. APPLICATION AND EVALUATION AND HEARING PROCESS	II-1
B. LAFCo HEARING AND DECISION	II-1
C. PROCEEDINGS BEFORE THE CONDUCTING AUTHORITY	II-1
D. LAFCo COMPLETION OF ACTIONS	II-2
III. LAFCo GENERAL POLICIES.	III-1
IV. GENERAL STANDARDS	IV-1
A. SPHERES OF INFLUENCE	IV-1
B. CONFORMANCE WITH APPLICABLE GENERAL AND SPECIFIC PLANS	IV-2
C. BOUNDARIES	IV-3
D. REVENUE NEUTRALITY	IV-4
E. AGRICULTURAL LAND CONSERVATION	IV-5

Table of Contents - Continued

	<u>PAGE</u>
F. APPLICATION OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT TO CHANGES OF ORGANIZATION OR REORGANIZATION AND SPHERES OF INFLUENCE	IV-6
G. EFFICIENT SERVICES AND ORDERLY DEVELOPMENT.	IV-9
H. NEED FOR SERVICES	IV-9
I. STANDARDS FOR ANNEXATION TO AND THE DETACHMENT FROM ALL AGENCIES	IV-10
J. DETERMINATION OF COSTS	IV-13
V. SPECIFIC STANDARDS BY TYPE OF ACTION	V-1
A. ANNEXATIONS TO CITIES	V-1
B. ANNEXATIONS TO DISTRICTS	V-2
C. DETACHMENTS FROM CITIES AND DISTRICTS	V-2
D. INCORPORATIONS AND DISINCORPORATIONS	V-3
E. DISTRICT FORMATIONS AND DISSOLUTIONS	V-6
F. CITY CONSOLIDATION, DISTRICT CONSOLIDATIONS, AND MERGER OF A DISTRICT INTO A CITY	V-7
G. REORGANIZATION	V-8
H. SPHERE OF INFLUENCE PLANS	V-8
I. AMENDMENTS TO SPHERES OF INFLUENCE	V-11
J. RECONSIDERATION OF LAFCo DECISIONS	V-12
K. CITY PROTESTS OF LAND CONSERVATION CONTRACTS (Gov't Code Section 51243.5)	V-13
VI. GENERAL INSTRUCTIONS FOR APPLICANTS	VI-1
A. APPLICANT RESPONSIBILITY SUMMARY	VI-1
1. Pre-Filing Conference	VI-1
2. Actions Required by Applicant	VI-1

Table of Contents - Continued

	<u>PAGE</u>
B. GENERAL INSTRUCTIONS FOR ALL APPLICANTS	VI-2
1. Initiation: Petition or Resolution	VI-2
2. A Map and a Description of the Boundaries of the Subject Territory	VI-2
3. Data and Information Required by the LAFCo	VI-3
4. Additional Data and Information Required by the Executive Officer	VI-4
5. Processing and Petition Checking Fees . . .	VI-4
C. CHECKLIST FOR APPLICANTS	VI-4

APPENDICES

- Appendix A - Sample of LAFCo Petition Form
- Appendix B - Sample Metes and Bounds Legal Description
- Appendix C - Sample Maps
- Appendix D - Schedule of Fees
- Appendix E - Guidelines for Evaluating Incorporation
Proposals
- Appendix F - Party Disclosure Form
- Appendix G - Sample Certificate of Completion
- Appendix H - Procedures for the Preparation and Processing
of Environmental Documents
- Appendix I - Financial Information Required to be
Submitted with Incorporation Proposal
Applications
- Appendix J - Computation of the Gann Limitation
- Appendix K - Members of the Regional Advisory Committee
- Appendix L - Description of LAFCo's Decision-Making

GLOSSARY OF TERMS

This glossary presents a listing of key terms that are used in the Sacramento Local Agency Formation Commission's Policies, Standards and Procedures Manual.

<u>Term</u>	<u>Definition</u>
Agricultural lands	Agricultural lands means land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.
Affected Population	Affected population means those persons who inhabit or will inhabit a specific area that will directly or indirectly be impacted by an action.
Annexation	Annexation means the annexation, inclusion, attachment, or addition of territory to a city or district.
Application	Application means material submitted to LAFCo that initiates a LAFCo review process.
Area of Concern	Area of Concern means the geographic area beyond the Sphere of Influence of a local agency in which land use decisions or other governmental actions of the County impact directly or indirectly upon the local agency or in which urbanization may be anticipated in the intermediate or long-range planning horizons.
CEQA	The California Environmental Quality Act contained in the Public Resources Code, sections 21000 <u>et seq.</u>
Categorical exemption	Categorical exemption means a provision within CEQA which permits specified projects that have no potential impact on the environment

Term

Definition

	to proceed and waives environmental review.
Certificate of Completion	Certificate of Completion means a legal document confirming compliance with LAFCo conditions and certifying final completion of changes of local government organization.
Certificate of Filing	Certificate of Filing means a legal document confirming application material is complete allowing LAFCo review process to begin upon issuance.
Change of organization	Change of organization means any of the following: (a) A city incorporation. (b) A district formation. (c) An annexation to, or detachment from, a city or district. (d) A disincorporation of a city. (e) A district dissolution. (f) A consolidation of cities or special districts. (g) A merger or establishment of a subsidiary district.
City	City means the City of Sacramento, Folsom, Isleton, or Galt or any new city created pursuant to the Cortese-Knox Act and other California laws.
Commission	Commission means a local agency formation commission.
Commission	Commission means a local agency formation commission.
Conditional approval	Conditional approval means approval given by LAFCo which is subject to the completion of certain actions prior or subsequent to recordation.
Conducting authority	Conducting authority means the legislative body of an affected city, affected district, or affected county which is authorized by the commission to conduct

Term

Definition

proceedings for a change of organization or reorganization. Subject to compliance with any commission determination, the conducting authority for proceedings shall be determined as follows:

- (a) A city whose boundaries would be changed as the result of a proposed annexation, detachment, or disincorporation shall be the conducting authority and proceedings for the annexation, detachment, or disincorporation shall be conducted by the city council of that city.
- (b) A district whose boundaries would be changed as the result of a proposed annexation or detachment shall be the conducting authority and proceedings for the annexation or detachment shall be conducted by the legislative body of that district.
- (c) The city council of the city with the largest population shall be the conducting authority and shall conduct proceedings for the consolidation of two or more cities.
- (d) The board of supervisors of the county in which the affected territory is located shall be the conducting authority and conduct proceedings for all of the following changes of organization or reorganization:
 - (1) The incorporation of a new city.
 - (2) The consolidation of districts.
 - (3) The dissolution of a district.
 - (4) The merger or establishment of a subsidiary district.

Term

Definition

- (5) Any reorganization, except as specified in subdivision (e) or (f).
- (e) The commission may determine that the city council of an affected city shall be the conducting authority for reorganization proceedings where annexation or detachment to that city is proposed.
- (f) The commission may determine that the legislative body of an affected district shall be the conducting authority for reorganization proceedings involving only annexations to, or detachments from, districts where an annexation or detachment to that district is proposed.
- (g) Proceedings for the formation of a district shall be conducted as authorized in the principal act of the district proposed to be formed.

Consolidation

Consolidation means the uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district. In the case of consolidation of special districts, all of those districts shall have been formed pursuant to the same principal act.

Detachment

Detachment means the detachment, deannexation, exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.

Direct Costs

Direct costs means those costs stemming immediately from an action or a proposal before LAFCo.

Disincorporation

Disincorporation means the disincorporation, dissolution, extinguishment, and termination of the existence of a city and the

Term

Definition

	cessation of its corporate powers, except for the purpose of winding up the affairs of the city.
Dissolution	Dissolution means the dissolution, disincorporation, extinguishment, and termination of the existence of a district and the cessation of all its corporate powers, except for the purpose of winding up the affairs of the district.
District or special district	<p>(a) District or special district means an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. District or special district includes a county service area, but excludes all the following:</p> <ol style="list-style-type: none">(1) The state.(2) A county.(3) A city.(4) A school district or a community college district.(5) A special assessment district.(6) An improvement district.(7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5.(8) A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.(9) An air pollution control district or an air quality maintenance district.(10) A service zone of a fire protection district. <p>(b) For special instances where a district may be covered by LAFCo action, see Cortese-Knox Act, § 56036.</p>

Term

Definition

Duplication of services	Duplication of services means the result that occurs when more than one governmental agency provides the same service to a specific area.
Environmental Impact Report	Environmental Impact Report means a legal document produced to identify adverse environment impacts and propose mitigations and project alternatives as feasible.
Environmental review	Environmental review means the process set forth in CEQA which involves an assessment of potential significant adverse impacts of an action.
Executive Officer	Executive Officer means the Executive Officer appointed by a commission, or if none has been appointed, then the county official acting as the executive officer for the commission in accordance with Section 56384 of the Cortese-Knox Act.
Formation	Formation means the formation, incorporation, organization, or creation of a district.
Grazing land	Grazing land means land on which the existing vegetation, whether grown naturally or through management, is suitable for grazing or browsing of livestock.
Incorporation	Incorporation means the incorporation, formation, creation, and establishment of a city with corporate powers. Any area proposed for incorporation as a new city shall have at least 500 registered voters residing within the affected area at the time commission proceedings are initiated.
Indirect costs	Indirect costs means those costs that are not identifiable with a specific activity, but which occur

Term

Definition

	nonetheless.
Initial Study	Initial Study means the assessment of potential significant adverse impacts of a project.
Initiate or initiation	Initiate or initiation means the acceptance for filing and the issuance of a Certificate of Filing by the executive officer.
Joint Powers Agreement	Joint Powers Agreement means a separate legal entity resulting from an agreement between two or more public agencies to provide a united activity, operation, or organization.
Landowner or owner of land	(a) Except as otherwise provided in subdivision (b) or (c), landowner or owner of land means all of the following: (1) Any person shown as the owner of land on the last equalized assessment roll except where that person is no longer the owner. Where that person is no longer the owner, the landowner or owner of land is any person entitled to be shown as owner of land on the next assessment roll. (2) Where land is subject to a recorded written agreement of sale, any person shown in the agreement as purchaser. (3) Any public agency owning land. (b) Landowner or owner of land does not include a public agency which owns highways, rights-of-way, easements, waterways, or canals. (c) For the purpose of mailed notice provided pursuant to Section 56157 of the Cortese-Knox Act, landowner or owner of land means each person to whom land is assessed, as shown upon the last

Term

Definition

	equalized assessment roll of the county, at the address shown upon that assessment roll.
Landowner-voter	Landowner-voter means any person entitled to vote in a landowner-voter district, or the legal representative of that person or, in the case of an election, the proxy of that person.
Landowner-voter district	Landowner-voter district means a district whose principal act provides that owners of land within the district are entitled to vote upon the election of district officers, the incurring of bonded indebtedness, or any other district matter.
Lead Agency	Lead Agency means the principal governmental body reviewing a project under CEQA.
Legal representative	Legal representative means an officer of a corporation duly authorized by the bylaws or a resolution of the board of directors of the corporation, to sign for, and on behalf of, the corporation. Legal representative also includes a guardian, conservator, executor, administrator, or other person holding property in a trust capacity under appointment of a court, when authorized by an order of the court. The order of the court may be made without notice.
Legislative body	Legislative body means the legislative body or governing board of a city, special district, or county.
Local agency	Local agency means a city, county or district.
Marginal costs	Marginal costs means those additional costs incurred by an agency that are associated with an action or a proposal before LAFCO.

Term

Definition

Master Service Element

Master Service Element means the element within any agency's Sphere of Influence Plan that defines how services will be provided by the agency including services financing, the level of services, and the delivery of services.

Merger

Merger means the extinguishment, termination and cessation of the existence of a district of limited powers by the merger of that district with a city as a result of proceedings taken pursuant to the Cortese-Knox Act.

Negative Declaration

Negative Declaration means a determination under CEQA that a project will not adversely affect the environment.

Notice

Notice means any matter authorized or required by the Cortese-Knox Act to be published, posted, or mailed.

Open space

Open space means any parcel or area of land or water which is substantially unimproved and devoted to an open space use, as defined in Section 65560 of the Government Code.

Prezoning

Prezoning means adoption of an anticipated zoning category prior to annexation to be effective subsequent to annexation.

Prime agricultural land

Prime agricultural land means an area of land, whether a single parcel or contiguous parcels, which has not been developed for a use other than an agricultural use and which meets any of the following qualifications:

- (a) Land which qualifies for rating as class I or class II in the Soil Conservation Service Land use capability classification.

Term

Definition

- (b) Land which qualifies for rating 80 through 100 Storie Index Rating.
- (c) Land which supports livestock used for the production of food and fiber and which has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Handbook on Range and Related Grazing Lands, July, 1967, developed pursuant to Public Law 46, December 1935.
- (d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops which have a nonbearing period of less than five years and which will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than two hundred dollars (\$200) per acre.
- (e) Land which has returned from the production of unprocessed agricultural plant products an annual gross value of not less than two hundred dollars (\$200) per acre for three of the previous five calendar years.
- (f) Land which is used to maintain livestock for commercial purposes.

Proceeding

Proceeding, proceeding for a change of organization, or proceeding for a reorganization means proceedings taken by the conducting authority for a proposed change of organization or reorganization pursuant to Part 4, commencing with Section 57000 of the Cortese-Knox

Term

Definition

	Act.
Proponent	Proponent means any person intending to circulate, or cause the circulation of, any petition.
Property tax exchange agreement	Property tax exchange agreement means the agreement reached between the county and cities or special districts which transfer property tax revenues to the agency assuming service responsibilities.
Proposal	Proposal means a request or statement of intention made by petition or by resolution of application of a legislative body proposing proceedings for the change of organization or reorganization described in the request or statement of intention.
Protest	Protest means opposition filed by petition of affected landowners and/or voters regarding a proposal which includes their properties.
Registered voter	Registered voter means any elector registered under, and pursuant to, the Elections Code.
Registered voter district	Registered voter district means a district whose principal act provides that registered voters residing within the district are entitled to vote for the election of district officers, incurring of bonded indebtedness, or any other district matter.
Reorganization	Reorganization means two or more changes of organization initiated in a single proposal.
Revenue neutrality	Revenue neutrality means a transfer of service responsibility from one agency to another in which the cost of providing services directly

Term

Definition

	corresponds with the revenues transferred to fund the services.
Special assessment district	Special assessment district means an area fixed, established, and formed by a city, county, district, or the state, pursuant to general law, special act, or charter, that is specially benefited by, and assessed, or to be assessed, to pay the costs and expenses of, acquiring any lands or rights-of-way, acquiring or constructing any public improvements, maintaining or operating any public improvement, or lighting any public street, highway, or place.
Sphere of Influence	Sphere of Influence means a plan for the probable ultimate physical boundaries and service area of a local agency, as determined by the commission.

CHAPTER I

INTRODUCTION

I. INTRODUCTION

This chapter provides background information regarding the purpose of the Sacramento Local Agency Formation Commission's (LAFCo's) policies, standards and procedures. It also discusses the legislature's intent and direction to the LAFCo, the LAFCo's jurisdiction, and its composition and responsibilities.

A. THE PURPOSE OF THESE POLICIES, STANDARDS AND PROCEDURES

The LAFCo is charged with applying the policies and provisions of the Cortese-Knox Act to its decisions regarding annexations, incorporations, reorganizations, and other changes of government organization. These standards have been adopted pursuant to the authority contained in the Cortese-Knox Act to assist in carrying out its provisions. Specifically, these standards are designed to:

- Give applicants for changes of organization guidance as to the information the LAFCo needs to make appropriate determinations concerning their applications;
- Provide applicants for changes of organization with explicit guidance as to the criteria the LAFCo will utilize in approving, disapproving, amending, or conditionally approving applications for changes of organization;
- Ensure consistency in the LAFCo's decision-making;
- Facilitate communication among local agencies in the region;
- Provide elected officials, governmental staff, and members of the general public information and notice as to the standards and procedures that the LAFCo will utilize in evaluating applications; and
- Minimize adverse social, economic and environmental impacts of growth.

B. THE LEGISLATURE'S CREATION OF LAFCOs

LAFCOs are intra-local agencies that were created by state legislation to ensure that changes in governmental organization occur in a manner which provides efficient and quality services and preserves open space land resources. The creation of LAFCOs was a legislative response to actions by local jurisdictions in the 1940s and 1950s that incorporated or annexed large, irregular portions of land in a manner which resulted in irrational urban boundaries and "stranded" population without efficient services or with no services at all. In 1963, the Legislature established Local Agency Formation Commissions in each county and gave them

regulatory authority over local agency boundary changes. Additional legislation in the 1960s extended LAFCo authority, and in the 1970s the Legislature recognized the connection between decisions concerning governmental organization and the issues of urban sprawl and loss of prime agricultural land. In response to these concerns, LAFCos were charged with implementing changes in governmental organization in a manner which preserved agricultural and open space land resources, as well as provided for efficient delivery of services. The Legislature and the courts have also required LAFCos to implement the California Environmental Quality Act (CEQA) as it applies to LAFCo actions.

C. THE LEGISLATURE'S POLICY DIRECTION TO LAFCo

The Legislature has charged the LAFCo with carrying out changes in governmental organization to promote specified legislative policies now codified in the Cortese-Knox Local Government Reorganization Act of 1985. The Cortese-Knox Act commences with Section 56000 of the Government Code, and the reader is referred especially to Sections 56001, 56300, 56301, 56375, 56377 and 56841. These sections contain the following major policy elements:

- The LAFCo is charged with encouraging orderly growth and development;
- The LAFCo is responsible for encouraging the logical formation and determination of boundaries;
- The LAFCo must exercise its authority to ensure that affected populations receive efficient governmental services; and
- The LAFCo is required to exercise its authority to guide development away from open space and prime agricultural land uses unless such actions would not promote planned, orderly and efficient development.

D. THE SPECIFIC AND DELIMITED LAFCo JURISDICTION

LAFCo's have the specific authority to review:

- Annexations to, or detachments from cities or districts;
- The formation or dissolution of districts;
- The incorporation or disincorporation of cities;
- The consolidation or reorganization of cities or districts;
- The establishment of subsidiary districts; and
- The development of, and amendments to, Spheres of Influence.

In order to carry out the legislative policies identified above, LAFCo has the power to approve or disapprove applications, or to

impose reasonable conditions on approval. However, the LAFCo may not exercise direct land use authority. The California Supreme Court explains this unusual combination of power to deny coupled with no power to impose conditions to solve the same policy issue. It said the prohibition on imposing conditions regarding land use

"merely insures that final zoning decisions are made by the local agencies concerned. It certainly does nothing to detract from the power of a LAFCo to disapprove an annexation if it finds that it violates the detailed criteria which a LAFCo must consider [i.e., the "factors" now in Section 56841]."

Bozung v. LAFCOC 91975) 13 Cal. 263, 284. Thus, for example, LAFCo may disapprove an application for an annexation to a city because it would create an area that is difficult to serve, or because it would cause the premature development of agricultural land. However, the LAFCo could not carry out the same policies by requiring land to be rezoned from residential to agricultural use, or by other direct exercise of land use authority through the zoning or subdivision process.

E. THE LAFCO COMMISSION: ITS COMPOSITION AND LEGISLATIVE CHARGE

LAFCOs are intra-local agencies created by the Legislature to implement policies which the Legislature determined must be addressed with a county-wide perspective. The Cortese-Knox Act established this intra-local mandate for the LAFCOs in two ways:

1. The Legislature's policy mandates are county-wide in perspective; and
2. The Commission's composition is representative of the governmental agencies in the County by providing for city, county and public membership. Special districts may also be seated on LAFCo at the discretion of the Commission and if certain conditions are met.

Sacramento LAFCo Commissioners are selected from the groups most affected by its decision: the public, cities, the County and special districts. The Sacramento LAFCo is composed of seven members, each of whom serve four-year terms. These members are:

- Two City Council members who are appointed by a committee made up of the mayor of each of the cities within Sacramento County and an alternate;
- Two Sacramento County Supervisors appointed by the Sacramento County Board of Supervisors and an alternate;

- Two Special District Board Members selected by vote of the governing boards of independent districts and an alternate; and
- One Public Member appointed by the regular City, County and Special District members of the LAFCo and an alternate.

Through the particular interests and expertise that each member brings to LAFCo, LAFCo has both the local and county-wide perspective necessary to implement the policies of the Cortese-Knox Act. Decisions relating to the most efficient form of local government and the preservation of agricultural land inherently involve the balancing of potentially competing interests of jurisdictions because applications for change of organization may involve the interests of the County, a city, and one or more special districts. In addition, such determinations usually affect the public at large because of various options for the delivery of services. The legislative charge to LAFCo Commissioners is to bring their experience and perspectives to bear in a manner which carries out the best policy from a county-wide perspective. Commissioners are not selected to represent or to cast the vote of their appointing agencies, but rather are expected to bring the unique perspectives of their appointing agencies, or the public, to decisions which carry out the county-wide mandate of the Cortese-Knox Act. It is for this reason that the Cortese-Knox Act specifically authorizes members of the LAFCo to vote on issues which may affect their jurisdictions. Since these members are appointed to carry out objective policies concerning county-wide issues, it is assumed that their participation will benefit the debate rather than prejudice the decision.

F. LEGISLATIVE AUTHORITY FOR THE SACRAMENTO LAFCo's POLICIES, STANDARDS AND PROCEDURES

Sacramento LAFCo adopts these policies, standards and procedures pursuant to specific authority in the Cortese-Knox Act as part of LAFCo's authority to carry out its responsibilities and duties.

CHAPTER II

DESCRIPTION OF LAFco's DECISION-MAKING

II. DESCRIPTION OF LAFCO'S DECISION-MAKING

This chapter contains a brief description of the LAFCO hearing and evaluation process, and describes post-approval steps taken by the LAFCO and by the conducting authority.

A more complete description is contained in Appendix L to this document.

A. APPLICATION AND EVALUATION AND HEARING PROCESS

The filing of an application for a "change of organization" or "reorganization" commences the LAFCO process. The Executive Officer either accepts the application as complete or informs the applicant of additional necessary material. Environmental documents may be required pursuant to the California Environmental Quality Act (CEQA). After the application is accepted as complete, and the fee determined and paid (see Appendix D), notice is given to affected individuals and agencies.

The Executive Officer reviews the application, prepares a staff report, and furnishes copies to affected local agencies and persons designated in the application. Additional material may be requested of the applicant by the Executive Officer during this process. The Executive Officer prepares a staff report which evaluates the application based on the Cortese-Knox Act and these LAFCO policies and standards.

B. LAFCO HEARING AND DECISION

The Commission may amend an application to affect proposed boundaries or conditions, or both. LAFCO hears the application. The applicant, affected agencies and the public may testify. LAFCO then approves, conditions or denies the applications for change of organization or reorganization.

After LAFCO Commission action, any person may file within thirty days a request for reconsideration, which the Commission may approve or deny with or without conditions after appropriate notice and hearing. Decisions by the Commission are final, and no person can make a further request for a substantially similar change for a period of at least one year.

C. PROCEEDINGS BEFORE THE CONDUCTING AUTHORITY

After an approval of a change of organization by LAFCO, the Conducting Authority, which means the legislative body of an affected city, district, or the county holds a hearing or meeting at which public testimony or written protests, if applicable, are received. The Conducting Authority then is required to approve the change of organization with certain exceptions or, if the

statutorily defined levels of written protests are made, deny the change of organization or call a vote.

D. LAFCo COMPLETION OF ACTIONS

After action by the Conducting Authority, the LAFCo Executive Officer prepares and records a Certificate of Completion, and the action is then deemed completed.

CHAPTER III

LAFCo GENERAL POLICIES

III. LAFCo GENERAL POLICIES

This chapter contains the general policies that will apply to all LAFCo considerations of application for changes of organization or reorganization and Sphere of Influence determinations. These policies are general in nature. In certain situations, the application of one policy may conflict with the application of another; in that case, the LAFCo will exercise its discretion to balance policies in a manner consistent with the Cortese-Knox Act and the standards contained in this document.

1. The LAFCo will encourage participation in its decision-making process. LAFCo will contact Community members through Community Councils, give published notice, and, where LAFCo determines appropriate, give mailed notice to the owners of property within 500 feet of a project site.
2. The LAFCo will encourage communication on actions among the County, cities and special districts.
3. The LAFCo will favorably consider proposals that result in the provision of urban services in densely developed and populated areas.
4. The LAFCo will favorably consider proposals that will provide urban services in areas with high growth potential rather than in areas with limited potential for future growth.
5. The CEQA requires that LAFCo assess the environmental consequences of its actions and decisions, and take actions to avoid or minimize a projects adverse environmental impacts, if feasible, or approve a project despite significant effects because it finds overriding considerations exist. To comply with CEQA, the LAFCo will take one or more of the following actions:
 - a. At its discretion, approve a project without changes if environmental impacts are insignificant;
 - b. Require an applicant to modify a project;
 - c. Establish mitigating measures as a condition of its approval of the proposal;
 - d. Deny the proposal because of unacceptable adverse environmental impacts;
 - e. Approve a project despite its significant effects by making findings of overriding concern.

6. LAFCo will favorably consider those applications that do not shift the cost for services and infrastructure benefits to other service areas.
7. LAFCo will favorably consider those applications which improve the balance between jobs and housing.
8. The LAFCo encourages the use of service providers which are governed by officials elected by the citizens.
9. Community needs are met most efficiently and effectively by governmental agencies which:
 - o are already in existence;
 - o are capable of coordinating service delivery over a relatively large area;
 - o provide more than one type of service to the territory which they serve.

CHAPTER IV
GENERAL STANDARDS

IV. GENERAL STANDARDS

This chapter presents the Sacramento Local Agency Formation Commission (LAFCo) general standards for the evaluation of proposals and the actions of the Commission. The LAFCo will use these general standards in conjunction with applicable general policies and specific standards as part of its decision-making process. The LAFCo may make exceptions to these general standards if it determines that such exceptions: are necessary due to unique circumstances; are required to resolve conflicts between general and specific standards; result in improved quality or lower cost of service available; or there exists no feasible or logical alternative.

A. SPHERES OF INFLUENCE

1. LAFCo will approve an application for a change of organization or reorganization only if the proposal is consistent with an approved Spheres of Influence plan for the affected agency or agencies. Spheres of Influence will not generally be amended concurrently with an action of an application. Spheres of Influence amendments will ordinarily take longer to process than applications for a change of organization or reorganization. Agencies are encouraged to keep their Spheres of Influence plans up to date so that individual applications for changes of organization or reorganization are not burdened with Spheres of Influence amendment requirements. Amendments to Spheres of Influence occasioned by individual applications for changes of organization or reorganization which would render the Spheres of Influence internally inconsistent or inconsistent with the other policies or standards herein will not be approved.
2. Spheres of Influence are the primary planning tool for LAFCo. The LAFCo has developed standards related to the Master Service Element of any agency's Spheres of Influence. Agencies must have an updated Master Service Element which meets the following standards:
 - a. Is consistent with the Master Service Element of the Spheres of Influence of any overlapping jurisdiction;
 - b. Demonstrates that adequate services will be provided within the time frame needed by the inhabitants of the area included within the proposal boundary;
 - c. Identifies existing land use and a reasonable projection of land uses which would occur if services were provided consistent with the updated Element;

- d. Presents a map that clearly indicates the location of existing and proposed facilities, including plan for timing and location of facilities;
 - e. Describes the nature of each service to be provided;
 - f. Describes the service level capacity of the service provider's facilities;
 - g. Identifies the anticipated service level to be provided;
 - h. Describes any actions, improvements, or construction necessary to reach required service levels, including costs and financing methods;
 - i. Provides copies of district enabling legislation pertinent to the provision of services and annexations;
 - j. Identifies projected revenue and identifies savings occurring as a result of the action; and
 - k. Provides existing and five year population projects within agency boundaries.
3. The LAFCo will require that any agency making a proposal an action through LAFCo must have an updated Master Service Element of its Spheres of Influence Plan. The LAFCo will approve a proposal only if the proposed service provider is the most efficient provider of services with an acceptable cost, as demonstrated in the provider's Master Service Element.

B. CONFORMANCE WITH APPLICABLE GENERAL AND SPECIFIC PLANS

- 1. LAFCo will approve changes of organization or reorganization only if the proposal is consistent with the General Plan and relevant Specific Plans of the applicable planning jurisdiction.
- 2. For purposes of this standard, the applicable planning jurisdiction is as follows:
 - a. For annexations to a city, the applicable jurisdiction is the city to which annexation is proposed;
 - b. For applications for annexation to or detachment from a district all of whose territory lies within an adopted Spheres of Influence of a city, the General Plans of the city;
 - c. For an application for annexation to a special district for lands outside an adopted city Spheres of Influence, the Sacramento County General Plan;

- d. For an application for annexation or detachment from a district whose territory lies in both the city and county, the General Plan of the city unless the project lies outside of the city's Sphere of Influence; and
 - e. For applications for incorporations, this standard is inapplicable.
3. For purposes of this standard, the proposal shall be deemed consistent if the proposed use is consistent with the applicable General Plan designation and text, the applicable General Plan is legally adequate and internally consistent and the anticipated types of services to be provided are appropriate to the land use designated for the area.
 4. The governing body of the applicable planning jurisdiction shall recommend by resolution whether the proposal meets all applicable consistency requirements of state law, including internal consistency. LAFCo shall retain discretion to determine consistency pursuant to its jurisdiction to approve, disapprove or condition changes of organization or reorganization and may require additional information if necessary.

C. BOUNDARIES

1. LAFCo will not accept as complete any application for a proposal unless it includes boundaries that are definite, certain and fully described.
2. The LAFCo will approve only applications with boundaries that do the following:
 - a. Seek to correct where relevant illogical boundaries within the affected agency's Spheres of Influence;
 - b. Provide for a mixture of revenue producing and non- or limited- revenue producing properties; and
 - c. Follow where relevant natural or man-made features and include logical service areas.
3. The LAFCo will not approve applications with boundaries which:
 - a. Split neighborhoods or divide an existing identifiable community, commercial district, or other area having a social or economic identity;
 - b. Result in islands, corridors or peninsulas of incorporated or unincorporated territory or otherwise cause or further the distortion of existing boundaries;

- c. Are drawn for the exclusive purpose of encompassing revenue-producing territories;
 - d. Create areas for which it is difficult to provide services;
 - e. Split parcels;
4. LAFCo will make exceptions to the requirements of this standard only if the exception:
- a. Is rendered necessary due to unique circumstances;
 - b. Results in improved quality or lower cost of service available to the affected parties; and
 - c. There exists no feasible and logical alternative.

D. REVENUE NEUTRALITY

1. LAFCo will approve a proposal for a change of organization or reorganization only if the Commission finds that the proposal is revenue neutral at the time that the proposal comes before the Commission. A proposal is deemed revenue neutral if:
- a. The proposal ensures that the amount of revenue transferred from an agency or agencies currently providing service in the subject territory to the proposed service-providing agency equals the expense which the current service provider bears in providing the services to be transferred.
 - b. In the event the expense to the current service provider exceeds the amount of revenue transferred, the current service provider and new service providing agency agree to revenue transfer provisions to compensate for the imbalance. Such provisions may include, but are not limited to tax-sharing, lump-sum payments and payments over a fixed period of time.
 - c. Where revenue neutrality is not possible because of the requirements of state law or these standards, LAFCo shall impose all feasible conditions available to reduce any revenue imbalance, or it may deny the proposal.
 - d. A property tax exchange agreement has been reached pursuant to the Revenue and Taxation Code by the agencies participating in the change of organization or reorganization as required by law.
 - e. Appendix E of the LAFCo's policies and standards provides additional information related to the

financial guidelines for evaluating incorporation proposals.

E. AGRICULTURAL LAND CONSERVATION

LAFCo will exercise its powers to conserve agricultural land pursuant to the following standards.

1. LAFCo will approve a change of organization or reorganization which will result in the conversion of prime agricultural land in open space use to other uses only if the Commission finds that the proposal will lead to the planned, orderly and efficient development of an area. For purposes of this standard, a proposal leads to the planned, orderly and efficient development of an area only if all of the following criteria are met:
 - a. The land subject to the change of organization or reorganization is contiguous to either lands developed with an urban use or lands which have received all discretionary approvals for urban development.
 - b. The proposed development of the subject lands is consistent with the Spheres of Influence Plan, including the Master Services Element of the affected agency or agencies.
 - c. Development of all or a substantial portion of the subject land is likely to occur within five years. In the case of very large developments, annexation should be phased wherever feasible. If the Commission finds phasing infeasible for specific reasons, it may approve annexation if all or a substantial portion of the subject land is likely to develop within a reasonable period of time.
 - d. Insufficient vacant non-prime lands exist within the applicable Spheres of Influence that are planned, accessible and developable for the same general type of use.
 - e. The proposal will have no significant adverse effect on the physical and economic integrity of other agricultural lands. In making this determination, LAFCo will consider the following factors:
 - (1) The agricultural significance of the subject and adjacent areas relative to other agricultural lands in the region.
 - (2) The use of the subject and the adjacent areas.
 - (3) Whether public facilities related to the proposal would be sized or situated so as to facilitate the

conversion of adjacent or nearby agricultural land, or will be extended through or adjacent to, any other agricultural lands which lie between the project site and existing facilities.

- (4) Whether natural or man-made barriers serve to buffer adjacent or nearby agricultural land from the effects of the proposed development.
 - (5) Applicable provisions of the General Plan open space and land use elements, applicable growth-management policies, or other statutory provisions designed to protect agriculture.
2. LAFCo will not make the affirmative findings that the proposed development of the subject lands is consistent with the Spheres of Influence in the absence of an approved Spheres of Influence Plan. LAFCo will not make the affirmative findings that insufficient vacant non-prime land exists within the Spheres of Influence Plan unless the applicable jurisdiction has:
- a. Identified within its Spheres of Influence all "prime agricultural land" as defined herein.
 - b. Enacted measures to preserve prime agricultural land identified within its Spheres of Influence for agricultural use.
 - c. Adopted as part of its General Plan specific measures to facilitate and encourage in-fill development as an alternative to the development of agricultural lands.
3. The LAFCo will comment upon, whenever feasible, Notices of Preparation for Environmental Impact Reports or projects which involve the development of large tracts of open space and agricultural land and that are not scheduled for urbanization within a five-year period. Potential adverse impacts related to the loss of open space or agricultural land also will be commented upon by LAFCo.

F. APPLICATION OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT TO CHANGES OF ORGANIZATION OR REORGANIZATION AND SPHERES OF INFLUENCE.

The following standards will apply to LAFCo's compliance with the California Environmental Quality Act ("CEQA") in reviewing requests for changes of organization or reorganization and spheres of influence. Appendix H provides more detailed information on LAFCo's specific procedures for the preparation and processing of environmental documents.

1. In general, LAFCo will function as a Lead Agency in situations where:

- a. LAFCo is the first agency in time to act;
- b. the primary decision relates to a change of organization or reorganization or sphere of influence;
- c. the applicant agency is unable to act as the Lead Agency; or
- d. there are no underlying land use approvals involved.

Typically, LAFCo will act as Lead Agency in reviewing Spheres of Influence Plans, city incorporations or city annexations where no pre-zoning has been undertaken by the city prior to LAFCo approval.

LAFCo will act as a Responsible Agency in all other situations. Typically, LAFCo is a Responsible Agency in reviewing an application for annexation to a city where pre-zoning has occurred.

- 2. The Executive Officer shall have the authority to prepare or cause to be prepared the appropriate environmental documentation. LAFCo will not act upon any proposal for a change of organization or reorganization until environmental documentation has been completed which adequately addresses the requirements of CEQA. The Executive Officer of LAFCo shall serve as LAFCo's Environmental Coordinator and shall make an environmental determination per the requirements of CEQA.
- 3. LAFCo shall use its authority to comment on the Notice of Preparation and the EIR to ensure that an EIR prepared by another agency on a project which LAFCo will review complies with standard number 4 listed below. If the Lead Agency fails to notify LAFCo through the Notice of Preparation or provide substantially equivalent notification, LAFCo may assume the lead agency role (CEQA Guidelines sections 15052, 15096). Applicants for projects which will require LAFCo approval are encouraged to consult with LAFCo early in the application process and independently notify LAFCo of the initiation of environmental review.
- 4. In preparing an Initial Study for a project subject to LAFCo review, LAFCo will generally consider the project to have the potential to significantly affect the environment if one or more of the following situations exists:
 - a. Any of the circumstances referred to in Appendix G of the state CEQA Guidelines exist.
 - b. If buildout of the project may result in the capacity of any public service or facility being exceeded or substantially affected. For purposes of this

provision, public facilities or services include, but are not limited to: sewage disposal, water service, flood control facilities, drainage facilities, law enforcement, fire protection, school, parks, libraries, gas and electric service and solid waste disposal. A public service or facility shall be considered "substantially affected" if the additional demand generated by the project would result in the facility or service exceeding 110 percent of its design capacity, or 120 percent of the available capacity.

- c. If the project would physically divide an existing community or other area having identifiable social and economic homogeneity.
- d. If the project is inconsistent with the applicable Spheres of Influence and no amendment is applied for.
- e. If the project has substantial growth-inducing potential because it would result in:
 - (1) extending a major roadway into an undeveloped area;
 - (2) extending a sewer trunk line to a substantial area not currently served;
 - (3) extending water service to a substantial area not currently served;
 - (4) providing electric service to a substantial area not currently served;
 - (5) providing or requiring flood control or other public facility which will protect the public safety so as to permit new development in an area substantially larger than the proposed project;
 - (6) providing any other public service or facility to a substantial area which could not grow without such service; and
 - (7) encouraging or fostering growth in a substantial area.
- f. If the project, in conjunction with other past, present and reasonably foreseeable future projects would result in significant cumulative environmental impacts.
- g. If the project would result in substantial noncontiguous urban development.
- h. If the project would conflict with the open space goals and policies of a community.

5. An EIR completed on a project subject to LAFCo review shall contain a discussion of the following topics:
 - a. County-wide or cumulative impacts which concern LAFCo.
 - b. Where the EIR identifies significant effects, a description of the range of reasonable alternatives to the project, or to the location of the project, which could feasibly attain the basic objectives of the project. The range of alternatives to be considered shall include, at a minimum, the "no-action" alternative, alternative boundary locations, and a discussion of using other agencies to provide the facility or service proposed to be provided as a result of the proposed change of organization or reorganization.

G. EFFICIENT SERVICES AND ORDERLY DEVELOPMENT

The LAFCo has determined that community needs for efficient services and orderly development are generally met most effectively by proposals which:

1. Correct a threat to the public health and safety;
2. Consolidate the activities of public agencies in order to obtain economies from the provision of consolidated services;
3. Consolidate services and service providers if such consolidations enhance the efficiency and quality of service (see I.5.a. below); and
4. Restructure agency boundaries and service areas to provide more logical, effective, and efficient local government services.

H. NEED FOR SERVICES

The LAFCo will determine that a need for service exists if either of the following situations is present:

1. The growth rate and density pattern indicate that the subject area will be developed for urban use within five years; or
2. The subject territory has been pre-zoned, is designated for urban uses in the appropriate land use authority's General Plan and development at the site is not inconsistent with the policies of the General Plan;

I. STANDARDS FOR ANNEXATION TO AND THE DETACHMENT FROM ALL AGENCIES

These standards govern LAFCo determinations regarding annexations and detachments to and from all agencies.

1. An application to LAFCo for an annexation or detachment requires the submittal of an application form, supporting documentation, and fees, as set forth in Chapter II of LAFCo's policies, standards and procedures. In addition, the application shall be accompanied by a response to the applicable standards set forth in this section. On or after January 1, 1992, no application for an annexation proposed by an agency shall be accepted as complete by LAFCo in the absence of a Spheres of Influence Master Services Element for that agency approved by LAFCo as provided in the LAFCo standards.
2. The annexation or detachment must be consistent with the General Policies and General Standards in Chapters III and IV.
3. The annexation or detachment must be consistent with the Spheres of Influence boundary. The land subject to annexation shall lie within the existing Spheres of Influence boundary of the annexing city or district.
4. The annexation must be consistent with the applicable Master Service Elements. An annexation or detachment shall be approved only if the services element of the Spheres of Influence Plan of the affected agency or agencies demonstrates that adequate services will be provided within the time frame needed by the inhabitants of the annexed or detached area. Proposed annexations for land areas that lie outside of the current and next five-year increments of projected service delivery in the services element are presumed not to comply with this standard unless the applicant clearly establishes that special and unique circumstances exist which ensure the provision of quality services during the applicable time frame for the affected area consistent with the other standards.
5. The annexation must provide the lowest cost and highest quality of urban services for the affected population. LAFCo will approve an annexation or detachment only if the Commission determines that the annexing agency possesses the capability to provide the most efficient delivery of applicable urban services for the affected population.
 - a. For purposes of this standard, the most efficient services are those which are provided at the most optimum combination of service cost and service level. In the case of providers with similar service costs, the provider with higher service levels shall be deemed

more efficient. In the case of providers of similar service levels, the provider at the lowest cost shall be deemed more efficient. In comparing the providers of adequate but low-cost services, with high-quality, high-cost services, the Commission shall retain discretion to determine the optimum efficiency based on compliance with the other provisions of the standards.

- b. For purposes of this standard, "affected population" means (1) the population which inhabits or will inhabit the area to be annexed; (2) the population currently served by a service provider operating in the area proposed to be annexed; (3) inhabitants of potential alternative service providers; and (4) in the case of a detachment, the inhabitants of both the area detached and those remaining in the area currently served by the service providers.
- c. In evaluating the capability of an annexing agency or of alternative agencies, to provide the required service, LAFCo shall utilize the service elements of the proposed annexing entity, current service providers, and potential alternative service providers. In addition, LAFCo shall take into account the following factors:
 - (1) Physical accessibility of the territory to the agency's service provision resources; for example, is the agency the provider of sewer services which is located closest to the subject territory?;
 - (2) The agency's possession of or ability to acquire resources necessary to provide the needed service; for example, an agency may be judged unable to acquire water rights necessary to provide the water services needed by a territory proposed for annexation;
 - (3) The agency's historic service provision effectiveness and efficiency; for example, an agency may be judged an inefficient service provider if it has a previously documented history of service disruptions, accidents, safety hazards, excessive complaints, non-compliance with CEQA, illegal activities or excess costs/charges; and
 - (4) The appropriateness of the agency's organizational structure to meeting service needs.
- d. LAFCo shall determine the most efficient overall service provider or combination of providers.

- 6. Applications to annex unincorporated islands will be approved by the LAFCo Commission. Annexations to annex

lands mostly surrounded or within a Spheres of Influence which otherwise correct illogical distortion of boundaries, will be approved unless they would violate another provision of these standards.

7. Annexation of cities shall reflect logical allocations of existing roads and rights-of-way.
8. Annexation boundaries shall be adjusted to maximize the amount of developed urban land inside a city's Spheres of Influence Plan which is annexed to the city.
9. An annexation or attachment shall not be approved merely to facilitate the delivery of one or a few services to the detriment of the delivery of a larger number of services or services more basic to public health and welfare.
10. The LAFCo will not approve city annexation requests for territory that is not pre-zoned.
11. The LAFCo Commission shall take one of the following three actions on an application for annexation or detachment:
 - a. Approve the application if it has found the change to result in the most efficient delivery of services for the affected population and complies with other applicable standards;
 - b. Approve the application on the condition that the applicant agree to actions necessary to maximize the efficiency of urban services. These may include, but are not limited to:
 - (1) Waiver of detachment from an existing service provider or, in the alternative, appropriate detachment fees;
 - (2) Entering into a Joint Powers Agreement with another service provider.
 - c. Deny the annexation on the grounds that a more efficient combination of services for the affected population may be provided by either existing or a combination of new and existing service providers.

In the event of such a denial, LAFCo may present to the applicant, the conducting agency, and affected service providers, a statement of the reasons for denial, and recommendations for actions necessary to ensure the most efficient form of urban services delivery to the affected population.

J. DETERMINATION OF COSTS

1. Service cost identification and measurement for purposes of determining revenue impacts and for purposes of assessing financial feasibility should be based on the actual cost of service provided. If actual costs cannot reasonably be identified and measured, costs should be allocated based upon the measure which most accurately reflects the level of service received. Specific service examples are identified in Appendix E. The LAFCo will rely upon current service providers to estimate service costs, so long as costs are estimated in compliance with these standards.
2. When calculating property tax revenues to be transferred in the case of an incorporation or the formation of a district, the LAFCo must identify the proportion of County Property Tax Revenue to County General Purpose Revenue, as well as the portion of the cost of services which is funded through general purpose revenue, as described in Appendix I.
3. The information provided by the State Board of Equalization will determine the amount of sales tax revenue and state subventions generated within the subject territory as part of the determination of financial impact.
4. The LAFCo will consider factors to minimize financial impacts by any of the following means:
 - a. Waiver of detachment from an existing service provider, or alternatively, a fund exchange agreement in compensation for the potential adverse impact caused by such detachment;
 - b. Agreement between the applicant and an agency to annex the subject territory to a different service provider;
 - c. A Joint Powers Agreement with another service provider;
 - d. Modification of the proposal (e.g., changed boundaries) which eliminates the harmful impact, or reduces the harmful impact to an acceptable level; or
 - e. Tax sharing, lump-sum payments, payments over a fixed period of time.

CHAPTER V

SPECIFIC STANDARDS BY TYPE OF ACTION

V. SPECIFIC STANDARDS BY TYPE OF ACTION

The Sacramento Local Agency Formation Commission has adopted specific standards for its actions to ensure that it renders fair and consistent decisions in accordance with State law. The LAFCo will use these specific standards, as well as the applicable policies and general standards, during its decision-making process. The LAFCo may make exceptions to these specific standards if it determines that such exceptions: are necessary due to unique circumstances; are necessary due to conflicts between general and specific standards; result in improved quality or lower cost of service available; or there exists no feasible or logical alternative.

A. ANNEXATIONS TO CITIES

1. LAFCo will utilize Spheres of Influence through application of the following standards:
 - a. The LAFCo will approve an application for annexation only if the proposal conforms to and lies wholly within the approved Spheres of Influence boundary for the affected agency;
 - b. The LAFCo generally will not allow Spheres of Influence to be amended concurrently with annexation proposals;
 - c. The LAFCo will favorably consider proposals that are a part of an orderly, phased annexation program by an agency for territory within its Sphere of Influence;
 - d. An annexation must be consistent with a city's Master Service Element of its Sphere of Influence Plan; and
 - e. The LAFCo encourages the annexation to each city of all islands of unincorporated territory and all substantially surrounded unincorporated areas located within the city's Sphere of Influence.
2. The LAFCo will not approve proposals in which boundaries are not contiguous with the existing boundaries of the city to which the territory will be annexed, unless the area meets all of the following requirements:
 - a. Does not exceed 300 acres;
 - b. Is owned by a city;
 - c. Is used for municipal purposes; and
 - d. Is located within the same county as the city.

3. The LAFCo will favorably consider proposals to annex streets where adjacent municipal lands will generate additional traffic and where there are isolated sections of county road that will result from an annexation proposal. Cities shall annex a roadway portion when 50 percent of the property on either or both sides of the street is within the city.
4. The LAFCo will favorably consider annexations with boundary lines located so that all streets and right-of-way will be placed within the same city as the properties which either abut thereon or for the benefit of which such streets and right-of-way are intended.
5. An annexation may not result in islands of incorporated or unincorporated territory or otherwise cause or further the distortion of existing boundaries unless findings are made that annexation as proposed is necessary for orderly growth, and cannot be annexed to another city or incorporated as a new city. Annexations of territory must be contiguous to the annexing city or district. Territory is not contiguous if its only connection is a strip of land more than 300 feet long and less than 200 feet wide.
6. The LAFCo opposes extension of services by a city without annexation, unless such extension is by contract with another governmental entity or a private utility.

B. ANNEXATIONS TO DISTRICTS

1. The LAFCo will favorably consider proposals for districts to annex all developed urban land inside their Sphere of Influence and will ordinarily approve such proposals unless the residents and owners of the property being annexed demonstrate that such areas should not be annexed.
2. Updated service plans, as defined in the Master Service Element section of these policies, standards and procedures must be available before LAFCo will approve a proposal initiated by the district.
3. The LAFCo opposes extension of services by a district without annexation, unless such extension is by contract with another governmental entity or a private utility.

C. DETACHMENTS FROM CITIES AND DISTRICTS

1. The LAFCo shall not approve the detachment of territory from a high-quality service provider unless the following can be demonstrated:

- a. The detachment is necessary to ensure delivery of services essential to the public health and safety;
 - b. The successor provider supplies services of equal or higher quality; and
 - c. The detachment does not significantly reduce the efficiency of service delivery to the remaining inhabitants of the current service provider's territory from which the detachment will occur.
2. The service plans of special districts which lie within a city's Sphere of Influence should provide for orderly detachment of territory from the district or merger of the district as district territory is annexed to the city.
 3. The LAFCo will consider detachments in areas which require organized public service if another service provider is capable and willing to provide the service(s).
 4. The LAFCo will not approve a detachment from a city or special district which conflicts with the adopted Master Service Element of the Sphere of Influence Plan of the agency from which detachment is sought.
 5. Detachment from a city or special district shall not relieve the landowners within the detaching territory from existing obligations for bonded indebtedness or other indebtedness under similar security instrument incurred previously by the city or district to provide service to the detaching applicant unless the following apply:
 - a. The relief from indebtedness is part of a revenue exchange agreement applying to the detachment; or
 - b. The service benefits previously received by the applicant can be readily assumed by another landowner within the district who is willing to assume the financial responsibility in exchange for the added services.

D. INCORPORATIONS AND DISINCORPORATIONS

1. LAFCo will approve an incorporation or disincorporation only if it finds that the proposal complies with the general policies and standards applicable to all changes of organization or reorganization.

2. LAFCo will approve a proposal for incorporation only if the Commission finds that the applicant has demonstrated a significant unmet need for services or need for improved services within the territory for which incorporation is proposed. In determining whether an unmet need for services or improved services exists, the Commission will base its determination on:
 - a. Current levels of service in the area to be incorporated;
 - b. Existing and projected growth rate and density patterns in the area to be annexed; and
 - c. The Sphere of Influence Plans for the jurisdictions currently providing services to the area.
3. The LAFCo Commission shall approve a proposal for incorporation only if it finds that incorporation will result in an entity with the capability to provide the most efficient forms of urban services to the affected population.
4. The LAFCo will not approve a proposal for an incorporation unless the incorporation proponents can demonstrate that the proposed city will be able to fund municipal services and remain financially solvent.
5. The LAFCo requires that an applicant for incorporation prepare a financial feasibility study as specified in Appendix E and Appendix I. The applicant shall provide the required information and evaluation that will be reviewed by the LAFCo staff for accuracy and content.
6. An applicant for an incorporation may request a review of the financial feasibility studies pursuant to the provision of state law.
 - a. Time and Form of Request. A request for review of the Comprehensive Fiscal Analysis, pursuant to Government Code Section 56833.3, must be made, in writing, no later than thirty (30) calendar days from the notice of release of the Comprehensive Fiscal Analysis by the Executive Officer by publication pursuant to Section 56153 of the Government Code. The request must specify in writing the element or elements of the Comprehensive Fiscal Analysis which the State Controller is requested to review and the reasons the Controller is requested to review them.

- b. Deposit Required. The person requesting such review shall be responsible for any and all costs incurred in such review. They shall deposit with the Executive Officer, at the time the request is filed, in the form of a cashier's check, the amount estimated, by the Executive Officer, to be necessary to cover the cost of the State Controller's review. This estimate of costs shall include, but not be limited to, the estimated charge by the State Controller, LAFCo staff costs, and costs for any LAFCo consultants required to assist the Controller in his review. No request shall be valid unless accompanied by the deposit specified in this rule. Should the Controller's review support the reason(s) for the challenge, LAFCo shall be liable for all costs incurred by the Commission in connection with the incorporation other than the Controller's charge.

The deposit shall be deposited in the County Treasury and all costs shall be paid from it. Within thirty (30) days of issuance of the State Controller's report, the Executive Officer shall refund any amount remaining after all costs have been paid. In the event that the amount is in excess of the deposit, the interested filing party shall be liable for the balance.

7. The proposed incorporation must not have significant adverse social and economic impacts upon any particular communities or groups in the incorporating area or affected unincorporated area.
8. Incorporation proposals which split special districts will not be approved unless the resulting service providers can be shown to be the most logical, efficient and cost-effective organizational structure for service delivery, without severe financial impacts on the special district.
9. The LAFCo will require, as part of the incorporation application, a draft Sphere of Influence Plan for a proposed city.
10. The LAFCo will require a Master Services Element of the Sphere of Influence Plan as part of the application requirement for an incorporation proposal.
11. The LAFCo will not approve an incorporation unless
 - a. applicable general plans, specific plans or area plans based on realistic population and growth

projections demonstrate the need for urbanization of the affected area, and

- b. the areas proposed for incorporation should be urbanized or should be planned for urbanization within the next five years.

Subparagraphs (a) and (b) do not apply if LAFCo determines the proposal is structured to ensure the long-term preservation of open space or agricultural lands.

12. Current law requires the transfer to a newly incorporating city of all situs sales tax revenue from the city's territory, as well as property tax revenue based upon statutory formula. Consequently, in most incorporations, the net revenue effect will substantially favor the new city at the County's expense. LAFCo will deny a proposal which does not contain agreement(s) that compensates for this lack of revenue neutrality.
13. Prime agricultural land which is not designated for urbanization within the next five years of the date of the receipt of the application shall not be included in any incorporation approval unless the LAFCo determines that the proposal is structured to ensure the long-term preservation of open space or agricultural lands.
14. LAFCo will approve a proposal for disincorporation of a city only if it determines that the applicant for disincorporation has demonstrated that the services offered are unnecessary or that the services can be provided more efficiently by another agency or provider. A plan for alternative service provision must be provided. If alternative service providers exist, they must agree to provide the services.
15. If a city becomes insolvent or is unable to provide services, then the LAFCo will consider the approval of an application for disincorporation. If services are required, the LAFCo will consider the provision of services by another provider.
16. If a city becomes insolvent or is unable to provide services, then the LAFCo will consider consolidation with a solvent and capable service provider.

E. DISTRICT FORMATIONS AND DISSOLUTIONS

1. The LAFCo will encourage special district formations in areas that demonstrate a need for unmet or improved

level of services due to the inadequate level or quality of services currently being provided.

2. The LAFCo will require that all applicants for the formation of a special district prepare a Master Services Element of the Sphere of Influence Plan.
3. The LAFCo will require that all applicants for the formation of a special district develop a definite Sphere of Influence map, plan and boundaries.
4. The LAFCo will not approve any district formation application that is not consistent with the General and Specific Plans of all affected land use authorities.
5. The LAFCo will not approve district formations when the Master Services Element developed by applicants for district formations conflict with the Master Services Element of other agencies unless high quality, more efficient service provision will occur.
6. When considering applicants for district formation, the LAFCo will ensure that no special interest group is given the status of being a governmental agency.
7. The LAFCo will not approve an application for district formation unless the applicant can demonstrate it can fund the services it intends to provide.
8. If a district becomes insolvent or is unable to provide services, then the LAFCo may approve consolidation with a solvent and capable district.

F. CITY CONSOLIDATION, DISTRICT CONSOLIDATIONS, AND MERGER OF A DISTRICT INTO A CITY

1. For the purposes of the LAFCo's policies and standards, a consolidation of cities or districts will be treated as an incorporation or a district formation. Generally, the merger of a district into a city will be treated as if it were the formation of a dependent district. Standards for incorporation and district formation are, therefore, applicable to consolidations, mergers, and reorganizations that include consolidations and mergers.
2. Based upon submitted Master Services Elements and any other data provided, the LAFCo will determine whether the cities' or districts' organizations and operations can feasibly be combined. The LAFCo will give particular attention to the following:

- a. Employment contracts, policies and human resource issues;
- b. Specified plans for combination of top managers' roles and responsibilities and for staffing key positions; and
- c. Plans and safeguards to ensure uniform and consistent service quality throughout the newly consolidated or merged jurisdiction.

G. REORGANIZATION

The LAFCo will evaluate each component organizational change which makes up a reorganization proposal independently. In so doing, the LAFCo will follow the standards presented below.

1. LAFCo will strive to ensure that each separate territory included in the proposal, as well as affected neighboring residents, tenants, and landowners, receive services of an acceptable quality from the most efficient and effective service provider after the reorganization is complete.
2. The service quality, efficiency, and effectiveness available prior to reorganization shall constitute a benchmark for determining significant adverse effects upon an interested party. The LAFCo will approve a proposal for reorganization which results in significant adverse effects only if effective mitigating measures are included in the proposal.

H. SPHERE OF INFLUENCE PLANS

A Sphere of Influence Plan is a plan for the probable, ultimate physical boundaries and service area of a local agency. This section of the LAFCo Policies and Standards sets forth the required contents of a Sphere of Influence Plan, the procedures for submittal and approval of Sphere of Influence Plans and amendments thereto, and the use of Sphere of Influence Plans in LAFCo determinations.

1. The Sphere of Influence Plan for all governmental agencies within the LAFCo jurisdiction shall contain the following:
 - a. A map defining the probable ultimate boundary of its service area;
 - b. A statement of the present and planned land uses in the area, including agricultural and open space lands;

- c. The present and probable need for public facilities and services in the area;
 - d. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide;
 - e. The existence of any relevant social or economic communities of interest in the area; and
 - f. With respect to all cities, sewer districts, water districts, community service districts, drainage districts, and multi-purpose districts within the jurisdiction of Sacramento LAFCo, a Master Services Element as defined in paragraph H.2. below. Other agencies may prepare a Master Services Element.
2. A Master Services Element shall contain the following:
- a. A projection of the geographic extent of service capabilities during the next 20 years denominated in 5-year increments. In the case of cities, a shorter time frame may be appropriate if the applicable general plan has a shorter planning period.
 - b. Projected level of service capabilities in the same time frames and geographical areas.
 - c. Actual and projected costs of services to consumers. This shall include a statement of actual and projected allocation of the cost of services between existing and new residents.
 - d. The services element shall contain sufficient information concerning current and projected capital programs, revenues, costs, rate structures and financing, and other information necessary to support the projected service capabilities and areas set forth in the Element.
3. LAFCo may, at its discretion, designate a geographic area beyond the Sphere of Influence as an Area of Concern to the local agency. An Area of Concern is a geographic area beyond the Sphere of Influence in which land use decisions or other governmental actions of the County impact directly or indirectly upon the local agency. For example, a development project outside the limits or Sphere of Influence of a local agency may result in that local agency providing services or adjusting its planning assumptions.

4. LAFCo will adopt, amend, or revise Sphere of Influence Plans after a public hearing and pursuant to the procedures set forth in section 56427 and 56428 of the Cortese-Knox Act. Sphere of Influence Plans shall be revised as necessary, but in all cases at least every five years.
5. On or before January 1, 1992, all cities, sewer districts, water districts, community service districts and multi-purpose districts shall have a Master Services Element approved by LAFCo. Copies of the proposed Element shall be submitted to the County, to adjacent jurisdictions, and adjacent service providers.
6. LAFCo shall accept and adopt a Master Services Element or other Sphere of Influence Plan revisions if the Sphere of Influence Plan as amended contains all of the components required by these standards; that the projections of areas and levels of service contained therein are accurate, adequate and complete; and the Sphere of Influence Plan complies with CEQA. If LAFCo rejects a proposed Sphere of Influence amendment or proposed Master Services Element, the Commission shall state the reasons therefor, direct staff to provide assistance on requests to correct deficiencies, and upon re-submittal promptly reconsider the amendment or element.
7. LAFCo shall approve a proposal for a change of organization or reorganization only if the proposal is consistent with the Sphere of Influence Plan.
8. LAFCo shall specifically utilize the Master Services Element in evaluating:
 - a. Proposals to annex territories to cities where urban services are or may be provided by urban services special districts;
 - b. Applications to annex or detach territories to or from a special services district;
 - c. Applications for boundary changes between or among special districts, or the formation of new special districts to service areas in territory currently served by another service provider;
 - d. Applications for consolidation of districts; and
 - e. Other changes or organization or reorganization where appropriate.

9. Sphere of Influence Plans shall be internally consistent.
10. In the case of a Sphere of Influence Plan which contains a Master Services Element, if the evidence demonstrates that an agency is unable to provide an adequate level of service within a portion of its ultimate service area boundaries, the Sphere of Influence Plan shall be amended pursuant to the procedures for periodic review such that the ultimate service boundaries are consistent with the Master Services Element. If the Master Services Element projections demonstrate an adequate level of service beyond the ultimate service boundary, the Sphere of Influence Plan may be amended accordingly.

I. AMENDMENTS TO SPHERES OF INFLUENCE

1. The LAFCo will generally treat a proposed amendment to an agency's Sphere of Influence similarly to an application for approval of a Sphere of Influence. The LAFCo's policies will be applied to applications for amendment to a Sphere of Influence as if it were an annexation planned for the mid- to long-range future. For that reason, each of the following sets of policies will apply to applications for amendments to Spheres of Influence:
 - a. General policies;
 - b. Specific policies and standards for annexations to cities and special districts; and
 - c. Specific policies and standards or amendments to Spheres of Influence.
2. The Sphere of Influence Master Services Element must be current before additions to a Sphere of Influence will be approved by LAFCo.
3. The Sphere of Influence amendments shall precede applications for annexations.
4. Amendment proposals must be consistent with an updated Sphere of Influence Master Services Element.
5. An applicant for amendment to a Sphere of Influence must demonstrate a projected need or lack of need for service.
6. Amendment proposals involving Sphere expansion which contain prime agricultural land will not be approved by

the LAFCo if there is sufficient alternative land available for annexation within the existing Sphere of Influence.

7. A phased plan for annexation of Sphere of Influence territory should be included in the Sphere of Influence proposal.
8. No amendments to a Sphere of Influence Plan will be approved unless a Master Services Element of the Sphere of Influence Plan exists that has been prepared by a local agency and adopted by LAFCo if required.
9. The LAFCo will deny proposals that would result in significant unmitigable adverse effects upon other service recipients or other agencies serving the affected area unless the approval is conditioned to avoid such impacts.
10. The LAFCo will approve a proposed amendment to a Sphere of Influence only if the subject agency will be the most logical and prospectively most efficient provider of services to the subject territory.

J. RECONSIDERATION OF LAFCo DECISIONS

1. The LAFCo will accept written requests for reconsideration of a Commission resolution from any person or affected agency within 30 days of the LAFCo's adoption of a resolution making determination and prior to the completion of the Conducting Authority's proceedings, so long as such person or agency exhausts its administrative remedies by fully participating in LAFCo's proceedings, including, but not limited to, commenting in writing on the application during public hearing.
2. The written request for reconsideration should precisely and specifically describe the basis for the request. The only requests for reconsideration that the LAFCo will approve are as follows:
 - a. Compelling new evidence exists, including significant and previously unavailable evidence that might alter the LAFCo's decision;
 - b. There are elements which were previously overlooked, or have changed, such as the repeal of an applicable federal, state or local law that might alter LAFCo's decision; and
 - c. Item(s) of procedure are challenged.

3. If the written request is timely, the Executive Officer will schedule the matter for the next regularly scheduled Commission meeting for which notice can be given, at which time staff will present the request.
4. The Commission will consider the request and approve or deny the request for reconsideration without further notice or hearing, or continue the matter.
5. The Commission's determination upon these matters is final.

K. CITY PROTESTS OF LAND CONSERVATION CONTRACTS (Gov't Code Section 51243.5)

1. The LAFCo may sustain a protest by a city of the county entering into a Williamson Act contract if both the following are true:
 - a. The city's general plan designates the territory proposal to be under contract for urbanization within a reasonable period of time;
 - b. A reasonable quantity of the city's total territory of sufficient quality has been set aside as open space/agricultural land, and is designated as such in the city's general plan and relevant specific plans or community plans.
2. The LAFCo may sustain the protest if one or more of the following is true:
 - a. No active agricultural use of the land is feasible within six or more calendar years of the 10-year term of the contract;
 - b. The territory which is under contract has boundaries which would force imminent urban development to be illogical or make it difficult to serve.
 - c. The land does not meet the definition of prime agricultural land per the Cortese-Knox Act.

CHAPTER VI

GENERAL INSTRUCTIONS FOR APPLICANTS

VI. GENERAL INSTRUCTIONS FOR APPLICANTS

The procedures provide general instructions for all applicants, including a detailed description of required proposal contents. This chapter also contains an easy reference checklist of the components required for a complete application.

A. APPLICANT RESPONSIBILITY SUMMARY

1. Pre-Filing Conference

Prior to filing an application, it is suggested that the applicants schedule a pre-filing conference with the LAFCo staff to determine the level of detail needed in the application, and to help ensure that the proposal will comply with the LAFCo's standards and policies.

2. Actions Required by Applicant

Before an application is accepted, the applicant must:

- a. Complete the LAFCo application form;
- b. File a petition or a legislative resolution which meets the legal criteria described below in the Instructions for Applicants section;
- c. Include a statement of the nature of the proposal;
- d. Provide maps and, where required by the Executive Officer, a metes and bounds legal boundary description;
- e. Submit environmental documents if the LAFCo is not Lead Agency under CEQA, or if the LAFCo is Lead Agency, submit information as required under the LAFCo's environmental guidelines to facilitate the completion of the appropriate environmental review per the requirements of CEQA.
- f. Make specific responses to each applicable LAFCo standard and submit data and information necessary to support those responses. The minimum required data and information is described in the General and Specific Instructions section of this manual;
- g. Provide names and addresses of three contact persons (officers of a local agency applicant, or chief petitioners); and
- h. Pay the applicable processing and petition checking fees.

An application will only be accepted as complete if it contains the data described above, and is presented in the format specified in the General and Specific Instructions. The LAFCO evaluation and hearing process will not begin until all required components of the application have been submitted and all fees, including environmental review costs, have been paid.

B. GENERAL INSTRUCTIONS FOR ALL APPLICANTS

1. Initiation: Petition or Resolution

- a. A proposal can only be initiated through a petition or through legislative resolution. An application initiated through a petition must contain the required number of signatures specified in the Cortese-Knox Act. An application by resolution only may be initiated by the legislative body of any affected local agency.
- b. The petition which is signed, or the resolution which is adopted, must:
 - (1) State that the proposal is made pursuant to Part 3 of the Cortese-Knox Local Government Reorganization Act of 1985, commencing with Section 56650 of the Government Code;
 - (2) Set forth a description of the boundaries of the affected territory accompanied by a map showing the boundaries. When required by the Executive Officer, the boundary description must be a metes and bounds description. A sample description is provided in Appendix B. The map shall be prepared using the format, symbols and features of the sample maps provided in Appendix C.
 - (3) Set forth any proposed terms and conditions.
 - (4) If the application is a petition, state whether the petition is signed by registered voters or owners of land.
 - (5) Designate contact persons, setting forth their names and mailing addresses. In the case of application by petition, these persons will be identified as the Chief Petitioners. In the case of application by resolution, these persons should be officers of the agency which adopted the resolution.

2. A Map and a Description of the Boundaries of the Subject Territory

The LAFCO will verify the legal description provided in the petition or resolution. The legal description and any maps will

be examined for consistency. Any inconsistency shall be corrected by the applicant prior to ~~any hearing on the request.~~

3. Data and Information Required by the LAFCo

In accordance with ~~this~~ section 56652 of the Cortese-Knox Act, the LAFCo requires that the following information be submitted:

- a. Comprehensive Sphere of Influence Plans, including Master Services Elements for the subject agency, if required, and for the subject territory, if these have not already been approved by and filed with the LAFCo.
- b. A feasibility study, which specifies and analyzes any changes to service plans which would result from the proposed change of organization or reorganization. The LAFCo executive may waive this requirement.
- c. Reference to the subject territory's inclusion, if any, in the General and/or any Specific Plans of the subject agency.
- d. Reference to the subject territory's inclusion, if any, in the General and/or any Specific Plans of the County.
- e. If extension of infrastructure or services to currently undeveloped areas will occur, the applicant must provide specific evidence of need for services, such as land use entitlement, building permits, articles of formation of an assessment district, or other indication of impending urbanization.
- f. Terms or conditions of the proposal, including proposed mitigation of any expected adverse effects resulting from the proposal.
- g. If the LAFCo is not the Lead Agency, the applicant must submit any environmental documents prepared by the Lead Agency. If the LAFCo is the Lead Agency the applicant must present:
 - (1) A description of environmental conditions in the project area including topography, agricultural land, classification, vegetation, wildlife, land uses, traffic circulation patterns and major water courses and water bodies; and
 - (2) A description of how environmental conditions might change as a result of the project.
- h. Data or information to support responses to the requirements of the applicable LAFCo adopted standards.

- i. A Fair Political Practices Commission Party Disclosure form will be required. Disclosures should be made for partners or other parties who hold partial interest in the property. The LAFCo Commission Clerk will provide instructions regarding the completion of this form. The form is included in Appendix F.

4. Additional Data and Information Required by the Executive Officer

- a. The Executive Officer may require specific additional data or information of the applicant based upon pre-filing conferences, or based upon his or her review of the application after it is received but before a certificate of filing is issued.
- b. An application may be determined incomplete, and may not be accepted for filing if it lacks the data and information specified by the Executive Officer.
- c. After the application is accepted for filing, the Executive Officer may require additional data and information, and the LAFCo may not complete consideration of the application without data and information requested.

5. Processing and Petition Checking Fees

The LAFCo will not accept an application as complete, and will not begin evaluation of an application until applicable processing and petition checking fees have been deposited with the Executive Officer. The schedule of applicable fees is attached as Appendix D.

C. CHECKLIST FOR APPLICANTS

To help the applicant ensure that their application is complete, and that the LAFCo will have sufficient data and information to make its determination, a summary checklist is provided on the following page.

SACRAMENTO LAFCO APPLICATION CHECKLIST

The following checklist contains a summary of the items that are required of applicants by the LAFCo for the completion of an application. This checklist is provided as a convenient summary for the applicant. Please refer to the appropriate section of LAFCo's Policies, Standards and Procedures Manual regarding the individual policies and standards.

- | <i>Item</i> | <i>Completed</i> |
|---|--------------------------|
| 1. Pre-filing conference with LAFCo staff. | <input type="checkbox"/> |
| 2. A petition or legislative resolution of application initiating the proposal. | <input type="checkbox"/> |
| 3. A complete application form. | <input type="checkbox"/> |
| 4. Required maps as described in Appendix C and a metes and bounds legal description of the boundaries of the subject territory for each proposed change of organization. | <input type="checkbox"/> |
| 5. The following specific data and information: | |
| a. Comprehensive Sphere of Influence Plans, including Master Service Elements for the subject agency (agencies) and for the subject territory, if these have not already been filed with the LAFCo. | <input type="checkbox"/> |
| b. A feasibility study, if appropriate, which specifies and analyzes any changes to service plans which would result from the proposed change of organization. | <input type="checkbox"/> |
| c. Maps which indicate the General, and/or Specific Plans designations of any affected land use authority. The boundary of existing and proposed cities and districts should be shown on the map. | <input type="checkbox"/> |
| d. Maps which show land use zones. | <input type="checkbox"/> |
| e. If extension of infrastructure or services to currently unused areas will occur, specific evidence of need for services, such as land use entitlement, building permits, articles of formation of any assessment district, or other indication of impending urbanization. (Copies of staff reports from land use approvals facilitate application processing.) | <input type="checkbox"/> |

SACRAMENTO LAFCO APPLICATION CHECKLIST

(Continued)

- | <i>Item</i> | <i>Completed</i> |
|--|--------------------------|
| f. Terms or conditions of the proposal, including proposed mitigation of any expected adverse impacts resulting from the proposal. | <input type="checkbox"/> |
| g. If the LAFCo is not Lead Agency under the California Environmental Quality Act (CEQA), the applicant must submit draft environmental documents prepared by the Lead Agency. If the LAFCo is Lead Agency, the applicant must provide a description of current environmental conditions in the project area, and a description of how those conditions might change as a result of the project. | <input type="checkbox"/> |
| h. A specific response to any other applicable LAFCo policy or standard as it applies to the proposal. | <input type="checkbox"/> |
| i. A Fair Political Practices Commission Party Disclosure form. | <input type="checkbox"/> |
| j. A map which outlines all parcels located within 500 feet of the project site. The map should include parcel numbers. A mailing label should be provided for each parcel. | <input type="checkbox"/> |
| k. Parcel page with the project site cross-referenced. | <input type="checkbox"/> |
| l. If the site is located in the unincorporated area, a copy of the comprehensive land use zone (grid map) with the site cross-referenced. | <input type="checkbox"/> |
| m. The State Board of Equalization fee. | <input type="checkbox"/> |
| 6. Any additional data and information, as may be required by the executive officer, pertaining to any of the matters or factors which may be considered by the commission. | <input type="checkbox"/> |
| 7. The applicable established processing fees and petition checking fees. | <input type="checkbox"/> |
| 8. The required deposit toward environment processing fees, if so required. | <input type="checkbox"/> |

APPENDIX I

FINANCIAL INFORMATION REQUIRED TO BE SUBMITTED
WITH INCORPORATION OF PROPOSAL APPLICATIONS

Appendix I

FINANCIAL INFORMATION TO BE SUBMITTED WITH INCORPORATION PROPOSAL APPLICATIONS

This appendix provides the formats for the financial analysis required by LAFCo for an incorporation proposal. Specifically, this appendix provides instructions and forms relating to the financial feasibility and impact of incorporation proposals for the incorporating city, the county, and special districts. The following sections provide the instruction for completing the nine exhibits contained in this appendix.

A. INSTRUCTIONS FOR COMPLETING EXHIBIT I - SUMMARY OF THE FINANCIAL FEASIBILITY OF THE INCORPORATING CITY

1. **Total Annual Revenues** - the total annual revenues for the base year, transition year, first full year and second full year are computed in Exhibit III. The information from the bottom line in Exhibit III should be transferred to the same line and column under total annual revenues in Exhibit I.
2. **Total Annual Operations and Maintenance Costs** - the total annual operating and maintenance costs for the base year, transition year, first full year and second full year are computed in Exhibit II. The information from the bottom line in Exhibit II should be transferred to the same line and column under total annual operating and maintenance costs in Exhibit I.
3. **Difference** - the difference in the total annual revenues and the total annual operating and maintenance cost for each of the years shown in Exhibit I is calculated by subtracting the total annual operating and maintenance cost in each year from the respective year's total annual revenues. The difference for each year, which may be a positive or negative amount, is entered on the bottom line of Exhibit I.

B. INSTRUCTION FOR COMPLETING EXHIBIT II - SUMMARY OF THE TOTAL ANNUAL OPERATING AND MAINTENANCE COSTS OF THE INCORPORATING CITY

1. The base year amount for each function of services is the amount that was spent on that function of services in the most recently available annual audited financial statements of the County or other appropriate government agency providing the services.
2. Where audited financial statements are not available to indicate a base year cost of services, supporting computations for an estimation of the base year cost should be provided.

EXHIBIT I

SUMMARY OF THE FINANCIAL FEASIBILITY OF THE
INCORPORATING CITY

	<u>Base Year</u>	<u>Transition Year</u>	<u>1st Full Year</u>	<u>2nd Full Year</u>
Total Annual Revenues	\$ _____	\$ _____	\$ _____	\$ _____
Total Annual Operating and Maintenance Costs	(_____)	(_____)	(_____)	(_____)
Difference	\$ _____	\$ _____	\$ _____	\$ _____

EXHIBIT II

**SUMMARY OF THE TOTAL ANNUAL OPERATING AND
MAINTENANCE COSTS OF THE INCORPORATING CITY**

<u>Function</u>	<u>Base Year</u>	<u>Transition Year</u>	<u>1st Full Year</u>	<u>2nd Full Year</u>
Legislative and General Government	\$ _____	\$ _____	\$ _____	\$ _____
Financial and Administrative Services	_____	_____	_____	_____
Planning and Land Use Regulation	_____	_____	_____	_____
Engineering and Building Inspection Services	_____	_____	_____	_____
Facilities Maintenance	_____	_____	_____	_____
Public Safety	_____	_____	_____	_____
Recreation and Leisure Services	_____	_____	_____	_____
Other Miscellaneous Services*	_____	_____	_____	_____
Total Annual Operating and Maintenance Costs	\$ _____	\$ _____	\$ _____	\$ _____

* Note: Other Miscellaneous Services may include, but not be limited to, cemeteries, drainage, fire protection, libraries, sewers, solid waste disposal, and street lighting services.

3. A separate supporting cost computation sheet should be provided to show how the base year costs for each function of services was calculated. Specifically, the individual functions include, but are not limited to, the following:
 - (a) **Legislative and General Government** - includes the costs of a city manager, assistant city manager, city council, and other supporting staff and related;
 - (b) **Financial and Administrative Services** - includes the cost of the fiscal officer, the personnel officer, business services, administrative services and other supporting staff and related costs;
 - (c) **Planning and Land Use Regulation** - includes the cost of planning staff and permitting staff and related costs;
 - (d) **Engineering and Buildings Inspection Services** - includes the cost of engineering and construction services, including road construction, and building inspection services and related costs;
 - (e) **Facilities Maintenance** - includes the costs for personnel, equipment and supplies to maintain and upkeep existing facilities in the proposed new city;
 - (f) **Public Safety** - includes the costs for law enforcement services and animal control services and related costs;
 - (g) **Recreation and Leisure Services** - includes the costs of providing parks, recreation and other community leisure services; and
 - (h) **Other Miscellaneous Services** - includes but is not limited to, cemeteries, drainage, fire protection, libraries, sewers, solid waste disposal, and street lighting services.
4. The total operating and maintenance costs for the base year is calculated by adding the sum of the cost of each function of services.
5. The transition year cost for each function of services is computed by multiplying the portion of the year (i.e., the number of months that service will be provided at a cost to the newly incorporating city divided by 12 months) times the base year cost for each service function. It is important to note that in some cases services will be provided to the newly incorporated city by an existing agency during a portion of the transition year at no or reduced costs to the newly incorporated city.
6. The first full year of costs for each function of services is computed by multiplying the base year amount for each function of services times an escalator amount to reflect the anticipated growth in the cost of services. The escalator amount is based on the average annual growth in the cost of providing the same or related services in the

base year and the two prior fiscal years, as provided in the County of other appropriate agency's annual audited financial statements.

7. The second full year of cost for each function of services is computed by multiplying the first full year amount for each function of services times the escalator amount. The escalator amount is based on the average annual growth in the cost of providing the same or related services in the base year and the two prior fiscal years.

C. INSTRUCTIONS FOR COMPLETING EXHIBIT III - SUMMARY OF THE ESTIMATED TOTAL ANNUAL REVENUES FOR THE INCORPORATING CITY

1. The base year amount for each revenue category is the amount of revenue that the newly incorporating city is anticipated to receive based on the most recently available annual audited financial statements of the County or other appropriate government agency providing the service.
2. The base year amount of sales tax will be requested to be provided by the State Board of Equalization by LAFCo. If this differs from the base year amount estimated by the proponents of a proposed application for incorporation, the LAFCo will adjust the anticipated amount of base year sales tax.
3. The total annual revenues for the base year is calculated by adding the sum of the cost of each revenue category in the base year.
4. The transition year amount of revenue for each revenue category is computed by multiplying the portion of the year (i.e., the number of months that revenue will be received by the newly incorporating city divided by 12 months) times the base year revenue for each revenue category. It is important to note that although some revenues are received by the newly incorporating city in arrears, such revenues accrue to the newly incorporating city and should be counted in the year that the revenues were earned.
5. The first full year of revenue for each revenue category is computed by multiplying the base year amount for each revenue category times an escalator amount to reflect the anticipated growth in revenues. The escalator amount is based on the average annual growth in revenues in each revenue category in the base year and the prior two fiscal years, as reflected in the County or other appropriate agency's annual audited financial statements.
6. The second full year of revenue for each revenue category is computed by multiplying the first full year amount of revenue for each revenue category, times the escalator amount. The escalator amount is based on the average annual growth in revenues in each revenue category in the base year and the prior two fiscal years, as reflected in the County or other appropriate agency's annual audited financial statements.

EXHIBIT III

SUMMARY OF THE ESTIMATED TOTAL ANNUAL REVENUES FOR THE INCORPORATING CITY

<u>Revenue Category</u>	<u>Base Year</u>	<u>Transition Year</u>	<u>1st Full Year</u>	<u>2nd Full Year</u>
Property Tax	\$ _____	\$ _____	\$ _____	\$ _____
Sales and Use Tax	_____	_____	_____	_____
Transit Occupancy Tax	_____	_____	_____	_____
Franchise Fees	_____	_____	_____	_____
Property Transfer Tax	_____	_____	_____	_____
Homeowner's Property Tax Relief	_____	_____	_____	_____
Business Licenses	_____	_____	_____	_____
Fines and Penalties	_____	_____	_____	_____
Motor Vehicle In-Lieu Fees	_____	_____	_____	_____
Trailer Coach In-Lieu Fees	_____	_____	_____	_____
Off-Highway Vehicle Fees	_____	_____	_____	_____
Cigarette Tax	_____	_____	_____	_____
Service Charges and Fees	_____	_____	_____	_____
Interest Income	_____	_____	_____	_____
Other Revenues	_____	_____	_____	_____
Total Annual Revenues	\$ _____	\$ _____	\$ _____	\$ _____

D. INSTRUCTIONS FOR COMPLETING EXHIBIT IV - SUMMARY OF THE FINANCIAL IMPACT OF THE INCORPORATION ON SACRAMENTO COUNTY

1. **Total Annual Reductions in County Revenues** - the total annual reductions in County revenues for the base year, transition year, first year, and second year full year are computed in Exhibit VI. The information from the bottom line in Exhibit VI, Section F should be transferred to the same line and column under total annual reductions in County revenues in Exhibit IV.
2. **Total Annual Reductions in County Costs** - the total annual reductions in County costs for the base year, transition year, first full year, and second full year are computed in Exhibit V. The respective information for the total annual reductions in County costs in each respective year in Exhibit V should be transferred to the appropriate line and column under total annual reductions in County costs in Exhibit IV.
3. **Difference** - the difference in the total annual reductions in County revenues and the total annual reductions in County costs for each of the years shown in Exhibit IV is calculated by subtracting the total annual reductions in County costs in each year from the respective year's total annual reductions in County revenues. The difference for each year, which generally will be a negative amount, is entered on the bottom line of Exhibit IV.

E. INSTRUCTIONS FOR COMPLETING EXHIBIT V - SUMMARY OF THE TOTAL ANNUAL REDUCTIONS IN COUNTY COSTS

1. The base year amount for each service to be transferred from the County is the amount that was spent on that service in the most recently available annual audited financial statements of the county.
2. The transition year cost for each service to be transferred from the County is computed by multiplying the portion of the year (i.e., the number of months that the cost of services will be paid for by the County divided by 12 months) times the base year cost for each service to be transferred from the County. It is important to note that in some cases the County is still required to pay for the costs of certain services even though the revenues generated for such services are received by the newly incorporated city.
3. The first full year of the cost of each service to be transferred from the County is computed by multiplying the base year amount for each service times an escalator amount to reflect the anticipated growth in the cost of services. The escalator amount is based on the average annual growth in the cost of providing each service in the base year and the two prior fiscal years, as provided in the County's annual audited financial statements.

EXHIBIT IV

SUMMARY OF THE FINANCIAL IMPACT OF THE
INCORPORATION ON SACRAMENTO COUNTY

	<u>Base Year</u>	<u>Transition Year</u>	<u>1st Full Year</u>	<u>2nd Full Year</u>
Total Annual Reductions in County Revenues	\$ _____	\$ _____	\$ _____	\$ _____
Total Annual Reductions in County Costs	(_____)	(_____)	(_____)	(_____)
Difference	\$ _____	\$ _____	\$ _____	\$ _____

EXHIBIT V

**SUMMARY OF THE TOTAL ANNUAL REDUCTIONS IN
COUNTY COSTS**

Service to be Transferred from the County	Base Year	Transition Year	1st Full Year	2nd Full Year
Law Enforcement/ Police Protection	\$ _____	\$ _____	\$ _____	\$ _____
Planning and Land Use Control	_____	_____	_____	_____
Engineering and Building Inspection	_____	_____	_____	_____
Street Maintenance and Construction	_____	_____	_____	_____
Animal Control	_____	_____	_____	_____
Cemeteries	_____	_____	_____	_____
Drainage	_____	_____	_____	_____
Fire Protection	_____	_____	_____	_____
Libraries	_____	_____	_____	_____
Parks and Recreation	_____	_____	_____	_____
Sewers	_____	_____	_____	_____
Solid Waste Disposal	_____	_____	_____	_____
Street Lighting	_____	_____	_____	_____
Other	_____	_____	_____	_____
Total Cost of Services Transferred	\$ _____	\$ _____	\$ _____	\$ _____

4. The second full year of the cost of each service to be transferred from the County is computed by multiplying the first full year amount for each service times the escalator amount. The escalator amount is based on the average annual growth in the cost of providing the service in the base year and the two prior fiscal years.

F. INSTRUCTIONS FOR COMPLETING EXHIBIT VI - SUMMARY OF THE TOTAL ANNUAL REDUCTIONS IN COUNTY REVENUES

Section A - Computation of Sacramento County's General Purpose Revenues

1. The base year amount for each revenue item is the amount that the County spent on each revenue item in the most recently available annual audited financial statements of the County. Section A lists which funds Sacramento County currently uses to identify funding sources for each revenue item.
2. The total general purpose revenue is calculated by adding the sum of the amounts for each revenue item in the base year.

Section B - Computation of the Property Tax Transfer Ratio

1. The property tax revenue for the County in the base year, as indicated on the County's most recently available annual audited financial statements, is entered on the appropriate line Section B.
2. The general purpose revenue, as computed in Section A, is also entered on the appropriate line in Section B.
3. The ratio of property tax to general purpose revenue is computed by dividing the amount of property tax revenue by the amount of general purpose revenue. The resulting ratio of property tax to general purpose revenue is expressed as a percent.

Section C - Computation of the Service Costs to be Transferred

1. The base year cost of services to be transferred from the County is the same information that was computed in Exhibit V. Thus, the information from Exhibit V should be transferred to Section C of Exhibit VI.

Section D - Computation of the County's Property Tax Transfer

1. The ratio of property tax revenue to general purpose revenue, as computed in Section B of Exhibit VI, is entered on the appropriate line in Section D.
2. The cost of service costs to be transferred, as computed in Section C of Exhibit VI, is entered on the appropriate line in Section D.

EXHIBIT VI

SUMMARY OF THE TOTAL ANNUAL REDUCTIONS IN
COUNTY REVENUES

A. Computation of Sacramento County's General Purpose Revenues

<u>Revenue Item</u>	<u>Base Year Amount</u>
Secured Property Tax (Funds 1 & 13)	\$ _____
Unsecured Property Tax (Funds 1 & 13)	_____
Sales and Use Tax (Fund 13)	_____
Franchises (Fund 13)	_____
Transient Occupancy Tax (Fund 1)	_____
Property Transfer Tax (Fund 1)	_____
Taxes--Aircraft (Fund 1)	_____
Taxes--Livestock (Fund 1)	_____
Taxes--Tax Sales (Funds 1 & 13)	_____
Vehicle Code Fine (Fund 1)	_____
Other Court Fines (Fund 1)	_____
Forfeitures and Penalties (Fund 1)	_____
Interest Income (Funds 1 & 13)	_____
Building Rental--Other (Fund 1)	_____
Ground Leases--Other (Fund 1)	_____
Recreational Concessions (Fund 1)	_____
Other Vending Devices (Fund 1)	_____
Cigarette Tax (Fund 1)	_____
Homeowner's Property Tax Relief (Funds 1 & 13)	_____
Motor Vehicle In-Lieu (Fund 1)	_____
Trailer Coach In-Lieu (Fund 1)	_____
Williamson Act Tax Relief (Fund 1)	_____
Sale of Personal Property (Fund 1)	_____
County Wide Cost Plan (Fund 1)	_____
Revenue--Other (Funds 1 & 13)	_____
Prior Year Revenues (Funds 1 & 13)	_____
Sales--Other (Fund 13)	_____
 Total General Purpose Revenue	 \$ _____

EXHIBIT VIcontinued

**SUMMARY OF THE TOTAL ANNUAL REDUCTIONS IN
COUNTY REVENUES**

B. Computation of the Property Tax Transfer Ratio (Base Year)

Property Tax Revenue	General Purpose Revenue (as computed in A)	Ratio of Property Tax to General Purpose Revenue
\$ _____	+ \$ _____	= _____ %

C. Computation of the Service Costs to be Transferred

<u>Service to be Transferred from the County</u>	<u>Base Year Cost of Service</u>
Law Enforcement/Police Protection	\$ _____
Planning and Land Use Control	_____
Engineering and Building Inspection	_____
Street Maintenance and Construction	_____
Animal Control	_____
Cemeteries	_____
Drainage	_____
Fire Protection	_____
Libraries	_____
Parks and Recreation	_____
Sewers	_____
Solid Waste Disposal	_____
Street Lighting	_____
Other	_____
Total Cost of Services Transferred	\$ _____

**SUMMARY OF THE TOTAL ANNUAL REDUCTIONS IN
COUNTY REVENUES**

D. Computation of the County's Property Tax Transfer (Base Year)

Ratio of Property Tax Revenue to General Purpose Revenue (as computed in B)		Cost of the Service Costs to be Transferred (as computed in C)		Amount of County Property Tax Transfer*
\$ _____	X	_____	%	= \$ _____

* Note: Per AB 672 the full implementation of the property tax transfer will be phased in over a three-year period.

E. Computation of Sales and Use Tax Revenue Reduction to County

Base Year Sales and Use Tax Amount = \$ _____

Transition Year

Base Year Amount		Portion of the Year		Transition Year Amount
\$ _____	X	_____	%	= \$ _____

First Full Year

First Full Year Amount		Escalator		First Full Year Amount
\$ _____	X	_____	%	= \$ _____

Second Full Year

Second Full Year Amount		Escalator		Second Full Year Amount
\$ _____	X	_____	%	= \$ _____

EXHIBIT VIcontinued

SUMMARY OF THE TOTAL ANNUAL REDUCTIONS IN COUNTY REVENUES

F. Computation of the Total Annual Reduction in County Revenues*

	Base Year	Transition Year	1st Full Year	2nd Full Year
Property Tax Transfer	\$ _____	\$ _____	\$ _____	\$ _____
Sales and Use Tax Reduction	+ _____	+ _____	+ _____	+ _____
Miscellaneous Revenues	+ _____	+ _____	+ _____	+ _____
Total Annual Reduction in County Revenues	\$ _____	\$ _____	\$ _____	\$ _____

* Note: For purposes of analysis, do not include appropriation for AB 672 implementation over a three-year period.

3. The amount of County property tax transfer in the base year is calculated by multiplying the ratio of property tax revenue to general purpose revenue times the cost of service costs to be transferred.
4. As the note in Section D indicates, AB 672 mandated that the full implementation of the property tax transfer will be phased in over a three-year period. For purposes of this analysis, no adjustment for this phase-in will be made in this exhibit. However, it is understood that the full amount of property tax transfer will take three years to be realized.

Section E - Computation of Sales and Use Tax Revenue Reduction to County

1. The base year sales and use tax amount is the estimated amount of sales and use tax that will be transferred to the newly incorporated city. The estimate will be based upon some percentage of the sales and use tax earned by the newly incorporating city according to the most recently available annual financial audit statements of the County and other relevant information.
2. The LAFCo staff will verify the estimated amount of sales tax to be transferred to the newly incorporating city by contacting the State Board of Equalization. The LAFCo staff will adjust the estimate in the proposal for incorporation to be consistent with the sales tax information provided by the State Board of Equalization.
3. The transition year amount of sales and use tax to be transferred from the County to the newly incorporated city is computed by multiplying the portion of the year (i.e., the number of months that the newly incorporated city will be in existence divided by 12 months) times the base year sales and use tax amount. It is important to note that the sales and use tax is transferred to the newly incorporated city beginning with the effective date of the incorporation, even though the County may be responsible for paying for certain services during the entire transition year.
4. The first full year of the sales and use tax to be transferred from the county is computed by multiplying the base year amount of sales and use tax times an escalator factor to reflect the anticipated growth in the amount of sales and use tax. The escalator amount is based on the average annual growth in sales and use tax in the county during the base year and the two prior fiscal years, as provided in the county's annual audited financial statements.
5. The second full year of the sales and use tax to be transferred from the County is computed by multiplying the first full year amount of sales and use tax times an escalator factor. The escalator factor is based on the average annual growth in sales and use tax in the county during the base year and the two prior fiscal years.

Section F - Computation of the Total Annual Reduction in County Revenues

1. The property tax transfer amounts are completed as follows:
 - (a) The base year amount of property tax transfer, as computed in Exhibit VI, Section D, is entered on the appropriate line.
 - (b) The transition year property tax amount is computed by multiplying the portion of the year (i.e., the number of months that the newly incorporated city will be in operation divided by 12 months) times the base year property tax amount.
 - (c) The first full year property tax amount is computed by multiplying the base year amount times an escalator factor to reflect the anticipated growth in property tax revenues in the base year and the two prior years.
 - (d) The second full year property tax amount is computed by multiplying the first full year property tax amount times the same escalator factor use to compute the first full year property tax amount.
2. The sales and use tax reduction amounts computed in Section E of Exhibit VI are entered onto the appropriate lines in Section F.
3. Any miscellaneous revenues reductions associated with a particular incorporation proposal should be computed on a separate supporting sheet and entered on the appropriate lines in Section F. These miscellaneous revenues should use similar methods to compute transition year, first full year, and second full year amounts.
4. The total annual reduction in county revenues is computed by adding the sum of the revenue amounts for each of the years, respectively.

G. INSTRUCTIONS FOR COMPLETING EXHIBIT VII - SUMMARY OF THE FINANCIAL IMPACT OF THE INCORPORATION OF A SPECIAL DISTRICT

1. **Total Annual Reductions in Revenues** - the total annual reductions in special district revenues for the base year, transition year, first full year, and second full year are computed in Exhibit IX. The information should be transferred to the appropriate line in Exhibit VII.
2. **Total Annual Reductions in Costs** - the total annual reductions in special district costs for the base year, first full year, and second full year are computed in Exhibit VIII. The respective information for the total annual reductions in costs in each year in Exhibit VIII should be transferred to the appropriate line in Exhibit VII.

EXHIBIT VII

SUMMARY OF THE FINANCIAL IMPACT OF THE
INCORPORATION ON A SPECIAL DISTRICT

	<u>Base Year</u>	<u>Transition Year</u>	<u>1st Full Year</u>	<u>2nd Full Year</u>
Total Annual Reductions in Revenues	\$ _____	\$ _____	\$ _____	\$ _____
Total Annual Reductions in Costs	(_____)	(_____)	(_____)	(_____)
Difference	\$ _____	\$ _____	\$ _____	\$ _____

3. **Difference** - the difference in the total annual reductions in revenues and the total annual reductions in costs for each of the years shown in Exhibit VII is calculated by subtracting the total annual reductions in costs from the total annual reductions in revenues. The difference may be a positive or negative number.

H. INSTRUCTIONS FOR COMPLETING EXHIBIT VIII - SUMMARY OF THE TOTAL ANNUAL REDUCTION IN A SPECIAL DISTRICT'S COSTS

1. The base year amount for each service to be transferred from a special district is the amount that was spent on that service in the most recently available annual audited financial statements of the district.
2. The transition year cost for each service to be transferred from the special district is computed by multiplying the portion of the year (i.e., the number of months that the cost of services will be paid for by the District divided by 12 months) times the base year cost for each service to be transferred from the District.
3. The first full year of the cost of each service to be transferred from the District is computed by multiplying the base year amount for each service times an escalator amount for each service to reflect the anticipated growth in the cost of services. The escalator amount is based on the average annual growth in the cost of providing each service in the base year and the two prior fiscal years, as provided in the District's annual audited financial statements.
4. The second full year of the cost of each service to be transferred from the District is computed by multiplying the first full year amount for each service times the escalator amount. The escalator amount is based on the average annual growth in the cost of providing the service in the base year and the two prior fiscal years.

I. INSTRUCTIONS FOR COMPLETING EXHIBIT IX - COMPUTATION OF THE TOTAL ANNUAL REDUCTION IN SPECIAL DISTRICT REVENUES

1. The property tax transfer amounts are completed as follows:
 - (a) The base year amount of property tax transferred is that portion of a special district's property tax revenue that will be transferred to the newly incorporated city. This amount should be estimated using the district's most recent annual audited financial statements.
 - (b) The transition year property tax amount is computed by multiplying the portion of the year (i.e., the number of months that the newly incorporated city will be in operation divided by 12 months) times the base year property tax amount.

EXHIBIT VIII

**SUMMARY OF THE TOTAL ANNUAL REDUCTIONS IN A
SPECIAL DISTRICT'S COSTS**

<u>Service to be Transferred</u>	<u>Base Year Special District Cost of Service</u>	<u>Transition Year</u>	<u>1st Full Year</u>	<u>2nd Full Year</u>
Law Enforcement/ Police Protection	\$ _____	\$ _____	\$ _____	\$ _____
Planning and Land Use Control	_____	_____	_____	_____
Engineering and Building Inspection	_____	_____	_____	_____
Street Maintenance and Construction	_____	_____	_____	_____
Animal Control	_____	_____	_____	_____
Cemeteries	_____	_____	_____	_____
Drainage	_____	_____	_____	_____
Fire Protection	_____	_____	_____	_____
Libraries	_____	_____	_____	_____
Parks and Recreation	_____	_____	_____	_____
Sewers	_____	_____	_____	_____
Solid Waste Disposal	_____	_____	_____	_____
Street Lighting	_____	_____	_____	_____
Other	_____	_____	_____	_____
Total Cost of Services Transferred	\$ _____	\$ _____	\$ _____	\$ _____

EXHIBIT IX

COMPUTATION OF THE TOTAL ANNUAL REDUCTION IN
SPECIAL DISTRICT REVENUES

	<u>Base Year</u>	<u>Transition Year</u>	<u>1st Full Year</u>	<u>2nd Full Year</u>
Property Tax Transfer	\$ _____	\$ _____	\$ _____	\$ _____
	+	+	+	+
User Fees/Service Charges	_____	_____	_____	_____
	+	+	+	+
Other Revenues	_____	_____	_____	_____
Total Annual Reduction in Revenues	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

* Note: For purposes of analysis, do not include appropriation for AB 672 implementation over a three-year period.

- (c) The first full year property tax amount is computed by multiplying the base year amount times an escalator factor to reflect the anticipated growth in property tax revenues in the base year and the two prior years.
 - (d) The second full year property tax amount is computed by multiplying the first full year property tax amount times the same escalator factor use to compute the first full year property tax amount.
2. The user/fees/ service charges amounts are computed as follows:
- (a) The base year amount of user fees/service charges is that portion of a special district's user fees/service charges that will be transferred to the newly incorporated city. This amount should be estimated using the district's most recent annual audited financial statements.
 - (b) The transition year user fees/service charges amount is computed by multiplying the portion of the year (i.e., the number of months that the newly incorporated city will be in operation divided by 12 months) times the base year user fees/service charges.
 - (c) The first full year user fees/service charges amount is computed by multiplying the base year amount times an escalator factor to reflect the anticipated growth in user fees/service charges. The escalator amount is based on the average annual growth in user fees/service charges in the base year and the two prior years.
 - (d) The second full year user fees/service charges amount is computed by multiplying the first full year user fee/service charges times the same escalator factor used to compute the first full year user fees/service charges.
3. Any other revenues reductions associated with a particular incorporation proposal should be computed on a separate supporting sheet and entered on the appropriate lines in Exhibit IX. These other revenues should use similar methods to computer transition year, first full year, and second full year amounts.
4. The total annual reduction in revenues is computed by adding the sum of the revenue amounts for each of the years, respectively.



Sacramento
LAFCo

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite 100 • Sacramento, CA 95814-2836 • Tel (916) 874-6458 • Fax (916) 874-2939

November 5, 2003

TO: Proponents of Any Change of Organization/Reorganization
In the County of Sacramento

FROM: Peter Brundage, Executive Officer
Sacramento Local Agency Formation Commission

RE: Sacramento LAFCo Application Form

Procedures pertaining to the processing and approval of applications by the Sacramento Local Agency Formation Commission are set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 [Government Code Section 56000 et seq] and the California Environmental Quality Act.

Prior to the completion and submittal of an application, I recommend that the project proponent participate in a pre-application conference. Participation will ensure that the applicant clearly understands the application requirements, possesses a basic understanding of the LAFCo process, and encounters a minimum of obstacles to processing which may occur if the application package is incomplete or contains errors.

During the pre-application conference, staff will review the requirements with the proponent and will inform the applicant of the need to provide additional information within 30 days of receipt of the filing.

For standards regarding the review of proposals before the Sacramento Local Agency Formation Commission, see Policies, Standards and Procedures for LAFCo, adopted September 1990, Amended May, 1993.

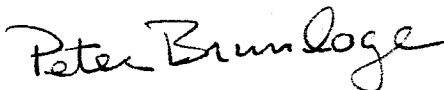
Attached are the application requirements for the most common types of proposals filed with the Sacramento Local Agency Formation Commission. [Annexation, detachment, reorganization, and consolidation proposals with special districts and cities in Sacramento County.] The attached is not a complete package of all the various types of forms, samples of petitions, and requirements necessary for all proposals that may come before LAFCo. The requirements have become more complicated since the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 made LAFCo not only the hearing body but the conducting authority body also.

Incorporation proposals are unique and complex and require a special set of explanations and instructions and also require that the proponents meet with the Executive Officer in order to clarify requirements prior to circulating petitions proposing incorporation.

If you have questions, you may call the Commission Clerk, Marilyn Flemmer, at 874-6458, or me at 874-5935.

Very truly yours,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION



Peter Brundage
Executive Officer

Maf
(Applicant Package Cover Letter)

APPLICATION REQUIREMENTS
FOR SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

1. A completed Application form which states the action to be taken in the proposal.
2. A metes and bounds legal description of the proposal territory.
3. One 8 ½ x 11 map which shows the overall proposal territory in relation to surrounding territory.
4. Cross-hatched, 8 ½ x 11 Assessor's Parcel Maps. If the proposal territory is exceptionally large, the size of the proposal territory should be discussed with staff. Reduced County of Sacramento Zoning maps are a possible alternative, however, the best solution is often to create one set of GIS Maps, required by the State Board of Equalization (requirements attached). The matter of maps may depend upon whether or not the change of organization must be filed with the State Board of Equalization. A pre-application conference with staff is the best way to make this determination.
5. Project maps (i.e., tentative subdivision project maps) are not required but helpful if the proponent wishes to submit them. Fourteen copies for Commission and staff.
6. One large display map is required for the Commission hearing. The map must show the proposal area clearly marked. A Sacramento County General Plan Land Use Map or a copy of a City General Plan Land Use Map may be used.
7. Environmental Documentation for the proposal project, if not submitted with the proposal, will be created by LAFCo's consultant and the client will be billed.
8. A sheet of labels (which can be reproduced) of all property owners within the territory proposed for a change of organization, and for a 500' radius around the proposal territory, is required, for up to 999 property owners.

9. A Master Services Element which defines how services will be provided to the proposal territory by the proponent is required. The complexity of this requirement is determined by the elements of the proposal as well as the size of the project. See Policies, Standards and Procedures for LAFCo and discuss the matter with the Executive Officer.
10. City Annexations require an AB-8 Property Tax Exchange.
11. Sphere of Influence Request or Sphere of Influence Amendment:
A Sphere of Influence is not a legal document, filed in the office of the Recorder, Assessor or State Board of Equalization. Therefore, a metes and bounds legal description and Assessor's Parcel maps are not required for such a request. However, a generalized legal description and an 8 ½ x 11 map which clearly indicates the area proposed for the Sphere, or Sphere Amendment, in addition to a display map, must accompany the application. If the Sphere of Influence request includes concurrent annexation (or reorganization) that is exactly the same territory as the Sphere request, the maps and legal description which meet the requirements for annexation are used (with no need for different maps and legal that designate Sphere of Influence). The pre-application conference with staff will assist the client with these issues.
12. Fees: The Sacramento Local Agency Formation Commission has a new fee schedule--actual cost. A copy of the Adopted Fee Schedule is enclosed in this packet. The client will be sent an Invoice for LAFCo Fees at the conclusion of the LAFCo process. The client may be sent an Invoice for environmental documentation fees prior to Commission hearing. The client is responsible for State Board of Equalization filing fees. They are collected by the Commission Clerk after the LAFCo conducting authority hearing and just prior to filing with the State Board of Equalization.
13. Application for Incorporation: An application for incorporation has many special requirements. It is imperative that proponents meet with staff prior to circulating petitions so that the lengthy and complicated process can be outlined and discussed between the client(s) and the Executive Officer.
14. The Sacramento Local Agency Formation Commission requires an Indemnification Agreement. Sample attached.

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

1112 I Street, Suite #100, Sacramento, CA 95814

(916) 874-6458

www.saclafo.org

APPLICATION FORM

The application submitted is for a _____
(annexation, detachment, reorganization, or other change of organization).

Name of Project:

Address or Location of Project:

SUBJECT PROPERTY

Assessor Parcel Numbers (APN):

Parcel Size:

CHIEF PETITIONERS¹ or LEGAL OWNER(s)

(1) Name: _____

Address: _____

City: _____ Zip: _____

Phone: _____ e-mail _____

¹ Maximum of three.

(2) Name: _____

Address: _____

City: _____ Zip: _____

Phone: _____ e-mail _____

(3) Name: _____

Address: _____

City: _____ Zip: _____

Phone: _____ e-mail _____

APPLICANT REPRESENTATIVE/ AGENT

Name: _____

Address: _____

City: _____ Zip: _____

Phone: _____ e-mail _____

Authority to File Application: (Check one; attach authorization.)

- Ownership Power of Attorney Contract to Purchase
- Petition Resolution

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and agree to pay any fees and expenses required to prepare necessary environmental documentation and planning studies and fees to process this application. In addition, I hereby petition the Sacramento Local Agency Formation Commission (LAFCo) for approval of a proposed change of organization or reorganization.

The undersigned hereby petition(s) the Sacramento Local Agency Formation Commission for approval of a proposed change of organization or reorganization, and stipulate(s) as follows:

1. This proposal is made pursuant to Part 3, Division 3, Title 5, California Government Code, commencing with Section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
2. The specific (change(s) of organization proposed (i.e., annexation, detachment, reorganization, consolidation, formation, dissolution, incorporation, disincorporation, extension of latent powers, Sphere of Influence Amendment, reconsideration). Please list each separately.

3. The boundaries of the territory(ies) included in the proposal are as described in Exhibits A (metes and bounds legal description) and B (map) attached hereto and by this reference incorporated herein.

4. The territory(ies) included in the proposed change of organization:

_____ is/are inhabited (12 or more registered voters).

_____ is/are uninhabited.

5. This proposal _____ is / _____ is not consistent with the Sphere of Influence of the affected city/ and or districts.

6. Justification for each application. Please attach separately a justification for each request that comprises the proposed change of organization or reorganization.

7. The persons signing this petition have signed as _____ Registered Voters/

_____ Owners of Land.

8. If the formation of a new district(s) is included in the proposal, please state:

The principal act(s) under which said district(s) is/are proposed to be formed is:

9. The proposed name of the new district(s) is/are:

The boundaries of the proposed new district(s) area as described in the exhibits attached and made a part hereof.

10. If the proposal is an incorporation, the name of the proposed new city is:

Wherefore, petitioner(s) or owner(s) request(s) that proceedings be taken in accordance with the provisions of Section 56000 et seq., of the Government Code and herewith affix signature(s) as follows:

Landowner/ Chief Petitioner:

1. _____

2. _____

3. _____

APPLICANT'S REPRESENTATIVE/ AGENT

Date: _____

NOTE: Applications will not be accepted without signature of legal owners or official agents with Power of Attorney or Chief Petitioners, or without acceptable legal description and map. An incomplete application cannot be processed. Adopted LAFCo policies and procedures require that specific material be submitted in conjunction with the application. The required items are indicated on the attached instructions.

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite 100
Sacramento, California 95814
(916) 874-6458

Government Code Section 84308

PARTY DISCLOSURE FORM

This form must be completed by applicants for, or persons who are the subject of, any proceeding involving a license, permit, or other entitlement of use pending before the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**.

Important Notice

Basic Provisions of Section 84308

- I. You are prohibited from making a campaign contribution of \$250 or more to any Commissioner/board member, his or her alternate, or any candidate for such position. This prohibition begins on the date your application is filed or the proceeding is initiated, and the prohibition ends three months after a final decision is rendered by the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**. In addition, no Commissioner/ board member, alternative, or candidate may solicit or accept a campaign contribution of \$250 or more from you during this period.

These prohibitions also apply to your agents, and, if you are a closely held corporation, to your majority shareholders as well.

- II. You must file the attached disclosure form and disclose whether you or your agent(s) have in the aggregate contributed \$250 or more to any Commissioner/ board member, his or her alternate, or any candidate for the position, during the 12 month period preceding the filing of the application or the initiation of the proceeding.
- III. If you or your agent have made a contribution to any Commissioner/ board member, alternate, or candidate during the 12 months preceding the decision on the application or proceeding, that board member must disqualify himself or herself from the decision. However, disqualification is not required if the board member, alternate or candidate returns the campaign contribution within 30 days of learning about both the contribution and the proceedings.

This form should be completed and filed with your application, or with the first written document you file or submit after the proceeding commences.

1. A proceeding involving "a license, permit, or other entitlement for use" includes all business, professional, trade and land use licenses and permits, and other entitlements for uses, including all entitlements for land use; all contracts (other than competitively bid, labor or personal employment contracts) and all franchises.

2. Your "agent" is someone who represents you in connection with a proceeding involving a license, permit or other entitlement for use. If an individual acting as an agent is acting in his or her capacity as an employee or member of a law, architectural, engineering, consulting firm, or similar business entity, both the business entity and the individual are "agents."

3. To determine whether a campaign contribution of \$250 or more has been made to you, campaign contributions made by you within the preceding 12 months must be aggregated with those made by your agent within the preceding 12 months or the period of the agency, whichever is shorter. Campaign contributions made to different commissioners, their alternates, or candidates are not aggregated.

This notice summarizes the major requirements of Government Code Section 84308 of the Political Reform Act and 2 Cal. Adm. Code Sections 18438.1 - 18438.8. For more information, contact Legal Counsel for the Sacramento Local Agency Formation Commission:

MS. NANCY MILLER
MILLER, OWEN & TROST
428 J Street, # 400
Sacramento, California 95814
(916) 447-7933

or

The Fair Political Practices Commission
428 J Street, #800
Sacramento, California 95814
(916) 322-5901

Reference: Legal Division
Fair Political Practices Commission
August, 1985

Maf
(Party Disclosure Form p. 2)

Party Disclosure Form
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Party's Name:

Party's Address:

Phone:

Application or Proceeding
Title and Number:

Board or Commission Member to whom you and/or your agent made campaign
contributions in aggregation of \$250 or more and dates of contributions:

Name of Member:

Name of Contributor (if other than Party):

Date(s):

Amount:

Name of Member:

Name of Contributor (if other than Party):

Date(s):

Amount:

Date:

Signature of Party and/or Agent

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street #100
Sacramento, California 95814
(916) 8974-6458

FEE SCHEDULE
November 5, 2003

- | | | |
|----|--|-------------|
| 1. | Annexation/
Detachment | Actual Cost |
| 2. | Reorganization
Deposit \$1,000 | Actual Cost |
| 3. | Consolidation
Deposit \$1,000 | Actual Cost |
| 4. | Formation
Deposit \$1,000 | Actual Cost |
| 5. | Dissolution
Deposit \$1,000 | Actual Cost |
| 6. | Reconsideration
Deposit \$500 | Actual Cost |
| 7. | Application for Latent Powers
Deposit \$500 | Actual Cost |
| 8. | Special Studies
Deposit \$1,000 | Actual Cost |
| 9. | Petition Check : Registrar of Voter Invoice
Set up fee: \$700 for petitions with 500 signatures + \$1.50 per signature | |

10. **Incorporation**
 Deposit \$25,000
1. Petition Check
 [Direct Invoice from Registrar of Voters]
 2. Environmental Documentation
 [Must be Paid Prior to Public Hearing]
 3. All Charges for Staff Time, Commission Counsel Time, Comprehensive Fiscal Analysis, and any other Charges [special studies, maps, fees] will be billed to the new city upon the effective date of the incorporation.¹

Upon determination by the Registrar of Voters that the petition is sufficient, the proponents' \$25,000 deposit will be used to begin the environmental work. LAFCo will select an environmental consultant and negotiate payment terms. The proponents will be required to reimburse LAFCo in accordance with the negotiated payment schedule. If required payments are not made by the proponent, LAFCo will direct the environmental consultant to cease work until payments are brought current; LAFCo will cease work on the fiscal analysis, and any other required studies or staff time, until payments for the environmental documentation are brought current. The Commission retains the right to waive this requirement.

LAFCo funds the Comprehensive Fiscal Analysis, legal costs, staff time and special studies, and upon a successful election, bills the new city for all costs upon the effective date of the new city.

- | | | |
|-----|--|-------------|
| 11. | Disincorporation
Deposit \$2,000 | Actual Cost |
| 12. | Sphere of Influence Amendment
[Non-mandatory]
Deposit \$1,000 | Actual Cost |
| 13. | Environmental Review
Invoiced from DERA,
Collected by Commission Clerk
Forwarded to DERA. | Actual Cost |
| 14. | Fish and Game Filing Fees ² | |

¹ Fee schedule for incorporation adopted as policy on November 5, 2003.

- | | | |
|-----|---|---------------|
| 15. | State Clearing House Filing Fees
Notice of Determination
Collected from Client at Time of Filing | \$875.00 |
| 16. | State Board of Equalization Filing Fees
Collected from Client at Time of Filing
Forwarded by Commission Clerk | Per Schedule |
| 17. | Additional Fees:
Copies | .10 /per page |

**Actual Cost: Time and overhead and materials;
special studies and legal review.**

Applicants shall also indemnify LAFCo.

(Fee Schedule).

² Resolution No. LAFC 1070, adopted January 1, 1991, and a part of the Application package, defines California Fish and Game Code fees as applicable for projects not determined to be exempt or de minimums [\$1,275 for Negative Declaration and \$875 for Environmental Impact Report.]

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
EMPLOYEE**

RATE SCHEDULE

Direct Costs

Executive Officer	\$60.00 per hour
Senior Staff	\$53.00 per hour
Associate	\$45.00 per hour
Commission Clerk	\$40.00 per hour

<u>Indirect Costs</u> per Employee (Excludes legal counsel, contingencies and special consultants.)	\$20.00 per hour per FTE
---	-----------------------------

Other Costs

Consultants	Actual Cost of Service Provided
LAFCo legal review	

MILLER, OWEN AND TROST

Exhibit A

RATE SCHEDULE

Client: Sacramento Local Agency Formation Commission

Matter: General

Hourly rates for legal personnel:

Nancy C. Miller	\$180.00
William L. Owen	\$180.00
Kirk E. Trost	\$180.00
Philip L. Isenberg	\$180.00
Paul J. Chrisman	\$170.00
Christiane E. Layton	\$170.00
David P. Eggerton	\$135.00
Matina R. Kolokotronis	\$165.00
Paralegals	\$ 65.00

12/1/03

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite #100
Sacramento, California 95814
(916) 874-6458

FEES FOR ENVIRONMENTAL DOCUMENTATION

The Sacramento Local Agency Formation Commission will conduct environmental review for each proposal before its consideration.

The work is done by a consultant on a full cost (special studies, time and materials) recovery basis.

The applicant is responsible for full cost recovery.

Maf
12/12/02
(Environmental Fees)

STATE BOARD OF EQUALIZATION

CHANGE OF JURISDICTIONAL BOUNDARY

REQUIREMENTS FOR STATEMENTS, GEOGRAPHIC DESCRIPTIONS, MAPS AND FEES

SECTIONS 54900 THROUGH 54903, GOVERNMENT CODE

AUGUST 1, 2005

GENERAL REQUIREMENTS

The Tax-Rate Area System is administered by the State Board of Equalization (Board) and used by counties for the proper allocation of property tax revenues between counties, cities, and special tax districts. The requirements and fees described herein apply to all statements filed pursuant to sections 54900 through 54903 of the Government Code.¹ This document is provided as a guideline for the proper submission of geographic descriptions, maps and fees. Copies of this document, the *Statement of Boundary Change* (Form BOE-400-TA), sample map, sample geographic description, and other information are available on the Board's website at www.boe.ca.gov and can be accessed by selecting Property Taxes, Tax Area Services Section.

In regard to a jurisdictional boundary change filing, please note the following:

1. The final date to file with the Board for a change of jurisdictional boundary for all special revenue districts is **on or before December 1** of the year immediately preceding the year in which the assessments or taxes are to be levied (GC § 54902).
2. **All fees shall accompany the filing.** Make checks payable to the "Board of Equalization." Please reference: Tax Area Services Section, MIC: 59.
3. Mail the completed filing to:

US Postal Delivery

State Board of Equalization
Tax Area Services Section
P.O. Box 942879
Sacramento, CA 94279-0059

FedEx or UPS Delivery

State Board of Equalization
Tax Area Services Section
450 N Street, MIC: 59
Sacramento, CA 95814

Inquiries concerning these requirements should be directed to the Tax Area Services Section at 916-322-7185, or by fax at 916-327-4251.

¹ All references are to the Government Code unless otherwise specified.

DOCUMENTS REQUIRED TO FILE A CHANGE OF JURISDICTIONAL BOUNDARY

Please submit Items 1 through 9 as a single package:

1. Statement of Boundary Change (Form BOE-400-TA)
2. Certified copy of election results
3. Certificate of Completion (if applicable)
4. Resolution(s)
5. Written geographic description of the project area
6. Maps and supporting documents
7. List of assessor's parcel numbers of the project area
8. Letter of tax-rate area assignment (if applicable)
9. Fees

INCOMPLETE FILING PACKAGES will delay processing and may result in the boundary change being held until the following assessment roll year.

The following information is provided to assist you in filing your jurisdictional boundary change. Fees charged for processing jurisdictional boundary changes are listed on Page 6, and definitions and special fee provisions are provided on Page 7.

Statement of Boundary Change

Filings must be submitted on Form BOE-400-TA, *Statement of Boundary Change*. This form is available on the Board's website at <http://www.boe.ca.gov/proptaxes/pdf/400ta.pdf>.

Certified Copy of Election Results

A certified copy of the election results authorizing the change and the resulting assessment must be submitted, pursuant to Article XIII C, Section 2 of the State Constitution (commonly referred to as Proposition 218).

Certificate of Completion

A certificate of completion must be included for all filings submitted through the Local Agency Formation Commission. All documents must be recorded before submittal. (Conformed documents are acceptable.)

Resolution(s)

The resolution(s) with signatures from the tax levying authority shall be submitted with the filing. Resolution(s) shall have a resolution number, the title of the project, and a detailed description of the content of the boundary change.

Written Geographic Description(s) of the Project Area(s)

Descriptions of the territory that are filed with the Board's Tax Area Services Section (TASS) are used to establish geodetic position and are not intended to establish property ownership in a court of law.² Subdivision maps, tract maps, recorded survey maps, survey monuments, and deeds are not on file with the Board. Boundary descriptions that merely cite recorded documents or refer to assessor's parcel numbers will not be accepted. Any supporting documents may be used as reference only and cannot be used as a substitution. Written geographic descriptions shall conform to the following specifications:

1. Every written geographic description (a document separate from the maps) must stand on its own without the necessity of reference to any extraneous document; a description that relies solely on the use of secondary references will not be accepted. The TASS cartographic staff must be able to plot the boundaries from the written description alone.
2. The written description shall be of the project area only. If a complete description of the special district is filed, the project area shall be clearly identified in a separate document.
3. The geographic description shall:
 - a. State the township and range, section number(s) or rancho(s)
 - b. Have a **point of beginning** (POB) referenced to a known major geographic position (e.g., section corners, intersection of street centerlines, or the intersection of street centerline and an existing district boundary at the time of filing). A description will be rejected if the POB refers only to a tract map, a subdivision map or a recorded survey map. It is preferable that the POB be the point of departure from an existing district boundary (when applicable).
 - c. Be expressed as a specific parcel description in sectionalized land (e.g., "The SW 1/4 of Section 22, T1N, R1W") or by bearings and distances. When the description is by bearings and distances, **all courses shall be numbered and listed individually** in a consistent clockwise direction. The description shall not be written in a narrative format. All courses required to close the traverse of the project area must be stated. All curves must be described by direction of concavity. Delta, arc length, chord, and radius shall be listed, including radial bearings for all points of non-tangency.

Following are examples of unacceptable and acceptable descriptions:

Unacceptable (*This description refers only to extraneous documents and does not stand alone.*)

"From the point of beginning, northerly to the southwest corner of that certain property recorded in Book 12, Page 15 of Recorded Deeds, thence easterly to the southeast corner of that certain property recorded in Book 12, Page 16 of Recorded Deeds...."

Acceptable (*This is the same description with the courses numbered and the bearings and distances added.*)

"From the point of beginning:

Course 1. North 1° 18'56" West a distance of 150' to the southwest corner of that certain property recorded in Book 12, Page 15 of Recorded Deeds, thence,

Course 2. North 85° 7'56" West a distance of 75' to the southeast corner of that certain property recorded in Book 12, Page 16 of Recorded Deeds, thence...."

² The Board's Tax Area Service Section is not involved in issues relating to property ownership.

4. The written description shall state the acreage for each separate single area (see Definitions and Special Fee Provisions for the definition of a single area) and a combined total acreage of the project area.

Example: "Area A containing 2.50 acres, Area B containing 1.75 acres: Total computed acreage containing 4.25 acres more or less."

5. All information stated on the description must match with the map(s), such as the name of the short title, the point of beginning, the course numbers, all the bearings and distances, and the acreage(s).

Map(s)

It is strongly recommended that all maps submitted to the Board be filed in electronic/digital form. Digital information will not be shared without the permission of the applicant.

Maps submitted as part of the jurisdictional boundary change filing shall conform to the following specifications:

Map Documents:

1. All maps shall be professionally and accurately drawn or copied. Rough sketches or pictorial drawings will not be accepted. Assessor's parcel maps will not be accepted as a substitute for the project map.
2. Original or copies of the same size project map must be submitted. Reduced maps are not acceptable and will be rejected.
3. A vicinity map shall be included. The vicinity map shall show the location of the project area in relationship to a larger geographic area that includes major streets and highways or other physical features.
4. Any portion of an existing district boundary in close proximity to the project area shall be shown and identified.
5. Every map must clearly show all existing streets, roads and highways with their current names that are within and adjacent to the project area. Additionally, every map shall indicate each township and range, section lines and numbers, or ranchos that are in proximity of the project area.
6. Every map shall bear a scale and a north arrow. The **point of beginning** shall be clearly shown and match the written geographic description.
7. The boundaries of the project area shall be distinctively delineated on each map without masking any essential geographic or political features. The boundaries of the project area must be the most predominant line on the map. Boundary lines that are delineated by a line that exceeds 1.5 millimeter in width shall be rejected. The use of graphic tape or broad tip marking pens to delineate the boundary is not acceptable.
8. All dimensions needed to plot the boundaries must be given on the map of the project area. Each map shall have **numbered courses matching the written geographic description**. Index tables may be utilized.
9. All parcels within the project area that touch the new boundary shall be clearly labeled with the assessor's parcel number. Interior parcels that do not touch the boundary need not be identified on the map.

10. If the project area has an interior island(s) of exclusion or the boundary has a peninsula of exclusion (or inclusion), that area(s) should be shown in an enlarged drawing. This drawing should be of sufficient size and scale to allow TASS to plot the boundary without difficulty.
11. When it is necessary to use more than one map sheet to show the boundaries of the project area, the sheet size should be uniform. A small key map giving the relationship of the several sheets shall be furnished. Match lines between adjoining sheets must be used. While the geography on adjoining sheets may overlap, the project boundaries must stop at the match lines. TASS has standardized the D size (24" x 36") map sheet, but will accept larger or smaller map sizes depending on the size and complexity of the individual single area(s).

Digital Maps:

Maps that are filed electronically shall conform to the same requirements as described in this section under map documents (Items 1 through 11 above). Additional items for digital maps are as follows:

Required files – The disk or CD shall contain only the following files:

- a. Map/drawing file(s) using AutoCAD.dwg format in vector format:
 - **Plotting:** The map drawing file shall have the same appropriate borders, legends, title blocks, signature block and any necessary information that is required for a manually drawn map.
 - **Scale:** The drawing shall be at real-world scale.
 - **Layers:** A listing of the layers and their definitions shall be included in the "read_me" file.
 - **File Format:** File shall be in vector format only. Raster files, raster-vector hybrid, .pdf, .tiff, .pcx, .eps, .gif, .jpeg or any other image formats will not be accepted.
 - **Compressed Files:** Files shall be uncompressed; compressed files will not be accepted.
- b. A text file labeled "read_me" listing:
 - The name, address, and phone number of the agency/special district
 - County name and city or district name
 - Project/short title of the action
 - Name, address and phone number of office that prepared the map file
 - List of files on the disk or CD
 - Map projection and datum
 - Layer definitions
 - Sheet size
 - Plotting scale
 - Date of creation
- c. Labels: The disk or CD must have a label that identifies:
 - The agency and/or special district submitting the map
 - Name of the project/short title
 - County name(s)
 - Date of creation

List of Assessor's Parcel Numbers for the Project Area

A list of all affected assessor's parcel numbers must be submitted as part of the jurisdictional boundary change filing.

Letter of Tax-Rate Area Assignment

The jurisdictional boundary change filing must include a letter of the tax-rate area (TRA) assignment on consolidated counties only. This TRA assignment letter is provided by the county auditor's office. The current list of consolidated counties can be found on the Board's website.

Fees

All fees are required to be submitted at the time of filing. Please use the following schedule to calculate the fees. Make checks payable to the "Board of Equalization." Please reference: Tax Area Services Section, MIC: 59.

Single Area Transactions		Special Fee Provisions	
<u>Acreeage per Single Area</u>	<u>Mapping Fee</u>	The following transactions may supersede or combine with the fees for single area transactions:	
Less than 1 acre	\$300	Additional county, per transaction	\$300
1.00 – 5.99	\$350	Consolidation per resolution or ordinance	\$300
6.00 – 10.99	\$500	Entire district transaction	\$300
11.00 – 20.99	\$800	Coterminous transaction	\$300
21.00 – 50.99	\$1,200	District dissolution or name change	\$0
51.00 – 100.99	\$1,500		
101.00 – 500.99	\$2,000		
501.00 – 1,000.99	\$2,500		
1,001.00 – 2,000.99	\$3,000		
2,001.00 and above	\$3,500		

Example: A district is formed coterminous with a city boundary and contains 2 areas of exclusion of 4 and 7 acres.

Coterminous transaction	\$300	(Entire city)
Single Area #1	\$350	(4 acres)
Single Area #2	\$500	(7 acres)
Total Fee	\$1,150	

IMPORTANT NOTE: If you have questions regarding filing requirements and fees, please contact the Tax Area Services Section at 916-322-7185, or by fax at 916-327-4251.

Definitions and Special Fee Provisions

1. A *single area* means any separate geographical area regardless of ownership. A lot, subdivision or section could each be a single area. A geographical area that is divided into two or more parcels by a roadway, railroad right-of-way, river or stream is considered a single area. Geographic areas that are non-contiguous are not considered a single area.
2. Two areas are *contiguous* when the two polygons that define the areas share a common line segment.

3. *A concurrent transaction* is defined as:

- a) Any combination of formation, annexation or detachment of a single area under one resolution or ordinance, each independent action must be dependent on the other action(s) in order to complete concurrent transaction, e.g., a reorganization.
- b) When there are more than one resolution or ordinance that is required to complete the action, each single area must have identical boundaries, identical actions, and the multiple resolutions or ordinances shall be inter-dependent for completion.

The fee shall be according to the fee schedule provided on Page 6. There is no additional cost for the number of transactions involved.

Multiple formations, annexations, or detachments of a single area under one resolution or ordinance that are not inter-dependent, must be filed separately and fees paid accordingly.

4. *Coterminous transaction*: If an annexed or detached territory comprises an entire city, district, or zone without affecting the existence of that city, district or zone, the total processing fee is \$300. Such a transaction is completely coterminous. However, if a coterminous transaction involves areas of exclusion, each area of exclusion shall constitute a single area transaction and all fees and requirements pertaining to single area transactions apply.
5. The fee schedule assumes that an action is confined to a single county. If more than one county is involved, add \$300 for each additional county.
6. *Multiple area filings* for special revenue districts shall be calculated as a separate fee for each single area. A separate fee must be computed for each ordinance or resolution.
7. Payment of the fee for the formation of a city or district may be deferred until that city or district receives its first revenue (section 54902.5).
8. *Entire District transaction*: When the action involves the whole district and the district's boundary is not altered by the action, it is considered an entire district transaction, e.g., annexation of a county service area countywide, annexation of a zone of improvement to the entire district.
9. *Zones* include temporary zones in highway lighting districts, zones of improvement, zones of benefit, improvement districts, or any other sub-units of a county, city or parent district.

CHECKLIST (This checklist is for your convenience only. Please, do not submit it with your filing.)

Did you include the following items?

- Statement of Boundary Change (Form BOE-400-TA)
- Certified copy of election results (Proposition 218)
- Certificate of Completion (if applicable)
- Copy of the Resolution(s)

Written geographic description:

- Can the geographic description stand alone?
- Is the description of the project area only?
- Does it include the township & range, section number(s) or rancho?
- Is there a point of beginning?
- Are the courses numbered to follow a clockwise direction from the point of beginning?
- Is the total acreage included?
- Does the information on the description match with the map(s)?

Map(s):

- Is the map accurately drawn to professional standards?
- Is it the original size copy?
- Is a vicinity map included?
- Are existing boundaries shown and identified?
- Are existing streets, roads, and highways referenced with their current names?
- Does it include the township & range, section number(s), or rancho?
- Does it have a north arrow and scale bar?
- Is the Point of Beginning clearly shown?
- Is the boundary made apparent without masking adjacent background features?
- Are all courses numbered to follow the written description?
- Is each parcel that touches the new boundary and is within the project area labeled with an APN?
- Is an enlarge drawing included to show smaller areas of exclusion or inclusion, if applicable?
- Is there a key map for multiple sheets?
- Does the electronic filing conform to TASS standards?

- List of assessor's parcel numbers
- Letter of tax-rate area assignment from the county auditor (consolidated counties only)
- Fee. Make checks payable to the "Board of Equalization" with reference to Tax Area Services Section, MIC:59.

Mail completed package to:

US Postal Delivery

State Board of Equalization
Tax Area Services Section
P.O. Box 942879
Sacramento, CA 94279-0059

FedEx or UPS Delivery

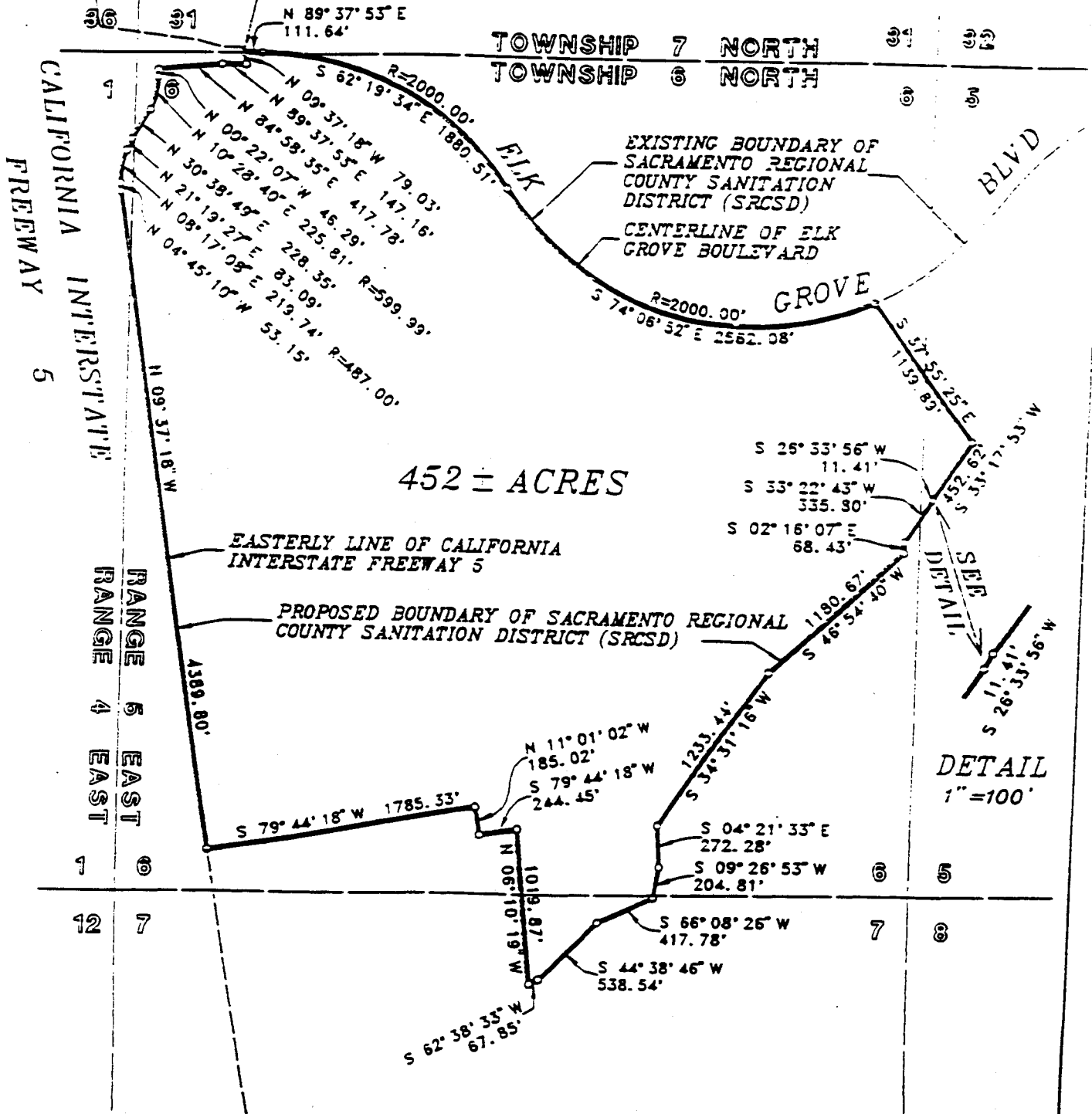
State Board of Equalization
Tax Area Services Section
450 N Street, MIC: 59
Sacramento, CA 95814

**PROPOSED BOUNDARY OF
SACRAMENTO REGIONAL COUNTY
SANITATION DISTRICT (SRCSD)**

All that portion of Sections 5, 6 & 7, Township 6 North, Range 5 East and Section 1, Township 6 North, Range 4 East, M.D.M., described as follows:

Beginning at a point located on the North line of said Section 6, said point being the point of intersection of the centerline of Elk Grove Boulevard with the Easterly line of California Interstate Freeway 5; thence from said point of beginning along said centerline, also being the existing boundary of Sacramento Regional County Sanitation District, the following three (3) courses: (1) North 89°37'53" East 111.64 feet, (2) curving to the right on an arc of 2000.00 feet radius, said arc being subtended by a chord bearing South 62°19'34" East 1880.51 feet and (3) curving to the left on an arc of reverse curvature with a radius of 2000.00 feet, said arc being subtended by a chord bearing South 74°06'52" East 2562.08 feet; thence South 37°55'25" East 1139.89 feet; thence South 33°17'53" West 452.62 feet; thence South 26°33'56" West 11.41 feet; thence South 33°22'43" West 335.80 feet; thence South 02°16'07" East 68.43 feet; thence South 46°54'40" West 1180.67 feet; thence South 34°31'16" West 1233.44 feet; thence South 04°21'33" East 272.28 feet; thence South 09°26'53" West 204.81 feet; thence South 66°08'26" West 417.78 feet; thence South 44°38'46" West 538.54 feet; thence South 62°38'33" West 67.85 feet; thence North 06°10'19" West 1019.87 feet; thence South 79°44'18" West 244.45 feet; thence North 11°01'02" West 185.02 feet; thence South 79°44'18" West 1785.33 feet to said Easterly line of California Interstate Freeway 5; thence along said Easterly line the following ten (10) courses: (1) North 09°37'18" West 4389.80 feet, (2) North 04°45'10" West 53.15 feet, (3) curving to the right on an arc of 487.00 feet radius, said arc being subtended by a chord bearing North 08°17'08" East 219.74 feet, (4) North 21°19'27" East 83.09 feet, (5) North 30°38'49" East 228.35 feet, (6) curving to the left on an arc of 599.99 feet radius, from a radial bearing of South 68°40'34" East, said arc being subtended by a chord bearing North 10°28'40" East 225.81 feet, (7) North 00°22'07" West 46.29 feet, (8) North 84°58'35" East 417.78 feet, (9) North 89°37'53" East 147.16 feet and (10) North 09°37'18" West 79.03 feet to the point of beginning; containing 452 acres, more or less.

POINT OF BEGINNING: INTERSECTION
OF CENTERLINE OF ELK GROVE BLVD
WITH EASTERLY LINE OF CALIFORNIA
INTERSTATE FREEWAY 5



UNPUBLISHED WORK
©, 1996
THE SPINK CORPORATION

TITLE: PROPOSED BOUNDARY OF
SACRAMENTO REGIONAL COUNTY
SANITATION DISTRICT (SRCSD)
CLIENT: E & J PROPERTIES

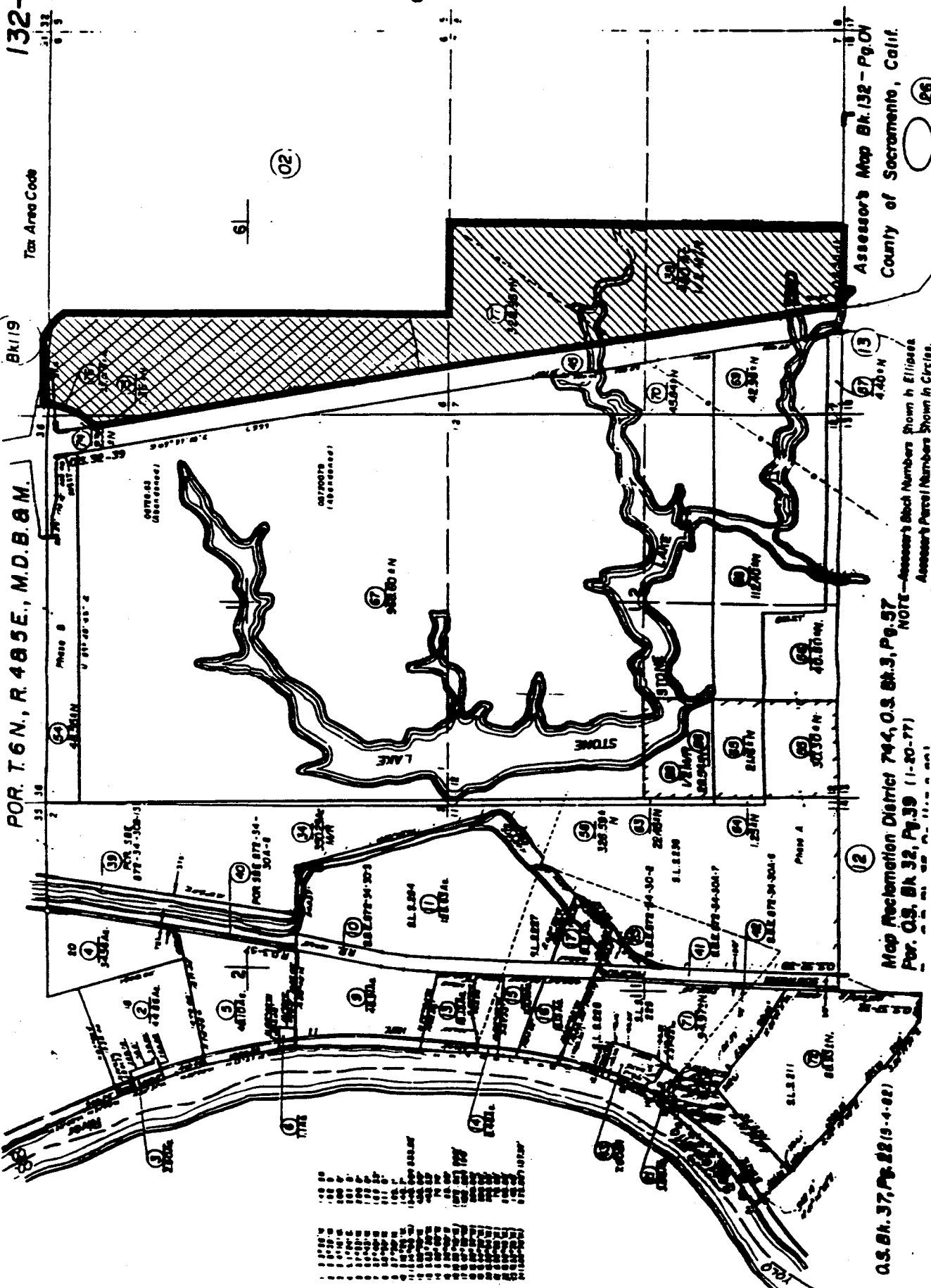
DATE: 8/96 JOB NO.: 2602-014
DRAWN BY: J.K. CHECKED BY: C.W.

2602-002/260212:157

The Spink Corporation
2590 VENTURE OAKS WAY SACRAMENTO, CA 95833
PHONE: (916) 925-5550 FAX: (916) 921-9274
SCALE: 1"=1000' CODE: N-31 DR. NO.: H-7809

61 02

02



101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200

101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200

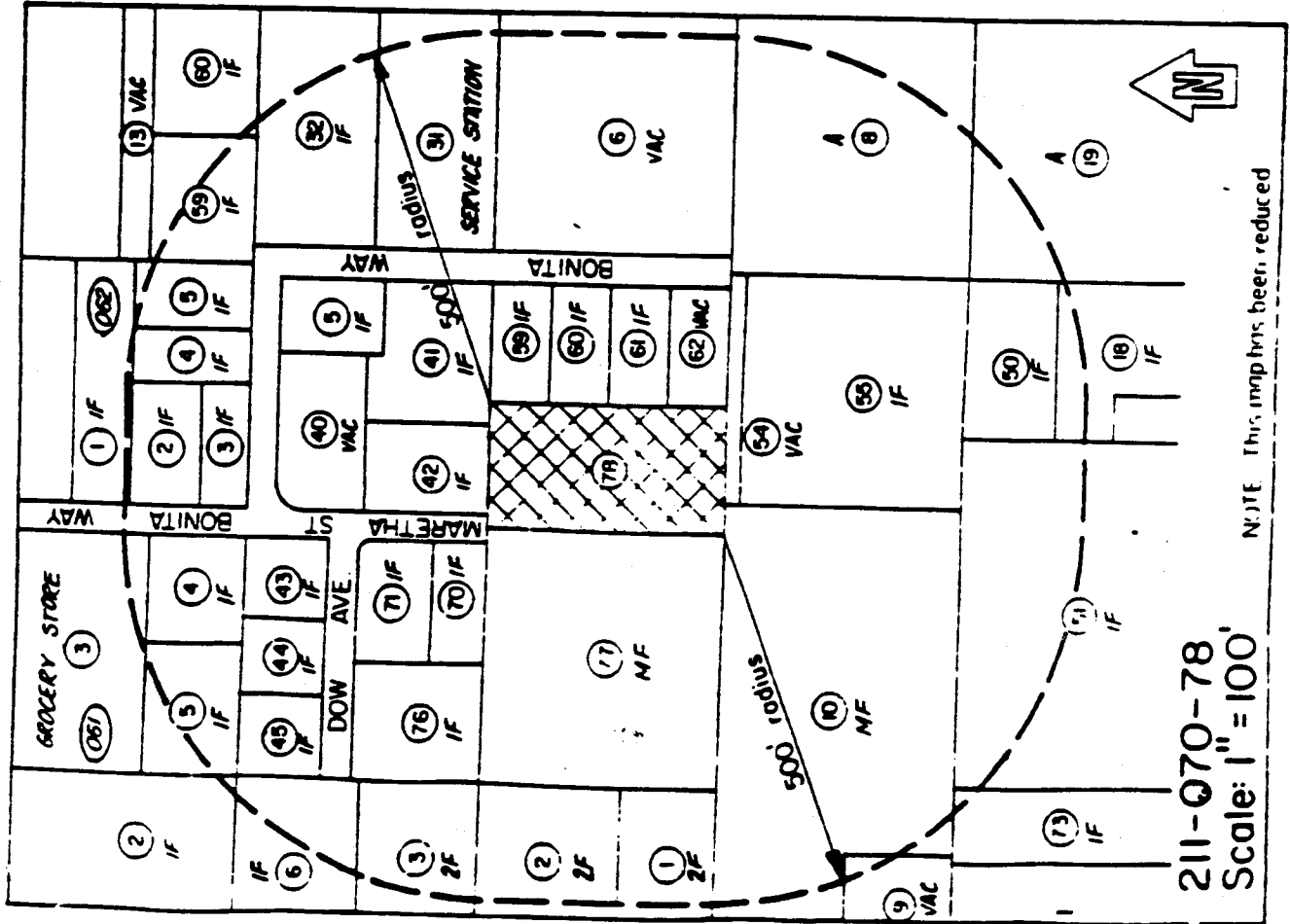
Map Reclamation District 744, O.S. Bk. 3, Pg. 57
 For O.S. Bk. 32, Pg. 39 (1-20-77)
 NOTE—Assessor's Block Numbers Shown in Ellipses
 Assessor's Parcel Numbers Shown in Circles

O.S. Bk. 37, Pg. 22 (5-4-82)

Assessor's Map Bk. 132 - Pg. 01
County of Sacramento, Calif.

26

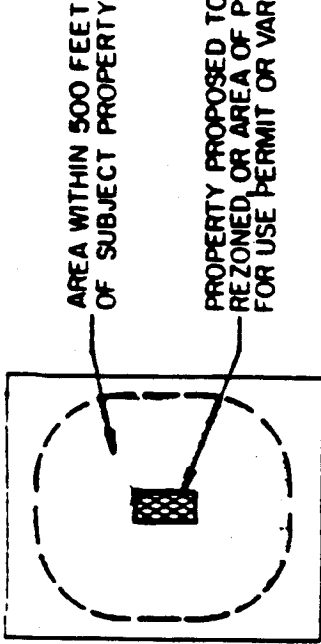
SAMPLE 500' RADIUS MAP



211-070-78
Scale: 1" = 100'

NOTE: This map has been reduced

211 Book (077) Block No (78) Parcel No



AREA WITHIN 500 FEET OF SUBJECT PROPERTY

PROPERTY PROPOSED TO BE REZONED OR AREA OF PROPERTY FOR USE PERMIT OR VARIANCE.

The Block and Parcel numbers must be indicated on map like this sample, with the parcel numbers assigned to each parcel within the required radius. These two numbers along with the book number should be shown on the property owner's list in the Book-Block-Parcel column, and must correspond to the owner's name.

The parcel numbers may be obtained in the Assessor's Office which is on the 1st floor in the County Administration Center.

LEGEND (Indicate Present Use)

- A Agriculture
- 1F One Family
- 2F Two Family
- MF Multiple Family
- Commercial
- Industrial
- VAC Vacant

• Indicate the specific use of the property, i.e. Barber shop, grocery, retail store, service station, etc.

This sample map is prepared by the County Planning Department as a guide to assist you in preparing the map required by the Zoning Code and County Code, Title 22.

A 500-FOOT RADIUS MAP SHOULD BE ATTACHED TO THE PROPERTY OWNER MAILING LIST.

RESOLUTION NO. LAFC 1070

RESOLUTION OF THE SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION IMPLEMENTING SECTION 711.4
OF THE CALIFORNIA FISH AND GAME CODE

WHEREAS, Section 711.4 has been added to the Fish and Game Code requiring fees to be paid for projects subject to the California Environmental Quality Act (CEQA) when the State Department of Fish and Game has participated in the CEQA review process for such projects; and

WHEREAS, pursuant to said Section 711.4, the County of Sacramento is responsible for collecting and transmitting such fees when applicable; and

WHEREAS, the County Clerk is responsible for collection of applicable fees upon filing of Notices of Determination ("NODs") for projects subject to CEQA and may impose an additional fee of Twenty-five Dollars (\$25.00) for the costs of collecting and transmitting applicable Fish and Game fees; and

WHEREAS, it is the desire of the Local Agency Formation Commission of the County of Sacramento to implement Fish and Game Code Section 711.4 in the manner set forth in this Resolution;

NOW, THEREFORE, the Local Agency Formation Commission of the County of Sacramento does hereby resolve, determine and order as follows:

SECTION 1. That projects which are determined to be statutorily or categorically exempt from the provisions of CEQA are hereby determined to be exempt from payment of fees required by Fish and Game Code Section 711.4.

SECTION 2. That projects which are not reviewed by the State Department of Fish and Game during the environmental review process be and the same hereby are determined to be "de minimus" for purposes of Fish and Game Code Section 711.4 and fees shall not be required for de minimus projects. Projects which are not

required by State CEQA Guidelines Section 15206 to be submitted to the State or are submitted to the State but are not submitted by the State Clearinghouse to the Department of Fish and Game are hereby determined not to have been reviewed by the Department of Fish and Game.

SECTION 3. That the Sacramento Local Agency Formation Commission Environmental Coordinator shall determine during the application process those projects which are exempt or which are de minimus and shall advise the applicable approving authority regarding such determination prior to final approval of any project subject to CEQA.

SECTION 4. That no approval authority shall grant final approval for any project subject to CEQA which has been determined to require payment of fees pursuant to Fish and Game Code Section 711.4 until such time as the applicable fee as set forth herein is deposited with the Sacramento Local Agency Formation Commission.

SECTION 5. That pursuant to Fish and Game Code Section 711.4, the following fees shall be applicable for those projects not determined to be exempt or de minimus: \$1,275.00 for projects for which a Negative Declaration was prepared and \$875.00 for projects for which an Environmental Impact Report was prepared. Of such fees, \$25.00 shall be retained by the County Clerk pursuant to Fish and Game Code Section 711.4 for the costs of collecting and transmitting the remainder of such fees to the Department of Fish and Game.

SECTION 6. That the Sacramento Local Agency Formation Commission Environmental Coordinator shall and the same hereby is directed to revise this Commission's local CEQA guidelines to reflect these procedures and to revise Notice of Determination forms so that such forms specifically note that a project is exempt, de minimus or subject to fees required pursuant to Fish and Game Code Section 711.4.

SECTION 7. That the County Clerk be and the same is hereby directed to refuse to accept for filing any Notice of Determination from any agency that does not show whether a project is exempt or de minimus or is not accompanied by fees required by Section 711.4.

FURTHER, That the County Clerk be and the same is hereby directed to transmit fees as required by Section 711.4 no less than thirty (30) days after receipt to the Department of Fish and Game.

SECTION 8. That the Clerk of the Commission be and the same is hereby directed to transmit a copy of this resolution to each city, local agency and special district within the County of Sacramento.

On a motion by Commissioner Chamberlain, seconded by Commissioner Collin, the foregoing Resolution, effective retroactively to January 1, 1991, was passed and adopted by the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION** this 6th day of February, 1991, by the following vote, to wit:

AYES: Commissioners Chamberlain, C.T. Johnson, Shelton, Brown, Collin, Ferris.

NOES: Commissioner Hannaford.

ABSENT: (Commissioner Bartholomew.)

Lyle K. Ferris
Hat D. Bartholomew, Chair
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

ATTEST:

Marilyn Ann Flemmer
Marilyn Ann Flemmer
Commission Clerk

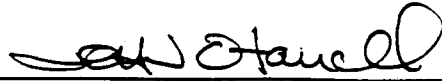
INDEMNIFICATION AGREEMENT


As part of its sphere of influence application, LAFCo Number 4-97 the City of Folsom ("City") as applicant and real party in interest, hereby agrees to defend, indemnify, and hold harmless, and release the Sacramento Local Agency Formation Commission, its agents, officers, attorneys, and employees (collectively "LAFCo") from any claim, action or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of the City of Folsom's application for a Sphere of Influence amendment, or adoption of the environmental document which accompanies it. This indemnification obligation shall not include intentional or willful misconduct on the part of LAFCo, but shall include passive and/or concurrent active negligence by LAFCo, and includes, but is not limited to, damages, costs, expenses, attorney fees of LAFCo, or expert witness fees or attorney fees that may be asserted by any person or entity, including the applicant, arising out of, or in connection with, the approval of this application. This indemnification obligation is intended to be as broad as permitted by law.

Executed at Sacramento, California on May 30, 2001.

**SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION**

CITY OF FOLSOM

By: 
JOHN O'FARRELL
Executive Officer

By: 
MARTHA CLARK LOFGREN
City Manager

Mailing Address:

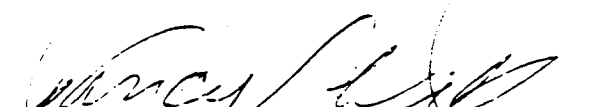
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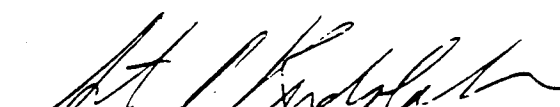
Sacramento Local Agency Formation
Commission
700 H Street, Room 7650
Sacramento, CA 95814

City of Folsom
50 Natoma Street
Folsom, CA 95630

APPROVED AS TO FORM:

APPROVED AS TO FORM:


Nancy C. Miller


Steven P. Rudolph
City Attorney