

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
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January 18, 2012

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **Executive Officer's Report and Recommendation for the City of Folsom South of Highway 50 Reorganization (LAFC 04-11):**

- 1) **Annexation of approximately 3,500 acres to City of City of Folsom,**
- 2) **Annexation to Sacramento Regional County Sanitation District,**
- 3) **Detachment from Sacramento Metropolitan Fire District, and**
- 4) **Detachment from Wilton Cosumnes Parks and Recreation Area (County Service Area 4B)**

[CEQA: Environmental Impact Report SCH #2008092051: LAFCo Responsible Agency]

RECOMMENDATION

1. **Adopt Resolution 2012-01-0118-04-11: Resolution of the Sacramento Local Agency Formation Commission Certifying The Final Environmental Impact Report For The Annexation To The City Of Folsom And Sacramento Regional County Sanitation District And Detachment From Sacramento Metropolitan Fire District And Wilton-Cosumnes Parks And Recreation Area (County Service Area 4B):**
2. **Adopt Resolution 2012-02-0118-04-11: Resolution of the Sacramento Local Agency Formation Commission Adopting Findings Of Fact And A Statement Of Overriding Considerations For The Annexation To The City Of Folsom And Sacramento Regional County Sanitation District And Detachment From Sacramento Metropolitan Fire District And Wilton-Cosumnes Parks And Recreation Area (County Service Area 4B);**
3. **Adopt Resolution 2012-03-0118-04-11: Resolution of the Sacramento Local Agency Formation Commission Adopting A Mitigation Monitoring And Reporting Program For The Annexation To The City Of Folsom And Sacramento Regional County Sanitation District And Detachment From Sacramento Metropolitan Fire District And Wilton-Cosumnes Parks And Recreation Area (County Service Area 4B); and**

4. Adopt Resolution 2012-04-0118-04-11: Resolution of the Sacramento Local Agency Formation Commission Approving The Application For Annexation To The City Of Folsom And To The Sacramento Regional County Sanitation District And Detachment From Sacramento Metropolitan Fire District And Wilton-Cosumnes Parks And Recreation Area (County Service Area 4B)

5. Consistent with the foregoing and as set forth in the foregoing Resolutions:

- 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 City of Folsom to prezone the annexation territory and related development entitlements and reorganization proposal is adequate and complete;
- c. Find that the Mitigation Monitoring and Reporting Plan is 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). The Findings of Fact and Statement of Overriding Considerations reflect the mitigation measures, as adopted by the City, as well as additional input received from other agencies;
- f. Find that the approval that the City of Folsom Annexation application promotes orderly growth and development, consistent with law and the Commission's Policies, Standards, and Procedures and the Commission's previous Resolution Nos. LAFC 1192, 1193, 1194, 1195, and 1196;
- g. Adopt the Application for Annexation and find that the Sphere of Influence is coterminous with the boundary of the City;
- h. Direct staff to prepare and file the Notice of Determination and Notice of Completion;
- i. Waive the Conducting Authority protest proceedings due to one-hundred percent landowner and affected local agency consent;
- j. Set the effective date of annexation to be upon filing of the Certificate of Completion by the Executive Officer; and
- k. Authorize your Chair to sign the Resolution making these determinations.

Applicant

City of Folsom
Ken Payne, Chief of Environmental/Water Resources
David Miller, Director of Community Development
50 Natoma Street
Folsom, California 95630

FPPC Disclosure

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

History/Background

Gold was first discovered along the south bank of the American River in the area known as Negro Bar. The discovery led to massive gold mining operations, as well as a need for rail service.

In 1847, William Leidesdorff, a successful trader who owned a prosperous shipping business, traveled to Sacramento by steamboat to see the 35,000 acres he had purchased years earlier. His land holdings extended from today's Bradshaw Road along the south side of the American River to the present city of Folsom. That same year, U.S. Army Captain Joseph Folsom's regiment arrived in California. At the conclusion of the Mexican-American War, Folsom remained in the state and became interested in purchasing the land that Leidesdorff had left to his heirs following his death in 1848.

After a long fight to obtain the land, Joseph Folsom hired fellow railroad pioneer Theodore Judah to help establish a town site near the Negro Bar mining spot on the American River. Their early plans included shops along Sutter Street and a railroad depot. Folsom named the new town "Granite City." Judah and Folsom planned the town as a railroad terminus before there were railroads in California. Though Folsom didn't live to see it, his dream came true on Feb. 22, 1856 when the first train on the first railroad in the West arrived in Folsom from Sacramento.

Following Joseph Folsom's death at the age of 38, his successors renamed the town in his memory. By January 1856, every lot had been sold, and three new hotels were open in the town known as Folsom. Several decades later, construction began on Folsom Prison. Inmates helped construct the facility, which opened in 1880 when the first prisoners were moved to relieve overcrowding at San Quentin.

Following construction of the Folsom Powerhouse, Folsom made history in 1895 with the first long-distance transmission of electricity--22 miles from Folsom to Sacramento. The Powerhouse helped usher in the age of electricity with this notable accomplishment. The city's historic truss bridge was completed in 1893 to transport people, cattle and small vehicles across the American River. In 1917, the Rainbow Bridge opened to accommodate automobiles. It was the only option for crossing the river until the Lake Natoma Crossing opened in 1999.

Following a campaign spearheaded by the Chamber of Commerce in 1946, Folsom became a city. The final vote was 285 in favor of incorporation and 168 opposed.

Highlights

- Folsom is conveniently located about 25 miles east of Sacramento, 85 miles from Lake Tahoe and 110 miles from San Francisco with direct and convenient access to U.S. 50, Sacramento International Airport, and cargo operations at Mather Field Airport.
- Folsom is a full-service, incorporated city (services include; Police, Fire, Public Works, Parks and Recreation, Public Library, and Utilities).
- Folsom is well known as a safe, family-oriented community with a low crime rate (one of the lowest per capita crime rates in Sacramento County).

- Folsom has a variety of commercial and office space available.
- Folsom is served by the Folsom Cordova Unified School District; one of the highest rated districts in the region, and is home to Folsom Lake Community College, one of the fastest growing colleges in the nation.
- Folsom is served by Mercy Hospital and Kaiser Permanente.
- Key employers include: Intel, Verizon, Cal-ISO, Numonyx, Maximus, State of California, Kikkoman, Mercy Hospital, and Kaiser Permanente.
- Folsom has over 300 acres of developed park land and over 36 miles of paved pedestrian/bike trails.

Workforce Characteristics

- Labor Force 27,800 *
- Available Employment 26,400 *
- Unemployment Rate 4.9% *
- Housing Units 25,657 **
- Jobs/Housing Ratio 1.03

*Source: *California Employment Development Dept, February, 2010*

**Source: *California Department of Finance, January 2009*

Project Location

The project territory consists of approximately 3,510 +/- acres of undeveloped land wholly within the City of Folsom Sphere of Influence (SOI) area. Existing road rights-of-ways contained within the project territory include U.S. Highway 50; Prairie City Road, White Rock Road, Scott Road and Placerville Road. Upon Annexation, all roads and highways or portions of a road or highway in the Annexation Proposal area which had been accepted into the county road system pursuant to Section 941 of the Streets and Highways Code shall become City streets, except where such roads or highways are located on the boundary line of the Annexation Proposal area, and in such case the City street will extend only to the centerline of such road or highway (Section 57329). The City and County are encouraged to enter into joint road or highway maintenance agreements.

Additionally right-of-ways within the project territory include the Sacramento-Placerville Transportation Corridor. A Sacramento Municipal Utility District (SMUD) overhead double circuit 230 kV electric transmission line easement traverses the site in a north-northeast/south-southeast direction approximately one-quarter mile east of Prairie City Road. An existing single-family residence and several radio broadcasting towers are located on the project.

The Annexation Plan Area (or Plan Area) is directly adjacent and contiguous to the City of Folsom's southern boundary. To the east of the Plan Area, in El Dorado County, is the El Dorado Hills community with its residential neighborhoods and Town Center. To the south, of the Plan Area, across White Rock Road are undeveloped open grasslands used for cattle grazing and proposed mining operations. The Aerojet missile and propulsion facility is located immediately west of the Plan Area as well as the recently approved unincorporated master-planned communities of Glenborough at Easton and Easton Place.

The affected territory is located at the eastern edge of the Sacramento Valley; the Plan Area consists of gently rolling hills covered with grasslands and areas of oak woodlands. Alder Creek and its seasonal tributaries are present, mainly in the western two-thirds of the site. Poor soils and little groundwater render the site incapable of supporting full-scale agricultural operations.

The project territory consists of two distinct topographic regions: hillside and valley floor. The hillside region includes all of the property east of Placerville Road and consists of hilly terrain located where the lower foothills of the Sierra Nevada mountain range join the Sacramento Valley floor. Elevations vary from 440 to 800 feet above sea level. Existing slopes range from 5 to plus 30 percent. The majority of slopes average 15 percent.

The topography of the valley floor region consists of gently rolling terrain located between Placerville Road on the east, Highway 50 to the north, White Rock Road to the south and Prairie City Road to the west. The majority of slopes within this region range between 0 and 15 percent; however, some isolated steep slopes exist along the edges of Alder Creek and its associated tributaries and seasonal drainages.

The project territory lies within four separate watersheds: Alder Creek, Buffalo Creek, Coyote Creek and Carson Creek. Alder Creek and Buffalo Creek are tributary to the American River; Coyote Creek and Carson Creek are tributary to the Cosumnes River. Approximately 93.43-acres of wetlands (waters of the United States as defined by the USACE) exist within the boundaries of the project territory.

Approximately 642-acres of Blue Oak Woodland exist in the area west of Scott Road, south of U.S. Highway 50 and east of Prairie City Road.

The affected territory does not include any agricultural land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance as defined in Appendix G of the State CEQA Guidelines. The Sacramento County Important Farmland map, published by the California Department Conservation's (DOC's) Division of Land Resource Protection, designates the entire Plan Area as Grazing Land.

Project Description

The reorganization consists of annexations to the City of Folsom (City) and Sacramento Regional County Sanitation District (SRCSD); and detachment from Sacramento Metropolitan Fire District and Wilton Cosumnes Park and Recreation Area (County Service Area 4B).

The property has been rezoned, which will become the effective zoning upon the filing of the Certificate of Completion by the Executive Officer.

Project Objectives

For the City, the priority for annexation is to secure the boundaries of the City to define land uses, zoning and a development plan to provide for an orderly development pattern that integrates the Plan Area into the existing City and its levels of service. The timing of development is contingent on market demand. Additionally, construction of backbone infrastructure to serve the initial and build-out phases of development will need to be approved, designed and constructed. It is anticipated that some single-family and single-family high density residential development will occur within the next five years.

Development cannot occur without the proposed change of organization. Much of the projected population growth of the City would occur in the Plan Area to accommodate the projected population and employment growth in the Plan Area through residential and commercial land use designations. The estimated Plan Area population of the City will increase the City's total population by approximately 25 percent as build-out of the Plan Area occurs in approximately 30 years. Anticipating the need for services to accommodate the planned growth, the City of Folsom offers opportunities for reasonably priced housing in close proximity to meaningful employment; recreational amenities; high quality public schools; municipal services and shopping. Without the proposed change of organization, the City will not be able to accommodate its share of future regional growth, and provide the urban services that come with annexation.

The Folsom Planning Area Specific Plan (FPASP) subscribes to the current SACOG Smart Growth Blueprint Principles as well as its own set of Planning Principles to help guide the vision for the development of the Plan Area as follow:

1. Create a well-integrated, comprehensively planned community that implements and is consistent with the City of Folsom's General Plan.
2. Promote a multi-faceted approach to creating a sustainable community by incorporating appropriate Smart Growth principles into the plan design.
3. Conserve and preserve natural, environmental, and visual resources within the Folsom Plan Area.
4. Provide commercial land uses intended to serve both regional visitors and local residents.
5. Provide diverse housing opportunities responsive to local needs, incomes and lifestyles.

6. Improve the City's jobs/housing balance by providing employment opportunities in close proximity to housing.
7. Create a comprehensive system of parks and open space that provides recreational opportunities for the community.

Project Characteristics

Population:	None
Registered Voters:	Uninhabited
Acres:	3,510 (approximately)
Current Land Uses:	Open Space and Agricultural (undeveloped)

Current Uses and Zoning

1. The territory is within the Sacramento County General Plan and not within any established community plan.
2. The County General Plan or community plan designations is: General Agricultural 80/Reserve Conservation Area and General Agricultural 80
3. Current County zoning is: Agricultural

The Plan Area is vacant grazing land with the exception of a portion that contains several broadcasting transmission towers and a portion that contains one single family residence. The Plan Area consists of gently rolling hills covered with grasslands and areas of oak woodlands. Poor soils and little groundwater render the site incapable of supporting full-scale agricultural operations. The FPA does not include any agricultural land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance as defined in Appendix G of the State CEQA Guidelines. The Sacramento County Important Farmland map, published by the California Department Conservation's (DOC's) Division of Land Resource Protection, designates the entire Plan Area as Grazing Land.

Proposed Zoning and Land Uses

The FPA is a comprehensively planned community that proposes new development patterns based on the principles of "Smart Growth" and Transit Oriented Development. Consistent with these principles, the FPASP encompasses a mix of residential, commercial, employment and public uses complemented by recreational amenities including a significant system of parks and open spaces, all within close proximity to one another.

Consistent with "Smart Growth" principles, the FPASP encompasses a mix of residential, commercial, employment and public uses complemented by recreational amenities including a significant system of parks and open spaces, all within close proximity to one another. The main pedestrian friendly features of the FPA are the town and neighborhood centers. These centers contain areas of concentrated mixed land uses and higher density housing that provide the foundation for walkable neighborhoods and alternative transportation modes. The thoughtful placement and juxtaposition of land uses includes a mixture of local destinations and amenities

that help to define a distinctive community identity and sense of place. The various land uses within the FPA are interconnected by a proposed transit corridor and a system of “complete streets”, walks, bicycle trails, and pedestrian pathways. Interconnectivity between residential neighborhoods and destination points such as shopping, employment centers, parks and schools offers residents a number of choices to reach their destination. The individual elements of the community plan are designed to integrate seamlessly with each other and with the City of Folsom overall. The standards and guidelines contained in the FPASP provide a comprehensive framework for future growth and development within the FPA while incorporating flexibility to address and accommodate changing market conditions. The FPASP offers a balanced approach to urban development by preserving the physical beauty of the area and satisfying the ongoing needs of the City and its residents.

Regarding land use and pre-zoning for the Plan Area, the City of Folsom approved the amendment to the Folsom General Plan on June 14, 2011, and approved the Folsom Zoning Ordinance (Municipal Code Title 17) and Plan Area zoning on June 28, 2011. [The Folsom Plan Area Specific Plan (FPASP) provides for the following proposed land uses: Single Family; Single Family High Density; Multi-Family Low Density; Multi-Family Medium Density; Multi-Family High Density; Mixed Use; Industrial/Office Park; Community Commercial; General Commercial; Regional Commercial; Parks; Open Space; and Public/Quasi-Public. The FPASP also proposes the following zoning categories: SP-SF; SP-SFHD; SP-MLD; SP-MMD; SP-MHD; SP-MU; SP-CC; SP-GC; SP-RC; SP-IND/OP; SP-P; SP-OS and two overlay zones: the Entertainment District Overlay Zone and the Town Center Overlay Zone].

The summary of land uses by category is shown in the following table:

Plan Area Land Uses	Approximate Area/Acres	% of Plan Area
Residential	1,473.9	42.0
Commercial / Office	510.8	14.6
Public / Quasi Public	301.0	8.6
Open Space:	1,053.1	30.0
Major Circulation	171.6	4.8
Total	3,510.4	100.0%

The proposed number of dwelling units is 10,210 consisting of the following and is broken down as follows:

Types of Dwelling Units	
Single Family and High Density Single Family	4,620
Low, Medium and High Density Multi-Family	4,909
Mixed Use Dwelling Units	681
Total Dwelling Units	10,210

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 [Government Code Section 56425. (a)]. (Unless otherwise indicated, all Sections referenced herein are to the California Government Code).

In determining the sphere of influence of each local agency under its jurisdiction, the Commission must 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 June 6, 2001, the Commission approved a Sphere of Influence Amendment for the City of Folsom. The Sphere of Influence Amendment contained many terms and conditions set forth in LAFC Resolution No. 1196 as follows:

Sphere of Influence Terms and Conditions

The Commission adopted the following terms and conditions which must be satisfied by the City of Folsom prior to annexation. As to each condition below, a brief summary is provided in italics describing the City of Folsom's compliance with the SOI Terms and Conditions. Additional information will also be provided in subsequent sections of this report and the attached Exhibits. In particular, please refer to LAFC Resolution No. 2012-04-0118-04-11:

1. Prior to submittal of any application to annex property within the Sphere of Influence Amendment area, the City of Folsom shall:
 - (a) Revise and update its General Plan in accordance with State law;
 - (b) Obtain a determination of substantial compliance from the California Department of Housing and Community Development (HCD) consistent with Government Code section 65585(d) or (h). The City of Folsom shall establish in its approved Housing Element that it has or will meet its regional share housing needs for all income levels for the second and third housing element revisions, as defined in Government Code section 65588.
 - (c) Adopt appropriate land use designations for all property within the Sphere of Influence area; and
 - (d) Pursuant to Government Code section 56375, pre-zone the property consistent with the City of Folsom General Plan. In pre-zoning within the Sphere of Influence Amendment, the City of Folsom shall address the location, distribution, intensity, and extent of the land use designations, including open space.

The City has amended its General Plan, adopted appropriate land use designations and zoned the area to be annexed. According to the California Department of Housing and Community Development, the City of Folsom Housing Element is in compliance with State law. Please see Exhibit "B" (attached hereto) Map of Proposed Land Uses and Zoning. Also, see discussion in Regional Housing Needs Assessment section in this staff report.

2. The City of Folsom is encouraged to promote annexations within the Sphere of Influence Amendment area that are well planned, capable of being efficiently served, have an orderly development pattern, and avoid the premature conversion of open space and agricultural lands within the Sphere of Influence area. Consistent with its General Plan policy, the City of Folsom is

encouraged to develop an orderly annexation program and should discourage the filing of any annexation application seeking to annex property prematurely or in a piece-meal manner.

The City of Folsom has adopted a comprehensive specific plan, water plan, wastewater plan, drainage plan, bikeway plan, transit plan, air quality plan and public financing plan for the area to be annexed. The City is proposing to annex the entire Sphere of Influence area. Exhibit "B" (attached hereto) Map of Proposed Land Uses and Zoning.

3. In any application to annex property within the Sphere of Influence Amendment area, the City of Folsom shall submit to LAFCo for its review and approval, an updated Master Services Element which includes a program of implementation and financing measures necessary to support the provision of major components of infrastructure and services, and other essential facilities, needed to support the proposed distribution, location, extent and intensity of land uses proposed within the Sphere of Influence Amendment area. The Master Services Element shall identify a water source(s) and the ability to acquire said water source(s) sufficient to serve the area contained in the annexation application. The Master Services Element shall identify the process the City will undertake to acquire and secure a water supply sufficient for LAFCo to determine compliance with Condition (11) (a) of this Resolution.

The City of Folsom has submitted a Master Services Element and Public Financing Plan set forth in Exhibit "C". The City has demonstrated that it has undertaken to develop a comprehensive sustainable water supply to serve the area to be annexed. The City of Folsom has entered into a contract to purchase water from the Natomas Central Mutual Water Company. Conveyance of this water through the Freeport Water intake is subject to negotiations as described in a Memorandum of Understanding with the County of Sacramento. In addition, the City of Folsom will need to obtain consent from the Bureau of Reclamation to assign the Water Rights from Natomas Central Mutual Water Company to the City of Folsom. Also, see Exhibit "I" (attached hereto) related to the SB 610 Water Supply Assessment and discussion in the Water Supply section of this report.

4. Prior to submittal of any application to annex property within the Sphere of Influence Amendment area, the City of Folsom, with the cooperation of Sacramento and El Dorado Counties, shall prepare a plan to address the necessary improvements to the local roadway network of each jurisdiction in order to mitigate the impacts associated with development within the Sphere of Influence Amendment area. The plan should include a list of improvements, description of the responsible jurisdiction, phasing plan and a clearly defined financing mechanism. Implementation of the plan shall result in service levels on local roadways that are consistent with the General Plans of the City of Folsom and County of Sacramento and County of El Dorado. The plan shall be submitted with the annexation application.

See Exhibit "D" (attached hereto). The City of Folsom has adopted mitigation measures for the annexation area that set forth road and transportation improvements that are required to be constructed.

5. Prior to LAFCo approval of any application to annex property within the Sphere of Influence area (SOIA), the City of Folsom, with the cooperation of Caltrans, Sacramento County, El Dorado County, the El Dorado County Transportation Commission and the Sacramento Area Council of Governments, shall identify the traffic/transportation measures that must be implemented to mitigate the potential impacts on regional transportation infrastructure from proposed development within the SOIA area consistent with mitigation measure 4.4-2 in the Mitigation Monitoring and Reporting Plan. The City shall further set forth a funding strategy to construct the traffic/transportation measures necessary to fully mitigate the impacts from the development of the SOIA area and a proposed timeline for the construction of such improvements. The timeline shall be linked to the approval and construction of new development within the SOIA, within a time frame intended to mitigate the long-term impacts from the SOIA development. Where appropriate, the City shall utilize assessment districts and impact fee programs to fund improvements. As soon as reasonably possible, the improvements identified in this paragraph that are of regional significance shall be programmed in the MTP and the MTIP. The City shall request the programming of the improvements in the MTP as soon as the improvements are identified through

the General Plan Amendment Process, and shall request the programming of the improvements in the MTIP consistent with the financing plan established for implementation of the improvements.

See Exhibit "D" (attached). The City of Folsom has adopted mitigation measures that set forth traffic and transportation measures that will be constructed to mitigate these impacts.

6. Any application to annex property within the Sphere of Influence Amendment area shall include a Transit Master Plan for the SOIA area consistent with the policies of the City's General Plan. The Plan shall identify the roadways to be used by bus transit routes, locations for bus turnouts and pedestrian shelters, locations for bus transfer stations, alignments for fixed route rail service, and the location of rail service stations.

The City of Folsom has prepared a Transit Master Plan for the territory to be annexed. The Transit Master Plan is contained in Exhibit "E" (attached hereto).

7. Any application to annex property within the Sphere of Influence Amendment area shall include an updated Bikeway Master Plan to delineate bikeway and pedestrian facilities within the Sphere of Influence Amendment area consistent with the goals and policies of the City's General Plan. The update shall incorporate bikeway designations for Prairie City Road and White Rock Road to be equivalent, or better, than those contained in the Sacramento City/County Bikeway Master Plan.

The City of Folsom has prepared a Bikeway Master Plan equivalent to the County of Sacramento Bikeway Plan. See Exhibit "F" for the Master Bikeway Plan, attached hereto.

8. Any application to annex property within the Sphere of Influence Amendment area shall include hydraulic and hydrologic modeling of that portion of Alder Creek which traverses the planning area and include a Drainage Master Plan for the Sphere of Influence Amendment area. The Drainage Master Plan shall address flood hazards and the use of flood protection measures. The objective of the Master Plan shall conform to a no net increase in floodwater surface elevations downstream of the Sphere of Influence Amendment area.

The City of Folsom has developed a Drainage Master Plan for the area to be annexed. See Exhibit "G" for the Drainage Master Plan, attached hereto.

9. Any application to annex property within the Sphere of Influence Amendment area shall include the City of Folsom's multi-species habitat mitigation strategy (e.g., Habitat Conservation Plan (HCP)) for the Sphere of Influence Amendment area consistent with the goals and policies contained in the City's General Plan.) The strategy shall address the mitigation of development impacts upon habitat and biological/environmental resources in a manner that meets federal and state regulatory requirements. The City may fulfill the requirements of this condition by becoming a participant in the Sacramento County HCP process for the southeast County.

See Exhibit "H" for the City of Folsom Habitat Conservation Plan, attached hereto. The City of Folsom has adopted mitigation measures to address habitat, biological, and environmental impacts that have been identified by the City of Folsom.

10. Any application to annex Aerojet General Corporation property, or a portion of such property, within the Sphere of Influence Amendment area, must include information sufficient to demonstrate that on-site surface contamination has been remediated to standards determined to be acceptable by federal and state regulatory agencies and that either the groundwater contamination has been remediated or that measures to remediate the contamination are in place and working

satisfactorily. In addition, the City of Folsom shall provide evidence of any covenants and restrictions limiting the surface or subsurface use of the property.

The Annexation Proposal area contains Area 40, part of the Aerojet Superfund site, which has the potential to create a hazard to public health or the environment. Ongoing remediation activities could delay or limit project development on or near the site of those remediation activities. No development will be permitted until contamination has been remediated on the Aerojet property that is contaminated. This land will be zoned open space and restricted from development until the clean up has been completed. The City of Folsom has adopted mitigation measures including the following Mitigation Measure:

Mitigation Measure 3A.8-3d: Land Use Restrictions for Contaminated Soil and Groundwater within Area 40 as depicted on the Remedial Restrictions Area Exhibit 3A.8-9. Prior to approval of any tentative maps, improvement plans, or discretionary project approvals for locations within Area 40, as depicted in the Remedial Restrictions Area (Exhibit 3A.8-9), the project applicant(s) shall designate those areas that are subject to off-gassing hazards in excess of an indoor air standard, as open space or park use, as required by the City and Aerojet in consultation with the EPA. Areas designated for open space or park under this mitigation measure shall be determined by the City and by Aerojet in consultation with the EPA using risk calculations (completed in accordance with EPA's 1989 Risk Assessment Guidance for Superfund [EPA/540/1-89-002] and DTSC's 1992 Supplemental Guidance for Human Health Multimedia Risk Assessments of Hazardous Waste Sites and Permitted Facilities and 1994 Preliminary Endangerment Assessment Guidance Manual, or such guidance as may be in place at the time risk assessment is performed) for exposure to off-gassing from either soil or groundwater based on detected PCE and TCE concentrations. The project applicant(s) for such affected areas located within Area 40 as depicted on the Remedial Restrictions Area Exhibit 3A.8-9 shall implement this measure as part of tentative map applications or other discretionary project approvals when such applications are submitted to the City.

If the portions of Area 40 that are designated for park and open space use are not available for use as park and open space as identified in the SPA concurrently with surrounding development that creates demand for park and open space use, the project applicant(s), and the owners of land within the SPA shall identify and the City may rezone equivalent acreage of suitable park and open space land within the SPA for development as interim or permanent park and open space to meet the then current demand.

11. a. Prior to LAFCo approval of any application to annex property within the Sphere of Influence Amendment area, the City of Folsom shall demonstrate that it has a sufficient water supply to serve existing customers, future customers within the existing service area, and all proposed uses within the annexation application area, 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 Gov. Code Section 56668(k) or its successor.

See discussion in staff report under Water Supply section and Exhibit "I" which contains the Water Supply Assessment and "N" (letter from the Water Forum dated October 19, 2011).

- b. Prior to LAFCo approval of any application to annex property within the Sphere of Influence area, the City of Folsom shall identify the timely availability of sufficient wastewater transmission and treatment capacity to serve existing customers, future customers with the existing service area, and all proposed uses within the annexation application area.

Sacramento Regional County Sanitation District and El Dorado Irrigation have provided letters stating they have the ability and capacity to serve the proposed area to be annexed. See Exhibit "J" attached hereto.

12. Prior to LAFCo approval of any application to annex property within the Sphere of Influence Amendment area, the City of Folsom or other applicants shall meet and confer with the El Dorado Irrigation District, "EID", the Sacramento Metropolitan Fire Protection District, and any other special districts, regarding impacts to the districts and their operations. This process shall identify potential impacts from the proposed annexation upon the districts, including but not limited to

fiscal and operational impacts, assessments, bonded indebtedness, loss of property tax revenues and other impacts proposed relating to any proposed changes of organization or services. In addition, LAFCo will fully analyze and consider these impacts prior to approval of any annexation to determine appropriate mitigation measures or conditions of annexation. With respect to EID, the City of Folsom shall not request any detachment of EID territory such that EID will no longer qualify as a multi-county district under Revenue Taxation Code section 97 et seq. In addition, the City of Folsom shall meet with EID on an ongoing periodic basis, subject to a schedule mutually agreed to between the City and EID. The City of Folsom shall be responsible for scheduling these meetings. The objective of these periodic meetings is to provide for discussion and coordination of issues of mutual concern regarding water and wastewater supplies and treatment.

The City of Folsom has entered into Property Tax Agreements with the County of Sacramento, the Sacramento Public Library Authority, the Sacramento Metropolitan Fire District, and the El Dorado Hills County Water District (also known as the El Dorado Hills Fire Department). The City of Folsom will not detach from the El Dorado Irrigation District (EID) or the El Dorado Water (Fire) District. EID will provide water and sewer service to a portion of the area to be annexed. A letter from EID is attached to this staff report stating that EID supports this annexation. See Exhibit "K" for Property Tax Sharing Agreements. The City of Folsom will be the primary service provider for fire and emergency services and El Dorado Hills County Water District will provide secondary services pursuant to mutual aid agreements.

13. Where permitted by law, the City of Folsom shall incorporate feasible school impact mitigation requirements into development agreements that would take effect upon annexation of property within the Sphere of Influence area. The extent to which mitigation requirements may be necessary will depend upon availability of school facilities at the time of development, the type of development that occurs within the Sphere of Influence Amendment (residential compared to non-residential uses) and school district policies on providing enrollment space for non-residents who are employed within district boundaries.

The Tier 1 Development Agreement requires the property owners prior to or concurrent with the execution of the Tier 2 Development Agreement to comply with the provision to incorporate feasible school impact mitigation requirements set forth in LAFCo Resolution No. 1196 and as required in Folsom's Measure W adopted by the residents of Folsom.

14. The Mitigation measures adopted pursuant to the California Environment Quality Act by LAFCo Resolution 1193 are incorporated herein by reference. Subsequent to submittal of any application to annex property within the Sphere of Influence Amendment area, LAFCo shall review the Mitigation Monitoring and Reporting Plan (MMRP) approved as part of the Sphere of Influence Amendment for compliance and shall undertake additional environmental review in accordance with the California Environmental Quality Act.

Finding: LAFCo has reviewed the Mitigation Monitoring and Reporting Plan approved as part of the Sphere of Influence Amendment (Resolution Nos. LAFCo 1193 and 1196) for compliance and has undertaken additional environmental review in accordance with the California Environmental Quality Act. LAFCo finds the City has complied with the mitigation measures to be implemented by the project applicant(s) and successors either prior to annexation and/or ongoing during development of the SOIA area. (See detailed discussion under LAFCo Sphere of Influence Mitigation Measures). The requirements of the mitigation measures from the SOI are referenced and discussed in Exhibit "C" in Resolution No. LAFCo 2012-04-0118-04-11, which concludes that the City has satisfied its obligations for purposes of the Annexation Application.

15. At the time of submittal of any application to annex property within the Sphere of Influence area, the City of Folsom shall submit information demonstrating compliance within the Memorandum of Understanding between the City of Folsom and the County of Sacramento, effective November 14, 2000, attached hereto and made a part hereof. Prior to LAFCo approval of any application to annex property within the Sphere of Influence Amendment area, LAFCo shall review the application for compliance with the Memorandum of Understanding.

Staff has reviewed the MOU between the County of Sacramento and the City of Folsom and believe that the City of Folsom has complied with the MOU terms and conditions contained in LAFC Resolution No. 1196.

16. At the time of submittal of any annexation application, the City of Folsom shall demonstrate its compliance with the provisions of Condition 5 of the Memorandum of Understanding, the City of Folsom Master Services Element dated November 4, 1997, and the Final Environmental Impact Report to preserve woodlands and to prevent loss of habitat and biological resources, including setting aside a minimum of thirty percent (30%) of the Sphere of Influence area, approximately 1,075 acres, for permanent open space as defined by State law, for preservation of habitat for species and for conservation of agricultural land.

The City of Folsom has preserved 30 percent or approximately 1,075 acres for oak woodlands and to prevent the loss of habitat and biological resources. The City will administer this area by obtaining dedicated conservation easements. The Tier 1 Development Agreement requires the Landowners and the City of Folsom to address the financing methods to fund the maintenance of Open Space and other public property in the Tier 2 Development Agreement.

Annexation History

On May 4, 1984, the City of Folsom annexed approximately 2,800 acres north of Highway 50 known as the Russell Ranch. During 1992, the City also annexed approximately 310 acres for the Folsom Auto Mall known as Alder Creek near Highway 50 and Folsom Boulevard annexation.

Project Analysis

In conducting a review of a Reorganization Proposal, the Commission shall comprehensively review all of the agencies that provide the identified service or services in the identified area. Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following (Section 56668):

- (a) Population, population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.
- (b) Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

- (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
- (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- (g) A regional transportation plan adopted pursuant to Section 65080, and consistency with city or county general and specific plans.
- (h) The Sphere of Influence of any local agency which may be applicable to the proposal being reviewed.
- (i) The comments of any affected local agency.
- (j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.
- (k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.
- (l) The extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the appropriate council of governments.
- (m) Any information or comments from the landowner or owners.
- (n) Any information relating to existing land use designations.
- (o) 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 provision of public service.

The Commission shall consider the request and receive any oral or written testimony. The Commission may approve or disapprove, with or without amendment, wholly, partially, or conditionally.

All of the foregoing factors have been evaluated and are discussed in Resolution No. LAFC 2012-04-0118-04-11 and Exhibit "C" thereto.

Folsom Environmental Review and Process

The City of Folsom prepared and certified an Environmental Impact Report (EIR) for the FPASP and rezoned subject territory. The Public Review Draft EIR was issued June, 2010.

On June 14, 2011, after years of conducting extensive public workshops and study sessions, the Folsom City Council certified the FPASP Environment Impact Report and a General Plan Amendment. On June 28, 2011, the Folsom City Council approved the FPASP and the Pre-Zoning for the Plan Area. On July 12, 2011, the Folsom City Council approved the Plan Area Tier 1 Development Agreement, the Plan Area Transit Master Plan, the Operational Air Quality Mitigation Plan, the Water, Wastewater and Drainage Master Plans; and on July 26, 2011, the City Council approved the updated Bikeway Master Plan.

The City of Folsom adopted a comprehensive Mitigation Monitoring and Reporting Program.

Sacramento LAFCo commented on the Draft EIR as a Responsible Agency. The FEIR/EIS adequately addressed LAFCo comments. *(Note: See CD's provided in this report for Draft and Final EIR/EIS, Mitigation Monitoring Reporting Program, and Statement of Fact and Overriding Considerations adopted by the Folsom City Council).*

LAFCo Sphere of Influence Mitigation Measures

Subsequent to submittal of the City's application to annex property within the Sphere of Influence Amendment area, LAFCo must review the Mitigation Monitoring and Reporting Plan approved as part of the Sphere of Influence Amendment for compliance and undertaken corresponding additional environmental review in accordance with the California Environmental Quality Act. (Resolution Nos. LAFC 1193 and 1196).

Staff has reviewed the Mitigation Monitoring and Reporting Plan approved as part of the Sphere of Influence Amendment (Resolution Nos. LAFC 1193 and 1196) for compliance and has undertaken additional environmental review in accordance with the California Environmental Quality Act. Staff has determined the City has complied with the requirements of all mitigation measures implemented by the project applicant(s) and successors either prior to annexation and/or ongoing during development of the SOIA area, which mitigation measures include the following, as set forth in Resolution No. LAFC 1193.

Compliance with LAFCo SOI Mitigation Monitoring and Reporting Program:

(Unless otherwise indicated, references to paragraphs in the following table are to Exhibit C of Draft Resolution No. LAFC 2012-04-0118-04-11):

Summary of Mitigation Measures and Compliance (unless otherwise indicated, all references to paragraphs are to Exhibit C, of Draft Resolution No. LAFC 2012-04-0118-04-11):

<u>SOI Conditions</u>	<u>City Compliance</u>
1. Establish necessary improvements and financing mechanisms for regional roadways.	City submitted Updated MSE and PFFP. Please also see Annexation Proposal Area Mitigation Measures 3A.15-1a, b, c, f, i, j, l and p. Please also see Exhibit C, paragraphs 8, 9, 14, and 15.
2. Establish necessary improvements, phasing plan, and financing plan for U.S. 50.	City submitted Updated MSE and PFFP. See Annexation Proposal Area Mitigation Measures 3A.15-1o, q, r, s, u, v, w, x, y, z, aa, dd, ee, ff, gg, hh, ii; 3A.15-3; 3A.15-4p, q, r, s, t, u, v, w, x, and y. Please also see Exhibit C, paragraphs 8, 9, and 14.
3. Prepare Transit Master Plan.	The City has prepared a Transit Master Plan (Resolution No. 8870, July 12, 2011). See Annexation Proposal Area Mitigation Measures 3A.15-2b and c. Please also see Exhibit C, paragraph 9.
4. Update Bikeway Master Plan.	City submitted Bikeway Master Plan (Resolution No. 8870, July 12, 2011). See also Annexation Proposal Area Mitigation Measure 3A.15-2a. Please also see Exhibit C, paragraph 10.
5. Incorporate bikeway improvements identified by Sacramento County for White Rock Road and Prairie City Road in the updated Bikeway Master Plan.	City submitted Bikeway Master Plan. Please see Annexation Proposal Area Mitigation Measure 3A.15-2a. Please also see Exhibit C, paragraph 10.
6. Establish necessary improvements and financing mechanisms for regional roadways under cumulative conditions.	City submitted Updated MSE and PFFP. Please also see Annexation Proposal Area Mitigation Measures 3A.15-4a, b, d, f, g, I, j, k, l, m, n, o; 3A.15-7c; and 3B.15-1a, b. Please also see Exhibit C, paragraphs 14 and 15.
7. Implement requirements to reduce construction equipment air emissions.	City prepared an Air Quality Plan. (Resolution No. 8870, July 12, 2011). Please also see paragraph 12 and Annexation Proposal Area Mitigation Measures 3A.2-1a – h; 3B.2-1a – c.

8. Prepare Air Quality Plan.	City prepared an Air Quality Plan. (Resolution No. 8870, July 12, 2011). Please also see paragraph 12 and Annexation Proposal Area Mitigation Measure 3A.2-2.
9. Do not permit urban development prior to 2005 or adoption of air quality attainment maintenance plan.	This provision is no longer applicable, but see paragraph 12 and Annexation Proposal Area Mitigation Measure 3A.2-2.
10. Ensure that SOIA development is included in the emissions inventory prepared for the air quality attainment / maintenance plan.	The City has prepared an Air Quality Plan. Please also see paragraph 12 and Annexation Proposal Area Mitigation Measure 3A.2-2.
11. Complete tree survey of SOIA area.	Tree survey has been completed. See paragraph 19. See also Annexation Proposal Area Mitigation Measure 3A.3-5.
12. Implement tree protection measures.	Tree protection measures have been implemented and planned. Please see paragraph 19 and also Annexation Proposal Area Mitigation Measure 3A.3-5.
13. Complete biological survey, adopt avoidance and mitigation policies, and prepare HCMP.	City submitted biological survey and prepared a Habitat Conservation Plan. See paragraph 16 and Annexation Proposal Area Mitigation Measures 3A.3-1a, b; 3A.3-2a – h; 3A.3-3; 3A.3-4a, b; and 3B.3-2.
14. Tree removal to occur only during non-nesting periods.	Annexation Proposal Area Mitigation Measures 3A.3-1a and b.
15. During planning for the SOIA area, minimize incompatibility and impacts on historic landscapes.	Annexation Proposal Area Mitigation Measures 3A.5-1a, b; 3A.5-2; and 3A.5-3.
16. During implementation of urban development of the SOIA area, minimize incompatibility and impacts to historic landscapes.	Annexation Proposal Area Mitigation Measures 3A.5-1a, b; 3A.5-2; and 3A.5-3.
17. Implement hazardous materials plans if such materials are encountered during construction.	Annexation Proposal Area Mitigation Measures 3A.8-3a – d. Please also see paragraph 17.
18. Investigate and remediate the railroad right of way, mining, and radio/transfer sites prior to development.	Annexation Proposal Area Mitigation Measures 3A.8-2 and 3B.8-5a, b. Please also see paragraph 17.

19. Define the Alder Creek 100-year floodplain; site development so that post-development flood elevations are not increased.	Annexation Proposal Area Mitigation Measures 3A.9-2; 3A.9-4; 3B.9-3a, b. Please also see paragraph 13.
20. Identify and secure sufficient water supplies.	Please see paragraph 7 and also refer to Annexation Proposal Area Mitigation Measures 3A.18-1, 3A.18-2a and b.

Policy of Well-planned and Orderly Annexations: The City of Folsom is encouraged to promote annexations within the Sphere of Influence Amendment area that are well planned, capable of being efficiently served, have an orderly development pattern, and avoid the premature conversion of open space and agricultural lands within the Sphere of Influence area. Consistent with its General Plan policy, the City of Folsom is encouraged to develop an orderly annexation program and should discourage the filing of any annexation application seeking to annex property prematurely or in a piece-meal manner.

Approval of the City proposal will promote an annexation within the Sphere of Influence Amendment area that is well planned, capable of being efficiently served, have an orderly development pattern, and avoid the premature conversion of open space and agricultural lands within the Sphere of Influence area. Consistent with its General Plan policy, the City of Folsom has developed an orderly annexation program.

Growth and Population Estimates

The proposed City of Folsom Reorganization is situated in an area envisioned for urbanization, largely surrounded by urban development on the west, east, and north boundaries. 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 MOU adopted on November 14, 2000, 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 and proposed within the City of Folsom.

The following table compares the current acres, population and dwelling units within the City of Folsom current boundaries and the proposed annexation territory:

Summary		
	City	Proposed Annexation Area (approximately)
Acres	13,914	3,676 +/-
Population	64,310	24,344
Dwelling Units	26,830	10,210

The proposed annexation territory is projected to increase the city’s acreage by approximately 25 percent, the city’s population by approximately 27 percent, and the number of dwelling units by approximately 27 percent.

SACOG estimates that the City of Folsom will grow by an average of 1.7 percent between 2007 and 2050, resulting in a total household population of about 120,000 residents in 2050. SACOG’s preferred Blueprint estimates a population of approximately 105,000 residents by 2050. If the City’s growth estimate is accurate, the City of Folsom would require additional territory beyond its current Sphere of Influence that is proposed for annexation.

Currently, the City of Folsom has housing growth capacity for approximately 4,643 housing units or about 11,700 new residents. The SOI territory is projected to accommodate approximately 24,344 new residents or 10,210 dwelling units. The following table summarizes the projected dwelling units and population for both the current city limits and proposed Sphere of Influence territory:

Projected Housing and Population				
	Current City	Existing Supply	Proposed SOI	Total
Population	64,310	11,700	24,344	100,354
Dwelling Units	26,830	4,645	10,210	41,685

The proposed annexation of approximately 3,500 acres should provide for an adequate inventory for at least 25 years and yet provide sufficient excess supply of vacant land.

SACOG

The Sacramento Area Council of Governments has indicated that the proposed Folsom Specific Plan for the proposed annexation is consistent with the current SACOG Blueprint and smart growth principals.

The FPASP subscribes to the SACOG Smart Growth Blueprint Principles of as well as its own set of Planning Principles to help guide the vision for the development of the Plan Area.

The FPA is a comprehensively planned community that proposes new development patterns based on the principles of “Smart Growth” and Transit Oriented Development. Consistent with these principles, the FPASP encompasses a mix of residential, commercial, employment and public uses complemented by recreational amenities including a significant system of parks and open spaces, all within close proximity to one another. The main pedestrian friendly features of the FPA are the town and neighborhood centers. These centers contain areas of concentrated mixed land uses and higher density housing that provide the foundation for walkable neighborhoods and alternative transportation modes. The thoughtful placement and juxtaposition of land uses includes a mixture of local destinations and amenities that help to define distinctive community identity and sense of place.

The various land uses within the FPA are interconnected by a proposed transit corridor and a system of “complete streets”, walks, bicycle trails, and pedestrian pathways. Interconnectivity between residential neighborhoods and destination points such as shopping, employment centers, parks and schools offers residents a number of choices to reach their destination. The individual elements of the community plan are designed to integrate seamlessly with each other and with the City of Folsom overall. The standards and guidelines contained in the FPASP provide a comprehensive framework for future growth and development within the FPA while incorporating flexibility to address and accommodate changing market conditions. The FPASP offers a balanced approach to urban development by preserving the physical beauty of the area and satisfying the ongoing needs of the City and its residents.

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 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.

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	ACREAGE (approximate)	PERCENT
Total Residential	1,473.9	42.0
Single Family	557.8	15.9
Single Family-High Density	532.5	15.2
Multi-Family Low Density	266.7	7.6
Multi-Family Medium Density	67.0	1.9
Multi-Family High Density	49.9	1.4
Commercial/Office Uses	510.8	14.6
Mixed Use District	59.1	1.7
Industrial/Office Park	89.2	2.5
Community Commercial	38.8	1.1
General Commercial	212.9	6.1
Regional Commercial	110.8	3.2
Public/Quasi Public	301.0	8.6
Parks	121.7	3.4
Schools	130.6	3.8
Schools-Private	48.7	1.4
Open Space	1,053.1	30.0
Major Circulation	171.6	4.8
TOTAL	3,510.4	100.0

Development of the annexation territory will be subject to the Folsom Specific Plan Area adopted by the City Council.

(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 prezoning in the application to the commission. CKH 56375(e)).

Impact on Surrounding Agricultural Resources

The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

The City of Folsom also will record a covenant against all property owners located within a mile of County agriculturally zoned land advising them that agricultural uses, odors, dust, and other

activities and associated impacts of agricultural activities will occur related to the County's Right To Farm Ordinance.

Agricultural Lands and Williamson Act Contracts

The FPA does not include any agricultural land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance as defined in Appendix G of the State CEQA Guidelines. The Sacramento County Important Farmland map, published by the California Department Conservation's (DOC's) Division of Land Resource Protection, designates the entire Plan Area as Grazing Land. As shown in Appendix D, Williamson Act Lands, approximately 1,530 acres of the FPA consists of lands under existing Williamson Act contracts that are in the process of nonrenewal. Notices of nonrenewal were filed on these parcels in 2004 and 2006; as a result, these contracts will expire in 2014 and 2016 (see EIR for additional analysis of impacts on existing agricultural uses).

Also, as required under Measure W, which was adopted as an amendment to the City's Charter, article 7.08, thirty percent (30%) of the Plan Area has been set aside for open space for the preservation and conservation of oak woodlands, drainage corridors, and other resources.

The proposed annexation contains approximately 1,530 acres under Williamson Act Contracts which are under the process of nonrenewal. Notices of nonrenewal were filed in 2004 and 2006; as a result these contracts will expire in 2014 and 2016 respectively. None of the land proposed for U.S. Highway 50 improvements, sewer force main, detention basin, or the two roadway connections into El Dorado County are held under the Williamson Act Contracts.

The City of Folsom has submitted a letter requesting that it succeed to and administers the Williamson Act contracts through the end of the remaining terms.

Government Code Section 56754 states: If a change of organization or reorganization would result in the annexation to a city of land that is subject to a contract executed pursuant to the Williamson Act (Chapter 7 (commencing with Section 51200) of Division 1), the commission, based on substantial evidence in the record, shall determine one of the following: (a) That the city shall succeed to the rights, duties, and powers of the county pursuant to Section 51243, or (b) That the city may exercise its option to not succeed to the rights, duties, and powers of the county pursuant to Section 51243.5.

56856.5. (a) The commission shall not approve or conditionally approve a change of organization or reorganization that would result in the annexation to a city or special district of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1), other than a contract entered into pursuant to Article 7 (commencing with Section 51296) of Chapter 7 of Part 1 of Division 1, if that city or special district provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract. (b) This section shall not be construed to preclude the annexation of territory for the purpose of using other facilities or services provided by the agency that benefit land uses allowable under the contract. (c) Notwithstanding subdivision (a), the commission may nevertheless approve a change of organization or reorganization if it finds any of the following: (1) The city or county that would administer the contract after annexation has adopted policies and feasible implementation measures applicable to the subject territory

ensuring the continuation of agricultural use and other uses allowable under the contract on a long-term basis. (2) The change of organization or reorganization encourages and provides planned, well-ordered, and efficient urban development patterns that include appropriate consideration of the preservation of open-space lands within those urban development patterns. (3) The change of organization or reorganization is necessary to provide services to planned, well-ordered, and efficient urban development patterns that include appropriate consideration of the preservation of open-space lands within those urban development patterns. (d) This section shall not apply to territory subject to a contract for which either of the following applies: (1) A notice of nonrenewal has been served pursuant to Section 51245, if the annexing agency agrees that no services will actually be provided by it for use during the remaining life of the contract for land uses or activities not allowed under the contract. (2) A tentative cancellation has been approved pursuant to Section 51282.

Property Tax Exchange Agreements

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 used for cattle grazing. Past studies have indicated that land value appreciates considerably as a result of annexation. Property tax rates are not affected, per Proposition 13.

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)].

In addition, this reorganization impacts the service area and/or service responsibility of several independent special districts. The City of Folsom has mitigated the impacts as outlined in this report and set forth in the Property Tax Sharing Agreements between the County of Sacramento, Sacramento Metropolitan Fire District, and the El Dorado Hills County Water District (fire service). The respective Agreements are included in Exhibit "K". In addition, the City of Folsom, entered into an Agreement with the Sacramento Public Library Authority to mitigate the loss of property tax revenue. (Note: the Sacramento Public Library Authority is not subject to LAFCo purview).

Both the County Board of Supervisors and the City Council approved the Property Tax Sharing Agreement between the City and the County dated December 21, 2011. On December 21, 2011, the Sacramento Metropolitan Fire District approved a Property Tax Sharing Agreement with the City of Folsom, on November 15, 2011 an agreement with El Dorado Hills Water District was approved, and on November 30, 2011 an agreement with the Sacramento Public Library Authority was approved.

Summary of Property Tax Sharing Agreements	
Affected Agency	Agreement Approved
County of Sacramento-Water and Transportation Issues	December 21, 2011
County of Sacramento-Tax Sharing Agreement	December 21, 2011
Sacramento Metropolitan Fire District	December 21, 2011
Sacramento Public Library Authority	November 30, 2011
El Dorado Hills Water District (fire)	November 15, 2011

The Property Tax Agreements are attached hereto in Exhibit “K”.

County of Sacramento and City of Folsom:

The County of Sacramento and the City of Folsom will share property taxes, sales taxes, and transient occupancy taxes (revenue) based the terms and conditions set forth in the Property Tax sharing Agreement. The City of Folsom will receive approximately 83.5 percent of the revenue generated in the annexation territory and the County of Sacramento will receive approximately 16.5 percent of the revenue. In addition, the City of Folsom and County have reached a separate Agreement on water delivery and transportation issues.

A separate Agreement also creates an agreement related to four transportation issues and water related issues. These issues and agreements will be discussed in the respective sections of this report.

Sacramento Metropolitan Fire District

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.).

On December 21, 2011, the City of Folsom and Sacramento Metropolitan Fire District reached a revenue sharing agreement. The Sacramento Metropolitan Fire District will detach from the proposed annexation territory. Sacramento Metropolitan Fire District shall receive the same

dollar amount of property taxes received for FY 2010-11 from Tax Rate Areas 52-035 and 52-043 or 4.22106 percent of the property taxes generated from tax rate areas 52-035 and 52-043.

The City of Folsom shall receive any portion of the annual tax increment from the annexation area in excess of that owed to Sacramento Metropolitan Fire District.

Sacramento Public Library Authority

After annexation, the City of Folsom will provide library services to the annexation territory. The City of Folsom has agreed to continue to provide funding to the Sacramento Public Library after annexation. The Sacramento Public Library shall continue to receive the same amount of Property Tax Revenue received from the annexation territory in Fiscal Year 2010-11 when and as such revenues are apportioned in the tax rate area by the County Auditor. The revenue for FY 2010-11 will be \$5,322. The City of Folsom will receive any amount in excess of the base amount paid to the Sacramento Public Library Authority.

El Dorado Hills Water District

Summary of Agreement: The City of Folsom will be the primary service provider within the El Dorado Hills County Water District and El Dorado Hills County Water District will be the secondary service provider under a mutual aid agreement. This area will not detach from El Dorado Hills County Water District and the District will continue to receive property taxes from this area as set forth in the Agreement.

Avigation Easement

The County of Sacramento operates Sacramento Mather Airport near the proposed annexation territory. The County expressed concerns pertaining to noise emanating from aircraft flying to and from the airport over the area to be annexed. As a result, the City of Folsom adopted Resolution No. 8926 requiring owners in the annexation territory to sign an avigation easement. The avigation easement permits the imposition of light, smoke, air currents, electronic or other emissions, vibrations, discomfort, inconvenience, and interference with the use and enjoyment resulting from Airport Operations producing noise. This issue is also addressed in Resolution No. LAFC 2012-04-0118-04-11.

Water Supply

The City proposes to meet the Folsom SPA water demands by securing a permanent assignment of a Sacramento River surface water supply from the Natomas Central Mutual Water Company (NCMWC) pursuant to NCMWC's CVP settlement contract with the United States Bureau of Reclamation (USBR). The water supply to be assigned is a long-term "Project Water" supply. An initial purchase and sale agreement between South Folsom Properties LLC (SFP) and NCMWC is in place and identifies the conditions which ultimately need to be satisfied by both parties to finalize the sale, which will ultimately lead to an assignment to the City. Currently, NCMWC diverts water and conveys it to its shareholders that apply non-potable, untreated water to agricultural lands in northern Sacramento County and southern Sutter County. NCMWC's contract provides for delivery of Project Water on an agricultural schedule, with the Project Water delivered during the late irrigation season in the months of July and August. The City will seek

modification of the Project Water delivery schedule from the USBR such that water may be delivered to the City on a year-round municipal and industrial (M&I) schedule in southern Sacramento County. Water will be conveyed from the Freeport diversion facility to the Folsom SPA via both FRWA facilities, which are already under construction, as well as facilities that will be constructed by the City of Folsom. The water may be either treated by SCWA or the City of Folsom pending further review of various conveyance and treatment alternatives.

The City of Folsom and the Sacramento County Water Agency (SCWA) have approved the Memorandum of Understanding between the City of Folsom and Sacramento County Water Agency Concerning the Folsom Sphere of Influence Area and Sharing of Freeport Project Capacity (City-SCWA MOU). The City-SCWA MOU commits each party to try to find a mutually agreeable solution to the issue of system capacity in the FRWA facilities so that the City of Folsom can use some of that capacity to deliver Sacramento River water to the Folsom SPA. The water supply that will derive from the NCMWC assignment and be delivered under an agreement following the City-SCWA MOU will be used in both Folsom's and EID's service areas within the Folsom SPA. The use of this water supply does not impact either the City's or EID's existing water supplies or conveyance facilities. Through SFP, the City intends to acquire water from NCMWC to serve only the Folsom SPA. Water treatment will occur at either newly constructed facilities that will not be connected to the City of Folsom's or EID's existing treatment and conveyance facilities or at third parties' treatment facilities. Thus, neither the water demands associated with land uses in the City of Folsom exclusive of the Folsom SPA, nor the water supplies used to serve these areas, are analyzed in this Folsom SPA WSA.

The WSA concluded that the water supply that the City would acquire from NCMWC would meet projected water demands in normal and critically dry years, and it is reasonably certain as a physical matter that the surface water supplies could be delivered to the SPA in the amounts needed to serve the Proposed Project Alternative at build out.

However, there is no similar reasonable certainty from a legal and regulatory standpoint, since additional discretionary actions by the Bureau of Reclamation and SCWA would be necessary. Therefore, in case the surface water supplies do not become available because of the required regulatory and legal approvals, an analysis of optional sources of water in addition to the City's proposed water supply is provided in the Environmental Impact Report/EIS, (Section 3A.18.5 Water Supply Options To Long-Term Water Supply Folsom South of U.S. Highway 50 Specific Plan DEIR/DEIS Water Supply, Appendix E). The following "Water Supply Options" have been developed and are evaluated herein:

- Option 1 – Groundwater from the Central Sacramento Groundwater Basin*
- Option 2 – Other Senior Sacramento River Water Right Holders*
- Option 3 – Conservation of Existing City Supplies and Water System Retrofit*

The discussion and assessment of these Water Supply Options in this section follows the principles of the project's annexation MOU and of the court in the case of *Vineyard Area Citizens for Responsible Growth, Inc. v. City of Rancho Cordova*, 40 Cal. 4th 412 (2007). Accordingly, this analysis evaluates both the certainty of optional water supplies and provides a qualitative assessment of the impacts that could result from the use of those supplies commensurate with the requirements of CEQA. An impact is considered significant if the water supply option would result in a potential water shortage or another significant adverse physical impact on the

environment. To facilitate a meaningful comparison between the water supply options and the Off-site Water Facility Alternatives, an indication is also provided as to whether the Water Supply Options would result in or similar impacts to the Proposed Off-site Water Facility Alternative.

Some representatives in the region have stated that the project does not have a valid water supply based upon an assumption that the infrastructure necessary to convey water to the project is dependent upon an agreement between the Sacramento County Water Agency (SCWA) and the City. The City and SCWA have an MOU in place that outlines principals in which conveyance could be used for the project. The terms and provisions for a conveyance agreement will be negotiated once the project has advanced, including completion of the CEQA and NEPA processes to secure the water supply with Natomas Central Mutual Water Company.

In terms of sequence and per the Cal. Supreme Court's *Vineyard decision*, CEQA does not require that a high-level land use project have a "secure water supply." Instead, under *Vineyard*, the project analysis must include impacts of the proposed water supply, disclose its uncertainties and conduct some analysis of the other water-supply options that could be used if the main water supply cannot be implemented. The City included these requirements in the FEIR/EIS. A 100 percent secure water supply is only required when you get close to construction permits, as with subdivision maps and building permits – this process is commonly referred to as the SB 221 process. This is the same process that the County would use for land use approvals under the state statutes specifically addressing the coordination of land use and water planning through the provisions of SB 610, Water Supply Assessment statute, and SB 221, Water Supply Verification statute. Prior to annexation, under the provisions of Measure W, the City will need to secure a water supply .

Furthermore, SCWA and the City could not execute a binding agreement for a water supply and conveyance without additional CEQA analysis. Having the water conveyance agreement placed ahead of the land use CEQA process would have required both the water supply and conveyance agreement and separate CEQA documents prior to the adoption of the project's FEIR and adoption of the City's General Plan update. In *County of Amador v. El Dorado County Water Agency (1999)* 76 Cal.App.4th 931, the Court of Appeal in Sacramento held that a water agency cannot prepare an EIR for a water project based on a need to serve growth above that anticipated by the applicable land use plan. The Court said, "By proceeding without the benefit of the general plan in place, and by developing projects predicated on the needs described in an unadopted plan, the CEQA process is stood on its head." (P. 950.) This Vineyard Decision further supported the court's decision as discussed in the Court's summary where the water supply analysis should not precede the land use planning process for which the water supply would be used.

The City and SCWA are working together to cooperatively plan for reliable water supplies in the east County areas that include the project area. The comments of the letter for the water supply analysis can be summarized as follows:

The City and SCWA could not have had a binding agreement for the use of Freeport capacity before the City completes this EIR/EIS because a binding agreement itself would have required CEQA review;

The City has covered the possibility that the MOU with SCWA will not result in an actual SOI water supply by analyzing the three other options under Vineyard; and

If the City had prepared a CEQA document specifically for an agreement with SCWA, that CEQA document would have had to cover the SOI land use in some way anyway as part of a growth-inducement analysis.

Summary of Memorandum of Understanding between the County of Sacramento and City of Folsom Related to the Freeport Regional Water Authority

The City of Folsom and the County of Sacramento entered into an MOU to frame future discussions regarding the purchase of capacity in the FRWA facilities to deliver water to the Folsom Plan Area. The Property Tax Sharing Agreement between the City of Folsom and the County of Sacramento further clarifies this MOU.

The MOU provides for the following:

The City of Folsom agrees that the detailed actual costs to be used in any potential contractual agreement to purchase FRWA capacity from the Sacramento County Water Agency (SCWA) to deliver surface water to the FPA will be developed exclusively through negotiations between the City of Folsom and SCWA consistent with the provisions of the MOU.

The MOU provides conceptual principals and terms for future negotiations; the MOU does not bind or create any obligation for either party to enter into negotiations.

The MOU shall not be considered as either an explicit or implicit determination or commitment that either party will ultimately negotiate or enter into a specific future agreement for supplying or delivering water to the FPA.

Bureau of Reclamation Comments and Approval Process

The Bureau of Reclamation has a pending request to permanently assign 8,000 acre-feet of "Project" water to the City of Folsom. The water proposed for assignment is water diverted under permits held by Reclamation and included within the terms of a contract with Natomas Central Mutual Water District as part of its Sacramento River Settlement contract. By the terms of that contract, any assignment of water under the contract is subject to the approval of the Bureau of Reclamation. In a letter dated November 9, 2011, the Bureau of Reclamation states that approval has not yet been granted. While no decision has been made relative to the request for assignment, such approval is neither guaranteed nor assured.

In addition, the City of Folsom has adopted a mitigation measure which restricts the issuance of building permits until water supply is available.

Mitigation Measure 3A.18-1: Submit Proof of Surface Water Supply Availability.

- a. *Prior to approval of any small-lot tentative subdivision map subject to Government Code Section 66473.7 (SB 221), the City shall comply with that statute. Prior to approval of any small-lot tentative subdivision map for a proposed residential project not subject to that statute, the City need not comply with Section 66473.7, or formally consult with any public water system that would provide water to the affected area; nevertheless, the City shall make a factual showing or impose conditions similar to those required by Section 66473.7 to ensure an adequate water supply for development authorized by the map.*
- b. *Prior to recordation of each final subdivision map, or prior to City approval of any similar project-specific discretionary approval or entitlement required for nonresidential uses, the project applicant(s) of that project phase or activity shall demonstrate the availability of a reliable and sufficient water supply from a public water system for the amount of development that would be authorized by the final subdivision map or project-specific discretionary nonresidential approval or entitlement. Such a demonstration shall consist of information showing that both existing sources are available or needed supplies and improvements will be in place prior to occupancy*

Mitigation Measure 3A.18-2a: Submit Proof of Adequate Off-Site Water Conveyance Facilities and Implement Off-Site Infrastructure Service System or Ensure That Adequate Financing Is Secured.

Before the approval of the final subdivision map and issuance of building permits for all project phases, the project applicant(s) of any particular discretionary development application shall submit proof to the City of Folsom that an adequate off-site water conveyance system either has been constructed or is ensured or other sureties to the City's satisfaction. The off-site water conveyance infrastructure sufficient to provide adequate service to the project shall be in place for the amount of development identified in the tentative map before approval of the final subdivision map and issuance of building permits for all project phases, or their financing shall be ensured to the satisfaction of the City. A certificate of occupancy shall not be issued for any building within the SPA until the water conveyance infrastructure sufficient to serve such building has been constructed and is in place.

Mitigation Measure 3A.18-2b: Demonstrate Adequate Off-Site Water Treatment Capacity (if the Off-Site Water Treatment Plant Option is Selected).

If an off-site water treatment plant (WTP) alternative is selected (as opposed to the on-site WTP alternative), the project applicant(s) for any particular discretionary development application shall demonstrate adequate capacity at the off-site WTP. This shall involve preparing a tentative map-level study and paying connection and capacity fees as determined by the City. Approval of the final project map shall not be granted until the City verifies adequate water treatment capacity either is available or is certain to be available when needed for the amount of development identified in the tentative map before approval of the final map and issuance of building permits for all project phases. A certificate of occupancy shall not be issued for any building within the SPA until the water treatment capacity sufficient to serve such building has been constructed and is in place.

Air Quality

Condition: Prior to submission of any application for annexation of the SOIA area, the City of Folsom will prepare an Air Quality Plan for the SOIA area. (Resolution No. LAFC 1193, SOI Mitigation Measure 4.5-2). (Also, see Exhibit “L” attached hereto).

On June 14, 2011, after years of conducting extensive public workshops and study sessions, the Folsom City Council certified the FPASP Environment Impact Report and a General Plan Amendment. On July 12, 2011, the Folsom City Council approved the Operational Air Quality Mitigation Plan (Resolution No. 8870). After annexation, the Plan Area would continue under the jurisdiction of the Sacramento Metropolitan Air Quality Management District (SMAQMD).

Mitigation Measure 3A.2-2 for the Folsom Specific Plan implements “all Measures Prescribed by the Air Quality Mitigation Plan to Reduce Operational Air Pollutant Emissions” and states

To reduce operational emissions, the project applicant(s) for any particular discretionary development application shall implement all measures prescribed in the SMAQMD-approved Folsom Plan Area Specific Plan Air Quality Mitigation Plan (AQMP) (Torrence Planning 2008). . . . The AQMP is intended to improve mobility, reduce vehicle miles traveled, and improve air quality as required by AB 32 and SB 375. The AQMP includes, among others, measures designed to provide bicycle parking at commercial land uses, an integrated pedestrian/bicycle path network, transit stops with shelters, a prohibition against the use the wood-burning fireplaces, energy star roofing materials, electric lawnmowers provided to homeowners at no charge, and on-site transportation alternatives to passenger vehicles (including light rail) that provide connectivity with other local and regional alternative transportation networks.

Habitat Conservation Plan

The City of Folsom coordinated with the member agencies of the South Sacramento County Habitat Conservation Plan (SSCHCP) during drafting of the HCP to negotiate removing the South of Highway 50 SOI annexation area from the boundaries of the SSCHCP, as all member agencies recognized the SOI annexation as a “reasonably foreseeable project” under CEQA.

The City of Folsom further negotiated language into the SSCHCP to enable use of the HCP for mitigation for environmental impacts from development of the SOI territory, which will enhance the HCP mitigation bank. In addition, water supply transmission facilities providing water to the proposed annexation territory from the Freeport diversion structure located along the Sacramento River pass through the SSCHCP area and all impact issues were coordinated with the member agencies of the SSCHCP and proper mitigation is included in the EIR/EIS for the Folsom Specific Plan Area.

The City of Folsom fully supports the SSCHCP.

Multi-Species Habitat Mitigation Strategy:

Condition: Any application to annex property within the Sphere of Influence Amendment area shall include the City of Folsom's multi-species habitat mitigation strategy (e.g., Habitat Conservation Plan (HCP) for the Sphere of Influence Amendment area consistent with the goals and policies contained in the City's General Plan.) The strategy shall address the mitigation of development impacts upon habitat and biological/environmental resources in a manner that meets federal and state regulatory requirements. The City may fulfill the requirements of this condition by becoming a participant in the Sacramento County HCP process for the southeast County. (Resolution No. LAFC 1196, ¶ 9.)

The City of Folsom adopted a Habitat Conservation Plan consistent with this condition for the proposed territory. The City has also consulted with participants in the South County HCP process. Further, the Final EIR includes a number of mitigation measures related to a habitat mitigation strategy. (See Exhibit "H" attached hereto).

Regional Housing Needs Assessment/Affordable Housing

Folsom has a current, verified and adopted Housing Element. The City's Housing Element (third revision) was adopted by the City in July 2009, and certified by the State Department of Housing and Community Development (HCD) in August 2009. The approval from HCD includes a finding that the City increased its higher density housing opportunities and rezoned additional properties to compensate for previous shortfalls.

The 2009 Housing Element demonstrates the City's adequate sites available to meet the 2006-2013 RHNA provisions. The Housing Element lists affordable housing incentives ranging from Redevelopment Agencies and City subsidies, to density bonuses and several other incentives to encourage production of affordable housing, such as:

- Adoption of Housing Trust Fund
- Rezoning of land for higher-density, multi-family housing
- General Plan amendments to allow higher-density residential development by right
- Accommodation of the proportional amount of the City's regional share of housing in the Annexation Proposal area to ensure that higher density residential sites are preserved throughout development (See City Policies 18.1, 18.2, 18.3, 19.1 – 19.8).
- The Tier 1 Development Agreement provides for the City to adjust any land uses, adopt ordinances and policies/programs in the annexation area to meet future Housing Element requirements for zoning to comply with any future RHNA requirements for high density residential zoning.

The City sunsetted its Inclusionary Housing Ordinance after determining that the Ordinance impaired its efforts to provide affordable housing. As a result, the City anticipates providing 3 – 4 times more low and very low income families by dedicating all of its housing resources toward 100% affordable rental project.

Currently, SACOG is preparing the 2013 RHNA update, assuming the Annexation Proposal area is annexed to the City of Folsom. The Annexation Proposal provides 49.9 acres of high density

multi-family residential land with a density range of 20 to 30 du/ac that meets the state minimum default density of 20 units per acre for “suburban jurisdictions” that shall be deemed appropriate to accommodate housing for lower income households. The allocated residential unit count for the Annexation Proposal Area multi-family high density designation is estimated to be 1,249 units or 12 percent of the total Annexation Proposal area residential units.

Environmental Justice

The City of Folsom has several programs aimed at meeting the environmental justice needs of the community and that promote 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’s Housing Element articulates the City’s plan for reaching RHNA goals. The City’s Housing Trust Fund provides revenue to support the environmental justice goals and needs of the community. Moreover, the City has numerous ordinances and policies that promote establishment of housing opportunities for all (City General Plan Policies 18.1, 18.2, 18.3, and 19.1-19.8).

Transportation Issues between the City of Folsom and the County of Sacramento

The City of Folsom and the County of Sacramento have agreed to the following related transportation issues as set forth in the Property Tax Sharing Agreement:

Management of Access through Folsom Plan Area

The City of Folsom will be responsible for establishing and managing appropriate routes for commercial truck access through the Folsom Plan Area to Highway 50. Any physical improvements required by the City to accommodate this will be funded and constructed by the City.

Collaboration and Agreement on Prairie City Road

The City of Folsom and the County of Sacramento will collaborate and mutually agree on the design, financing, and construction schedule of future improvements to special road design for Prairie City Road between White Rock Road and Highway 50. The Agreement will occur prior to quarry generated truck traffic exceeding 700 loaded truck trips per day on existing Prairie City Road.

Truck Management Plan

The City of Folsom will comply with any Truck Management Plan (TMP) adopted by the County that addresses truck traffic through or in the vicinity of the Folsom Plan Area.

Mitigation of Roadway Impacts to County Roadways

Prior to approval of any land uses within the Folsom Plan Area, the City of Folsom will analyze any impacts to the County’s roadways as part of its environmental document prepared to the requirements of the California Environmental Quality Act (CEQA). Mitigation will be identified and provided for through actions on individual projects.

Boundary Discussion

The boundary of the proposed annexation is consistent with the Sphere of Influence adopted by the Commission on June 6, 2001.

This boundary is definite and certain and does not split neighborhoods or divide an existing identifiable community, commercial district, or other area having a shared social or economic identity. In addition, 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. The boundary does not represent leap-frog development.

City of Folsom Annual Budget and Staffing

The City of Folsom has approximately 448 full time positions for FY 2011-12.

Summary of Positions by Department for FY 2011-12	
City Council	5.00
City Manager	6.00
City Attorney	4.00
City Clerk	3.00
Community Development	21.50
Finance	23.00
Fire Department	64.00
Human Resources	6.00
Intergovernmental Affairs & Economic Development	0.00
Library	12.00
Parks and Recreation	52.80
Police Department	100.50
Public Works	55.50
Redevelopment and Housing	5.00
Utilities	90.00
Total	448.30

Annual expenditures for FY 2011-12 are budgeted in the amount of \$89,446,256 as shown in the table below:

FY 2011-12 Expenditures by Department	
City Council	103,876
City Manager	1,108,276
City Attorney	785,069
City Clerk	372,417
Community Development	3,087,215
Finance	3,290,101
Fire Department	13,461,149
Human Resources	707,978
Intergovernmental Affairs & Economic Development	0
Library	1,319,269
Parks and Recreation	10,497,163
Police Department	16,940,919
Public Works	5,796,973
Redevelopment and Housing	3,240,143
Utilities/Enterprise Funds	23,197,671
Fleet Management	1,090,741
Non-Departmental	4,212,604
Risk Management	234,692
Total General and Special Funds	\$89,446,256

Expenditures for Enterprise Funds for FY 2011-12 are shown in the table below:

FY 2011-12 Expenditures for Enterprise Departments	
Utilities Administration	99,141
Transit	1,440,548
Solid Waste	7,491,183
Wastewater	4,794,174
Water	9,372,625
Total	\$23,197,671

FY 2011-12 Expenditures by Program	
Fire	13,461,149
Police	16,940,919
Community Services	8,884,188
General Government	7,458,458
Parks and Recreation	11,816,432
Debt Service	2,601,718
Other	4,212,604
Enterprise	23,197,671
Total Expenditures by Program	\$88,573,139

Summary of General & Enterprise Fund Revenue for FY 2011-12	
Property Tax	20,150,600
Sales Tax	15,650,058
Transient Occupancy Tax	1,200,000
Real Property Transfer	248,600
Other Taxes	240,000
Franchise Fees	545,133
Licenses and Permits	1,317,000
Intergovernmental Revenue	5,895,000
Charges for Services	8,116,010
Fines and Forfeitures	408,900
Interest Income	229,945
Transfers from Other Funds	10,834,322
Other Revenue	539,900
Enterprise Revenue	24,070,788
Total	\$89,446,256

City of Folsom Municipal Service Provision and Costs/Plan for Services

The City is a full service city, governed by a five-member City Council, who are elected at large and serve four years. Each year the council members choose a mayor and vice mayor from their own ranks. The City provides the full array of municipal services as forth in the table above.

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)

At the time of application for the SOIA, the City prepared and submitted a Master Services Element and Financing Plan describing the services and funding for the proposed Specific Plan Area. The MSE and Financing Plans are contained hereto in Exhibit "C".

The attached Plan for Services describes the services to be provided and describes the infrastructure that will be required. Funding for capital improvements and operations and maintenance costs are derived from many different revenue sources.

The following table on page 39 summarizes the change in service providers in the affected territory:

SUMMARY OF CHANGES IN SERVICES AND SERVICE PROVIDERS FOR SUBJECT TERRITORY

Service	Current Service Provider	Provider if Area is Annexed
Building and Safety	County's Building Inspection Division	City of Folsom Building/Inspection Department
Engineering	County Public Works Department	City of Folsom Public Works Department
General Government	County Board of Supervisors	Folsom City Council
Planning and Land Use Control	County Department of Planning and Community Development	City of Folsom Community Development Department
Public Works, Construction and Road Maintenance	County Public Works Department	City of Folsom Public Works Department and County of Sacramento
Animal Control	Sacramento County Animal Care and Regulation Department	City of Folsom
Sewer Service	None	City of Folsom, EID, and SRCSD
Water	None	City of Folsom and EID
Fire Protection	Sacramento Metropolitan Fire District and El Dorado Hills Water	City of Folsom Fire Department and El Dorado Hills Water District
Flood Control/Drainage	County Department of Water Resources	City of Folsom
Garbage Service	None	City of Folsom
Law Enforcement	County Sheriff	City of Folsom Police Department
Libraries	Sacramento Public Library Authority	City of Folsom
Street Lighting	None	City of Folsom
Parks and Recreation	Wilton Cosumnes Park and Recreation Area (CSA No. 4B)	City of Folsom
Sloughhouse Conservation District	No Change	No Change
Sacto-Yolo Mosquito District	No Change	No Change
Fair Oaks Cemetery District	No Change	No Change
Telephone Service	Various Investor Owned Utilities	Various Investor Owned Utilities
Television and Cable	Various Investor Owned Utilities	Various Investor Owned Utilities
Transit Service	Regional Transit	Regional Transit and City of Folsom
Natural Gas	Pacific Gas and Electric Company	Pacific Gas and Electric Company
Cellular Phone Service	Various private providers	Various private providers
Electrical Service	Sacramento Municipal Utility District	Sacramento Municipal Utility District
Schools	Folsom Cordova Unified Schools and Los Rios Community College	Folsom Cordova Unified Schools and Los Rios Community College

Staff has reviewed the Master Services Element (MSE) which is determined under Commission policies. The MSE is the equivalent of a Municipal Services Review (MSR) under Government Code Sections 56425 and 56430.

Infrastructure Requirements

The most recent cost estimate for construction of Plan Area capital facilities is in excess of \$1.2 billion dollars. However, this cost should be viewed in context with the anticipated build-out period for the FPA, perhaps as long as thirty years, depending on market conditions. The primary source of capital facilities financing will be existing city development fees, special developer fees specific to the FPA and other funding sources external to the existing city.

Timing

The FPA will develop incrementally over an extended period of time, perhaps as long as thirty years, depending on market conditions. The conceptual development areas shown in Figure 7.1 do not necessarily represent construction phasing; however, they do represent the logical placement of infrastructure along with land uses that may or may not develop as depicted. Furthermore, shifts in market demand and available financing mechanisms may also play a role in the way the Plan Area develops over time and such shifts may also alter the boundaries of the development areas as well as their number. The concept of development areas offers a way of describing the orderly and cost effective phasing of backbone infrastructure construction as discussed in the Public Facilities Finance Plan and the Water, Wastewater and Storm Drainage Master Plans. Final development phasing and timing of construction will be determined at the time of tentative subdivision map approval. Subsequent tentative map submittals will include an updated phasing plan.

Costs & Funding

The June 2010 PFFP, prepared by Economic Planning Systems, Inc., included costs for the capital improvements necessary for the build out of the Plan Area. At that time, the costs were estimated at \$1,337,900,000. The PFFP also identified various revenue and funding sources that could be used to fund the capital facilities. In 2011, the Kosmont Companies were retained by the city to refine the required Plan Area improvement and associated capital costs. The Kosmont addendum to the PFFP dated May 2011 reduces the estimated capital facilities cost to \$1,237,000,000. Funding sources identified in the addendum include: existing city fees levied on development with the FPA, special developer fees specific to the FPA and other funding sources external to the City. The results of the addendum study concluded that the proposed FPA project is generally considered financially feasible (see the originally PFFP dated June 2010 and the Addendum to the PFFP dated May, 2011).

Operation and Maintenance Costs

The annual costs to provide municipal services are provided from several different revenue sources. The level of services are determined by the city council as part of its annual budget process. City services are funded by the City's General Fund Revenues (property taxes, sales taxes, utility user taxes, transient occupancy taxes, etc.), user fees, fee for services, utility rates, and other revenues as determined by the City Council.

Water Service, Treatment, and Distribution

On & Off-Site

The Water Master Plan and the Water Supply Assessment Plan were approved by the Folsom City Council on July 28, 2011 and the components of the plan include an off-site transmission (conveyance) main as well as an on-site water treatment plant, storage tanks, booster stations, distribution mains and laterals. Construction of on-site water infrastructure will be phased with the initial necessary off-site backbone water infrastructure and an on-site water treatment plants. As an alternative to an on-site water treatment plant, the city may choose to locate the plant off-site if a suitable location can be found and the property owners agree (see the EIR/EIS, Water Master Plan, the PFFP and the Addendum to the PFFP).

Non-Potable Water Infrastructure

The non-potable or “purple pipe” system plans are included in the Water Master Plan approved by the Folsom City Council on July 28, 2011. The system is designed to route non-potable water to parks, landscape parkways and other locations appropriate for non-potable water use. The system will reduce the use of potable water for landscape irrigation in the Plan Area (see Folsom South of U.S. 50 Specific Plan Project EIR/EIS, Water Master Plan, the PFFP and the Addendum to the PFFP). Implementation of a non-potable water system will be based on the draft non-potable water policy developed between SCWA and the City. If a non-potable water system is economically feasible, then a system will be developed.

Wastewater/Sanitary Sewer Service

Upon annexation of the FPA, the City of Folsom’s Public Works Department will assume responsibility for wastewater management and collection. Sacramento Regional County Sanitation District will be responsible for treatment.

The Wastewater Master Plan was approved by the Folsom City Council on July 28, 2011 and the system will consist of gravity sewer mains, pump stations, force mains, localized collector lines and individual laterals. The topography of the Plan Area dictates that wastewater will generally flow from east to west through gravity mains. A pump station is proposed for the northwest corner of the Plan Area to pump all Plan Area wastewater flows, except from those areas which may flow to EID, to an existing (dry) 24-inch force main constructed within Iron Point Road (north of the Plan Area), to serve the Plan Area (see Wastewater Master Plan, EIR/EIS, PFFP and Addendum to the PFFP).

Approximately 178 acres will be served by EID in the northeastern portion of the Plan Area (APN 072-0070-001 & 023 and APN 072-0270-028).

Storm Water and Drainage

Upon annexation of the FPA, the City of Folsom’s Public Works Department will assume responsibility for storm water management.

The Plan Area storm water system will comply with the requirement of the City Folsom's NPDES Municipal Separate Storm Sewer (MS4) Permit in place at the time subsequent approvals are sought for Plan Area construction projects. The existing MS4 permit for the City of Folsom requires the City to work with the other permittees in the Sacramento Storm water Quality Partnership to develop a Hydromodification Management Plan establish amended development standards related to both hydromodification and Low Impact Development (LID). Additionally, the City and other permittees must update the Storm Water Quality Design Manual for Sacramento and South Placer Regions to provide technical guidance related to hydromodification and low impact development. The objective is to control the volume, rate and duration of runoff to avoid downstream habit degradation. The Plan Area storm water system is designed to collect and convey 100-year storm events. The smaller storm events will be conveyed through an underground system of pipes while the larger storm events will be directed overland. The storm water runoff from the developed portions of the Plan Area will be directed to centralized drainage basins serving both peak flow attenuation and water quality treatment (see Storm Drainage Master Plan).

Solid Waste Collection

The annexation area is currently not served, upon annexation, the City of Folsom's Utilities Department will provide solid waste collection for the Plan Area. In order to meet the requirements of Assembly Bill 939, the Solid Waste Division will utilize the City's Smart Cart biweekly curbside recycling program for residential customers and its SmartBiz service for cardboard, office paper and other mixed recyclable programs for Plan Area business customers. The Division also provides yard ("green") waste collection as part of its regular service. In addition, residents may make up to three appointments per year for neighborhood cleanup of large bulky items.

Parks and Recreation

The department provides comprehensive services in parks, schools and community centers.

Folsom Lake, Negro Bar and Lake Natoma are popular recreational areas for swimming and boating, drawing more than four million visitors a year. Folsom has 36 miles of recreation trails for biking and hiking, with plans to add nearly an additional 20 miles during the next few years. The popular Folsom Zoo Sanctuary provides sanctuary to animals that were injured or orphaned in the wild. The educational focus of the Zoo provides a unique learning experience for the community.

Folsom has 43 parks with over 300 developed acres, 20 baseball/softball fields, 18 outdoor basketball courts, 17 tennis courts and 14 soccer fields. The Lembi Park Aquatic Center is a year-round multi-use facility that offers recreational and competitive swimming, classes and special events such as drive-in movies. The Folsom Sports Complex provides indoor space for soccer, basketball, batting cages, volleyball, and special events.

Upon annexation, the City of Folsom Parks & Recreation Department will assume the responsibility for providing active and passive recreational activities for the Plan Area. In addition to the 1,035 acres of open space provided in the Plan Area and consistent with The City of Folsom requirements, developers of the FPA must either dedicate (FMC 16.32.040) land or

pay fees in lieu thereof, or a combination of both for park or recreation purposes. FMC 16.32.040 further defines the minimum standard for park and recreation sites in the City at 5-acres per 1,000 persons. Based on these standards, the FPASP requires the dedication of 121.7-acres of park land. The FPASP Park Plan calls for two community parks, 5 neighborhood parks and 2 local parks. Park construction will be phased to meet demand and financed by FPASP Special Financing District fees (see the PFFP and the Addendum to the PFFP for estimated construction costs).

Law Enforcement

The City is committed to providing appropriate levels of public safety services and maintains a ratio of 1.3 police officers per 1000 population. Folsom's Police Department includes a K-9 unit, SWAT team, and a mounted police unit.

Upon annexation of the Plan Area, the City of Folsom Police Department (FPD) will assume the responsibility for law enforcement. The current City Law Enforcement Service Delivery Plan (SDP) recommends that two small police substation be located in the Plan Area: one in the proposed regional commercial center; the other in the vicinity of the general commercial area east of Scott Road. The precise size and required site area for the police substations will be determined by the FPD and approved by the Folsom City Council at a future date. The FPASP anticipates a site of approximately 2-acres directly adjacent to Street "B", immediately west of the proposed Fire Station site as adequate to serve the needs of a new station.

If a new police facility is constructed in the Plan Area, the costs would be apportioned based on the service delivery impact of the Plan Area (see the PFFP and the Addendum to the PFFP for estimated construction costs). Staffing will be consistent with services being provided based on budgetary opportunities or constraints.

Fire Protection

Fire personnel provide fire suppression, rescue, fire prevention, public education, hazardous materials response and emergency medical services to the Folsom community.

The City has a new main fire station on Glenn Drive, and three additional fire stations strategically located to serve the community's residents.

Folsom's Fire Department is one of just a few in the region that has at least one paramedic on board every fire apparatus that responds to an emergency call.

The Folsom Fire Department currently provides paramedic/Advanced Life Support services from all four stations utilizing cross-trained firefighter/paramedics. These personnel staff all fire vehicles including the engine companies, ladder truck and paramedic ambulances.

The EMS Division participates in a county-wide resource deployment plan that ensures the closest available emergency crew responds to the scene of emergencies, regardless of geopolitical boundaries. This process enables a seamless and reciprocal service delivery system.

The EMS Division also develops and administers various internal training curricula in order to maintain required state and local certifications of emergency personnel, as well as external education programs for the community including cardiopulmonary resuscitation (CPR) and automate external defibrillator (AED) use.

Upon annexation of the Plan Area, the City of Folsom Fire Department (FFD) will assume the responsibility for fire protection for the entire FPA pursuant to the Property Tax Sharing Agreement with the El Dorado Hills Fire Department. The current approved FFP Service Delivery Improvement Plan recommends two fire stations be located within the Plan Area. These fire station sites are envisioned to be approximately 1.2 to 2 acres in size each and may be located adjacent to a neighborhood park (see FPASP section 11.5.2).

Building & 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.

Upon annexation of the Plan Area, the City of Folsom Community Development Department, Code Enforcement Division will assume responsibility of assuring safe and reliable construction projected and enforce the city's zoning code. The Division regulates the following:

- Abandoned or inoperative vehicles
- Animal control issues
- Businesses without a license
- Drainage problems
- Graffiti
- Hazardous Encroachments
- Illegal construction or occupancy
- Substandard housing conditions
- Unsanitary or unsafe premises
- Zoning violations
- Private property maintenance

Animal Services

The City of Folsom's Animal Services Division is managed by the Folsom Police Department. This Division is staffed with one officer. The Division provides monthly clinics for rabies, microchip, and license services. Animal shelter services are provided by Blue Ravine Animal Hospital located at 1770 Prairie City Road.

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, micro-chipping, photographing for websites, animal rescues and outplacements, community adoption and spay/neutering events, and an expansive volunteer program.

Upon annexation of the Plan Area, the City of Folsom Animal Services Division will assume responsibility for the health and safety of animals and the enforcement of local and state laws that pertain to animal welfare.

Public Works

Upon annexation of the Plan Area, the City of Folsom Public Works Department will assume responsibility for improving, operating and maintaining the Plan Area Roadways except for those streets that have a shared responsibility with Sacramento County. The Public Works Department will also provide storm water management services.

Streets

In addition to constructing all of the streets shown in Figure 6.4, the developers of the Plan Area will be responsible for their fair share funding of a number of improvements to U.S. Highway 50, Sacramento County road segments and intersections, El Dorado County road segments and intersections and existing City of Folsom road segments and intersections to mitigate for impacts caused by development of the Plan Area. Refer to the EIR/EIS for a full listing of the required improvements and timing of construction and the PFFP and the Addendum to the PFFP for a breakdown of costs and funding sources.

Bikeways

The FPASP and the Appendix to the City of Folsom Bikeway Master Plan propose 18.6 miles of Class I bike paths and 18.5 miles of Class II bike lanes totaling approximately 37 miles of new bikeways for the Plan Area (see Figure 6.5 Bikeway Plan). Refer to the FPASP, the Appendix to the City of Folsom Bikeway Master Plan and the PFFP and the Addendum to the PFFP for additional details.

Transit Division

Upon annexation of the Plan Area, the City of Folsom will assume responsibility for local transit services in conjunction with regional transit service provided by Sacramento Regional Transit. Exhibit "E" discusses the Master Transit Plan in detail.

Municipal Services

The FPASP recommends the construction of a municipal services center in the Plan Area Town Center to serve as community amenity to provide space for several city uses and facilities including offices, a community meeting room, a branch Library and possibly a small restaurant or coffee shop.

Library

The Folsom Public Library serves a rapidly growing city with a rich history dating back to the Gold Rush era. Folsom natives and new residents alike take advantage of the library's materials, services, and programs for recreation, personal, educational, and professional growth. Library staff places special emphasis on stimulating young children's interest in and appreciation for reading and learning. The library supports students at the elementary and secondary levels while serving as a learning and educational center for all residents of the community.

Folsom's Library is a local resource for:

- A collection of over 73,000 items;
- Inter-library loans and patron requests for materials from Sacramento County, regional libraries, and out-of-state libraries;
- Computer technology including Internet access, online databases, word processing, and online catalog access;
- Knowledgeable librarians to help you find information;
- Free programs for children such as story times, summer reading programs, and drop-in homework help;
- A host of enjoyable volunteer opportunities.

Upon annexation of the Plan Area, responsibility for library services will transfer from then Sacramento Library system to the City of Folsom. Based on current City of Folsom standards, the Plan Area will generate the need for one moderately sized library of approximately 15,000 square feet to be located in the Plan Municipal Services Center.

El Dorado Irrigation District (EID)

After annexation of the Plan Area, the small northeast section of the FPA (APN 072-0070-001 & 023 and APN 072-0270-028) will continue to be served by EID (water, wastewater and non-potable water).

El Dorado Hills Fire Department (EDHFD)

Upon annexation of the Annexation Proposal area, the City of Folsom Fire Department (FFD) will assume the responsibility for fire protection for the entire area pursuant to the Property Tax Exchange Agreement dated November 15, 2011 between the City and the El Dorado Hills Fire Department. The City of Folsom Fire Department will be the primary service provider and EDHFD will be a secondary provider pursuant to Mutual Aid Agreements.

Fair Oaks Cemetery District

The Fair Oaks Cemetery District was established 23 August 1926 under Health and Safety Code Section 88990 to provide burial/cremation sites for the residents of the District. The District contains one 11-acre cemetery in the community of Fair Oaks. The District is governed by a five member Board of Trustees appointed by the Sacramento County Board of Supervisors. The District size is approximately 78 square miles and includes all of the Plan Area. No change of service is proposed for this Special District.

Sacramento-Yolo Mosquito & Vector Control District

The Sacramento-Yolo Mosquito and Vector Control District was established in 1946 to provide mosquito and vector control services to both Sacramento and Yolo counties, including the Plan Area. The District performs its duties of monitoring and controlling all known sources of mosquito breeding sites. The District will continue to be the service provider after annexation.

Countywide Services

Sacramento County will continue to provide the following county-wide services to future residents: Agricultural Commissioner; Coroner; Courts; District Attorney; Public Defender; probation; jail; human assistance; health and human services; elections; recordation; assessments; and tax collection. The County General Fund primarily finances these services, with revenues from both incorporated and unincorporated areas.

Joint Powers Authorities

Sacramento Transportation Authority (STA)

The STA was formed in 1988 by Sacramento County voter approval of Measure A which distributes the ½ cent county-wide sales tax to Sacramento County and the cities of Citrus Heights, Elk Grove, Folsom, Galt, Isleton and Rancho Cordova. The sales tax is specifically earmarked for the construction of highways, streets, maintenance of existing streets, increase bus and light rail service, increased transportation services for the elderly and handicapped and transportation related air quality programs for Sacramento County, including the Plan Area, and the cities previously described.

Capital Southeast Connector

In December 2006, the cities of Elk Grove, Folsom and Rancho Cordova, as well as El Dorado and Sacramento Counties, collaborated to form a Joint Powers Authority to proceed with

planning, environmental review, engineering design and development of the Elk Grove-Rancho Cordova-El Dorado Connector project (The Capital Southeast Connector). The connector corridor includes portions of the Plan Area.

Sacramento-Placerville Transportation Corridor Joint Powers Authority

The SPTC-JPA was established “to provide for the acquisition of the Southern Pacific Transportation Company’s Placerville Branch and to provide reciprocal use agreements for transportation and transportation preservation uses as may be desired by the member agencies through the creation of a joint power authority.” The agreement established the member agencies rights and responsibilities with respect to the acquisition ownership, use, operation, improvement, maintenance and eventual disposition of the rail corridor. The SPTC includes portions of the Plan Area.

Sacramento Metro Cable Commission

After annexation, the Plan Area will continue to be served by the Sacramento Metro Cable Commission

Sacramento Metropolitan Air Quality Management District (SMAQMD)

After annexation, the Plan Area will continue under the jurisdiction of the SMAQMD.

Sacramento Regional Transit District (RT)

After annexation, the Plan Area will continue to be in the RT service area pursuant to the City of Folsom Master Transit Plan.

School Districts

The City of Folsom, landowners and Folsom Cordova School District have planned for the need for five new elementary schools, one new middle school, and one new high school to serve the estimated population of 26,000 persons. School citing was planned in accordance with all California Department of Education criteria as outlined in the School Site Selection and Approval guidelines and School Site Analysis and Development.

Funding for capital facilities has been estimated by the FCUSD, and the landowners and voters committed to \$750 million in General Obligation Bonds (Measure M, April 2007) to fund the planned schools. Funding for schools is shared 50 percent from the FCUSD and 50 percent from the State of California. In addition, to this funding agreement, the developers have agreed to a Level II Fee (Gov. Code Section 65995.5) above the statutory fee (Education Code 17620), amounting to \$6.99/sf for residential development and \$.47/sf for commercial/industrial construction. These fees are adjusted annually.

The landowners and the City of Folsom have agreed to use Mello-Roos Community Facility District funding for any school funding shortfall. The City and FCUSD have planned large neighborhood parks to be located adjacent to each elementary school, to enable the joint use of facilities, and to buffer schools from immediate adjacency to residential development.

Finally, Measure W, passed by Folsom Voters in 2004 amended the Folsom City Charter to require the funding and construction of all necessary schools in the Folsom Plan Area by new development so that Folsom residents north of Highway 50 are not required to pay for construction of new schools and that existing schools are not overcrowded by development in the proposed annexation territory.

Folsom Cordova Unified School District (FCUSD)

The FCUSD is located in the eastern portion of Sacramento County and encompasses the cities of Folsom and Rancho Cordova and unincorporated areas of the county including the Plan Area. The FCUSD serves grades kindergarten through 12 and has a total enrollment of 18,893 students (2010-11 CDE, Data Quest Report). In March 2007, voters in FCUSD School Facilities Improvement District (SFID) 3 approved a \$750 million general obligation bond to help pay for as many as 30 new schools in the largely undeveloped areas south of Highway 50 and east of Sunrise Blvd. including the Plan Area. Currently, no public schools exist within the boundaries of the Plan Area.

The FPASP creates the potential demand for five elementary schools and 1.1 middle schools and .5 high schools. The Folsom Cordova Unified School District is recommending combining the middle school and high school on one campus. The FPASP land use plan designates sites for five elementary schools and one combined middle/high school. The school sites will be dedicated to the FCUSD as a condition of approval of tentative subdivision maps and the timing and funding for construction will be determined through future development agreements between the FPA property owners and the FCUSD. Construction of the schools will be financed through a combination of local school bonds; State of California new construction funding and developer fees (see the PFFP and the Addendum to the PFFP).

Los Rios Community College District (LRCCD)

The LRCCD is a two-year public college district serving the greater Sacramento region. The 2,400 square mile service area of the LRCCD includes Sacramento and El Dorado Counties and parts of Yolo, Placer and Solano Counties and includes more than 90,000 enrolled students. The LRCCD campuses include American River, Cosumnes River, Folsom Lake, and Sacramento City colleges; and major centers in Placerville, Davis, West Sacramento, downtown Sacramento, Natomas, and Rancho Cordova; and special services for business and industry. The LRCCD offers college transfer education and AA/AS degrees and certificates in over 70 career fields.

Other Service Providers

Electric Service – SMUD

The Sacramento Municipal Utility District (SMUD) will supply electric service to the Plan Area. Peak electric demand at Plan Area build out is approximately 87 megavolt amperes. Three electric substations will be required to provide electric service to the Plan Area.

Natural Gas Service – PG&E

Pacific Gas & Electric Company (PG&E) will provide the Plan Area with natural gas service. Peak natural gas demand at Plan Area build out is estimated to be approximately 818,000 cubic feet per hour. PG&E currently has excess capacity in its system to serve the Plan Area with a 10-inch steel natural gas distribution main operating at transmission pressures the follows the existing Placerville Road from U.S. Highway 50 to White Rock Road and thence to El Dorado Hills to the east. PG&E will one or more transmission pipelines in the Plan Area with two natural gas regulator stations. The regulation stations will require 20' x 80' sites with access easements for all-weather maintenance and operations. Distribution throughout the Plan Area will be handled by a network of 8-inch, 6-inch and 4-inch feeder mains. Distribution lines and services will be extended off of the feeder mains and will be sized based upon the anticipated gas loads to the various development parcels.

Telecommunication – AT&T

AT&T is the local exchange carrier in the region and will be the primary provider of land line telephone service to the Plan Area. The Folsom Nimbus Wire Center and the El Dorado Wire Center will provide primary telecommunication service. The Plan Area will require a backbone network of conduits and manholes in Plan Area arterial and collector streets capable of supporting both copper and fiber optics systems. Three remote terminal sites are required for telecommunication service in the Plan Area: one in the eastern region of the FPA; one in the central region and one in the western region. Residential customer will receive telecommunications service via fiber-optic cable capable of providing internet access, dial tone and video services. Telecommunication service to Plan Area commercial user's customers will be based on their requirement and will be either copper or fiber optic service. Mobile communication service provides will supply Plan Area residents and business with wireless communication service. Wireless communication towers will be located throughout the Plan Area to ensure complete coverage. Some wireless communication towers may be placed within open space areas, and on school and park playfield lighting towers.

Cable Television – Comcast Corp

Comcast Communications is the cable television provider for the Plan Area and they will provide cable and broadband service. Comcast will install a fiber optic/coaxial hybrid system to the Plan Area that will offer internet access, dial tone and video services.

Master Services Element/Municipal Services Review Conclusion

Staff concludes that the City of Folsom should have the adequate means and capacity to provide services in a cost effective manner to the existing city residents and annexation territory.

Affected Agencies and Public Comments:

The project was circulated for the review and comment of affected agencies and interested parties. Comments are attached in Exhibit "L".

Impacts to Affected Agencies and Service Providers

LAFCo has considered the effects of the annexation and detachment as contemplated under the Proposal and, as set forth in this Report. The analysis indicates that the County and other service providers and remaining service territories are not adversely affected by the Proposal. This finding is based upon the comments received from the public, public agencies and the documents provided to LAFCo including, but not limited to, the City's Annexation Proposal.

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 proponents. 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.

Executive Officers Conclusion and Recommendations

The City of Folsom has adequately addressed the Commission imposed Sphere of Influence Terms and Conditions, Measure W, the Memorandum of Understanding with the County of Sacramento, and negotiated Property Tax Sharing Agreements with affected agencies.

The proposed reorganization for the City of Folsom annexation project is consistent with the terms and Conditions established by the Sphere of Influence Amendment and 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.

The proposal is consistent with elements of the current SACOG Blueprint. The proposed land uses implement many of the Blueprint goals and policies. Also, the affected territory falls within the Blueprint preferred growth scenario adopted by the SACOG Board.

In accordance with LAFCo Policies, the Commission finds that the project site is currently served by the Sacramento Metropolitan Fire District (SMFD). With implementation of the project, the project will detach from SMFD. Likewise, the territory will detach from the Wilton-Cosumnes Parks and Recreation Area (County Service Area 4B). Sacramento County Waste Management will no longer provide services to the area of the Annexation Proposal. The City will assume responsibility for the services provided by these agencies. No objections to the Proposal have been made by the affected agencies and further, the detachment does not significantly reduce the efficiency of service delivery to the remaining inhabitants of the current service provider's territory from which the detachment will occur. LAFCo therefore finds that the requirements of LAFCo Policy V.C. are met.

The Proposal is consistent with the Commission's purpose and responsibility for planning, shaping and coordinating the logical and orderly development of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities.

In reaching these conclusions, the Commission has considered:

- a. The Executive Officer's Report;
- b. The updated Master Services Element, dated August 20, 2011;
- c. The Public Facilities Financing Plan dated June 2010 and addendum to the PFFP dated May 2011 (PFFP);
- d. The Annexation Proposal for Annexation from the City to LAFCo dated August 24, 2011, and attachments and appendices thereto;
- e. The Memorandum of Understanding between the City of Folsom and County of Sacramento dated November 2000;
- f. The Draft and Final EIR;
- g. Responses to comments received after circulation of the Final EIR;
- h. All oral and written public comments;
- i. Public agency comments, staff reports and other pertinent information in the Commission's Record of Proceedings;
- m. City Ordinance Nos. 1148 and 1149 and City Resolutions including 8860, 8861, 8863, 8812, 8870, 8878, 8918, 8919, 8920, 8921, 8022, 8923, and 8926; and
- n. LAFCo Resolutions Nos. 1192, 1193, 1194, 1195, and 1196.

The Commission may approve a proposal subject to conditions pursuant to Government Code 56375(a) and 56886. The Commission adopts and imposes the following conditions, such as:

- a. The City shall comply with all mitigation measures stated in the Final EIR and Mitigation Monitoring and Reporting Plan;
- b. As authorized to be requested pursuant to Resolution No. 8926, LAFCo may include in its annexation approval a condition that an Avigation Easement substantially in the form provided in Exhibit 1 to City Resolution 8926, or as later modified by the City, be recorded prior to development of the Annexation area.

Due to 100 percent landowner and affected agencies consent in accordance with Government Code 56663(c) the Conducting Authority can be waived and the Executive Officer authorized to take all necessary actions to complete the Reorganization/Annexation Proposal with an effective date of annexation on the date the Executive Officer files the Notice of Determination and the Certificate of Completion.

RECOMMENDATION

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

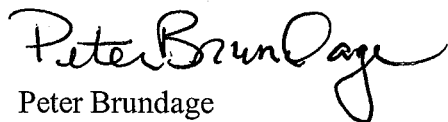
1. **Adopt Resolution 2012-01-0118-04-11:** Resolution Certifying The Final Environmental Impact Report For The Annexation To The City Of Folsom And Sacramento Regional County Sanitation District And Detachment From Sacramento Metropolitan Fire District And Wilton-Cosumnes Parks And Recreation Area (County Service Area 4b);
2. **Adopt Resolution 2012-02-0118-04-11:** Resolution Adopting Findings Of Fact And A Statement Of Overriding Considerations For The Annexation To The City Of Folsom And Sacramento Regional County Sanitation District And Detachment From Sacramento Metropolitan Fire District And Wilton-Cosumnes Parks And Recreation Area (County Service Area 4b);
3. **Adopt Resolution 2012-03-0118-04-11:** Resolution Adopting A Mitigation Monitoring And Reporting Program For The Annexation To The City Of Folsom And Sacramento Regional County Sanitation District And Detachment From Sacramento Metropolitan Fire District And Wilton-Cosumnes Parks And Recreation Area (County Service Area 4b); and
4. **Adopt Resolution 2012-04-0118-04-11:** Resolution Approving The Application For Annexation To The City Of Folsom And To The Sacramento Regional County Sanitation District And Detachment From Sacramento Metropolitan Fire District And Wilton-Cosumnes Parks And Recreation Area (County Service Area 4b)
5. **Consistent with the foregoing and as set forth in the foregoing Resolutions:**
 - 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 City of Folsom to prezone the annexation territory and related development entitlements and reorganization proposal is adequate and complete;
 - c. Find that the Mitigation Monitoring and Reporting Plan is adequate complete;
 - 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). The Findings of Fact and Statement of Overriding Considerations reflect the

mitigation measures, as adopted by the City, as well as additional input received from other agencies;

- f. Find that the approval of the Application for Annexation promotes orderly growth and development, consistent with law and the Commission's Policies, Standards, and Procedures and the Commission's previous Resolutions (Nos. LAFC 1192, 1193, 1194, 1195, and 1196);
- g. Adopt the Application for Annexation and find that the Sphere of Influence is coterminous with the boundary of the City;
- h. Direct staff to prepare and file the Notice of Determination and Notice of Completion;
- i. Waive the Conducting Authority protest proceedings due to one-hundred percent landowner and affected local agency consent;
- j. Set the effective date of annexation to be upon filing of the Certificate of Completion by the Executive Officer; and
- k. Authorize your Chair to sign the Resolution making these determinations.

Respectfully,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION



Peter Brundage
Executive Officer

Attachments: LAFC Resolutions
Exhibits A - P