

URGENT
ADDITIONAL INFORMATION
FOR COMMISSION DELIBERATION

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street #100
Sacramento, California 95814

January 17, 2002

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: Supplemental Report:
Proposed Incorporation of Rancho Cordova (12-97)

I recommend that your Commission adopt the modified boundary presented on December 5, 2001, as amended, as the boundary for the proposed city of Rancho Cordova.

Commission Options

1. Adopt staff's recommended boundary for the proposed city of Rancho Cordova. Staff's recommendation has been negotiated between the proponents and the County of Sacramento, complies with CEQA, is fiscally viable, and is revenue neutral.
2. Approve Alternative No. 1 as the boundary for the proposed city of Rancho Cordova. Alternative No. 1 complies with CEQA and financial feasibility as required under the law. Alternative No. 1 appears to be the least controversial of the proposed boundaries because surrounding areas and affected local jurisdictions are not as greatly impacted. The incorporation proponents oppose Alternative No. 1.
3. Approve/ Deny or Amend Any of the Alternatives, Numbers 2 – 6, to make findings that the alternative either is, or is not, economically viable. Or, either is, or is not, desirable, due to service delivery, land use decisions, or any other issue.
4. Deny the incorporation proposal as submitted by the Rancho Cordova Incorporation Committee because, after analysis, the proponents' boundary is not

economically viable.¹ The Incorporation Committee must wait one year to resubmit proposal (unless waived by Commission after a finding that it would be detrimental to the public interest).² This might suggest a finding that any compromise or boundary adjustment in order to create a viable city is not in the best interests of the proposed city or the unincorporated area of Sacramento County.

Comparison of the Proposed Rancho Cordova Incorporation Process With the Elk Grove Incorporation Process

Description of Undeveloped Elk Grove Area

A large portion of the proposed boundary of the City of Elk Grove was non-urbanized at the time of incorporation. However, during the process of Commission hearings for the proposed City of Elk Grove, approximately 5,720 acres of the 6,248 acres of the non-urbanized land south of Elk Grove Boulevard, were in the Sacramento County planning process for urbanization at the time of submission of the application. This situation is similar to the approximate 20,000 acre area east of Sunrise Boulevard in the proposed Rancho Cordova incorporation process.

The following Specific Plans were in various stages of approval by the Board of Supervisors at the time LAFCo adopted boundaries for the proposed City of Elk Grove:

Laguna Ridge Specific Plan	1,870 acres
East Franklin Specific Plan	2,475 acres
Lent Ranch Specific Plan	1,375 acres
Other	<u>528</u> acres
Total	6,248 acres

Each of the Specific Plans was also within the County Urban Services Boundary and Urban Policy Area. The undeveloped territory within the City of Elk Grove is currently undergoing a General Plan Update, as required by law. The citizens of the City of Elk Grove are actively participating in the process.

Description of Undeveloped Rancho Cordova Area

The area east of Sunrise Boulevard, included in the proposed city of the Rancho Cordova, is much larger than the undeveloped territory included in the boundary of the City of Elk Grove. However, it has the same characteristics: (1) it is included within the Urban Services Boundary and Urban Policy Area of the County General Plan, (2) it is included within Specific Plan Areas and in various stages of the development process, and (3) it contains 13,500 acres that are already zoned for extensive industrial uses.

¹ Government Code 56815, Revenue Neutrality.

² Government Code Section 57090.

This situation is nearly identical to the undeveloped territory south of Elk Grove Boulevard included within the City of Elk Grove. The undeveloped Elk Grove territory was planned for urbanization prior to incorporation. Only those areas outside of the County Urban Services Boundary were excluded by LAFCo from the proposed City of Elk Grove.

In order to create a consistent LAFCo decision-making process, one that is logical as well as congruent, the area east of Sunrise Boulevard proposed for urban uses should be included in the boundary of the proposed city of Rancho Cordova, as submitted by the petitioners.

If incorporation is successful, a joint planning process should occur: the city of Rancho Cordova should take the lead and work with the City of Folsom and County of Sacramento within those areas that have a direct impact on these jurisdictions. A joint planning process might be made a condition of approval.

City of Folsom
Sphere of Influence Amendment Process

I do not believe the process by which the Commission conditioned the City of Folsom's Sphere of Influence Amendment is comparable to the Rancho Cordova incorporation proposal. The City of Folsom Sphere of Influence Amendment was not within the County Urban Services Boundary, nor was it planned for development. The Folsom SOI is not comparable to the proposal for Rancho Cordova's cityhood because the area east of Sunrise Boulevard is already designated for industrial and residential uses. Moreover, this territory is within the County Urban Services Boundary and the Sacramento County Urban Services Policy Area. However, some of the conditions of the SOI approval may be applicable, e.g., joint planning, etc. This conditioning may be placed on the Rancho Cordova Sphere of Influence.

The City of Folsom SOI Amendment represents the typical SOI and annexation process: LAFCo approves a SOI prior to development, the city prezones the area to be annexed, LAFCo approves, modifies or denies the annexation.

Problems Related to Future Annexation
Of Developing or Developed Areas

The annexation of undeveloped territory is not comparable to the annexation of developed territory. The annexation process is the same. However, the issues can be more complex. The impacts to special districts, businesses and residents living within the developed territory can be significant. As a result, annexation of developed areas can be more problematic, e.g., Southgate Shopping Center, Natomas Panhandle, Fair Oaks-Sunrise Park District Reorganization, Cosumnes River College Annexation. It becomes difficult to annex these areas in order to create logical boundaries to improve service delivery.

Many times annexation of developed territory is emotional. Residents/ businesses may have strong sentiments about a change in community identity, e.g., Gold River. If this occurs, it becomes virtually impossible to annex developed lands [e.g., Fruitridge Pocket] even though it would make logical sense based on service delivery standards and reasons that benefit the community as a whole.

Therefore, **I do not recommend exclusion of areas that are in any stage of the development process** from the proposed Rancho Cordova incorporation boundary.

Commission Authority to Condition

Nonetheless, I believe jurisdictions adjacent to the proposed city, as well as the planning department of the proposed city, should work collaboratively to develop joint land use planning processes in areas adjacent to common borders. Conversion of unincorporated area open space in Sacramento County has all too often evolved with no buffer zone between community boundaries. Your conditions on the City of Folsom's Sphere of Influence Amendment are admirably precedent-setting and they represent the hard work and commitment of both the City of Folsom and the County of Sacramento in a process for cooperation and collaboration.

Whether or not your Commission has the authority to create a condition requiring a future city council to engage in joint planning collaboration in specific areas as a requirement of incorporation is a legal issue which must be deferred to Commission Counsel.

Alternatives

Your Commission cannot approve any boundary proposal for a proposed city unless your determination shows the future entity to comply with CEQA, be fiscally viable, and be revenue neutral. These issues must be balanced by your Commission in deliberating the identity of the community, and the determinations already made for urbanization of the proposal area.

Your Commission has before it seven alternative boundaries for the proposed city of Rancho Cordova: (1) Boundary submitted by the Rancho Cordova Incorporation Committee; and Alternatives 1-6, which your Commission requested staff to analyze.

Staff's recommended boundary has been negotiated with the County of Sacramento and the proponents, complies with CEQA guidelines, is fiscally viable and is revenue neutral. Therefore, I continue to recommend inclusion of both Aerojet and Sunrise-Douglas within the boundary of the proposed city of Rancho Cordova.

PB:Maf

(Supplemental Report RC 1-17-02)