

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

April 2, 2008

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer *PB*

RE: **(LAFC 2-08) Greenbriar Reorganization Proposal:**
1) Annexation to City of Sacramento
2) Annexation to Sacramento Regional County Sanitation District
3) Annexation to County Sanitation District #1 and
4) Detachment from Natomas Fire Protection District
CEQA: Environmental Impact Report Responsible Agency

CONTACT: Donald J. Lockhart AICP, Assistant Executive Officer (916) 874-2937
(Donald.Lockhart@SacLAFCo.org)

2. Adopt Resolution No. LAFC 1355; A Resolution of the Sacramento Local Agency Formation Commission approving the Revised Mitigation Monitoring and Reporting Program (MMRP) for the Greenbriar Project. The Revised MMRP reflects the additional mitigation measures adopted by the City of Sacramento during its consideration of the Reorganization Proposal.

ERRATA: MITIGATION MONITORING AND REPORTING PLAN

MITIGATION MEASURE 6.12-2(c) IS REVISED AS FOLLOWS:

- c. The project applicant shall mitigate for impacts to species habitat by providing mitigation land in the amounts specified in the Greenbriar Open Space, Species and Agriculture: Project Impacts and Mitigation chart attached to the Mitigation Monitoring and Reporting Program, approved by the City Council. The acreages shown in the Mitigation chart shall control.

As to the unidentified acreage shown in the chart, the applicant shall identify and secure the necessary mitigation acreage at or before issuance of each grading permit in proportion to the amount of development contributing to the open space impact anticipated at the time a grading permit(s) is requested.

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RECOMMENDATION

1. Adopt Resolution No. LAFC 1354; a Resolution of the Sacramento Local Agency Formation Commission making California Environmental Quality Act Findings:
 - a. Find that the Sacramento Local Agency Formation Commission is a responsible agency with respect to CEQA for this proposal as required by California Code of Regulations, title 14, section 15051, subdivision (b)(2) and LAFCo Policies and Procedures, section IV.F.1;
 - b. Find that the Final Environmental Impact Report previously prepared and Certified by the Sacramento LAFCo and the City of Sacramento, as co-lead agencies for the Sphere of Influence Amendments for the City of Sacramento, the Sacramento Regional County Sanitation District, and County Sanitation District #1, and related development entitlements and reorganization proposal is adequate and complete; (Resolution No. LAFC 1345 / LAFC 12-05)
 - c. Find that the Final Environmental Impact Report and the Mitigation Monitoring and Reporting Plan are adequate;
 - d. Find that the Commission has considered the information contained in the Final Environmental Impact Report and the Mitigation Monitoring and Reporting Plan prior to its action on the proposal;
 - e. Adopt Findings of Fact and Statement of Overriding Considerations pursuant to California Code of Regulations, title 14, section 15096, subdivision (h). Although LAFCo previously adopted Findings of Fact and Statement of Overriding Considerations (Resolution No. 1346/LAFC 12-05) as lead agency for the Sphere of Influence Amendment, LAFCo is now acting as a responsible agency for the Reorganization. The proposed Findings of Fact and Statement of Overriding Considerations reflect the changes to the mitigation measures, as adopted by the

- City, as well as additional input received from other agencies since LAFCo approved the Sphere of Influence Amendment (Resolution No. 1348); and
- f. Direct staff to prepare a Notice of Determination.
2. Adopt Resolution No. LAFC 1355; A Resolution of the Sacramento Local Agency Formation Commission approving the Revised Mitigation Monitoring and Reporting Program (MMRP) for the Greenbriar Project. The Revised MMRP reflects the additional mitigation measures adopted by the City of Sacramento during its consideration of the Reorganization Proposal.
 3. Adopt Resolution No. LAFC 1356; a Resolution of the Sacramento Local Agency Formation Commission Resolution approving the Greenbriar Reorganization - Annexation to the City of Sacramento, Sacramento Regional County Sanitation District and County Sanitation District #1; and Detachment from Natomas Fire Protection District.
 - a. Waive the Conducting Authority protest proceedings due to one-hundred percent landowner and subject agency consent.
 - b. Set the effective date of annexation to be upon filing of the Certificate of Completion by the Executive Officer.
 - c. Authorize your Chair to sign the Resolution making these determinations.

FPPC Disclosure

No parties to this reorganization have declared any contributions to any members of the Commission.

Project Proponents

City of Sacramento Scot Mende, New Growth & Infill Manager Planning Department 915 I Street, 3rd floor Sacramento, CA 95814 (916) 808-4756	River West Development Bret Hogge 7700 College Town Dr. # 215 Sacramento, CA 95826 (916) 379-0955	North Natomas 575 Investors, LLC Brian Vail 7700 College Town Dr. # 101 Sacramento, CA 95826 (916) 379-0955
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Background

This reorganization has been initiated by Resolution 2008-055 of the Sacramento City Council, in response to the request of the landowners. The City Council has prezoned the affected territory, as required by Sacramento LAFCo local policies and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH)[56375(a)(1)].

The final public hearing for the prezone and related land use entitlements was held at the January 29, 2008 City Council meeting. At that time, the City Council approved Resolutions initiating the Greenbriar Reorganization, and also approved only the first stage legislative entitlements, including a General Plan amendment (Resolution No. 2008-058), pre-zoning (Ordinance No.

2008-004), an inclusionary housing plan (Resolution No. 2008-057), establishment of a Planned Unit Development (PUD) (Resolution No. 2008-059), and a draft Finance Plan (Resolution No. 2008-056). No actual development may occur, until the City has approved the remaining entitlements, development agreement, obtained an Incidental Take Permit (ITP), and satisfied flood protection issues in accordance with FEMA`.

The City and Sacramento County (County) have entered into a Memorandum of Understanding (MOU) Regarding Principles of Land Use and Revenue Sharing for the Natomas Area,” which terms set forth policies regarding future development in the Natomas area, and have entered into a Property Tax Exchange Agreement and an Open Space MOU on March 11, and March 12, 2008 respectively.

Project Location

The affected territory proposed to be reorganized consists of approximately 577 acres at the northwest quadrant of the intersection of State Routes 70/99 and Interstate 5, hereinafter referred to as the Proposal. The proposed development site is located in the unincorporated portion of the County, adjacent to and west of the City, within the recently amended City’s Sphere of Influence (SOI). It is located outside the Sacramento County General Plan Urban Services Boundary as well as the Urban Policy Area.

On the south and east, the site abuts the City of Sacramento city limits. There are rice fields to the north. I-5 and new mixed-use development lies to the south (within the City of Sacramento). SR 70/99 and a new residential community currently under development within the City's North Natomas Community lie to the east. Metro Air Park, under development, abuts the proposal site on the west. Slightly further west, and adjacent to Metro Air Park, is the Sacramento International Airport, an area first developed and opened for operation in 1967. A legal description of the boundaries of the proposed project is included with the Resolution approving the Reorganization.

Project Description

The reorganization consists of Annexation to the City of Sacramento (City), Sacramento Regional County Sanitation District (SRCSD) and County Sanitation District No.1 (CSD No.1); and Detachment from Natomas Fire Protection District.

The property has been rezoned, which will become the effective zoning upon the filing of the Certificate of Completion by the Executive Officer. The proposal does not split ownership or lines of assessment.

Project Characteristics

Assessor Parcel Numbers (APN) 201-0300-049, 067-071, 076, 077, 079-081, 083 & 085
Population: 0 [2000 Census]
Registered Voters: uninhabited
Acres: 577+

APN:	Acres	AV
201-0300-049-0000	8.96 acres	\$ 1,061,208
201-0300-067-0000	1.62 acres	\$ 169,793
201-0300-068-0000	7.35 acres	\$ 785,293
201-0300-069-0000	7.88 acres	\$ 841,537
201-0300-070-0000	1.42 acres	\$ 151,815
201-0300-071-0000	220.75 acres	\$ 18,964,113
201-0300-076-0000	56.88 acres	\$ 4,904,274
201-0300-077-0000	248.12 acres	\$ 21,389,606
201-0300-079-0000	4.28 acres	\$ 535,378
201-0300-080-0000	2.72 acres	\$ 339,586
201-0300-081-0000	12.06 acres	\$ 1,501,077
201-0300-083-0000	1.36 acres	\$ 169,793
201-0300-085-0000	.32 acres	\$ 40,325
TOTAL		\$ 50,853,798

Introduction

Sphere of Influence

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the Commission is responsible to develop and determine the sphere of influence of each local governmental agency within the county, [56425. (a).]

In determining the sphere of influence of each local agency under its jurisdiction, the Commission shall consider the present and planned land uses in the area, the present and probable need for public facilities and services in the area, including capacity, adequacy, and the existence of any social or economic communities of interest in the area as relevant to the agency.

On November 4, 2005, the City submitted an application to the Commission for an amendment of its Sphere of Influence (Application) and concurrent amendments to the Spheres of Influence of the SRCSD and CSD No.1. The City SOI, adopted in 1981, was amended in September 2007 to encompass the project site, concurrently with the amendments to the Spheres of Influence of the SRCSD and CSD No.1.

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In determining the sphere of influence of each local agency under its jurisdiction, the Commission shall consider the present and planned land uses in the area, the present and probable need for public facilities and services in the area, including capacity, adequacy, and the existence of any social or economic communities of interest in the area as relevant to the agency.

Every determination made by the Commission shall be consistent with the spheres of influence of the local agencies affected by those determinations, [Sec. 56375.5.]

The means and capacity of the City, SRCSD and CSD No.1 to serve the project is discussed below. The proposal is consistent with the adopted spheres, and your local policies.

Annexation History

The adjacent City territory was annexed as the 5,670+ acres "Natomas #1" in 1961. The most recent large annexation to the City was the 1992 Cosumnes River College Area Annexation of 395 acres. The most recent City annexation was the 15+ acre Airgas Industries Annexation in South Sacramento. The history of City annexations is shown in the attached table and map.

Need for Services

The proposed Greenbriar Reorganization is situated in an area envisioned for urbanization, largely surrounded by the City limits. Further the Proposal conforms to the Sacramento Area Council of Government's (SACOG) Preferred Sacramento Regional Blueprint Transportation and Land Use Study ("Blueprint") dated December 2004. The Blueprint's preferred land use scenario identifies the Annexation Area for varied density mixed-use, residential, and commercial land uses. The City and Blueprint's Smart Growth principles have been applied to the proposed development of the Annexation Area.

The Annexation Area is also consistent with the City/County Natomas Joint Vision MOU, which contemplates growth in this portion of the County to accommodate demand.

The Proposal also supports jobs and housing balance, since it would provide a relatively short commute to existing and proposed employment centers located at the airport, Metro Airpark, North Natomas Community Plan area, and Downtown Sacramento.

The Annexation is consistent with transit plans by the Sacramento Regional Transit District (RT) and SACOG for a future Downtown-Natomas-Airport (DNA) light rail extension and station within the Annexation Area. On March 20, 2008, SACOG adopted its 2035 Metropolitan Transportation Plan, which includes the DNA line for future funding, and in December, 2007, RT published a Notice of Availability (NOA) for its Draft Program EIR for the DNA Corridor. The NOA established a comment period on the Draft Program EIR (PEIR) from December 28, 2007, to February 26, 2008. During the comment period, several public meetings were held, including two Public Open Houses on February 9, 2008, and February 11, 2008, as well as a Community Meeting on February 14, 2008.

The project site is located north and west of the City's North Natomas Community within the Natomas Basin. The project site consists of approximately 577 acres of fallow agricultural land

(at that time the Notice of Preparation (NOP) for the project was circulated) bounded by Interstate 5 (I-5) to the south, State Routes 70 and 99 (SR 70/99) to the east, Elkhorn Boulevard to the north, and Lone Tree Canal to the west. The project site is immediately adjacent and both north and west of the City's North Natomas Community Plan (NNCP) area and the City's jurisdictional boundary, within the approved SOI. The County approved Metro Air Park Special Planning Area (SPA) is located adjacent and west of the project site. An industrial business park is planned for development within this area, under the jurisdiction of the County.

The Greenbriar proposal is a mixed-use development project that includes:

- (1) 3,473 low, medium, and high density residential units,
- (2) 48.4 acres (net) of commercial development,
- (3) 10-acre (net) elementary school site,
- (4) 48.4 acres (net) of neighborhood parks, and
- (5) 39-acre (net) lake/detention basin that encircles the central portion of the project site.
- (6) 16.5 dwelling units/net acre (individual densities for each residential category (248.2) divided by the number of categories (15))

Based on the average household size from the U.S. Census 2000, the project would generate additional population of 8,926 persons (2.57 average household size x 3,473 households in project.)

The proposal also includes the construction of a new east-west roadway, Meister Way, through the center of the site. A new (unfunded) light rail station and rail alignment is proposed to be constructed by Sacramento Regional Transit (RT) along this roadway near the center of the site. The rail alignment would connect the project site to the Metro Airpark development and Sacramento International Airport to the west and the North Natomas Community to the east across SR 70/99 via a new proposed overpass at SR 70/99. Higher density (than other parts of the project), mixed-use development (residential and retail/office land uses on same parcel) is proposed along Meister Way near the proposed light rail station. The project also includes a linear open space/buffer area that extends along the western boundary of the site, adjacent to Lone Tree Canal, proposed to protect potentially sensitive biological habitat.

Analysis

Land Use, Zoning and Rezoning Discussion

State law and Sacramento LAFCo policies require territory to be rezoned prior to application for annexation.

The entire site is presently zoned AG-80, which supports agricultural activity by restricting residential uses and establishing a minimum 80 acre parcel size.

The City Council adopted Ordinance 2008-004 on January 29, 2008, which established the applicable pre-zoning designations for the affected territory to various uses as shown below.

PREZONE DESIGNATION	RANGE	ACREAGE	YIELD
R-1-PUD	6-8 DU/NA	68.9	346 DU
R-1A-PUD	8-15 DU/NA	264.7	1434 DU
R-2B-PUD	Up to 21 DU/NA	414.7	930 DU
R-3-PUD	Up to 29 DU/NA	11.0	270
A-OS-PUD (Open Space)	N/A	137.6	N/A
C-1-PUD (Limited Commercial)	9000 SqFt/Acre	8.1	73,000 SqFt
SC-PUD (Shopping Center)	9000 SqFt/Acre	30.4	271,500 SqFt
Major Roads	N/A	14.6	N/A
TOTAL		577.0	

Development of the site will be subject to the Greenbriar Planned Unit Development (PUD) Guidelines, adopted by the City Council.

City General Plan Discussion

Sacramento LAFCo local policies provide that approval of a reorganization can occur only if the proposal is consistent with the General Plan and any applicable Specific Plans of the annexing city.

The reorganization is consistent with the City’s General Plan policy (Section One, Policy 7) which states:

The City should initiate annexations which *constitute fiscally sound additions to the existing City*; are consistent with State law and Sacramento LAFCo standards and criteria; preserve neighborhood identities; and ensure the provision of adequate municipal services.

The City’s policy supports the annexation of underdeveloped lands lacking services, or having inadequate infrastructure facilities and services; which

The annexation or detachment must be consistent with the Spheres of Influence boundary. The land subject to annexation shall lie within the existing Sphere of Influence boundary of the annexing city or district. The reorganization boundary and rezoning are consistent with the City General Plan and your policies.

Property Tax Exchange Agreement

This City initiated reorganization does not represent an attempt by the City to annex only revenue-producing property. The affected territory is currently undeveloped, and has been cultivated with various field crops. Past studies have indicated that land value appreciates considerably as a result of annexation. Property tax rates are not affected, per Proposition 13.

This reorganization does not affect the service area or service responsibility of any independent special districts.

A city annexation of unincorporated territory is subject to the criteria of Section 99 of the Revenue and Taxation Code regarding the distribution of property tax after the annexation is complete. LAFCo is not a party to the property tax negotiations. However, the affected city and county must present resolutions adopted by each entity agreeing to accept the exchange of property tax revenues in order for the project to be set for public hearing. [Sec. 99(b)(1)(B)(6)]

The City Council adopted City Agreement 2008-218 on the date of March 11, 2008, and the County adopted Resolution 2008-0212 on the date of March 12, 2008, which adopted the tax exchange for the Greenbriar project area. {see attached}

The Tax Exchange Agreement provides for the City and County to split equally the 34.6% of the property tax rates. The Tax Exchange Agreement provides for the City to receive all sales tax revenues from the project unless: 1) The total commercial zoning for Greenbriar exceeds 40 acres – in which case all sales tax revenues from Greenbriar would be shared equally with the County; or 2) A single-tenant big box retail store of 75,000 square feet or greater is built in Greenbriar – in which case all of the sales tax revenues from that building would be shared equally with the County.

Both the County Board of Supervisors and the City Council approved the Property Tax Sharing Agreement between the City and the County on March 11 and 12, 2008. There was no testimony opposing the agreement. The County committed not to oppose the proposed annexation.

This agreement calls for a transfer of property taxes from the County General, Library, Road and Water Agency Funds to the County’s General Fund and the City of Sacramento. This agreement follows an approach consistent with the City/County MOU for the Natomas Area whereby property tax is pooled and divided equally between the County and City.

Exchange of Property Tax Revenues. On and after the Annexation Date, the County and City shall exchange Property Tax Revenue as follows:

NAME	Available Tax Increment		Annexation Shares
	BEFORE ERAF	ERAF	
COUNTY LIBRARY	2.223420		2.223420
COUNTY ROADS	0.107840		0.107840
COUNTY GENERAL	47.874900	(26.885783)	20.989117
NATOMAS FIRE	11.285210	(0.010338)	11.274872
Net	61.491370	(26.896121)	34.595249

County Share (50%)	17.297625
City Share (50%)	17.297625

The City shall receive 17.2976245% of the Property Tax Revenue to be allocated to its General Fund. The County shall receive 17.2976245% of the Property Tax Revenue to be allocated to its General Fund.

If subsequent to the annexation date, the City rezones any property within the Annexation Area from a residential land use to any retail land use, such that the total zoned retail land uses exceed

39.8 acres, the Agreement will be adjusted to provide for the County and City to share equally in the Sales Tax and Transient Occupancy Tax Revenue collected with the area of such rezone. Also, if any property within the Annexation Area is rezoned from a residential land use to a Single Purpose/Regional Tax Generating Land Use, the City shall notify the County, and the Agreement will be adjusted.

The Agreement was reached through the process proscribed by State law, consistent with Sacramento LAFCo adopted policies regarding revenue neutrality (Section IV, 4.D.1.d.)

(Note: No subsequent change may be made to the general plan or zoning for the annexed territory for a period of two years after the completion of the annexation, unless the legislative body for the city makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application to the commission. CKH 56375(e))

Boundary Discussion

Your staff reviewed the originally proposed project boundary. The applicant has made the requested changes to the legal description, consistent with the criteria of the State Board of Equalization. The project boundary complies with LAFCo criteria to avoid splitting parcels. This configuration is consistent with your policies. Annexation to cities shall reflect logical allocations of existing roads and rights-of-way.

This boundary does not split neighborhoods or divide an existing identifiable community, commercial district, or other area having a shared social or economic identity. The boundary establishes Elkhorn Blvd. as the northern boundary, readily identifiable to the traveling public, and service providers.

The proposed boundary does not result in the creation of an island, corridor or peninsula of unincorporated territory, or otherwise cause or further the distortion of existing boundaries. The boundary will ultimately result in improved quality of service available to the affected territory.

Service Providers

Water Supply:	Natomas Central Mutual Water Company (private mutual water company) City of Sacramento (recommended)
Drainage:	Reclamation District 1000 (RD 1000) (To continue.) City of Sacramento (recommended)
Municipal sewer:	unserved CSD No.1 (recommended) Sacramento Regional County Sanitation District (recommended)
Fire Protection:	Natomas Fire Protection District (Served by contract between City and County) City of Sacramento (recommended)

Parks: unserved
City of Sacramento (recommended)

Schools: Twin Rivers Unified School District (unchanged)
Los Rios Community College District (unchanged)

General Government/
Planning: County of Sacramento
City of Sacramento (recommended)

Police: County Sheriff
City of Sacramento (recommended)

Animal Control: County Department Animal Care & Regulation
City of Sacramento (recommended)

City of Sacramento Municipal Service Provision and Costs

At the time of application for the SOIA, the City prepared and submitted a Municipal Services Review, which was accepted by your Commission in September, 2007. Subsequently, the City has prepared a Plan for Services, in consultation with your staff and subject agencies.

The City is a full service city, in that it provides the full array of municipal services.

Police

The Police Department provides a ratio of 1.7 sworn officers per 1,000 in population. This ratio is comparable to similar size cities including Fresno, Long Beach, and Portland, Oregon. The Department employs the practice of Community Oriented Policing and Problem Solving. This style of policing requires that residents, businesses and government be equal partners in preventing crime and in addressing social problems. In the late 1990's the City experienced a 20% reduction in crimes of all types. The rate of crime remains at reduced levels.

Fire

The Sacramento Fire Department has provided fire and EMS service to the Annexation area for at least 40 plus years, through a contract with the County Board of Supervisors for the operations of the Natomas Fire Protection District. Response times for both fires and medical emergencies average 4 minutes citywide. This response time and comprehensive services in fire prevention earn the City a Fire Insurance Rating (ISO) of 2 on a scale of 1 to 10 with 1 being the best. A favorable ISO rating typically translates into greater insurance cost savings for non-residential uses. The City's Rating equals or exceeds the rating of all surrounding jurisdictions.

Solid Waste

The City will provide weekly garbage, recycling and green waste pickup, monthly street sweeping, and annual neighborhood cleanup upon annexation.

Residential services and frequency are:

Garbage Pickup	Once a week
Commingled Recycling	Once a week
Green Waste	Once a week
Street Sweeping	Once a month
Neighborhood Cleanup	Once a year

Parks and Recreation

The department provides comprehensive services in parks, schools and community centers. In parks, services include mowing on an 8-day rotation, daily janitorial services and daily policing for safety issues. Park development standards include neighborhood parks of 5 to 10 acres within ½ mile of any residence and community parks of 6 to 60 acres within 3 miles of any residence. Recreation services include youth employment, summer and after school sports, free after school literacy and enrichment programs, licensed childcare, adult day care, adult sports, recreational swim and aquatics programs, day camps, Camp Sacramento, Senior programs and Center, and a wide variety of sport, self- help and educational classes.

Code Enforcement

City Code Enforcement includes neighborhood code enforcement, abandoned vehicle abatement, graffiti abatement, and substandard housing and dangerous buildings. The vehicle abatement program's efficiency makes Sacramento a leading agency in recovering costs with the Sacramento Abandoned Vehicle Service Authority. Code Enforcement officers are equipped with mobile computers allowing them more time in the field. Emergency Code Enforcement response is available within an hour on a 24-hour basis. Normal response times are typically within two weeks of the complaint. The community is actively involved in the identification and prioritization of code enforcement cases through Neighborhood Response Teams throughout the City.

Animal Control

The City provides efficient, effective, and comprehensive animal care services. The City provides sheltering services, humane education and field enforcement such as bite quarantines, impounding of strays and handling of dangerous dogs. Also provided are vaccinations, disease testing, foster care, microchipping, photographing for websites, animal rescues and outplacements, community adoption and spay/neutering events, and an expansive volunteer program.

Sales Tax

7.75% of eligible sales, of this tax, 1% of sales go to the City to support general government services. Like the Property Tax, 55% of this revenue supports the Police and Fire Departments. The sales tax rate is the same between the City and the County.

Utility Users Tax

The County has a Utility Users Tax (UUT) of 2.5%, versus the 7.5% City UUT, a difference of 5%. The City UUT Rate is applied on gas, electric, cable, phone (land and cellular) use. It does not apply to water, drainage or sewer service.

As an example, utility charges totaling \$100 per month would result in \$5 more in UUT taxes. The majority of this voter approved tax is used to support the Police and Fire Departments. A portion is also dedicated for Youth and School Partnership programs.

Special Assessments

Citywide Landscape and Lighting (L&L): \$40.33 per year for a single family home with street lights. This voter approved assessment must be used for street light electricity costs and for the maintenance or improvement of parks, trees and street medians.

The community would have to affirm by vote, their participation in the L&L, after annexation to the City.

Additional Library Services: \$25.84 per year for a single family home. This voter approved assessment must be used to extend library hours, enhance book collections, and enhance access to technology in City branch libraries.

This would be on the assessor's roll the tax year after the annexation became effective – i.e., Fiscal Year 2009/2010.

Staff concludes that the City of Sacramento has the adequate means to provide services in a cost effective manner.

Plan for Services

When a local agency submits a resolution of application for reorganization, it shall include a plan for services which describes the level and range of those services and an indication of when those services can feasibly be extended to the affected territory.

(CKH Sec.56653)

An Administrative Draft Plan for Services was submitted to LAFCo staff on February 11th and circulated to all relevant service providers. Staff worked to refine this draft in consultation with the service providers. The Final Plan for Services was submitted March 25, 2008.

The City Council adopted Resolution 2008-056 on January 29, 2008, which adopted the draft Finance Plan for the Greenbriar project area. The Finance Plan was adopted only in draft form because the City's policy is to adopt a final plan after preparation of a nexus study and annexation.

The attached Plan for Services has built upon the previously prepared MSR, and related service and capacity studies. The Plan for Services has been reviewed and accepted by all affected service providers.

Public Comment

The affected territory is uninhabited, with zero registered voters onsite. To date, staff has not received any written public comments. Several parties have requested notification of the hearing date, which staff has provided. Notice has been provided to all affected agencies and landowners in the project area. Please see City response to public comments below.

City Response to Previous Public Comments

1. Adequacy of City Services: A number of speakers testified during the September 19, 2007 public hearing regarding perceived inadequacy of City services provided to existing North Natomas residents and the concern that expanding the City's service area will strain the ability to provide services to existing residents. The Sacramento Bee echoed these concerns in its article dated October 30th, 2007: "North Natomas: Visions of a community neighborhood lost in a car-oriented suburb" and its editorial dated November 8th: "Editorial: How North Natomas fell short of its promises: Don't repeat past mistakes by relying on development to solve city's fiscal woes." In light of the current budget considerations, the concern is even more acute. The City's response to these issues addresses capital facilities and operations:
 - A. In the 9 years since the first North Natomas residential building permit in February 1999, a total of 18,000 residential units have been constructed in North Natomas – approximately 2/3 of the residential buildout. Only a small fraction of the 20 million square feet of employment center has been built to date. The North Natomas Finance Plan relies upon pay-as-you-go financing (i.e., development fees). Total buildout was assumed to require 25-40 years. Thus, a significant portion of the ultimate development fees have yet to be collected.
 - B. The shortfalls in the North Natomas Finance Plan are attributable to three factors:
 - I) Public improvements are paid largely on a "pay as you go" basis; only a portion of development has occurred and a substantial portion of future development has yet to generate fees to finance improvements.
 - II) b)Some public improvements are not fee funded and depend upon "Other Funding Sources" (e.g., state and federal grants) in the amount of \$178 million which have not yet been completely realized.
 - III) Development fee escalators have not kept pace with the actual construction cost increases; fees were typically adjusted using the ENR-CCI, whereas actual costs for public facilities (including roadways, fire stations, libraries, etc.) were increasing at a faster rate.
 - C. The North Natomas Finance Plan (originally adopted in 1994, and amended in 1999, 2002, and 2005) never intended or promised that all infrastructure would be fully developer-funded. According to the North Natomas Nexus Study 2005 Report – Table II-1, the Public Facilities Fee (paid by developers / homeowners) covers approximately \$228.8 million of the identified \$364.0 million total infrastructure cost. This difference is to be funded with other sources including: major street construction tax, developers, state & federal grants, and general fund, and other new developments currently outside of the NNFP.
 - I) For example, the finance plan provided for the acquisition of 200-acres for a future regional park, but costs of improving the parkland were deferred to future grant monies. Similarly, while the finance plan identified the ultimate need for two fire stations and four community centers, the finance plan identified developer funding for one fire station and one community

- center, with the balance to be covered by grants, the City's General Fund, etc.
- II) The unfunded balance of infrastructure costs might eventually be paid by general funds, grants, or subsequent assessments of existing homeowners. Another potential source of funding is to require new developments (such as Panhandle and Greenbriar) to contribute to the costs of the underfunded infrastructure.
 - III) The Greenbriar draft Finance Plan adopted by the City Council identifies \$8.6 million towards underfunded North Natomas infrastructure:
 - \$3.4 Million: North Natomas Regional Park Improvements
 - \$1.8 million: Library
 - \$0.8 million: Community Center
 - \$1.5 million: Fire Station
 - \$0.9 million: Police Facilities
 - IV) The Greenbriar draft Finance Plan also identifies a contribution of \$1.1 M toward mainline freeway improvements and \$1.5 M for an emergency communications radio tower.
 - V) The Greenbriar draft Finance Plan also identifies a contribution of \$3.6 million toward the North Natomas Regional Park.
- D. On the operations side, the City Police Department experienced a temporary shortage of sworn officers in the North Area sectors. The vacancies have been largely filled through the City's Police Academy. It should be noted that assignment of personnel to neighborhoods is based upon calls for service and other service demand indicators. Thus, citywide targets for officers per thousand residents do not directly translate to the neighborhood or community level.
- E. A comprehensive analysis of the operational budget impact of Greenbriar development on the City's General Fund has been prepared and entered into the record. This analysis indicates that with a revenue flow consistent with the tax sharing agreement, the proposed development of Greenbriar would generate sufficient revenue to fund services to the area at a level similar to the rest of the City. The development of Greenbriar is essentially neutral from the perspective of the City's General Fund, neither a drain on services to other portions of the City nor a great benefit to services in other portions of the City.
- F. On the positive side:
- I) North Natomas has the greatest amount of park acres per resident than any other part of the City. The acquisition, development, and maintenance of neighborhood and community parks have proceeded relatively smoothly. Thirty three neighborhood parks have been built, with seven more park openings scheduled in 2008. The drainage features have been incorporated into parks and trails. At least 80% of the residential units in North Natomas are within 800 feet of an open space feature.
 - II) The North Natomas Town Center provides an education focus for the community with high school, community college center, and library underway soon. The Regional Park has been acquired using developer money, and both retail center anchors are in place.
 - III) Five miles of easements have been reserved for the future light rail line to the airport and downtown at a cost savings of over \$10 million to Regional Transit.

- IV) Natomas is the only community in America where every property owner, residential-commercial-office, pays an annual transportation fee to receive low cost commuter shuttle service, and other transportation and air quality services.
- G. In summary, the City is currently adjusting its North Natomas Fee Program to respond to the need to more accurately adjust fees and to prioritize the construction of the 2nd fire station.

Sphere of Influence Terms and Conditions

When approving the Greenbriar Sphere of Influence Amendments on September 19, 2007, your Commission adopted Resolution 1348 which established various Terms and Conditions to be satisfied prior to annexation.

The City has provided the following thorough responses to the Terms and Conditions.

1. Adjacency to Urban Lands: Confirm that the SOI Amended Area is surrounded by or adjacent to lands planned for urban uses. (Resolution No. 1348, 15, subd. (b).)
 - A. As shown on the attached vicinity map, the project is surrounded on 3 sides by development:
 - I) to the west is the Sacramento International Airport and the Metro Air Park development (1,913 acres planned for 24M sq ft of development and approx. 38,000 jobs), and
 - II) to the south and east is the North Natomas Community Plan Area – planned for 20 million sqft of employment and 30,000 dwelling units (of which almost 2/3 have already been constructed).

2. Necessity of Annexing Greenbriar: The City’s existing area is approximately 99 square miles. The addition of Greenbriar would expand the City’s area by approximately 0.9 square mile – a 1% increase in total size. The City of Sacramento accommodates its growth through a combination of infill and greenfield developments.
 - A. Infill is of prime importance to the City. The infill areas include commercial corridors, and the 240 acre downtown railyards. The infill opportunity areas have slow absorption rates, and would take substantial public subsidies to enhance the rate of absorption.
 - B. The City has generally managed to thrive during the recent housing boom and has managed to survive the latest economic downturn because of our new growth areas – e.g., North Natomas. Positive cash flows from our new growth areas have permitted the City to invest in improving services and facilities citywide – thereby enhancing the quality of life that draws investment into the City core.
 - C. Greenbriar growth represents an orderly pattern and is a logical place to expand:
 - I) Retains Elkhorn as the urban edge (east of Greenbriar, Elkhorn is the northern extent of North Natomas)
 - II) Greenbriar is located between Metro Air Park & the North Natomas Community.
 - III) The Greenbriar project provides support for transit by dedicating rights-of-way for the Downtown-Natomas-Airport light rail line, constructing a light rail station on-site, and generating approximately 1900 passengers per day.

- D. The City's draft General Plan anticipates that the City will grow by 200,000 people by 2030. Buildout of the large developable parcels within the City would only accommodate an additional estimated 114,000 people. Development of infill areas would accommodate some of the additional population, although only about 30% of the infill lands are anticipated to be absorbed within the next 20 years. The development of Greenbriar is anticipated in the draft General Plan as a way to accommodate an approximate population of an additional 9,000+/- people.
 - E. If Greenbriar is not approved, then the growth is likely to be accommodated elsewhere in the region: e.g., Yuba City, Plumas Lakes. The City's version of new growth will be more consistent with smart growth principles than forcing the growth to sprawl out beyond Sacramento County's borders.
3. Land Use Designations: Submit the City Resolution evidencing that it has adopted appropriate land use designations for all property within the SOI Amended Area, noting open space and habitat preservation measures at a minimum, as set forth in the FEIR and Resolution Number 1348. (Resolution No. 1348, ¶ 15, subd. (d).)
- A. The City Council adopted Resolution 2008-058 on the date of January 29, 2008, which established General Plan land use designations for the Greenbriar project area. The adoption of the General Plan land use designations relied upon the environmental document and the relevant environmental mitigations adopted in Resolution 2008-053.
4. General Plan Consistency: Submit the portion of City's updated General Plan showing that the annexation is consistent with the general plan. (Resolution No. 1348, ¶ 16.)
- A. Greenbriar is consistent with the City's existing General Plan. The adopted 1988 General Plan included a discussion of annexation issues, including:
 - I) A pro-annexation policy for urbanized areas should be based on eliminating unincorporated pockets, providing public services more efficiently, and securing property and sales tax revenues.
 - II) The annexation issue of the future should be to achieve a mixture of commercial, industrial and residential lands, and a balanced revenue expenditure program.
 - III) Annexation of any land into the City must be consistent with General Plan policies, within the City's adopted Sphere of Influence and approved by LAFCo.
 - B. Resolution 2008- 058, adopted by the City Council on January 29, 2008 amended the General Plan land use map to be consistent with the proposed Greenbriar project:
 - C. The City's draft General Plan Preferred Land Use & Urban Form Diagram assumes Greenbriar as a pipeline project ("Planned Development") as shown in the attached exhibit. The City draft policies (see attached) on growth and change include policy LU1.1.5 which states:
 - I) "Annexation Prior to City Services. The City shall require that unincorporated properties be annexed into the City prior to the provision of any City services, or that a conditional service agreement be executed agreeing to annex when deemed appropriate by the City."

5. RHNA: Submit to LAFCo a determination of substantial compliance from the California Department of Housing and Community Development (HCD) consistent with Government Code Section 65585, subdivisions (d) or (h), regarding the Regional Housing Needs Allocation. (Resolution No. 1348, ¶ 15, subd. (c).)

A. The Regional Housing Needs Allocation (RHNA) that was prepared by SACOG covers a seven and a half year period (2006-2013). Due to the slowdown in the housing market and changes in State growth projection for the SACOG region, the RHNA was lowered by approximately 30% as a result of legislation (AB 1259). The 2006-2013 RHNA includes an allocation for the City for both the Panhandle and the Greenbriar area since the City was in the process of annexing those areas at the time the new RHNA was prepared by SACOG. The City's total allocation is 17,649 housing units. Broken down by income level, the City's allocation is as follows:

6. Income Level	7. Units
8. Very Low (0-50% AMI)	9. 2,472
10. Low (51-80% AMI)	11. 2,582
12. Moderate (81-120% AMI)	13. 3,603
14. Above Moderate (120%+ AMI)	15. 8,991
16. Total*	17. 17,649

18. AMI = Area Median Income

19. *Addition error due to rounding

I) In order to fulfill its obligations under State Housing Element law (Gov't Code Section 65580 et seq.), the City must demonstrate that it has sufficient sites that are appropriately zoned to accommodate this amount of development within the 2006-2013 period. Land zoned for higher-density development is considered by HCD to be suitable for housing for low and very low-income households. Sites zoned for higher density development have been included near the light rail station in the Greenbriar development in order to address the need for lower-income housing sites.

B. The City's 2002-2007 Housing Element was adopted by Council in June 2003 and was certified by the State Housing & Community Development on Sept. 9, 2003. (see attached certification letter).

C. The City's 2008-2014 Housing Element will be submitted to HCD for review in June 2008. We would likely get certification in the fall since we have to go through an initial 60-day review prior to adoption and then a 60-day HCD review after adoption.

D. Additionally, the City Council adopted Resolution 2008-057 which adopts an Inclusionary Housing Plan (IHP) for the Greenbriar project. This IHP identifies the location of 449 affordable rental units at three high density residential sites.

6. Environmental Justice: Effective January 1, 2008, Cortese-Knox-Hertzberg (Government Code Section 56668. (o) requires analysis of the extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of

public facilities and the provision of public services. The City of Sacramento has several programs aimed at meeting the environmental justice needs of the community:

- A. The City has adopted a requirement (City Code Section 17.190) that residential projects in new growth areas contain a defined percentage of housing affordable to low income and very low income households, to provide for a program of incentives and local public subsidy to assist in this effort, and to implement the mixed income policies of the housing element of the city's general plan:
 - I) Not less than fifteen (15) percent of the development project's residential units shall be inclusionary units developed for, offered to, and leased or sold at an affordable rent or housing price to very low and low income households as follows: ten (10) percent of the dwelling units shall be affordable to and occupied by very low income households and five percent of the dwelling units shall be affordable to and occupied by low income households.
- B. The City has a low income Utility Users Tax (UUT) exemption / refund program. For SMUD and PG&E those customers identified as low income in the two utilities' rate structure and as city residents do not have the UUT applied to their bill. This is the tax exemption. For low income residents paying the tax on phone bills and cable television bills we still offer the rebate program. Those that can verify both low income status and payment of phone and cable UUT may obtain a tax rebate.

7. Flood-plain: Provide information to the Commission to update the status of its compliance with FEMA and DWR flood-plain development measures adopted regarding the public interest. (Resolution No. 1348, ¶ 15, subd. (a).)

- A. The City staff report to City Council for its January 23, 2008 meeting states:
 - I) "The EIR and mitigation measures for flooding require compliance with FEMA flood designations; the EIR contemplated the possibility that FEMA would designate the area as AE Flood Hazard Zone. (On January 15, 2008, FEMA proposed remapping the Natomas basin as an AE Zone.) FEMA regulations would impose building restrictions that result in a de facto moratorium on vertical construction until such time that 100-year flood protection is restored."
 - II) The applicant has submitted a letter – dated September 18, 2007 that the applicant agrees to no vertical construction prior to 100-year flood protection.
 - III) Additionally, the City Council adopted a finding, within the Resolution 2008-053 Certifying the EIR: "9. In recognition of the pending remapping by FEMA of the area in which the project is located, the project has been conditioned to prohibit vertical construction unless and until the property has at least 100 year flood protection."

8. No Construction in Floodplain: Confirm that residential development in the SOI Amended Area shall not receive approval for vertical construction of improvements to real property until the affected territory has been certified by the US Department of Homeland Security, Federal Emergency Management Agency, for a minimum of 100-year flood protection. (Resolution No. 1348, ¶ 22.)

- A. Mitigation Measure 6.10-3 (adopted by Resolution 2008-053) states that “if the Greenbriar project site is remapped by FEMA into an AE, AR, or A99 zone, then: (1) the City will require development within the project site to comply with all applicable building and design regulations identified by FEMA and by the City of Sacramento’s Floodplain Management Ordinance in existence at the date of issuance of building permits pertaining to the applicable remapped zone”.
 - B. Additionally, the City Council adopted a finding, within the Resolution 2008-053 Certifying the EIR: “9. In recognition of the pending remapping by FEMA of the area in which the project is located, the project has been conditioned to prohibit vertical construction unless and until the property has at least 100 year flood protection.”
9. Natomas Joint Vision MOU Consistency: Confirm consistency with the Joint Vision MOU. (Resolution No. 1348, ¶ 11, subd. (e); ¶ 13, subd. (n); ¶ 19.)
- A. The Natomas Joint Vision Memorandum of Understanding, approved by the City and County in December 2002, set forth the master terms for annexation of land within the Natomas Joint Vision (Greenbriar is included within the Natomas Joint Vision Area). The City and County entered into a tax sharing agreement for Greenbriar on the date of March 11, 2008 (City Agreement 2008-0218) and March 12, 2008 (County Resolution 2008-0211). This agreement includes terms of revenue sharing and open space, consistent with the County Board of Supervisors action of November 27, 2007.
 - B. The open space agreement requires a minimum of 1:1 development to open space ratio for Greenbriar. This 1:1 ratio exceeds the 30% open space requirement of the Folsom Sphere of Influence area.
 - C. Specifically, the Greenbriar “urban footprint requiring mitigation equates to 492 acres. The difference between the 577 acres of the site and the 492 acre “urban footprint requiring mitigation” is:
 - I) 31 acres for the Lone Tree Canal buffer
 - II) 28 acres for the Freeway Buffer
 - III) 27 acres for public improvements on the Greenbriar property already mitigated by the Metro Air Park project
 - D. The 492 acres of mitigation shall consist of:
 - I) 396 acres of off-site mitigation lands located within the unincorporated Sacramento County portion of the Natomas Basin
 - II) 96 acres of on-site open space lands (detention basin w/ public trail, freeway buffer w/ public trail, habitat buffer at Lone Tree Canal)

(Note: On March 7, 2007 the Commission discussed the pending Agriculture – Open Space Preservation policy development. It was noted that the Commission has adopted policies for the protection of agricultural land and open space in place. The Commission voted unanimously to discontinue the development of new Agriculture – Open Space Policies and to continue using the existing Commission policies. The Commission directed staff to consider the matter on a case-by-case basis, with deference provided to the annexing land use agency. This project is consistent with Commission policy.)

10. Wildlife Agency: Confirm by letter that the USFWS agrees with the process for preparing the new project-specific HCP in accordance with the City's letter of August 27, 2007. (Resolution No. 1348, ¶ 20.)
- A. The City Council adopted a finding, within the Resolution 2008-053 Certifying the EIR: "8. The entitlements for which the EIR was prepared are first stage legislative entitlements, and do not authorize any actual development. Before any actual development may occur, the following must be approved by Council: a development agreement, a tentative map, any subdivision modifications, and PUD development guidelines and any necessary changes to the PUD Schematic Plan and Guidelines, and any special permits or other entitlements required for development. Before the tentative map, development agreement and other entitlements are approved, and before a grading permit may be issued, a habitat conservation plan must be prepared and approved, and an incidental take permit issued, by U.S. Fish and Wildlife and California Department of Fish and Game.
 - B. On March 13, 2008, USFWS provided a letter to LAFCo that confirmed the Service does not concur with the Effects Analysis and expects that the biological issues will be fully addressed in a new HCP, leading to Incidental Take Permits. The letter also references the City's commitment to withhold subsequent entitlements (e.g., tentative subdivision maps) until an HCP and permits are issued.
 - C. Additionally, the City, applicant, and USFWS have been meeting to establish a scope of services for preparation of an EIS, selection criteria for EIS consultant, and funding agreement to contribute to supplementing USFWS staff resources available to prepare the Biological Opinion.
 - D. EDAW - the firm who prepared the EIR - is also under contract to prepare the HCP. The first step in preparing the HCP was preparation of the Effects Analysis, which was appended to the DEIR. Since submittal of the Effects Analysis, the HCP consultant has attended several meetings with USFWS (and CDFG), along with the City and applicant team, to discuss mitigation and develop expanded mitigation plans. The consultant will continue to work with the City, applicant, USFWS (and CDFG) to refine the mitigation and prepare all required elements of the HCP.
 - E. USFWS has agreed, in concept, that the same firm preparing the HCP (and the City's / LAFCo's EIR) will prepare the EIS, and will be processing disclosure/conflict of interest statements. USFWS staff and the consultant will develop a scope of work for the EIS in the coming month or two.
11. School Mitigation: If applicable, submit evidence of any feasible school impact mitigation requirements into development agreements. (Resolution No. 1348, ¶ 18.)
- A. No development agreement has been submitted or approved at this time. The applicant has reached a Memorandum of Agreement and a Mutual Benefit Agreement with the Twin River Unified School District (formerly Rio Linda Union School District) to provide for the construction of a new elementary school in Greenbriar development. These agreements provide supplemental mitigation payments to purchase land and construct a new elementary school in the Greenbriar neighborhood. At such time that a development agreement is adopted, it will reflect the Mutual Benefit Agreement. {See attached Mutual Benefit Agreement }

12. CLUP Consistency / Overrides: Submit the consistency determination of the proposed land use with the CLUP from Sacramento County ALUC. (Mitigation Monitoring and Reporting Plan adopted by Sacramento LAFCo, p. 31, Mitigation Measure 6.8-3 (September 19, 2007).)
 - A. The Airport Land Use Commission (ALUC) determined in its letter of December 2005, that the project was consistent with the Sacramento International Airport Comprehensive Land Use Plan (CLUP), with the exception of the light rail station proposed in the middle of the Greenbriar site along the proposed Downtown – Natomas- Airport light rail line. The City Council adopted Resolution 2008-060 on the date of January 29, 2008, which overrode this determination, thereby allowing the construction of the light rail station within the overflight zone. (see attached)

13. Toxic Air Contamination Mitigation: Freeway Adjacency
 - A. The City Council adopted a new mitigation measure (6-2-4c), within the Resolution 2008-053, pursuant to a request by the Sacramento Metropolitan Air Quality Management District:
 - I) The project applicant shall include in landscape plans, planting of fine-needled conifer trees in the buffer area between the I-5 and SR 70/99 freeways and proposed residential uses. Total numbers, exact species, box-size at planting, spacing and placement will be determined in consultation with SMAQMD prior to adoption of a Tentative Map.

14. Transit Plan: Submit a Transit Master Plan for the SOI Amended Area consistent with the policies of the City's General Plan. (Resolution No. 1348, ¶ 17, subd. (a).)
 - A. Transit needs are considered as part of the Environmental Impact Report, and are incorporated into the draft Finance Plan.
 - B. The draft Finance Plan (adopted by City Council Resolution 2008-056 contemplates:
 - I) Dedication of rights-of-way necessary to accommodate light rail transit through the Greenbriar site
 - II) Construction of a light rail station on the Greenbriar site (estimated at \$2.4 million construction cost).
 - III) Contribution to the North Natomas Transportation Management Association for shuttle services until such time that the light rail line is operational.
 - C. SACOG Metropolitan Transportation Plan and Regional Transit's Downtown-Natomas-Airport Program EIR are moving forward with the light rail line project.

15. Bikeway Plan: Submit an updated Bikeway Master Plan to delineate bikeway and pedestrian facilities within the SOI Amended Area consistent with the goals and policies of the City's General Plan. (Resolution No. 1348, ¶ 17, subd. (b).)
 - A. The City did not amend its Bikeway Master Plan with the Greenbriar 1st stage project entitlements. Rather, the City will amend the Bikeway Master Plan concurrent with approval of a tentative subdivision map which establishes street patterns. The Bikeway Master Plan amendment will show, at a minimum, a bike trail in the freeway buffer, and provision of on-street bike path on Elkhorn Blvd. The adopted Greenbriar PUD Guidelines provide that the project will include a

varied network of both on- and off-street pedestrian pathways and trails, allowing for safe and convenient non-vehicular travel throughout and within the PUD.

- B. Mitigation Measure 6.1-9a states: "Prior to recordation of the first map, the project applicant shall coordinate with the City of Sacramento Development Engineering and Finance Division to identify the necessary on- and off-site pedestrian and bicycle facilities to serve the proposed development. These facilities shall be incorporated into the project and could include: sidewalks, stop signs, in-pavement lighted crosswalks, standard pedestrian and school crossing warning signs, lane striping to provide a bicycle lane, bicycle parking, signs to identify pedestrian and bicycle paths, marked and raised crosswalks, and pedestrian signal heads."
16. Water Supply Assessment: Submit updated Water Supply Assessment so that LAFCo can determine water availability as required by law, in compliance with the terms and conditions of the Water Forum Agreement. The information provided shall be sufficient for LAFCo to determine water availability to the area pursuant to Government Code Section 56668, subdivision (k), or its successor. (Resolution No. 1348, 15, subd. (e).)
- A. The City Council adopted Resolution 2007-323 on the date of May 29, 2007, which adopted the Water Supply Assessment for the Greenbriar project area. The WSA was prepared consistent with the City of Sacramento Urban Water Management Plan (UWMP) (November 14, 2006) and the direction from the City of Sacramento Department of Utilities. The UWMP assumed the Greenbriar project as a baseline project. The Greenbriar WSA concludes that based on the City's most recent Urban Water Management Plan there are sufficient water supplies for the project during normal, single dry and multiple dry years over a 20 year period. {See attached Water Supply Assessment}
- B. The City is a signatory and is in compliance with the Water Forum Agreement.

Conducting Authority Proceedings

100 Percent Consent

Staff recommends that the Conducting Authority protest proceedings be waived. The affected territory is owned solely by the project proponent. The adjacent neighborhood associations, affected property owners, and landowners within a 500 foot radius of the project site, have been notified of the date, time and place of the hearing on this proposal. The affected territory is deemed to be uninhabited, as there are fewer than 12 registered voters. No affected public or agency protest has been received.

Affected Agencies:

The project was circulated for the review and comment of affected agencies. The Plan for Services has been updated to incorporate agency comments. LAFCo received comments from the subject agencies - Sacramento County Departments, SRCSD, CSD No. 1 and RD-1000. Affected City of Sacramento Departments have also reviewed and accepted the Plan for Services.

Environmental Considerations

Your Commission has consistently directed staff to work with affected local agencies to further coordination and minimize redundancy in the CEQA review process.

Consistent with your adopted policies, the Commission acts as Lead Agency in reviewing Spheres of Influence Plans, city incorporations or city annexations where no pre-zoning had been undertaken by the city prior to LAFCo approval. However, LAFCo will act as a Responsible Agency in all other situations.

Background

On November 1, 2005, the City and the Commission entered into a MOU by which the two entities agreed to process a single EIR to evaluate the environmental consequences of the entire Greenbriar proposal. Under the MOU, the City is designated as the Lead Agency for environmental review of the Pre-zoning and Annexation Proposal, while the Commission is designated as a Responsible Agency.

Pursuant to the MOU, the City and the Commission prepared and release a Notice of Preparation for a Draft EIR for public comment on July 20, 2005, and a Re-circulated Notice of Preparation was released for public comment on August 16, 2005. A Draft EIR was prepared and circulated for public review and comment between July 19, 2006 and September 5, 2006. Based upon comments received, certain revisions were made to the Draft EIR. A Re-circulated Draft EIR was released for public comment on November 14, 2006 through January 2, 2007. Based upon comments received, a Second Re-circulated Draft EIR was prepared and published on April 10, 2007 and the public comment period ran until May 25, 2007. The Commission receives public comments on the Draft EIR at noticed public meetings on August 2, 2006 and August 30, 2006, and in addition, received written comments on the Drat and Re-circulated EIRs from individuals and organizations. The Final EIR (FEIR) incorporated the Re-circulated EIRs by reference and provided responses to public comments. The FEIR was prepared and distributed to the public on August 15, 2007.

The Commission, in consideration of the proposed SOI Amendments, discussed the FEIR during its meeting in September 19, 2007, and heard public comments and received additional written comments on the FEIR. The Commission, in consideration of the proposed SOI Amendments, certified that the EIR was prepared in full compliance with the terms of the California Environmental Quality Act on September 19, 2007 (Resolution No. LAFC 1345)

The Commission concurrently approved Findings of Fact and a Statement of Overriding Considerations for the SOI amendments and approved the Mitigation Monitoring and Reporting Plan (Resolution No. LAFC 1346 and LAFC 1347)

The Commission then approved the SOI Amendments, subject to Terms and Conditions; and accepted the Municipal Service Review on September 19, 2007 (Resolution No. LAFC 1348).

Subsequently, pursuant to the MOU, the City certified the FEIR for the proposed Reorganization and approved the related first stage development entitlements – General Plan Amendment (Resolution no. 2008-058), Pre-zoning (Ordinance No. 2008-004), Inclusionary Housing Plan (Resolution No. 2008-057), Planed Unit Development Guidelines (PUD) (Resolution No. 2008-059), and adopted a draft Finance Plan (Resolution No. 2008-056). The City Council also adopted Resolution 2008-055 to formally initiate the reorganization.

Following the City's action, the City submitted to LAFCo the City's Request for Reorganization (Annexation and Detachments). Notwithstanding LAFCo's previous certification of the Greenbriar EIR as lead agency for purposes of the Sphere of Influence Amendment, LAFCo became a responsible Agency under CEQA for the Request for Reorganization. (Pub. Resources Code, § 21069; LAFCo Policies and Procedures, IV.F.1.)

As a responsible agency under CEQA, LAFCo must ensure that the environmental document prepared for the project adequately addresses LAFCo matters and that LAFCo has considered the EIR in its review of the Reorganization. Based on its review of the project and the EIR, LAFCo must make specific findings of fact and may adopt mitigation measures accordingly. Where an impact is within the City's exclusive jurisdiction, in accordance with CEQA Guidelines section 15091, subdivision (a)(2), LAFCo's findings will state that review of the impacts is within the jurisdiction of another public agency and any necessary mitigation measures have been, or will be, adopted by that agency. Such measures may be a condition of Annexation.

As a responsible agency, LAFCo is also required to adopt a Mitigation Monitoring and Reporting Program.

Executive Officers Comments

The proponents have adequately addressed the eight Commission imposed Terms and Conditions regarding the recently approved SOI Amendments for the City, SRCSD and CSD No. 1. The proposal will comply with the Mitigation Monitoring and Reporting Plan certified by both the Commission and the City. Also, applicable to future development of the site is the MOU between the City of Sacramento, the Sacramento County and the landowner regarding open space preservation. The purpose of these measures is to respond to issues and concerns raised during the public hearing process and mitigate impacts that may have been identified in the EIR.

The reorganization for the Greenbriar Project represents a logical and orderly path of development. Currently, development is occurring on the three sides: east, south and west. In addition, infrastructure and services are adjacent to the proposed site. Construction of Meister Way through the project site is required for the adjacent Metro Air Park (MAP) development as well as other offsite improvements. Therefore, there are a number of benefits to comprehensively plan this area due to existing projects and development that are already occurring in the project vicinity.

Future development of the project would provide nearby housing for the employment centers proposed for MAP, the Sacramento International Airport expansion, and the Sutter County Measure M area just across the County line. The reduction of commute distances is among the goals of the SACOG Blueprint unanimously adopted by the SACOG Board.

The proposal is consistent with other elements of the SACOG Blueprint. The proposed land uses implement many of the Blueprint goals and policies; as well as the adopted City of Sacramento Smart Growth Principles. Also, the affected territory fall within the Blueprint preferred growth scenario adopted by the SACOG Board.

Growth and development of the Natomas area within the city occurred more rapidly than anticipated in the last twenty years. However, as in much of the region, the economy has cooled

off, and growth has slowed considerably. The regional housing market has gone through hot and cold cycles over the last 25 years. Although it is difficult to predict market changes, it is prudent to plan for growth during a slow cycle to allow for due consideration of issues without undue market pressures.

Nonetheless, a number of issues will need to be resolved prior to onsite development and the issuance of building permits. There are a number of federal, state, regional and local agencies that will weigh in on these issues and determine various requirements that will need to be satisfied.

This is the next step in affirming the Commission's determination to amend the affected Spheres of Influence for the affected territory.

RECOMMENDATION

Therefore, staff recommends that your Commission adopt the attached Resolutions:

1. Adopt Resolution No. LAFC 1354; a Resolution of the Sacramento Local Agency Formation Commission making California Environmental Quality Act Findings:
 - a. Find that the Sacramento Local Agency Formation Commission is a responsible agency with respect to CEQA for this proposal as required by California Code of Regulations, title 14, section 15051, subdivision (b)(2) and LAFCo Policies and Procedures, section IV.F.1;
 - b. Find that the Final Environmental Impact Report previously prepared and Certified by the Sacramento LAFCo and the City of Sacramento, as co-lead agencies for the Sphere of Influence Amendments for the City of Sacramento, the Sacramento Regional County Sanitation District, and County Sanitation District #1, and related development entitlements and reorganization proposal is adequate and complete; (Resolution No. LAFC 1345 / LAFC 12-05)
 - c. Find that the Final Environmental Impact Report and the Mitigation Monitoring and Reporting Plan are adequate;
 - d. Find that the Commission has considered the information contained in the Final Environmental Impact Report and the Mitigation Monitoring and Reporting Plan prior to its action on the proposal;
 - e. Adopt Findings of Fact and Statement of Overriding Considerations pursuant to California Code of Regulations, title 14, section 15096, subdivision (h). Although LAFCo previously adopted Findings of Fact and Statement of Overriding Considerations (Resolution No. 1346/LAFC 12-05) as lead agency for the Sphere of Influence Amendment, LAFCo is now acting as a responsible agency for the Reorganization. The proposed Findings of Fact and Statement of Overriding Considerations reflect the changes to the mitigation measures, as adopted by the City, as well as additional input received from other agencies since LAFCo approved the Sphere of Influence Amendment (Resolution No. 1348); and

- f. Direct staff to prepare a Notice of Determination.
-
- 2. Adopt Resolution No. LAFC 1355; A Resolution of the Sacramento Local Agency Formation Commission approving the Revised Mitigation Monitoring and Reporting Program (MMRP) for the Greenbriar Project. The Revised MMRP reflects the additional mitigation measures adopted by the City of Sacramento during its consideration of the Reorganization Proposal.

 - 3. Adopt Resolution No. LAFC 1356; a Resolution of the Sacramento Local Agency Formation Commission Resolution approving the Greenbriar Reorganization - Annexation to the City of Sacramento, Sacramento Regional County Sanitation District and County Sanitation District #1; and Detachment from Natomas Fire Protection District.
 - a. Waive the Conducting Authority protest proceedings due to one-hundred percent landowner and subject agency consent.

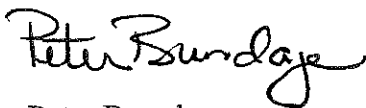
 - b. Set the effective date of annexation to be upon filing of the Certificate of Completion by the Executive Officer.

 - c. Authorize your Chair to sign the Resolution making these determinations.

This Reorganization includes an area of approximately 577 acres, located at the northwest quadrant of the intersection of State Route 70/99 and Interstate 5, referred to as the Greenbriar Project. The proposed development site is located in the unincorporated portion of Sacramento County, adjacent to and west of the City of Sacramento, within the Spheres of Influence (SOI) of the City of Sacramento, Sacramento Regional County Sanitation District and County Sanitation District #1.

Respectfully,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION



Peter Brundage
Executive Officer

DL:dt
Attachments: