

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

**1112 I Street #100**

**Sacramento, California 95814**

**(916) 874-6458**

August 15, 2007

TO: Sacramento Local Agency Formation Commission  
FROM: Peter Brundage, Executive Officer *PB*  
RE: Panhandle Annexation Workshop

**RECOMMENDATION**

Presentation by City of Sacramento and Panhandle Applicant

**DISCUSSION**

The City of Sacramento has requested to make a presentation to the Commission on the "Panhandle" Reorganization/Annexation. This area is currently in the Sphere of Influence for the City of Sacramento. City staff has been working on this project for many years and anticipates that this project will be before the Commission at the October Public Hearing. This project has been presented to the City Planning Commission and the City Council over the last several months. The City is the lead agency on the Environmental Impact Report because subject territory has to be rezoned prior to annexation. As a Responsible Agency, LAFCo staff reviewed the Draft and Final EIR and provided comments on these documents.

Because of a number of issues and amount of information that must be reviewed, City staff requested time to update and provide information to the Commission prior to the public hearing.

The Municipal Services Review and Final Environmental Impact Report will be distributed under separate cover to allow the Commission adequate time to review these documents prior to the LAFCo Public Hearing.

## **LAFCo Process**

In order for the Commission to hold a public hearing on the proposed annexation, the city must prezone the affected territory, prepare a Municipal Service Review and plan for services, enter into a property tax exchange agreement with the County, and certify the Environmental Impact Report.

We have been working collaboratively with city staff and the applicant during the past year to ensure compliance with LAFCo policies and procedures.

## **LAFCo Issues to be Considered by the Commission**

The following issues will be addressed in the Executive Officer's report during deliberations by the Commission on the Reorganization/Annexation Hearing:

- Population growth and density
- Land area and proposed land uses
- Topography
- Natural Boundaries
- Drainage basins
- Proximity to populated areas
- Growth potential of adjacent areas
- Need for organized community services
- Adequacy of municipal services and financing plans
- Impact of annexation on surrounding areas
- Evaluation of social and economic community's of interest
- Planned orderly growth,
- Efficient patterns of urban development
- The effect the proposal has on maintaining the physical and economic integrity of agricultural lands
- The definiteness and certainty of the boundaries of the territory
- The impacts of creating islands and/or peninsulas
- Consistency with the city's general and specific plans
- Impacts on other service providers
- Ability to provide services to the affected territory
- Availability of water supplies
- Impact on city's ability to meet fair share housing allocations
- Any information from landowners or owners

## **BACKGROUND**

The Panhandle annexation represents a rather unique annexation. The southern portion of this area is largely developed with business park type uses, commercial and industrial uses. The northern portion is both uninhabited and undeveloped. The land use is agricultural and open space.

The affected territory is an existing peninsula. It is bounded by the City of Sacramento on three sides. In essence, the developed area within this peninsula is essentially a developed service island in the unincorporated area. The services are provided by the County of Sacramento and Special Districts. These services are currently an isolated stand alone system. Therefore, creation of an island in appearance has no impact on the existing delivery system of services, which is at capacity. It is my understanding that the County has no intentions of pursuing development north of Del Paso Road into the northern portion of the affected territory.

Because of a number of issues, the City of Sacramento believes it will have difficulty annexing the developed area known as Northgate 880 (this area lies south of Del Paso road). This area is almost entirely built out as described above. There is a primary land owner that owns sufficient assessed value of land to file a protest opposing the Reorganization. As a result, this landowner has the ability to file a successful protest if this area is included in the annexation. City staff has tried to resolve a number of issues but at this point they do not believe they can eliminate several significant points of disagreement.

City Council directed their staff to explore with LAFCo if it would be possible to phase the annexation and defer annexation of the southern portion of until a later date. This would result in creating an unincorporated island.

Government Code Section 56744 states: *Unless otherwise determined by the Commission pursuant to subdivision (m) of Section 56375, territory shall not be incorporated into, or annexed to, a city pursuant to this division, if as a result of that incorporation or annexation, unincorporated territory is completely surrounded by that city or by territory of that city on one or more sides and the Pacific Ocean on the remaining sides.*

Government Code Section 56375.3 (m) states that the Commission may waive the restrictions of Government Code Section 56744 if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonable be annexed to another city or incorporated as a new city.

Based on Government Code Section 56375.3 (m) the Commission does have discretion to create an island, but it must be able to make findings to justify its action.

I have discussed this issue with the City staff and have indicated that the Commission will not be able to make any determination until the project is before the Commission. At that time, based on oral and written testimony, the Commission has the authority to approve, modify, or deny the proposal.

Therefore, the main objective of this workshop is to orient and provide an overview of the project issues to the Commission, and provide a measure of guidance of how the city should proceed.

**Conclusion**

The City of Sacramento has not yet determined how it is going to proceed with its application. The City of Sacramento has the following options:

1. Submit the annexation proposal for the entire area with a special request for the Commission to consider only the northern portion.

Under this situation, the Commission can approve, modify, or deny the proposal.

2. Submit an amended proposal that only requests annexation of the northern portion of the affected territory.

Under this case, the Commission can either approve or deny the proposal. Modification of the boundary would not be possible because there would not be a Property Tax Sharing Agreement for the southern portion.

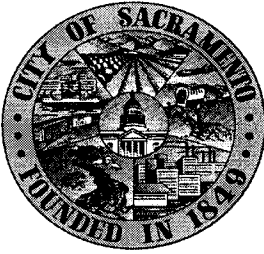
The subsequent Executive Officer's report on the Reorganization/Annexation will outline all of the issues as well as arguments for and against the creation of an island to provide the Commission with as much information as possible to render its decision.

***SACRAMENTO LOCAL AGENCY FORMATION COMMISSION***

Respectfully,

Peter Brundage  
Executive Officer

Attachments



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www. CityofSacramento.org

Staff Report  
**July 17, 2007**

**Honorable Mayor and  
Members of the City Council**

**Title: Northgate 880 / Panhandle (M05-031 / P05-077) – Informational Workshop**

**Location/Council District:** South of Elkhorn Boulevard, north of Interstate 80, west of Northgate Boulevard and Sorento Road, and east of Gateway Park Boulevard and the Northpointe Park Planned Unit Development (Natomas Park and Regency Park) / Adjacent to Council District 1

**Recommendation:** Receive and file.

**Contact:** Scot Mende, New Growth Manager, 808-4756; Arwen Wacht, Associate Planner, 808-1964

**Presenters:** Scot Mende and Arwen Wacht

**Department:** Planning

**Division:** New Growth

**Organization No:** 4913

### **Description/Analysis**

**Summary:** This project is comprised of two parts: the Northgate 880 portion (M05-031) and the Panhandle portion (P05-077). The entire project area is included in the Reorganization/Annexation and Tax Exchange Agreement requests. The Northgate 880 portion (M05-031) consists of the mostly developed industrial area located south of Sotnip Road and Del Paso Road. The Northgate 880 proposal includes requests for a General Plan Amendment, North Natomas Community Plan Text and Map Amendment, Zoning Code Text Amendment, and Prezone for this area. These requests are being proposed to make the land use designations consistent with the land uses that are already in place, which are primarily industrial, commercial, and office developments.

The Panhandle portion (P05-077) consists of the farmland located between Elkhorn Boulevard and Del Paso Road. The Panhandle proposal includes requests for a Finance Plan, Development Agreement, Inclusionary Housing Plan, General Plan Map Amendment, North Natomas Community Plan Text and Map Amendments, Prezone, Planned Unit Development Establishment, Tentative Master Parcel Map, Tentative Subdivision Maps, and Subdivision Modifications for this area. These requests are being made to re-configure the

adopted North Natomas Community Plan land use designations to be consistent with the applicant's proposal, which is primarily residential, parks/open space, general public facilities, and commercial development.

**Issues:** The purpose of this workshop is to update the City Council on the Northgate 880 / Panhandle project, the current status of the project, and receive initial feedback from the Council on the project. The following topics have been identified as issues of concern for the project:

- Loss of open space acreage and buffers (along Elkhorn Boulevard and Sorento Road).
- Lack of executive housing and density increases.
- Impacts to existing residents to the east (Valley View Acres) and west (Northpointe Park – known to residents as Natomas Park and Regency Park).
- Traffic issues.
- Land use, vehicular, pedestrian, and bicycle interaction with Sorento Road and Northpointe Park.
- Provisions of adequate municipal services in North Natomas.
- Flood and drainage issues.
- Inclusionary Housing Plan (regarding the location of affordable units and lack of for-sale affordable housing).
- Deficient Infrastructure south of Del Paso Road

Staff will provide additional details and information in a presentation at the meeting.

**Policy Considerations:** The proposed project is generally consistent with the City's General Plan Update effort and the City Council's Strategic Plan focus areas such as adhering to policies that provide a mix of land uses, create a range of housing opportunities and choices with a diversity of affordable housing near employment centers, and promote multi-modal transportation and land use patterns that support walking, cycling, and public transit.

**Committee/Commission Action:** On May 24, 2007, the Planning Commission heard 3 hours of testimony and voted to continue the project to May 31, 2007. On May 31, 2007, the Planning Commission heard no testimony and voted to continue the project to June 14, 2007. On June 14, 2007, the Planning Commission heard additional testimony and directed questions at the applicant and staff. The Planning Commission then voted to continue the project to June 28, 2007.

On June 5, 2007, the Law & Legislation Committee recommended approval of the proposed Special Planning District Ordinance for the Northgate/880.

**Environmental Considerations:** An Environmental Impact Report (EIR) was prepared for the Northgate 880 / Panhandle project pursuant to CEQA. This workshop does not request the discretionary approval of any aspect of the project.

**Rationale for Recommendation:** For Council information only. The purpose of this workshop is to provide an overview of the project and prepare for the public hearing tentatively scheduled for July 24, 2007.

**Financial Considerations:** A finance plan and tax revenue sharing agreement are being prepared concurrent with the application and will be summarized at the workshop.

**Emerging Small Business Development (ESBD):** No goods or services are being purchased under this report.

Respectfully Submitted by: \_\_\_\_\_  
Scot Mende  
New Growth Manager

Approved by: \_\_\_\_\_  
Carol Shearly  
Director of Planning

Recommendation Approved:

\_\_\_\_\_  
Ray Kerridge  
City Manager

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ATTACHMENT 1 – VICINITY MAP

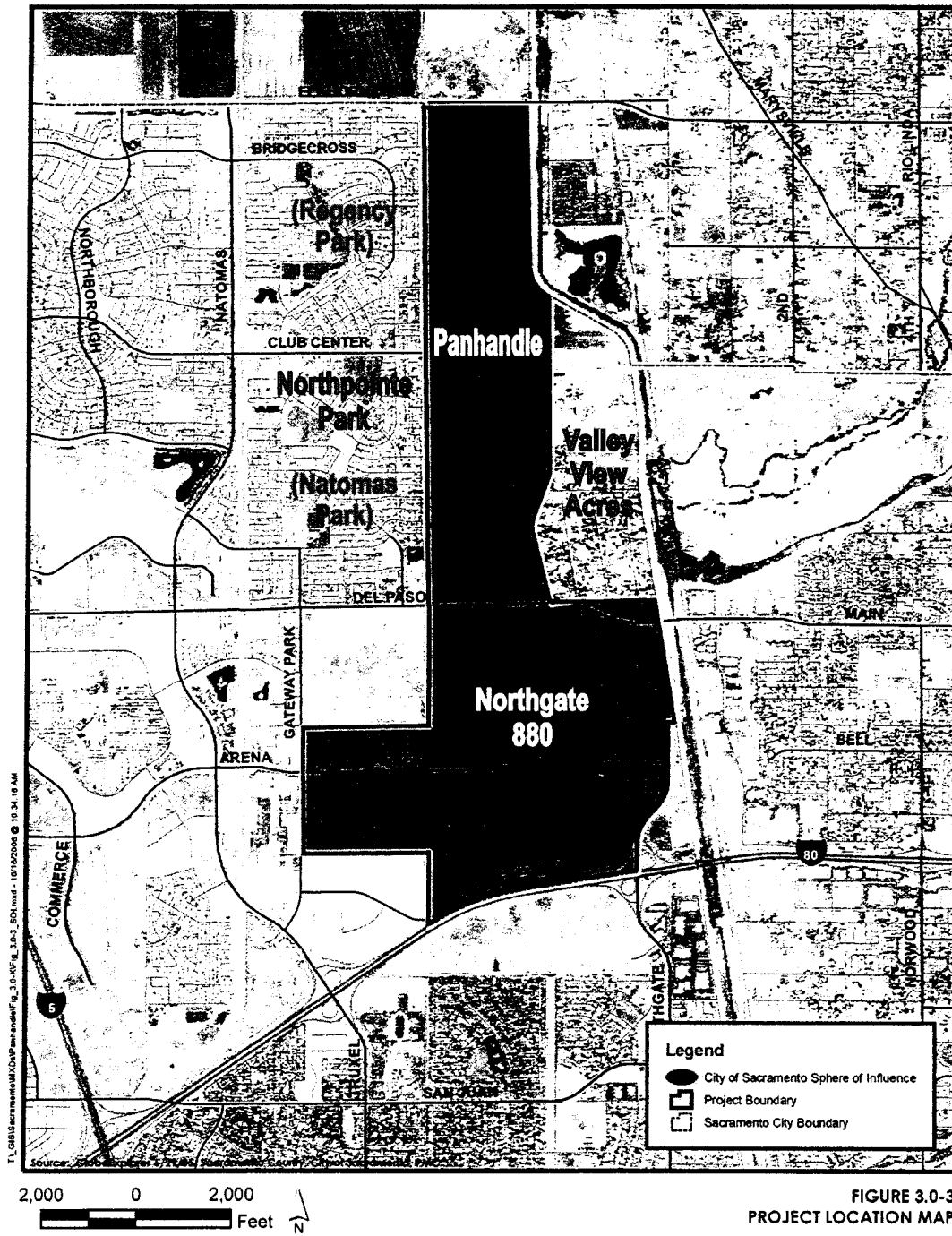


FIGURE 3.0-3  
PROJECT LOCATION MAP





ATTACHMENT 2 – PANHANDLE PUD SCHEMATIC PLAN (P05-077)

