



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

## **POLICIES, STANDARDS AND PROCEDURES FOR LAFCo**

ADOPTED SEPTEMBER 5, 1990

AMENDMENTS APPROVED APRIL 3, 2024

## **ORIGINAL 1990 ACKNOWLEDGMENTS**

It is with extreme pleasure that I circulate for formal use the recently adopted Sacramento Local Agency Formation Commission's Policies and Procedures and Guidelines. From the inception of the project--to develop a policy document that would guide the public, staff and Commission through a complex and sometimes controversial LAFCo process--a number of individuals have offered valuable insight to the betterment of the Sacramento LAFCo and have taken an active part in the evolution of this report.

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

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

To each of these participants, a sincere thank you for your thoughtful participation. From the Sacramento LAFCo, the Commission is to be commended for pursuing and supporting a task no other LAFCo has chosen to undertake. Special thanks to Barbara Graichen, Former Assistant Executive Officer, who worked with extreme diligence on the project, and Marilyn Flemmer, Commission Clerk, who was given the thankless task of insuring that it was ready to be published. In addition to the careful examination which each of the Commissioners devoted to this project, the deepest debt of gratitude for the quality of this project is due Commissioner Roseanne Chamberlain who worked with uninterrupted perseverance and commitment to achieve its completion. I am happy to have worked with each of these participants. My sincere thanks to each and every one of you.

John O'Farrell  
Executive Officer  
SACRAMENTO LOCAL AGENCY FORMATION  
COMMISSION

## TABLE OF CONTENTS

### GLOSSARY OF TERMS

I - xii

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

E.	AGRICULTURAL LAND CONSERVATION . . . . .	IV-5
F.	APPLICATION OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT TO CHANGES OF ORGANIZATION OR REORGANIZATION AND SPHERES OF INFLUENCE . . . . .	IV-6
G.	EFFICIENT SERVICES AND ORDERLY DEVELOPMENT . . .	IV-9
H.	NEED FOR SERVICES . . . . .	IV-9
I.	STANDARDS FOR ANNEXATION TO AND THE DETACHMENT FROM ALL AGENCIES . . . . .	IV-10
J.	DETERMINATION OF COSTS . . . . .	IV-13
V.	SPECIFIC STANDARDS BY TYPE OF ACTION . . . . .	V-1
A.	ANNEXATIONS TO CITIES . . . . .	V-1
B.	ANNEXATIONS TO DISTRICTS. . . . .	V-2
C.	DETACHMENTS FROM CITIES AND DISTRICTS . . . . .	V-2
D.	INCORPORATIONS AND DISINCORPORATIONS . . . . .	V-2
E.	DISTRICT FORMATIONS AND DISSOLUTIONS . . . . .	V-3
F.	CITY CONSOLIDATION, DISTRICT CONSOLIDATIONS, AND MERGER OF A DISTRICT INTO A CITY . . . . .	V-7
G.	REORGANIZATION . . . . .	V-8
H.	SPHERE OF INFLUENCE PLANS . . . . .	V-8
I.	AMENDMENTS TO SPHERES OF INFLUENCE . . . . .	V-11
J.	RECONSIDERATION OF LAFCo DECISIONS . . . . .	V-12
K.	CITY PROTESTS OF LAND CONSERVATION CONTRACTS (Gov't Code Section 51243.5) . . . . .	V-13

VI.	GENERAL INSTRUCTIONS FOR APPLICANTS. . . . .	VI-1
A.	APPLICANT RESPONSIBILITY SUMMARY . . . . .	VI-1
1.	Pre-Filing Conference. . . . .	VI-1
2.	Actions Required by Applicant . . . . .	VI-1
B.	GENERAL INSTRUCTIONS FOR ALL APPLICANTS . . . . .	VI-2
1.	Initiation: Petition or Resolution . . . . .	VI-2
2.	A Map and a Description of the Boundaries of the Subject Territory. . . . .	VI-2
3.	Data and Information Required by the LAFCo . .VI-3 Additional Data and Information Required by the Executive officer. . . . .	VI-4
4.	Processing and Petition Checking Fees . . . .	VI-4
C.	CHECKLIST FOR APPLICANTS. . . . .	VI-4

## APPENDICES

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

## GLOSSARY OF TERMS

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

While these Policies are specific to Sacramento LAFCo, it is adopted to implement the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code sections 56000 *et seq.*) (hereinafter "CKH") consistent with State legislative findings and declarations regarding orderly growth and development. These Policies and definitions are to be interpreted and applied consistent with CKH, as it may be amended from time to time. However, where not inconsistent with CKH these Policies may provide further local Sacramento LAFCo policies and requirements.

<u>Term</u>	<u>Definition</u>
Agricultural Lands	Agricultural lands are lands currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.
Affected Population	Affected population are those persons who inhabit or will inhabit a specific area that will directly or indirectly be impacted by an action.
Annexation	Annexation is the inclusion, attachment, or addition of territory to a city or district.
Application	Application is the material submitted to LAFCo that initiates a LAFCo review process.
Area of Interest	Area of Interest is the geographic area beyond the Sphere of influence of a local agency in which land use decisions or other governmental actions of the County impact directly or indirectly upon the local agency or in which urbanization may be anticipated in the intermediate or long-range planning horizons.
CEQA	The California Environmental Quality Act contained in the Public Resources Code, sections 21000 <i>et seq.</i> and the State CEQA Guidelines, Title 14 California Code of Regulations, Chapter 3, Guidelines for Implementation of the California Environmental Quality Act.

Categorical Exemption	Categorical exemption is a provision within CEQA that, absent unusual circumstances or exceptions, permits specified projects that have no potential impact on the environment to proceed and waives environmental review. It has been determined not to have a significant impact on the environment and shall be exempt from the provisions of CEQA.
Certificate of Completion	Certificate of Completion is the document prepared by the executive officer and recorded with the county recorder that confirms the final successful completion of a change of organization or reorganization.
Certificate of Filing	Certificate of Filing is the document issued by the executive officer that confirms an application for a change of organization or reorganization has met submission requirements and is accepted for filing.
Change of Organization	<p>Change of organization are any of the following, as defined in Government Code 56021:</p> <ul style="list-style-type: none"> <li>(a) A city incorporation.</li> <li>(b) A district formation.</li> <li>(c) An annexation to a city.</li> <li>(d) An annexation to a district.</li> <li>(e) A detachment from a city.</li> <li>(f) A detachment from a district.</li> <li>(g) A disincorporation of a city.</li> <li>(h) A district dissolution.</li> <li>(i) A consolidation of cities.</li> <li>(j) A consolidation of districts</li> <li>(k) A merger of a city and a district.</li> <li>(l) Establishment of a subsidiary district.</li> <li>(m) The exercise of new or different functions or classes of services, or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district.</li> </ul>
City	City means the City of Sacramento, Folsom, Isleton, Galt, Citrus Heights, Elk Grove, Rancho Cordova or any new city created

pursuant to the Cortese-Knox-Hertzberg Act and other California laws.

Commission	Commission is the Sacramento Local Agency Formation Commission.
Conditional Approval	Conditional approval is approval given by LAFCo that is subject to the completion of certain actions prior or subsequent to the recordation of the Certificate of Completion.
Conducting Authority	Conducting authority is the Sacramento Local Agency Formation Commission, when Sacramento LAFCo is the commission of the principal county, or Sacramento LAFCo's executive officer when authorized by the Sacramento LAFCo, when exercising its responsibility to conduct protest proceedings following approval by the commission of a change of organization or reorganization.
Consolidation	Consolidation is the uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district.
Detachment	Detachment is the deannexation, exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.
Direct costs	Direct costs are the costs stemming immediately from an action or a proposal before LAFCo, including but not limited to the cost of direct labor and direct materials.
Disincorporation	Disincorporation is the dissolution, extinguishment, and termination of the existence of a city and the cessation of its corporate powers, except for the purpose of winding up the affairs of the city.
Dissolution	Dissolution is the disincorporation, extinguishment, and termination of the existence of a district and the cessation of all its corporate powers, except for the purpose of winding up the affairs of the district.



## District or Special District

(a) District or special district is an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries, as defined in Government Code 56036.

(b) District or special district includes a county service area, but excludes all the following:

- (1) The state.
- (2) A county.
- (3) A city.
- (4) A school district or a community college district.
- (5) An assessment district or special assessment district.
- (6) An improvement district.
- (7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 commencing with Section 53311) of Part 1 of Division 2 of Title 5.
- (8) A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.
- (9) An air pollution control district or an air quality maintenance district.
- (10) A zone for any special district.

## Duplication of Services

Duplication of services is the result that occurs when more than one governmental agency provides the same service to a specific area.

## Environmental Impact Report

EIR or Environmental Impact Report is a detailed statement prepared under CEQA describing and analyzing the significant environmental effects of a project and discussing ways to mitigate or avoid the effects. The contents of an EIR are discussed in Article 9, commencing with Section 15120 of the State CEQA Guidelines. The term EIR may mean either a draft or a final EIR depending on the context.

## Environmental Justice

Environmental Justice is the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins, with

respect to the location of public facilities and the provision of public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.

#### Environmental Review

Environmental review is the process set forth in CEQA that involves an assessment of potential environmental effects impacts of an action.

#### Executive Officer

Executive Officer is the person appointed by a commission pursuant to Section 56384.

#### Formation

Formation is the creation of a district.

#### Grazing Land

Grazing land is the land on which the existing vegetation, whether grown naturally or through management, is suitable for grazing or browsing of livestock.

#### Incorporation

Incorporation is formation, creation, and establishment of a city 'with corporate powers. Any area proposed for incorporation as a new city shall have at least 500 registered voters residing within the affected area at the time commission proceedings are initiated.

#### Indirect Costs

Indirect costs are the agencywide, general management cost of the activities for the direction and control of the agency as a whole. Indirect costs include, but are not necessarily limited to, administrative activities necessary for the general operation of the agency, such as accounting, budgeting, payroll preparation, personnel services, purchasing, and centralized data processing.

#### Initial Study

Initial Study is a preliminary analysis prepared by the Lead Agency to determine whether an EIR or a Negative Declaration must be prepared or to identify the significant environmental effects to be analyzed in an EIR.

#### Initiate or Initiation

Initiate or initiation is the acceptance for filing and the issuance of a Certificate of Filing by the executive officer.

Joint Powers Agreement

Joint Powers Agreement is a separate legal entity resulting from an agreement between two or more public agencies to provide a united activity, operation, or organization.

Landowner or Owner of Land

Landowner or owner of land can all of the following:

- (a) Any person shown as the owner of land on the last equalized assessment roll except where that person is no longer the owner. Where that person is no longer the owner, the landowner or owner of land is any person entitled to be shown as owner of land on the next assessment roll.
- (b) Where land is subject to a recorded written agreement of sale, any person shown in the agreement as purchaser.
- (c) Any public agency owning land other than highways, rights-of-way, easements, waterways, or canals.

Landowner-Voter

Landowner-voter is any person entitled to vote in a landowner-voter district, or the legal representative of that person or, in the case of an election, the proxy of that person.

Landowner-Voter District

Landowner-voter district is a district whose principal act. provides that owners of land within the district are entitled to vote upon the election of district officers, the incurring of bonded indebtedness, or any other district matter.

Lead Agency

Lead Agency is the public agency that has the principal responsibility for carrying out or approving a project, including complying with CEQA.

Legal Representative

Legal representative is an officer of a corporation, partnership, or limited liability company duly authorized to sign for, and on behalf of, the entity. Legal representative also includes a guardian, conservator, executor, administrator, trustee or other person holding property in a trust capacity under appointment

	of a court, when authorized by an order of the court.
Legislative Body	Legislative body is the governing board of a city, district, or county.
Local Agency	Local agency is a city, county or district.
Marginal Costs	Marginal costs are those additional costs incurred by an agency that are associated with an action or a proposal before LAFCo.
Municipal Service Review	Municipal Service Review is a study conducted by the commission documenting and analyzing the services in a particular geographic region or jurisdictional area pursuant to the requirements of Government Code Section 56430 and Sacramento LAFCo's adopted local policy as permitted pursuant to subsection (a)(7) of section 56430.
Merger	Merger is the termination of the existence of a district when the responsibility for the functions, services, assets, and liabilities of that district are assumed by a city.
Mitigated Negative Declaration	Mitigated negative declaration is a negative declaration prepared for a project when the initial study has identified potentially significant effects on the environment, but (1) revisions in the project plans or proposals made by, or agreed to by, the applicant before the proposed negative declaration and initial study are released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effect on the environment would occur, and (2) there is no substantial evidence in light of the whole record before the public agency that the project, as revised, may have a significant effect on the environment.
Negative Declaration	Negative Declaration is a written statement by the Lead Agency briefly describing the reasons that a proposed project, not exempt from CEQA, will not have a significant effect on the environment and therefore does not require the preparation of an EIR.

Notice	Notice means any matter authorized or required by the Cortese-Knox-Hertzberg Act and/or CEQA to be published, posted, or mailed.
Open Space	Open space is any parcel or area of land or water which is substantially unimproved and devoted to open space use, as defined in Section 65560 of the Government Code.
Out of Agency Service Agreement	Cities and special districts are required to obtain LAFCo's approval prior to entering into contracts with private individuals or organizations to provide services outside of the agency's boundaries as defined in Government Code 56133, 56133.5 and 56134.
Plan for Services	A plan for services within the affected territory submitted with an application for a change of organization or reorganization that is consistent with the requirements of Government Code Section 56653.
Prezoning	Prezoning is the adoption of an anticipated zoning category prior to annexation to be effective subsequent to annexation.
Prime Agricultural Land	<p>Prime agricultural land is an area of land, whether a single parcel or contiguous parcels, which has not been developed for a use other than an agricultural use and which meets any of the following qualifications, as defined in Government Code 56064:</p> <p>(a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.</p> <p>(b) Land that qualifies for rating 80 through 100 Storie Index Rating.</p> <p>(c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003.</p>

- (d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.
- (e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.

Proceeding	Proceeding, proceeding for a change of organization, or proceeding for a reorganization are proceedings taken by the conducting authority for a proposed change of organization or reorganization pursuant to Part 4, commencing with Section 57000 of the Cortese-Knox-Hertzberg Act.
Proponent	Proponent is any person intending to circulate, or cause the circulation of, any petition.
Property Tax Exchange	Property tax exchange agreement is the agreement reached between the county and cities or special districts that transfer property tax revenues to the agency assuming service responsibilities.
Proposal	Proposal is the desired change of organization or reorganization initiated by a petition or by resolution of application of a legislative body or school district for which a certificate of filing has been issued, as defined in Government Code 56069.
Protest	Protest is opposition filed by petition of affected landowners and/or voters regarding a proposal which includes their properties.
Registered Voter	Registered voter means any elector registered under, and pursuant to, the Elections Code.
Registered Voter District	Registered voter district means a district whose principal act provides that registered voters residing within the district: are entitled to vote for the election of district officers, incurring of

	bonded indebtedness, or any other district matter.
Reorganization	Reorganization is two or more changes of organization initiated in a single proposal.
Responsible Agency	Responsible Agency is a public agency which proposes to carry out or approve a project, for which a Lead Agency is preparing or has prepared an EIR or Negative Declaration. For the purposes of CEQA, the term "Responsible Agency" includes all public agencies other than the Lead Agency which have discretionary approval power over the project.
Revenue Neutrality	Revenue neutrality is a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies as defined in Government Code 56815.
Special Assessment District	Special assessment district is an area fixed, established, and formed by a city, county, district, or the state, pursuant to general law, special act, or charter, that is specially benefited by, and assessed, or to be assessed, to pay the costs and expenses of, acquiring any lands or rights-of-way, acquiring or constructing any public improvements, maintaining or operating any public improvement, for lighting any public street, highway, or place.
Sphere of Influence	Sphere of Influence is a plan for the probable ultimate physical boundaries and service area of a local agency, as determined by the commission.

CHAPTER I  
INTRODUCTION



## **I. INTRODUCTION**

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

### **A. THE PURPOSE OF THESE POLICIES, STANDARDS AND PROCEDURES**

The LAFCo is charged with applying the policies and provisions of the Cortese-Knox-Hertzberg Act to its decisions regarding, among other things, annexations, incorporations, reorganizations, other changes of government organization, to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of Sacramento County and its communities, as indicated in Government Code Section 56301. These standards have been adopted pursuant to the authority contained in the Cortese-Knox-Hertzberg Act to assist in carrying out its provisions. Specifically, these standards are designed to:

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

### **B. THE LEGISLATURE'S CREATION OF LAFCOs**

LAFCOs are intra-local agencies that were created by state legislation to ensure that changes in governmental organization occur in a manner that provides efficient and quality services and preserves open space land resources. The creation of LAFCOs was a legislative response to actions by local jurisdictions in the 1940s and 1950s that incorporated or annexed large, irregular portions of land in a manner that resulted in

irrational urban boundaries and "stranded" population without efficient services or with no services at all. In 1963, the Legislature established Local Agency Formation Commissions in each county and gave them regulatory authority over local agency boundary changes. Additional legislation in the 1960s extended LAFCo authority, and in the 1970s the Legislature recognized the connection between decisions concerning governmental organization and the issues of urban sprawl and loss of prime agricultural land. In response to these concerns, LAFCos were charged with implementing changes in governmental organization in a manner that preserved agricultural and open space land resources, as well as provided for efficient delivery of services. The Legislature and the courts have also required LAFCos to implement the California Environmental Quality Act (CEQA) as it applies to LAFCo actions.

### **C. THE LEGISLATURE'S POLICY DIRECTION TO LAFCo**

The Legislature has charged the LAFCo with carrying out changes in governmental organization to promote specified legislative policies now codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Cortese-Knox-Hertzberg Act commences with Section 56000 of the Government Code, and the reader is referred especially to Sections 56001, 56300, 56301, 56375, 56377 and 56668. These sections contain the following major policy elements:

- The LAFCo is charged with encouraging orderly growth and development while discouraging urban sprawl;
- The LAFCo is responsible for encouraging the logical formation and determination of boundaries;
- The LAFCo is tasked with encouraging the efficient provision of government services; and
- The LAFCo is required to exercise its authority to guide development away from open space and prime agricultural land uses unless such actions would not promote planned, orderly and efficient development.

### **D. THE SPECIFIC AND DELIMITED LAFCo JURISDICTION**

LAFCo's have the specific authority to review:

- Annexations to, or detachments from cities or districts;
- The formation or dissolution of districts;
- The incorporation or disincorporation of cities;
- The consolidation or merger of cities or districts;
- The establishment of subsidiary districts;
- The extension of out of agency service powers;

- The exercise of new or different functions or classes of services, or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district; and,
- The development of, and amendments to, Spheres of Influence with the utilization of Municipal Service Reviews.

To carry out the legislative policies identified above, LAFCo has the power to approve or disapprove applications, or to impose reasonable conditions on approval. However, the LAFCo may not exercise direct land use authority. The California Supreme Court explains this unusual combination of power to deny coupled with no power to impose conditions to solve the same policy issue. It said the prohibition on imposing conditions regarding land use.

"Merely insures that final zoning decisions are made by the local agencies concerned. It certainly does nothing to detract from the power of a LAFCO to disapprove an annexation if it finds that it violates the detailed criteria that a LAFCo must consider such factors are now in Section 56668."

Bozung v. LAFCO (1975) 13 Cal. 3d 263, 284. Thus, for example, LAFCo may disapprove an application for an annexation to a city because it would create an area that is difficult to serve, or because it would cause the premature development of agricultural land. However, the LAFCo could not carry out the same policies by requiring land to be rezoned from residential to agricultural use, or by other direct exercise of land use authority through the zoning or subdivision process.

## **E. THE LAFCo COMMISSION: ITS COMPOSITION AND LEGISLATIVE CHARGE**

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

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

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

1. Two appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall serve as an alternate member of the commission. The alternate member may serve and

vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

2. One appointed by the City of Sacramento who is a member of the city council, appointed by the mayor and confirmed by the city council. The mayor shall also appoint, subject to confirmation by the council, an alternate member who is a member of the city council. The alternate member may serve and vote in place of the regular city member if the city member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.
3. One appointed by the cities in the county, who is a mayor or council member appointed by the city selection committee. The city selection committee shall also appoint one alternate member who shall also be a mayor or council member and shall be appointed and serve pursuant to Section 56335. The city selection committee is encouraged to appoint members to fairly represent the diversity of the cities in the county, with respect to population and geography.
4. Two presiding officers or members of legislative bodies of independent special districts appointed by the independent special district selection committee pursuant to Section 56332. The independent special district selection committee shall also appoint one alternate member who shall be a presiding officer or member of the legislative body of an independent special district and shall be appointed and serve pursuant to Section 56332. The independent special district selection committee is encouraged to appoint members to fairly represent the diversity of the independent special districts in the county, with respect to population and geography.
5. One representing the general public, appointed by the other six members of the commission. The commission may also appoint an alternate public member who may serve and vote in the place of the regular public member if the regular public member is absent or disqualifies himself or herself from participating in a meeting of the commission. If the office of the regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy.

Through the particular interests and expertise that each member brings to LAFCo, LAFCo has both the local and county-wide perspective necessary to implement the policies of

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

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

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

## CHAPTER II

### DESCRIPTION OF LAFCO'S DECISION-MAKING

## **II. DESCRIPTION OF LAFCO'S DECISION-MAKING**

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

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

### **A. APPLICATION AND EVALUATION AND HEARING PROCESS**

The filing of an application includes any of the following:

- (a) A resolution of application or petition initiating a change of organization or reorganization with supporting documentation as required by the commission or executive officer.
- (b) A request for a sphere of influence amendment or update pursuant to Section 56425.
- (c) A request by a city or district for commission approval of an extension of services outside the agency's jurisdictional boundaries pursuant to Section 56133.
- (d) A request by a public agency for commission approval of an extension of fire protection services outside the agency's jurisdictional boundaries pursuant to Section 56134.

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

The Executive Officer reviews the application, prepares a staff report, and furnishes copies to affected local agencies and persons designated in the application. Additional material may be requested of the applicant by the Executive Officer during this process. The Executive Officer prepares a staff report that evaluates the application based on the Cortese-Knox-Hertzberg Act and these LAFCo policies and standards. The Executive Officer will provide public notice as required by CKH and post such notice of public hearings and Commission meetings on the Commission website.

### **B. LAFCo HEARING AND DECISION**

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

After LAFCo Commission action, any person may file within thirty days a request for reconsideration, which the Commission may approve or deny with or without conditions

after appropriate notice and hearing. Decisions by the Commission are final, and no person can make a further request for a substantially similar change for a period of at least one year.

### **C. PROCEEDINGS BEFORE THE CONDUCTING AUTHORITY**

After an approval of an application of a change of organization or reorganization, to LAFCo, as defined in Government Code 56029 and consistent with Government Section 57000 et seq., the Sacramento Local Agency Formation Commission, when Sacramento LAFCo is the commission of the principal county, or Sacramento LAFCo's Executive Officer, when authorized by the Sacramento LAFCo, will hold the conducting authority protest hearing at which public testimony, or written protests, if applicable, are received. The Conducting Authority hearing is subject to the same noticing requirements as the application's approval hearing. The Commission may wave the Conducting Authority hearing, as allowed by the Cortese-Knox-Hertzberg Act.

### **D. LAFCo COMPLETION OF ACTIONS**

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



**CHAPTER III**  
**LAFCO GENERAL POLICIES**

### **III. LAFCO GENERAL POLICIES**

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

1. The LAFCo will encourage participation in its decision-making process. LAFCo will contact Community members through Community Councils, give published notice, and, where LAFCo determines appropriate, give mailed notice to the owners of property within 500 feet of a project site.
2. The LAFCo will encourage communication on actions among the County, cities and special districts.
3. The LAFCo will favorably consider proposals that result in the provision of urban services in densely developed and populated areas.
4. The LAFCo will favorably consider proposals that will provide urban services in areas with high growth potential rather than in areas with limited potential for future growth.
5. The CEQA requires that LAFCo assess the environmental consequences of its actions and decisions and take actions to avoid or minimize a projects adverse environmental impacts, if feasible, or approve a project despite significant effects because it finds that overriding considerations exist. To comply with CEQA, the LAFCo will take one or more of the following actions:
  - a. At its discretion, approve a project without changes if environmental impacts are determined to be insignificant through an Exemption or Initial Study;
  - b. Require an applicant to modify a project;
  - c. Establish mitigating measures as a condition of its approval of the proposal;
  - d. Deny the proposal because of unacceptable adverse environmental impacts;
  - e. Approve a project despite its significant effects by making findings of overriding considerations.
6. LAFCo will favorably consider those applications that do not shift the cost for services and infrastructure benefits to other service areas.
7. LAFCo will favorably consider those applications that improve the balance between jobs and housing.

8. The LAFCo encourages the use of service providers that are governed by officials elected by the citizens.
9. Community needs are met most efficiently and effectively by governmental agencies which:
  - are already in existence;
  - are capable of coordinating service delivery over a relatively large area;
  - provide more than one type of service to the territory which they serve.

**CHAPTER IV**  
**GENERAL STANDARDS**

## **IV. GENERAL STANDARDS**

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

### **A. SPHERES OF INFLUENCE**

1. LAFCo will approve an application for a change of organization or reorganization only if the proposal is consistent with an approved Spheres of Influence plan for the affected agency or agencies. Spheres of Influence will not generally be amended concurrently with an action of an application. Spheres of Influence amendments will ordinarily take longer to process than applications for a change of organization or reorganization. Agencies are encouraged to keep their Spheres of Influence plans up to date so that individual applications for changes of organization or reorganization are not burdened with Spheres of Influence amendment requirements. Amendments to Spheres of Influence occasioned by individual applications for changes of organization or reorganization which would render the Spheres of Influence internally inconsistent or inconsistent with the other policies or standards herein will not be approved.
2. Spheres of Influence are the primary planning tool for LAFCo. To update spheres of influence, agencies must have an updated Municipal Service Review which meets the standards as set forth in Government Code Section 56430.
3. The LAFCo will require that any agency requesting a Sphere of Influence change through LAFCo must have an updated Municipal Service Review. The LAFCo will approve a proposal only if the proposed service provider is the most efficient provider of services with an acceptable cost, as demonstrated in the provider's Municipal Service Review.

### **B. CONFORMANCE WITH APPLICABLE GENERAL AND SPECIFIC PLANS**

1. LAFCo will approve changes of organization or reorganization only if the proposal is consistent with the General Plan and relevant Specific Plans of the applicable planning jurisdiction.
2. For purposes of this standard, the applicable planning jurisdiction is as follows:
  - a. For annexations to a city, the applicable jurisdiction is the city to which annexation is proposed;

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

### **C. BOUNDARIES**

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

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

#### **D. REVENUE NEUTRALITY**

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

## **E. AGRICULTURAL LAND CONSERVATION**

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

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



- (5) Applicable provisions; of the General Plan open space and land use elements, applicable growth-management policies, or other statutory provisions designed to protect agriculture.
2. LAFCo will not make the affirmative findings that the proposed development of the subject lands is consistent with the Spheres of Influence in the absence of an approved Spheres of Influence Plan. LAFCo will not make the affirmative findings that insufficient vacant non-prime land exists within the Spheres of Influence Plan unless the applicable jurisdiction has:
  - a. Identified within its Spheres of Influence all "prime agricultural land" as defined herein.
  - b. Enacted measures to preserve prime agricultural land identified within its Spheres of Influence for agricultural use.
  - c. Adopted as part of its General Plan specific measures to facilitate and encourage in-fill development as an alternative to the development of agricultural lands.
3. The LAFCo will comment upon, whenever feasible, Notices of Preparation for Environmental Impact Reports or projects which involve the development of large tracts of open space and agricultural land and that are not scheduled for urbanization within a five-year- period. Potential adverse impacts related to the loss of open space or agricultural land also will be commented upon by LAFCo.
4. LAFCo's analysis for changes of organization or reorganization or sphere of influence amendments related to territory subject to Williamson Act contracts shall be consistent with Government Code Sections 56426 et seq.

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

The following standards will apply to LAFCo's compliance with the California Environmental Quality Act ("CEQA") in reviewing requests for changes of organization or reorganization and spheres of influence. Appendix H provides more detailed information on LAFCo's specific procedures for the preparation and processing of environmental documents. In meeting CEQA requirements, LAFCo may take one of two roles: Lead Agency, or Responsible Agency.

**Lead Agency**

1. In general, LAFCo will function as a Lead Agency in situations where:
  - a. LAFCo is the first agency in time to act;
  - b. the primary decision relates to a change of organization or reorganization or sphere of influence;

- c. the applicant agency is unable to act as the Lead Agency; or
- d. there are no underlying land use approvals involved.

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

### **Responsible Agency**

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

1. LAFCo shall use its authority to comment on an Initial Study, a Notice of Preparation or an EIR to ensure that CEQA documentation prepared by another agency on a project which LAFCo will review complies with standard number 3 listed below. If the Lead Agency fails to notify LAFCo through a Notice of Intent or a Notice of Preparation or provide substantially equivalent notification, LAFCo may assume the lead agency role (CEQA Guidelines sections 15052, 15096). Applicants for projects which will require LAFCo approval are encouraged to consult with LAFCo early in the application process and independently notify LAFCo of the initiation of environmental review.

### **Executive Officer Duties**

2. When acting as a Lead Agency or a Responsible Agency, the Executive Officer shall have the authority to prepare or cause to be prepared the appropriate environmental documentation. LAFCo will not act upon any proposal for a change of organization or reorganization until environmental documentation has been completed which adequately addresses the requirements of CEQA and CKH. The Executive Officer of LAFCo shall serve as LAFCo's Environmental Coordinator and shall make an environmental determination per the requirements of CEQA.

### **LAFCo Significance Standards and Environmental Topics**

3. In preparing or reviewing an Initial Study for a project subject to LAFCo review as a lead agency or a responsible agency, LAFCo will generally consider the project to have the potential to significantly affect the environment if one or more of the following situations exists:
  - a. Any of the circumstances referred to in Appendix G of the state CEQA Guidelines exist.
  - b. If buildout of the project may result in the capacity of any public service or facility being exceeded or substantially affected. For purposes of this provision, public facilities or services include, but are not limited to: sewage disposal, water service, flood control facilities, drainage facilities, law enforcement, fire protection, school, parks, libraries, gas and electric

service and solid waste disposal. A public service or facility shall be considered "substantially affected" if the additional demand generated by the project would result in the facility or service exceeding 110 percent of its design capacity, or 120 percent of the available capacity.

- c. If the project would physically divide an existing community or other area having identifiable social and economic homogeneity.
  - d. If the project is inconsistent with the applicable Spheres of Influence and no amendment is applied for.
  - e. If the project has substantial growth-inducing potential because it would result in:
    - (1) extending a major roadway into an undeveloped area;
    - (2) extending a sewer trunk line to a substantial area not currently served;
    - (3) extending water service to a substantial area not currently served;
    - (4) providing electric service to a substantial area not currently served;
    - (5) providing or requiring flood control or other public facility which will protect the public safety so as to permit new development in an area substantially larger than the proposed project;
    - (6) providing any other public service or facility to a substantial area which could not grow without such service; and
    - (7) encouraging or fostering growth in a substantial area.
  - f. If the project, in conjunction with other past, present and reasonably foreseeable future projects would result in significant cumulative environmental impacts.
  - g. If the project would result in substantial noncontiguous urban development.
  - h. If the project would conflict with the open space goals and policies of a community.
5. An EIR completed on a project subject to LAFCo review shall contain a discussion of the following topics:
- a. County-wide or cumulative impacts which concern LAFCo.
  - b. Where the EIR identifies significant effects, a description of the range of reasonable alternatives to the project, or to the location of the project, which could feasibly attain the basic objectives of the project. The range of alternatives to be considered shall include, at a minimum, the "no-action"

alternative, alternative boundary locations, and a discussion of using other agencies to provide the facility or service proposed to be provided as a result of the proposed change of organization or reorganization.

6. A CEQA document completed on a project subject to LAFCo review shall contain a discussion of the following environmental topics that are required by Cortese-Knox-Hertzberg Act:
  - a. Agriculture, including an evaluation pursuant to the significant standards set forth in the Cortese-Knox-Hertzberg Act.
  - b. Open space as defined by California Government Code, Sections 65560 – 65570.

#### **G. EFFICIENT SERVICES AND ORDERLY DEVELOPMENT**

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

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

#### **H. NEED FOR SERVICES**

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

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

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

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

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

- c. In evaluating the capability of an annexing agency or of alternative agencies, to provide the required service, LAFCo shall utilize the service elements of the proposed annexing entity, current service providers, and potential alternative service providers. In addition, LAFCo shall take into account the following factors:
    - (1) Physical accessibility of the territory to the agency's service provision resources; for example, is the agency the provider of sewer services which is located closest to the subject territory?;
    - (2) The agency's possession of or ability to acquire resources necessary to provide the needed service; for example, an agency may be judged unable to acquire water rights necessary to provide the water services needed by a territory proposed for annexation;
    - (3) The agency's historic service provision effectiveness and efficiency; for example, an agency may be judged an inefficient service provider if it has a previously documented history of service disruptions, accidents, safety hazards, excessive complaints, non-compliance with CEQA, illegal activities or excess costs/charges; and
    - (4) The appropriateness of the agency's organizational structure to meeting service needs.
  - d. LAFCo shall determine the most efficient overall service provider or combination of providers.
- 6. Applications to annex unincorporated islands will be approved by the LAFCo Commission. Annexations to annex lands mostly surrounded or within a Spheres of Influence which otherwise correct illogical distortion of boundaries will be approved unless they would violate another provision of these standards.
  - 7. Annexation of cities shall reflect logical allocations of existing roads and rights-of-way.
  - 8. Annexation boundaries shall be adjusted to maximize the amount of developed urban land inside a city's Spheres of Influence Plan which is annexed to the city.
  - 9. An annexation or attachment shall not be approved merely to facilitate the delivery of one or a few services to the detriment of the delivery of a larger number of services or services more basic to public health and welfare.
  - 10. The LAFCo will not approve city annexation requests for territory that is not pre-zoned.
  - 11. The LAFCo Commission shall take one of the following three actions on an application for annexation or detachment:

- a. Approve the application if it has found the change to result in the most efficient delivery of services for the affected population and complies with other applicable standards;
- b. Approve the application on the condition that the applicant agree to actions necessary to maximize the efficiency of urban services. These may include, but are not limited to:
  - (1) Waiver of detachment from an existing service provider or, in the alternative, appropriate detachment fees;
  - (2) Entering into a Joint Powers Agreement with another service provider.
- c. Deny the annexation on the grounds that a more efficient combination of services for the affected population may be provided by either existing or a combination of new and existing service providers.

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

#### **J. DETERMINATION OF COSTS**

- 1. Service cost identification and measurement for purposes of determining revenue impacts and for purposes of assessing financial feasibility should be based on the actual cost of service provided. If actual costs cannot reasonably be identified and measured, costs should be allocated based upon the measure which most accurately reflects the level of service received. Specific service examples are identified in Appendix E. The LAFCo will rely upon current service providers to estimate service costs, so long as costs are estimated in compliance with these standards.
- 2. When calculating property tax revenues to be transferred in the case of an incorporation or the formation of a district, the LAFCo must identify the proportion of County Property Tax Revenue to County General Purpose Revenue, as well as the portion of the cost of services which is funded through general purpose revenue, as described in Appendix I.
- 3. The information provided by the State Board of Equalization will determine the amount of sales tax revenue and state subventions generated within the subject territory as part of the determination of financial impact.
- 4. The LAFCo will consider factors to minimize financial impacts by any of the following means:

- a. Waiver of detachment from an existing service provider, or alternatively, a fund exchange agreement in compensation for the potential adverse impact caused by such detachment;
- b. Agreement between the applicant and an agency to annex the subject territory to a different service provider;
- c. A Joint Powers Agreement with another service provider;
- d. Modification of the proposal (e.g., changed boundaries) which eliminates the harmful impact, or reduces the harmful impact to an acceptable level; or
- e. Tax sharing, lump-sum payments, payments over a fixed period of time.



## CHAPTER V

### SPECIFIC STANDARDS BY TYPE OF ACTION

## **V. SPECIFIC STANDARDS BY TYPE OF ACTION**

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

### **A. ANNEXATIONS TO CITIES**

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

3. The LAFCo will favorably consider proposals to annex streets where adjacent municipal lands will generate additional traffic and where there are isolated sections of county road that will result from an annexation proposal. Cities shall annex a roadway portion when 50 percent of the property on either or both sides of the street is within the city.
4. The LAFCo will favorably consider annexations with boundary lines located so that all streets and right-of-way will be placed within the same city as the properties which either abut thereon or for the benefit of which such streets and right-of-way are intended.
5. An annexation may not result in islands of incorporated or unincorporated territory or otherwise cause or further the distortion of existing boundaries unless findings are made that annexation as proposed is necessary for orderly growth, and cannot be annexed to another city or incorporated as a new city. Annexations of territory must be contiguous to the annexing city or district. Territory is not contiguous if its only connection is a strip of land more than 300 feet long and less than 200 feet wide.
6. The LAFCo opposes extension of services by a city without annexation unless such extension is by contract with another governmental entity or a private utility or as otherwise in compliance with Government Code section 56133.

## **B. ANNEXATIONS TO DISTRICTS**

1. The LAFCo will favorably consider proposals for districts to annex all developed urban land inside their Sphere of Influence and will ordinarily approve such proposals unless the residents and owners of the property being annexed demonstrate that such areas should not be annexed.
2. Updated Plan for Services, as defined in the policies, standards and procedures must be available before LAFCo will approve a proposal initiated by the district.
3. The LAFCo opposes extension of services by a district without annexation unless such extension is by contract with another governmental entity or a private utility or as otherwise in compliance with Government Code section 56133.

## **C. DETACHMENTS FROM CITIES AND DISTRICTS**

1. The LAFCo shall not approve the detachment of territory from a high-quality service provider unless the following can be demonstrated:
  - a. The detachment is necessary to ensure delivery of services essential to the public health and safety;

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

#### **D. INCORPORATIONS AND DISINCORPORATIONS**

- 1. LAFCo will approve an incorporation or disincorporation only if it finds that the proposal complies with the general policies and standards applicable to all changes of organization or reorganization.
- 2. LAFCo will approve a proposal for incorporation only if the Commission finds that the applicant has demonstrated a significant unmet need for services or need for improved services within the territory for which incorporation is proposed. In determining whether an unmet need for services or improved services exists, the Commission will base its determination on:
  - a. Current levels of service in the area to be incorporated;

- b. Existing and projected growth rate and density patterns in the area to be annexed; and
  - c. The Sphere of Influence Plans for the jurisdictions currently providing services to the area.
- 3. The LAFCo Commission shall approve a proposal for incorporation only if it finds that incorporation will result in an entity with the capability to provide the most efficient forms of urban services to the affected population.
- 4. The LAFCo will not approve a proposal for an incorporation unless the incorporation proponents can demonstrate that the proposed city will be able to fund municipal services and remain financially solvent.
- 5. The LAFCo requires that an applicant for incorporation prepare a financial feasibility study as specified in Appendix E and Appendix I. The applicant shall provide the required information and evaluation that will be reviewed by the LAFCo staff for accuracy and content.
- 6. An applicant for an incorporation may request a review of the financial feasibility studies pursuant to the provision of state law.
  - a. Time and Form of Request. A request for review of the Comprehensive Fiscal Analysis, pursuant to Government Code Section 56801 et seq, must be made, in writing, no later than thirty (30) calendar days from the notice of release of the Comprehensive Fiscal Analysis by the Executive Officer by publication pursuant to Section 56153 of the Government Code. The request must specify in writing the element or elements of the Comprehensive Fiscal Analysis that the State Controller is requested to review and the reasons the Controller is requested to review them.
  - b. Deposit Required. The person requesting such review shall be responsible for any and all costs incurred in such review. They shall deposit with the Executive Officer, at the time the request is filed, in the form of a cashier's check, the amount estimated by the Executive Officer, to be necessary to cover the cost of the State Controller's review. This estimate of costs shall include, but not be limited to, the estimated charge by the State Controller, LAFCo staff costs, and costs for any LAFCo consultants required to assist the Controller in his review. No request shall be valid unless accompanied by the deposit specified in this rule. Should the Controller's review support the reason(s) for the challenge, LAFCo shall be liable for all costs incurred by the Commission in connection with the incorporation other than the Controller's charge.

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

is in excess of the deposit, the interested filing party shall be liable for the balance.

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

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

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

15. If a city becomes insolvent or is unable to provide services, then the LAFCo will consider the approval of an application for disincorporation. If services are required, the LAFCo will consider the provision of services by another provider.
16. If a city becomes insolvent or is unable to provide services, then the LAFCo will consider consolidation with a solvent and capable service provider.

#### **E. DISTRICT FORMATIONS AND DISSOLUTIONS**

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

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

1. For the purposes of the LAFCo's policies and standards, a consolidation of cities or districts will be treated as an incorporation or a district formation. Generally, the merger of a district into a city will be treated as if it were the formation of a dependent district. Standards for incorporation and district

formation are, therefore, applicable to consolidations, mergers, and reorganizations that include consolidations and mergers.

2. Based upon submitted Plan for Service, Municipal Service Review and any other data provided, the LAFCo will determine whether the cities' or districts' organizations and operations can feasibly be combined. The LAFCo will give particular attention to the following:
  - a. Employment contracts, policies and human resource issues;
  - b. Specified plans for combination of top managers, roles and responsibilities and for staffing key positions; and
  - c. Plans and safeguards to ensure uniform and consistent service quality throughout the newly consolidated or merged jurisdiction.

## **G. REORGANIZATION**

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

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

## **H. SPHERE OF INFLUENCE PLANS**

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

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



- c. The present and probable need for public facilities and services in the area;
  - d. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide;
  - e. The existence of any relevant social or economic communities of interest in the area; and
  - f. With respect to all cities, sewer districts, water districts, community service districts, drainage districts, and multi-purpose districts within the jurisdiction of Sacramento LAFCo, a Municipal Service Review as defined in paragraph H.2. below other agencies may prepare a Municipal Service Review.
2. A Municipal Service Review shall contain the following:
- a. A projection of the geographic extension of service capabilities during the next 20 years denominated in 5-year increments. In the case of cities, a shorter time frame may be appropriate if the applicable general plan has a shorter planning period.
  - b. Projected level of service capabilities in the same time frames and geographical areas.
  - c. Actual and projected costs of services to consumers. This shall include a statement of actual and projected allocation of the cost of services between existing and new residents.
  - d. The Municipal Service Review shall contain sufficient information concerning current and projected capital programs, revenues, costs, rate structures and financing, and other information necessary to support the projected service capabilities and areas set forth in the Municipal Service Review.
  - e. Consistent with §56430a(7), the Municipal Service Review shall provide information on how effectively an agency or district maintains communication with its customers.
3. LAFCo may, at its discretion, designate a geographic area beyond the Sphere of Influence as an Area of Interest to the local agency. An Area of Interest is a geographic area beyond the Sphere of Influence in which land use decisions or other governmental actions of the County impact directly or indirectly upon the local agency. For example, a development project outside the limits or Sphere of Influence of a local agency may result in that local agency providing services or adjusting its planning assumptions.
4. LAFCo will adopt, amend, or revise Sphere of Influence Plans after a public hearing and pursuant to the procedures set forth in section 56427 and

56428 of the Cortese-Knox-Hertzberg Act. Sphere of Influence Plans shall be revised as necessary, but in all cases at least every five years.

5. All cities, sewer districts, water districts, fire districts, recreation and park districts, reclamation districts, cemetery districts, community service districts and multi-purpose districts shall have a Municipal Service Review approved by LAFCo upon determination of a sphere, the Commission shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than every five years. Copies of the proposed Municipal Service Reviews shall be submitted to the County, to adjacent jurisdictions, and adjacent service providers.
6. LAFCo shall accept and adopt a Municipal Service Review or other Sphere of Influence Plan revisions if the Sphere of Influence Plan as amended contains all of the components required by these standards; that the projections of areas and levels of service contained therein are accurate, adequate and complete; and the Sphere of Influence Plan complies with CEQA. If LAFCo rejects a proposed Sphere of Influence amendment or proposed Municipal Service Review, the Commission shall state the reasons therefor, direct staff to provide assistance on requests to correct deficiencies, and upon re-submittal promptly reconsider the amendment or element.
7. LAFCo shall approve a proposal for a change of organization or reorganization only if the proposal is consistent with the Sphere of Influence Plan.
8. LAFCo shall specifically utilize the Municipal Service Review in evaluating:
  - a. Proposals to annex territories to cities where urban services are or may be provided by urban services special districts;
  - b. Applications to annex or detach territories to or from a special services district;
  - c. Applications for boundary changes between or among special districts, or the formation of new special districts to service areas in territory currently served by another service provider;
  - d. Applications for consolidation of districts; and
  - e. Other changes or organization or reorganization where appropriate.
9. Sphere of Influence Plans shall be internally consistent.
10. In the case of a Sphere of Influence Plan which contains a Municipal Service Review, if the evidence demonstrates that an agency is unable to provide an adequate level of service within a portion of its ultimate service area boundaries, the Sphere of Influence Plan shall be amended pursuant to the procedures for periodic review such that the ultimate service boundaries are

consistent with the Municipal Service Review. If the Municipal Service Review projections demonstrate an adequate level of service beyond the ultimate service boundary, the Sphere of Influence Plan may be amended accordingly.

## **I. AMENDMENTS TO SPHERES OF INFLUENCE**

1. The LAFCo will generally treat a proposed amendment to an agency's Sphere of Influence similarly to an application for approval of a Sphere of Influence. The LAFCo's policies will be applied to applications for amendment to a Sphere of Influence as if it were an annexation planned for the mid- to long-range future. For that reason, each of the following sets of policies will apply to applications for amendments to Spheres of Influence:
  - a. General policies;
  - b. Specific policies and standards for annexations to cities and special districts; and
  - c. Specific policies and standards or amendments to Spheres of Influence.
2. The Sphere of Influence Municipal Service Review must be current before additions to a Sphere of Influence will be approved by LAFCo.
3. The Sphere of Influence amendments shall precede applications for annexations.
4. Amendment proposals must be consistent with an updated Sphere of Influence and/or Municipal Service Review.
5. An applicant for amendment to a Sphere of Influence must demonstrate a projected need or lack of need for service.
6. Amendment proposals involving Sphere expansion which contain prime agricultural land will not be approved by the LAFCo if there is sufficient alternative land available for annexation within the existing Sphere of Influence.
7. A phased plan for annexation of Sphere of Influence territory should be included in the Sphere of Influence proposal.
8. No amendments to a Sphere of Influence Plan will be approved unless a Municipal Service Review of the Sphere of Influence Plan exists that has been prepared by a local agency and adopted by LAFCo if required.
9. The LAFCo will deny proposals that would result in significant unmitigable adverse effects upon other service recipients or other agencies serving the affected area unless the approval is conditioned to avoid such impacts.

10. The LAFCo will approve a proposed amendment to a Sphere of Influence only if the subject agency will be the most logical and prospectively most efficient provider of services to the subject territory.

#### **J. RECONSIDERATION OF LAFCo DECISIONS**

1. The LAFCo will accept written requests for reconsideration of a Commission resolution from any person or affected agency within 30 days of the LAFCo's adoption of a resolution making determination and prior to the completion of the Conducting Authority's proceedings, so long as such person or agency exhausts its administrative remedies by fully participating in LAFCo's proceedings, including, but not limited to, commenting in writing on the application during public hearing.
2. The written request for reconsideration should precisely and specifically describe the basis for the request. The only requests for reconsideration that the LAFCo will approve are as follows:
  - a. Compelling new evidence exists, including significant and previously unavailable evidence that might alter the LAFCo's decision;
  - b. There are elements which were previously overlooked, or have changed, such as the repeal of an applicable federal, state or local law that might alter LAFCo's decision; and
  - c. Item(s) of procedure are challenged.
3. If the written request is timely, the Executive Officer will schedule the matter for the next regularly scheduled Commission meeting for which notice can be given, at which time staff will present the request.
4. The Commission will consider the request and approve or deny the request for reconsideration without further notice or hearing, or continue the matter.
5. The Commission's determination upon these matters is final.

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

1. The LAFCo may sustain a protest by a city of the county entering into a Williamson Act contract if both the following are true:
  - a. The city's general plan designates the territory proposal to be under contract for urbanization within a reasonable period of time;

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

**L. SERVICE OUTSIDE OF AGENCY BOUNDARIES (Gov't Code Section 56133 & 56134)**

- 1. Government Code 56133(b) Policy and Procedure: The Commission shall consider any proposals for an out-of-agency service extension, either pursuant to Government Code Section 56133(b), if a future change of organization or reorganization is anticipated, or pursuant to Government Code Section 56133(c), if the Commission finds that there is an existing or impending threat to public health or safety of the residents of the affected territory.

If a request pursuant to Government Code Section 56133 is filed by a party other than the city or district which would provide the service, the affected city or district must provide a written endorsement indicating its willingness to provide the service if the Commission approves the request.

The Commission shall also consider any requests to be exempt from the requirement to obtain LAFCO approval of an out-of-agency service extension, pursuant to Government Code Section 56133(e).

- a. Procedure: Requests to authorize an Outside Service Agreement shall be filed with the Executive Officer. For requests filed under 56133(c), the agency should include documentation of a threat to the health and safety of the public or the affected residents, such as a failing well or septic system. All requests will be reviewed by staff for completeness and placed on the next feasible agenda for Commission consideration per 56133(d). Emergency connections may be authorized by the Executive Officer and reviewed by the Commission at the next regularly scheduled LAFCO meeting. Requests shall identify any assurances that the Outside Service Agreement would not induce growth or result in the premature conversion of agricultural or open space lands to urban use. Other information that may be requested includes maps, a plan for

service, fees and the appropriate environmental document (Notice of Determination or Notice of Exemption).

As a condition of approval, the Commission may require the completion of the annexation within a specified time frame.

- b. Exemptions: Agencies requesting their contracts to be exempt from Commission consideration and approval per Government Code Section 56133(e) shall provide to the Executive Officer a written description of the service arrangement and any other supporting documentation of the contractual arrangement. The Executive Officer may make a determination on the exemption or may make a recommendation to the Commission for a Commission determination on the exemption. The Executive Officer shall endeavor to review the materials as quickly as possible and make a determination or recommendation on the exemption, to be provided based upon one or more of the following:
  - Except for agencies subject to Government Code §56134, contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider are exempt.
  - Contracts or agreements for the transfer of non-potable or non-treated water, and for provision of surplus water to agricultural lands for projects that serve conservation purposes or that directly support agricultural industries are not subject to LAFCO review.
  - Service extensions providing surplus water to any project that will support or induce development require written approval from the Commission.
  - Extra-territorial services provided by agencies prior to January 1, 2001, are not subject to LAFCO review.

The Executive Officer will notify the Commission of the granted exemption at the next Commission meeting.

2. Government Code 56134 Policy and Procedure: The Commission shall consider any proposals for an out-of-agency service extension for fire protection contracts consistent with the provisions of Government Code Section 56134.
3. Reconsideration: Government Code Sections 56133 and 56134 provide that requests for reconsideration may be made by the applicant. It is the policy of the Commission to also consider requests for reconsideration filed by any person or affected agency. Reconsideration shall be subject to the procedures and requirements established in Government Code Section 56895, except as provided herein.

## CHAPTER VI

### GENERAL INSTRUCTIONS FOR APPLICANTS

## **VI. GENERAL INSTRUCTIONS FOR APPLICANTS**

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

### **A. APPLICANT RESPONSIBILITY SUMMARY**

#### **1. Pre-Filing Conference**

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

#### **2. Actions Required by Applicant**

Before an application is accepted, the applicant must:

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

An application will only be accepted as complete if it contains the data described above, and is presented in the format specified in the General and Specific Instructions. The LAFCo evaluation and hearing process will not begin until all required components of the



application have been submitted and all fees, including environmental review costs, have been paid.

## **B. GENERAL INSTRUCTIONS FOR ALL APPLICANTS**

### **1. Initiation: Petition or Resolution**

- a. A proposal can only be initiated through a petition or through legislative resolution. An application initiated through a petition must contain the required number of signatures specified in the Cortese-Knox-Hertzberg Act. An application by resolution only may be initiated by the legislative body of any affected local agency.
- b. The petition which is signed, or the resolution which is adopted, must:
  - (1) State that the proposal is made pursuant to Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56700 of the Government Code;
  - (2) Set forth a description of the boundaries of the affected territory accompanied by a map showing the boundaries. When required by the Executive Officer, the boundary description must be a metes and bounds description. A sample description is provided in Appendix B. The map shall be prepared using the format, symbols and features of the sample maps provided in Appendix C.
  - (3) Set forth any proposed terms and conditions.
  - (4) If the application is a petition, state whether the petition is signed by registered voters or owners of land.
  - (5) Designate contact persons, setting forth their names and mailing addresses. In the case of application by petition, these persons will be identified as the Chief Petitioners. In the case of application by resolution, these persons should be officers of the agency which adopted the resolution.

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

The LAFCo will verify the legal description provided in the petition or resolution. The legal description and any maps will be examined for consistency. Any inconsistency shall be corrected by the applicant prior to any hearing on the request.

### **3. Data and Information Required by the LAFCo**

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

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

#### **4. Additional Data and Information Required by the Executive Officer**

- a. The Executive Officer may require specific additional data or information of the applicant based upon pre-filing conferences, or based upon his or her review of the application after it is received but before a certificate of filing is issued.

- b. An application may be determined incomplete and may not be accepted for filing if it lacks the data and information specified by the Executive Officer.
- c. After the application is accepted for filing, the Executive officer may require additional data and information, and the LAFCo may not complete consideration of the application without data and information requested.

## **5. Processing and Petition Checking Fees**

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

## **C. CHECKLIST FOR APPLICANTS**

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

## SACRAMENTO LAFCo APPLICATION CHECKLIST

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

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

## SACRAMENTO LAFCo APPLICATION CHECKLIST (Continued)

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

**APPENDIX A**

**SAMPLE LAFCo PETITION FORM**

**SACRAMENTO AGENCY FORMATION COMMISSION  
APPLICATION INFORMATION FORM**

-----  
FOR OFFICIAL USE ONLY

Control No.

- ☐ Annexation                      ☐ Reorganization                      ☐ Consolidation  
☐ Detachment                      ☐ Formation                      ☐  
Reconsideration  
☐ Incorporation                      ☐ Dissolution                      ☐  
Disincorporation  
☐ Exercise of Latent Powers      ☐ Sphere of Influence Evaluation/Update  
  
☐ Other
- 

-----  
To Be Completed by Applicant

1. SUBJECT PROPERTY: (For large areas, parcel book page numbers may be listed.)

Parcel No.(s):

Parcel Size:

Name of Project:

Address or Location:

2. LEGAL OWNER/S OR CHIEF PETITIONER/S: (Include a maximum of three petitioners)

Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Phone: \_\_\_\_\_

CHIEF PETITIONER: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Phone: \_\_\_\_\_

3. APPLICANT/REPRESENTATIVE\_\_\_\_\_

Address:\_\_\_\_\_

City:\_\_\_\_\_ Zip Code:\_\_\_\_\_ Phone:\_\_\_\_\_

4. AUTHORITY TO FILE APPLICATION

- ( ) Ownership ( ) Power of Attorney\* ( ) Contract to Purchase\*  
( ) Long Term Lease (20 years or more)\* ( ) Petition  
( ) Resolution of Application

\* Attach evidence of authority or petition.

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

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

1. This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with Section 56000. Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000).
2. The specific change(s) of organization proposed (i.e., annexation, detachment, reorganization, et cetera) is/are:  
(List each request separately.)

---

---

---

---

3. The boundaries of the territory(ies) included in the proposal are as described in Exhibit(s) attached hereto and by this reference incorporated herein.
4. The territory(ies) included in the proposal is/are \_\_\_\_\_ inhabited (12 or more registered voters) \_\_\_\_\_ uninhabited.
5. This proposal is/is not consistent with the sphere of influence of the affected city and/or districts. \_\_\_\_\_



6. Justification for each application (Use extra sheets if necessary. A justification must be provided for each request.): \_\_\_\_\_

---

---

---

---

7. The persons signing this petition have signed as \_\_\_\_\_ Registered Voters \_\_\_\_\_ Owners of Land. (Check One.)

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

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

(b) The proposed name(s) of the new district(s) is/are: \_\_\_\_\_

(c) The boundaries of the proposed new district(s) are as described in Exhibit(s) \_\_\_\_\_, \_\_\_\_\_ heretofore incorporated herein.

9. If an incorporation is included in the proposal:

(a) The name proposed for the new city is: \_\_\_\_\_

(b) Provisions are requested for the appointment of:

(i) City Manager \_\_\_\_Yes\_\_\_\_No

(ii) City Clerk and City Treasurer \_\_\_\_ Yes \_\_\_\_No

10. If the proposal includes consolidation of special districts, the proposed name of the consolidated district is: \_\_\_\_\_

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

Owner/Chief Petitioner (not to exceed three):

<u>DATE</u>	<u>PRINTED NAME</u>	<u>SIGNATURE</u>	<u>RESIDENCE ADDRESS</u>
-------------	---------------------	------------------	--------------------------

1.	_____	_____	_____
----	-------	-------	-------

2.	_____	_____	_____
----	-------	-------	-------

3.	_____	_____	_____
----	-------	-------	-------

\_\_\_\_\_  
APPLICANT'S REPRESENTATIVE

\_\_\_\_\_  
DATE

- \* Note: Applications may not be accepted without signature of legal owner(s) or official agent(s) with Power of Attorney or Chief Petitioners. An incomplete application cannot be processed. Adopted LAFCO rules and procedures require that specific material be submitted in conjunction with the application. The required items are indicated on the attached instructions.

## **APPENDIX B**

### **SAMPLE METES AND BOUNDS LEGAL DESCRIPTION**

## **DESCRIPTION OF ANNEXATION PARCEL FOR RIVER WEST DEVELOPMENTS**

All that certain real property situate in Sacramento County, California described as follows:

### **PARCEL 1**

The Northwest Quarter Section of 10, the Southwest Quarter of Section 10, and all of Section 15, all of the foregoing being in said Township 7 North, Range 6 East, of Mount Diablo Base and Meridian.

### **PARCEL 2**

The Southeast Quarter of Section 9 Township 7 North, Range 6 East MDB and M.

Excepting therefrom all that portion of said Southeast Quarter of Section 9 heretofore conveyed April 15, 1915, to Charles E. Mildred and others, trustees, recorded in Book 428 of Deeds, Page 196, of said Sacramento County Records, described as follows:

Beginning at a point in the East Line of Section 16, Township 7 North Range 6 East which is 2,665.5 feet, more or less, North of the Southeast Corner of said Section 16 said point of beginning being 5 feet North of the Centerline of the Tangent of the Central California Traction Company's Spur to the California Vineyards Company's Packing House proceed East; thence South 89 degrees 51 minutes West 2,640 feet; more or less parallel to the tangent of the Central California Traction Company's Spur and 5 feet North thereof to a fence line marking the Westerly Boundary of the California Vineyard Company's Land; thence following the said fence line North 2,960 feet, more or less, to the center of an avenue in the vineyard; thence North 89 degrees 41 minutes East 2,640 feet, more or less, along the Centerline of said avenue to the East Line of said Section 9; thence following the Section Lines South 2,967 feet, more or less, to the point of beginning.

**APPENDIX C**  
**SAMPLE MAPS**

## **APPENDIX C**

### **MAPS**

**A. Maps - All maps must be folded to 8-1/2" x 11" size.**

1. Ten copies (minimum size 24" x 30") of a map that is drawn to scale. (1" to -20' for areas 5 acres or less; 1" to 50' for 5 to 50 acres; 1" to 100' for parcels over 50 acres in size). The map shall show the exterior property lines of the subject property and the exterior property lines of all properties that are located within 500 feet of the subject parcel(s). In any case, the exterior property lines of the closest properties shall be included.

Other required information should be shown as follows:

- a. Net and gross acreage.
  - b. The names of any special districts that currently provide service to the subject property. (This information can be obtained through the LAFCo office.)
  - c. A project name.
2. One copy of a map (minimum 24" x 30") that indicates the following:
    - a. The existing Land Use Categories (General Plan), Land Use Designation (Specific Plan) if available, and Land Use Zones for all properties, including those which are directly adjacent to the subject property(ies) (See Attachment A).
    - b. Any uses which are proposed by the applicant.
    - c. All streets, highways, railroads, streams, 100-year flood plains, drainage canals or other important physical features.
    - d. Any structures that are located on the subject property or within 50 feet of the subject parcels.
    - e. Existing drainage, utility, road and other easement.
  3. One copy of each applicable Assessor's Parcel map, clearly marked with cross-hatching, is required to be submitted with the application. This map will be filed with the Recorder, Assessor and State Board of Equalization.
  4. 8-1/2" x 11" reductions of all submitted maps and exhibits. Draw all plans to engineering scale; show site dimension, north arrow and visual scale. Fold all maps to 8-1/2" x 11" size. Clearly mark the boundaries of the subject site.

4 pages of maps

APPENDIX D

SCHEDULE OF FEES



## SACRAMENTO FEE SCHEDULE

### Fees

1.	Annexation/Detachment	0-4.9 acres: \$400 5-9.9 acres: \$550 10-19.9 acres: \$700 20-49.9 acres: \$1,300 50-99.9 acres: \$1,500 100-149.9 acres: \$1,600 150-199.9 acres: \$1,700 200+ acres: \$1,700 plus \$1/per acre
2.	Reorganization	Sum of individual applications
3.	Consolidation	\$1,500
4.	Formation	\$2,000
5.	Dissolution	\$1,000
6.	Reconsideration	\$250
7.	Application for Latent Powers	\$500 plus \$250 for each additional power
8.	Studies	Actual Cost
9.	Petition Check	75 ¢ per sig for 100% check
10.	Incorporation (plus feasibility studies)	\$2,000 plus cost of any studies

- |     |   |                              |
|-----|---|------------------------------|
| 11. | Disincorporation  | \$2,000                      |
| 12. | Sphere of Influence<br>Revision                             | Actual Cost<br>\$500 deposit |
| 13. | Environmental Review Fees                                   |                              |
|     | a. Professional staff rate/hour                             | \$40-\$59                    |
|     | b. Environmental Coordinator rate/hour                      | \$75                         |
|     | c. Clerical staff rate/hour                                 | \$24                         |
|     | d. Negative Declarations and Prior<br>documents Base Charge | \$165                        |
|     | e. Exemptions   | \$65                         |

**ADDITIONAL FEES:**

Agenda	\$10 per year
Recorder's Fee	\$10 per recording

## APPENDIX E

### GUIDELINES FOR EVALUATING INCORPORATION PROPOSALS

## **Appendix E**

### **LAFCo GUIDELINES FOR EVALUATING INCORPORATION PROPOSALS**

This appendix provides specific guidance to applicants submitting incorporation proposals regarding the LAFCo's evaluation of those proposals. The appendix is divided into four sections, including sections concerning the proposed city's capability and effectiveness, its revenue impact on existing agencies, its financial feasibility and the efficiency of the proposed city.

#### **A. CAPACITY AND EFFECTIVENESS**

This section describes the application of LAFCo General Policy regarding incorporation proposals. The LAFCo seeks to ensure that the most effective service provider will serve any given territory, subject to other goals, including efficiency, minimal environmental damage, and minimal adverse social or economic effects upon neighboring territories and agencies. Though the effectiveness of a proposed city is difficult to assess, the LAFCo will compare the proposals effectiveness with that of the current service providers by reviewing the following indicators:

1. Thoroughness of the feasibility study and the Municipal Service Review of the Sphere of Influence Plan included in the proposal;
2. Planned realistic service provision capacity to provide acceptable quantity and quality of service as may be required by evidenced service needs; and
3. Proposed organization chart and operating plans.

The feasibility study and Municipal Service Review are particularly important, because their contents will allow the LAFCo to make a comparison of the proposed source of service provision capacity to the current source.

#### **B. REVENUE IMPACT ON EXISTING AGENCIES**

Sales tax revenues have historically funded most or all of the County services which could be assumed by the new city. These services include:

1. Public protection and traffic enforcement;
2. Animal control;
3. Local streets and roads;
4. Planning and community development;
5. Environmental impact section; and
6. Other municipal services.

Property tax revenue which is transferred to a new city is equal to more than one-third of the cost of services assumed. Based upon an analysis of Sacramento County's fiscal 1988/89 final budget, about 42 percent of general purpose revenue is made up of property tax revenue. That proportion is applied to the net cost of services transferred to determine the amount of property tax revenue to be transferred. Net cost of services is that part which is funded by general purpose revenues.

Because sales tax revenues have been sufficient to fund most municipal services, the Cortese-Knox-Hertzberg Act requirement to transfer a part of property tax revenue to incorporating cities partially duplicates the requirement to transfer sales tax revenues. When the County transfers municipal services to a new city, it must also transfer both the sales tax revenue that was sufficient to fund most of those services, and property tax revenue equal to more than one-third of the cost of those services. Essentially, the County must transfer one and one-third more revenue to a new city than is required to fund services that are being transferred.

This section describes the application of LAFCo General Policies to incorporation proposals. The LAFCo's policies require proposals to be revenue-neutral in their financial effect, or to include agreements that will achieve revenue-neutrality. To apply these policies, the LAFCo will review the reduced costs of current service providers and the revenue that existing service providers must transfer to the new city when it assumes service provision responsibility.

### 1. Measuring Costs

To measure costs, the LAFCo must determine the costs associated with a service, allocate costs to the subject territory, and identify the amount of costs. In measuring costs for the most recent complete fiscal year, the LAFCo will rely upon the most recently completed financial audit statements compiled by the County or the appropriate oversight agency. The LAFCo will ensure that costs are measured completely and accurately by using the following guidelines:

- a. Cost Definition - Cost definition requires identification of the types of service concerned, and identification of cost categories.
- (1) Types of Service - A new city must assume certain municipal services upon incorporation, including:
  - (a) Law Enforcement/Police Protection;
  - (b) Planning and Land Use Control;
  - (c) Engineering and City Street Construction and Maintenance; and
  - (d) Building Inspection.

A city may also agree with the current service provider(s) to assume responsibility for a variety of other services, such as:

- (e) Animal Control;
  - (f) Cemeteries;
  - (g) Drainage;
  - (h) Fire Protection;
  - (i) Libraries;
  - (j) Parks and Recreation;
  - (k) Sewers;
  - (l) Solid Waste Disposal;
  - (m) Street Lighting; and
  - (n) Any other services which a city is legally permitted to provide.
- (2) Cost Categories - Total costs, regardless of the particular service, should include:
- (a) Wages, salaries, benefits, payroll taxes, training, and other employment related items;
  - (b) Office space, including rent, lease, allocated space costs, and utilities;
  - (c) Consumable equipment and supplies;
  - (d) Capital equipment, including rental, lease, or depreciation;
  - (e) Purchased services;
  - (f) Casualty and liability costs, including insurance premiums, self insurance reserve contributions; and
  - (g) Allocated agency administration and overhead.

Failure to include all of these items, or others which may be defined, in the calculation of cost reductions available to a current service provider would make the proposal appear less favorable to the existing service provider than it really is.

Though certain of the above costs are fixed in the short run and would not be saved if service is no longer provided by the current service provider, most of the costs become variable over time. That is, they can be eliminated, or depreciable.

assets can be redeployed to other uses or sold. For that reason, the above guidelines provide for the definition of long run marginal costs, the costs borne by the current service provider of providing the incremental units of service required by the subject territory.

b. Cost Allocations - The cost allocation must accurately and equitably assign indirect costs, and must accurately and equitably assign service costs to the subject territory on the basis of service level received. Ideally, the actual cost of service provided should be used. Only if such costs cannot be identified as to amount, or identification is unusually burdensome, should another allocation method be chosen. Alternate allocation methods should be based upon the measure of work that most accurately reflects the level of service received. The following are examples of allocation methods that the LAFCo expects agencies to use in allocating costs to a territory for several major types of municipal services:

- (1) Sheriff/Law Enforcement - actual cost, based upon workload analysis estimates of patrol, detective, and surveillance hours, arrests, and other measures of work in the territory to which costs can be assigned;
- (2) Planning and Community Development - actual cost, based upon work load analysis estimates of costs for developing, updating, or implementing the community plan for the subject territory, costs for zoning the subject territory, and costs for any expected special studies;
- (3) Public Works - cost per lane mile, or cost per other unit of effort; and
- (4) General Government Administration, including Executive, Legislature, Legal Counsel, etc. - general government administrative cost per dollar of budget expenditure.

c. Cost Identification - The LAFCo is concerned with identifying the amount of cost that will remain the responsibility of the current service provider. The LAFCo will request and review cost calculations and supporting accounting records to ensure that all of the above defined costs have been included. The review will also ensure that, if possible, actual costs are identified, and if actual costs cannot be identified, that allocation methods used are related to service levels.

## **2. Transfer of Property Taxes**

The Cortese-Knox-Hertzberg Act, in Section 56810, provides that, if a new city will assume responsibility for all services provided by the current service provider, the new city or district shall receive all property tax revenue previously received by the current provider. Otherwise, the LAFCo must determine the part of property tax revenue to be transferred. Since the County is the current provider of services to the territory included in most proposed new cities, and since new cities legally cannot assume responsibility for all County services, the LAFCo will usually have to determine the partial property tax transfer amount.

- a. The Cortese-Knox-Hertzberg Act requires the LAFCo to determine the amount of property tax transfer based upon the following formula:

$$\text{Property Tax Revenue Transferred} = \frac{\text{Property Tax Revenue}}{\text{Total General Purpose Revenue}} \times \text{Net Cost of Services}$$

Total General Purpose Revenue

For this formula, the County Auditor is required to determine the proportion of property tax revenue to total general purpose revenue for each affected local agency. The LAFCo is required to determine

... an amount equal to the total net cost to each affected local agency during the prior fiscal year of providing those services which the new jurisdiction will assume within the area subject to the proposal. For purposes of this paragraph, 'total net cost' means the total cost that was funded by general purpose revenues of the affected local agency...

General purpose revenue is defined by the Cortese-Knox-Hertzberg Act as:

[T]he total amount of revenue which an affected agency may use on a discretionary basis for any purpose, and [which] does not include any of the following:

- (A) Revenue that, by statute, is required to be used for a specific purpose;
- (B) Revenue from fees, charges, or assessments which are levied specifically to offset the cost of particular services and do not exceed the cost reasonably borne in providing these services; and
- (C) Revenue received from the federal government that is required to be used for a specific purpose.

- b. The LAFCo specifically interprets only the following County revenues to be general purpose revenues:

- (1) Taxes - Current Property;
- (2) Taxes Other than Current Property;
- (3) Use of Money and Property;
- (4) Miscellaneous Revenues; and
- (5) Other Financing Sources.



- c. The LAFCo specifically interprets the following revenues to be non-general purpose, or restricted, revenues:
  - (1) Licenses and Permits;
  - (2) Fines, Forfeitures and Penalties;
  - (3) Aid - State;
  - (4) Aid - Federal;
  - (5) Aid - Other; and
  - (6) Charges for Current Services.
- d. As with total cost identification for purposes of comparison with total revenue transferred, the LAFCo will attempt to determine the actual part of service costs which are funded by general purpose revenues. In some cases, the entirety of service costs are funded through either general purpose or restricted revenue. For example, building inspection is funded through various construction permit charges, which are restricted revenues. In other cases, the service is funded partly through general purpose revenues, and partly through restricted revenues, but there is a clear delineation of the separate parts. For example, Planning and Community Development services rely partly on permits and charges for service, which are restricted revenues, and partly on general purpose revenues from the Unincorporated Area Services Fund.

If the LAFCo cannot identify which portion of services are funded by general purpose revenues, it will assume that the portion of the service funded by general purpose revenue is the same as the portion of general purpose revenues to total revenues within the smallest budget unit which funds the service. For example, animal control is currently provided by the County, and financed through the Unincorporated Area Services Fund. If a new city assumes the animal control function, the LAFCo may not be able to identify what part of the function in the subject territory is funded by general purpose revenues. In that case, if 80 percent of Unincorporated Area Services Fund revenue is made up of general purpose revenue, then the LAFCo will assume that 80 percent of animal control costs are made up of general purpose revenue.

### **3. Transfer of Sales Tax, Service Charge, User Fee, and Other Revenues**

A new city has the authority to levy a sales tax. A city also will receive service charge and user fee revenue corresponding to the services it proposes to assume which are provided for charge or on a fee basis. The LAFCo will request that the State Board of Equalization determine the amount of sales tax revenue generated within the subject territory as part of the determination of financial impact. The LAFCo will rely upon current service providers for information regarding revenues generated by the subject territory via service charges and user fees. Similarly to service costs, the LAFCo will attempt to consider actual revenues from the subject territory. If actual revenues cannot be determined at reasonable cost, the LAFCo will consider revenues assigned to the territory using the allocation method most closely related to service levels.

#### **4. Revenue Exchange Agreements**

Though the LAFCo does not have the power to condition its approval of a proposal on a revenue exchange agreement, the LAFCo does have the power to deny proposals that have an unequal and harmful revenue impact. The LAFCo will therefore deny proposals that are not revenue neutral unless the applicant clearly demonstrates that the current revenue distribution is substantially inequitable and that the proposal will correct that inequity.

The LAFCo only will approve a proposal in which the costs borne by an existing service provider are not equal to the revenues transferred from the current provider to the incorporating city if the proposal includes a revenue exchange contract that resolves the inequity.

#### **C. FINANCIAL FEASIBILITY**

This section describes the application of LAFCo General Policy for Financial Feasibility to incorporation proposals. The LAFCo seeks to judge the initial and on-going financial viability of the proposed city. The LAFCo will determine prospective transitional and on-going revenues to be received by the new city. However, the LAFCo will rely substantially upon the applicant's feasibility study for estimates of transitional and on-going costs.

1. The costs detailed in the feasibility study must include all services that the city will assume. In addition, the feasibility study should include a projected three-year budget.
2. Additionally, the general government costs must be included, such as costs for the following functions:
  - a. City council/legislative;
  - b. City manager/administrative;
  - c. Treasurer/financial; and
  - d. Counsel/legal.
3. Costs detailed in the feasibility study for both transition and on-going operations must be included.
4. The LAFCo also will expect to see at least the following costs amongst the transition costs included in the feasibility study:
  - a. Necessary capital construction;
  - b. Recruiting and hiring;
  - c. Purchase of durable equipment and furnishings;
  - d. Hookup and connection costs;
  - e. Working capital for wages and benefits, lease/rent, consumable equipment and supplies, insurance, etc.; and
  - f. Legal and other professional fees.

If the LAFCo judges that any relevant costs have been excluded, or that any included costs appear to be substantially inaccurately estimated, the applicant may be required to resubmit a corrected feasibility study before the LAFCo takes action on the application. Appendix I presents a description of the financial information required to be submitted with incorporation proposal applications. In addition, Appendix J presents a methodology for computing the Gann limit for new entities resulting from an incorporation or a change in organization.

#### **D. EFFICIENCY**

This section describes the application of LAFCo General Policy regarding efficiency of services incorporation proposals. The LAFCo will attempt to determine if the proposal is the most efficient means of provision of acceptable quality services, or if another local agency or combination of local agencies is more efficient. In determining efficiency, the LAFCo is concerned with the net present value of total current and projected societal service costs.

The LAFCo will consider costs of service rather than simply considering an agency's charge or price because governmental agencies' costs and obligations are ultimately borne by their constituents and customers, regardless of the current price charged for service.

The LAFCo will consider the net present value of current and projected costs so that cost differences over time can be compared. For example, a city with limited water treatment capacity may be able to offer a lower monthly charge now, but may require a costly new plant in four years, while a district with ample capacity may charge a higher monthly charge now, but be cheaper in the long run since a new plant will not be needed for ten years.

The LAFCo will consider societal costs instead of only those costs borne by the agency, because some of the cost of service provision may not be borne by those who receive the service. For example, the LAFCo will consider the costs of pollution caused by a solid waste disposal agency, so that an agency with an inexpensive but heavily polluting dump will not necessarily be judged more efficient than an agency with a more expensive plant that is much cleaner.

APPENDIX F

PARTY DISCLOSURE FORM

PARTY DISCLOSURE FORM  
Information Sheet

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

This form must be completed by applicants for, or persons who are the subject of, any proceeding involving a license, permit, or other entitlement of use pending before **Sacramento Local Agency Formation Commission**.

Important Notice

Basic Provisions of Section 84308

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

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

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

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

Prepared by:    Legal Division  
                      Fair Political Practices Commission  
                      8/85

1. A proceeding involving "a license, permit, or other entitlement for use" includes all business, professional, trade and land use licenses and permits, and other entitlements for uses, including all entitlements for land use; all contracts (other than competitively bid, labor or personal employment contracts) and all franchises.
2. Your "agent" is someone who represents you in connection with a proceeding involving a license, permit or other entitlement for use. If an individual acting as an agent is acting in his or her capacity as an employee or member of a law, architectural, engineering, consulting firm, or similar business entity, both the business entity and the individual are "agents".
3. To determine whether a campaign contribution of \$250 or more has been made by you, campaign contributions made by you within the preceding 12 months must be aggregated with those made by your agent within the preceding 12 months or the period of the agency, whichever is shorter. Campaign contributions made to different commissioners, their alternatives, or candidates are not aggregated.

This notice summarizes the major requirements of Government Code Section 84308 of the Political Reform Act and 2 Cal. Adm. Code Sections 18438.1-18438.8. For more information, contact **Sacramento Local Agency Formation Commission -- County Counsel Barry Steiner** at **440-5564**, or the Fair Political Practices Commission, 428 J Street, Suite 800, Sacramento, CA 95814, (916) 332-5901.

Party Disclosure Form  
**COMMISSION**

**SACRAMENTO LOCAL AGENCY FORMATION**

(Name of Board of Commission)

Party's Name: \_\_\_\_\_

Party's Address: \_\_\_\_\_

(Street)

(City)

(State)

(Zip)

(Phone)

Application Proceeding

Title and Number: \_\_\_\_\_

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

Name of Member: \_\_\_\_\_

Names of Contributor (if other than Party):

Date(s): \_\_\_\_\_

Amount: \_\_\_\_\_

Name of Member: \_\_\_\_\_

Name of Contributor (if other than Party): \_\_\_\_\_

Date(s): \_\_\_\_\_

Amount: \_\_\_\_\_

Name of Member: \_\_\_\_\_

Name of Contributor (if other than Party): \_\_\_\_\_

Date(s): \_\_\_\_\_

Amount: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Party and/or Agent

## APPENDIX G

### SAMPLE CERTIFICATE OF COMPLETION



Official Use

### *File Stamp*

## CERTIFICATE OF COMPLETION

1. *The short-form designation, as determined by LAFCo, is:*

---

2. *The name of each districts or city involved in this change of organization of reorganization and the kind or type of change of organization ordered for each city or district are as follows:*

<u>City/District</u>	<u>Type of Change of Organization</u>
<u>Sacramento Regional County Sanitation District</u>	<u>Annexation</u>
<u>County Sanitation District No. 1</u>	<u>Annexation</u>

3. The above listed cities and/or districts are located within the following county(ies):

County of Sacramento

---

4. *A description of the boundaries of the above cited change of organization or reorganization is shown on the attached map and legal description, marked Exhibit A and by reference incorporated herein.*
5. *The territory involved in this change of organization or reorganization is*  
Uninhabited  
*(Inhabited / Uninhabited)*
6. *This change of organization or reorganization has been approved subject to the following terms and conditions, if any:*  
See resolution, attached.
7. *The resolution ordering this change of organization or reorganization without election, or confirming an order for this change after confirmation by the voters, was adopted on:* August 28, 1990  
  
*by* Board of Directors of the Sacramento Regional County Sanitation District.

*I hereby certify that I have examined the above cited resolution, including any terms and conditions, and the map and legal description and have found these documents to be in compliance with LAFCo Resolution No.* 1054

*adopted on* August 1, 1990

*DATED:* October 17, 1990

---

JOHN Y. O'FARRELL, Executive Officer  
SACRAMENTO LOCAL AGENCY FORMATION  
COMMISSION

*CERTIFIED:*

---

Marilyn Ann Flemmer  
Commission Clerk

**SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT**

**RESOLUTION NO. SR-1121**

**RESOLUTION ANNEXING TERRITORY TO THE  
SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT  
AND COUNTY SANITATION DISTRICT NO. 1  
OF SACRAMENTO COUNTY HIGHLANDS HILLS  
REORGANIZATION (LAFCo 10-90)**

WHEREAS, County Sanitation District No. 1 of Sacramento County ("CSD No. 1") has heretofore requested that the Board of Directors (the "Board") of the Sacramento Regional County Sanitation District ("Regional") institute proceedings for reorganization to annex, to Regional, the territory described in Exhibit A attached hereto and incorporated herein; and

WHEREAS, on April 10, 1990, this Board adopted Resolution No. SR-1083, Resolution of Application by the Sacramento Regional Sanitation District Requesting the Local Agency Formation Commission to Take Proceedings for Reorganization to Provide for the Annexation of Territory to Regional; and

WHEREAS, on April 10, 1990, the Board of Directors of CSD No. 1 adopted its Resolution No. CD-0584, Resolution of Application by County Sanitation District No. 1 of Sacramento County requesting the Local Agency Formation Commission to Take Proceedings for Reorganization to Provide for Annexation of Territory to the District; and

WHEREAS, on August 1, 1990, the Local Agency Formation Commission adopted Resolution No. LAFC 1054 and thereby approved the requested annexation and designated this Board as the conducting authority for the reorganization;

WHEREAS, the Local Agency Formation Commission by said Resolution No. LAFC 1054 authorized this Board to conduct the requested annexation to both Regional and CSD No. 1 without notice, hearing, or election.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. All of the above recitals are true and correct.

Section 2. The Board hereby finds and determines that no other district is presently providing sanitary sewer service to the territory described in Exhibit A and that said territory will be benefited by the annexation.

Section 3. The Board hereby orders the annexation of the territory described in Exhibit A to Regional and to CSD No. 1 and orders the boundaries of Regional and CSD No. 1 to be changed to reflect the reorganization.

Section 4. The Clerk of the Board is hereby authorized and directed to transmit a certified copy of this resolution together with the fees prescribed in Section 54902 of the Government Code, to the Executive Officer of the Local Agency Formation Commission.

ON A MOTION by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, the foregoing resolution was passed and adopted by the Board of Directors of the County of Sacramento, State of California, this \_\_\_\_\_ day of \_\_\_\_\_, 1990, by the following vote, to wit:

The foregoing is a correct copy of  
a resolution adopted by the Board  
of Directors, Sacramento County,  
California

On \_\_\_\_\_

Dated \_\_\_\_\_

By \_\_\_\_\_

AYES: Directors, Collin, T. Johnson, Rudin, Smoley, Streng

NOES: Directors, None

ABSENT: Directors, Kipp, G. Johnson

ABTAIN: Directors, None

\_\_\_\_\_  
Chairman of the Board of Directors

\_\_\_\_\_  
Clerk of the Board of Supervisors  
and Ex-Officio Secretary to the  
Board of Directors

**EXHIBIT "A"**

All that portion of the Northeast one-quarter (1/4) of Section 14, Township 7 North, Ranch 5 East, Mount Diablo Meridian, County of Sacramento, State of California described as follows:

The southerly 200 ft. of the northerly 230 ft. of the westerly 100 ft. of Lot 26 of Swisler Tract, as shown on that record map recorded in the Office of the County Recorder of Sacramento County found in Record Map Book 10 at Page 17.

APPROVED  
SACRAMENTO LOCAL AGENCY  
FORMATION COMMISSION

BY \_\_\_\_\_  
Commission Clerk

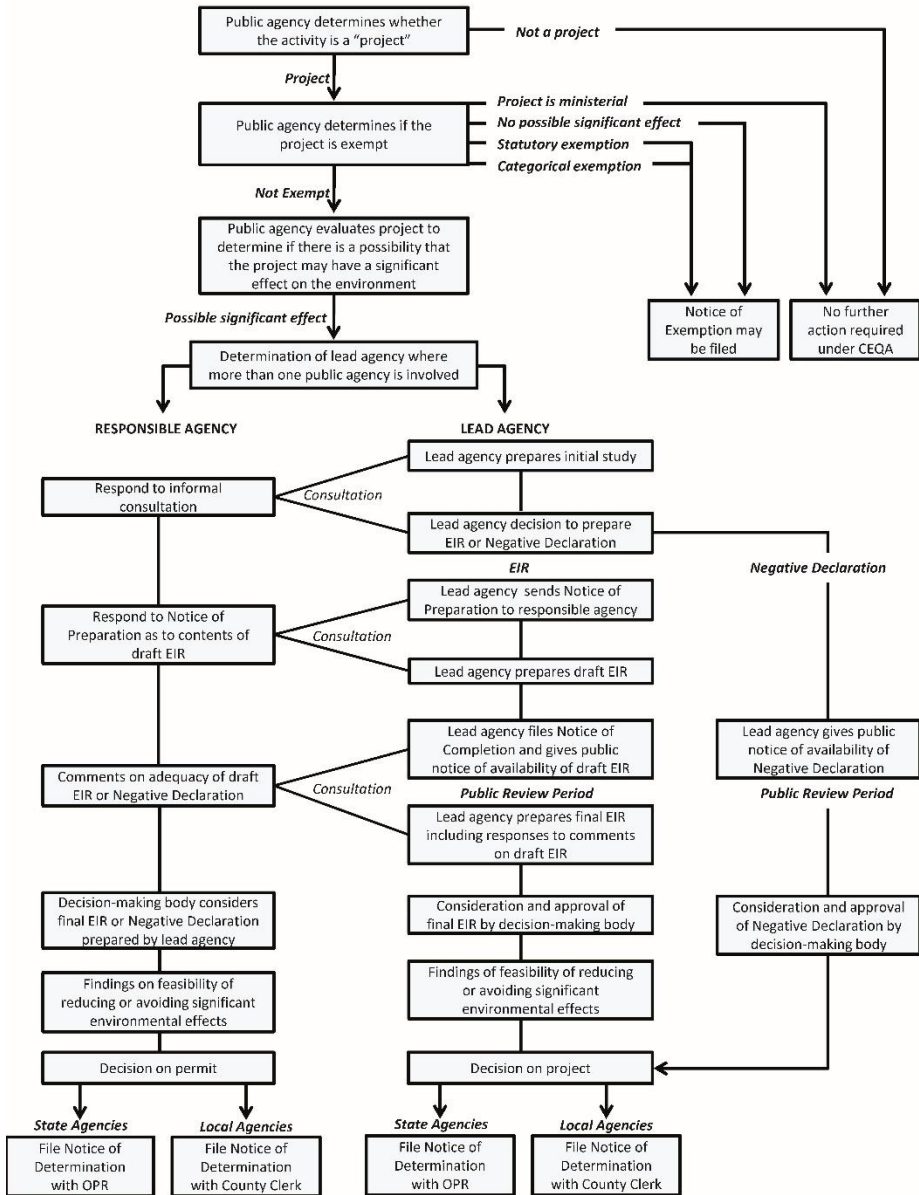
Assessor's Map

115-11

## APPENDIX H

### PROCEDURES FOR PREPARATION AND PROCESSING OF ENVIRONMENTAL DOCUMENTS

## EXHIBIT A: CEQA PROCESS FLOW CHART





**EXHIBIT B:  
NOTICE OF EXEMPTION**

**Notice of Exemption**

---

**To: Office of Planning and Research**

P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044

**From: (Public Agency)**

\_\_\_\_\_  
\_\_\_\_\_

**County Clerk**

County of: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Project Title: \_\_\_\_\_

Project Applicant: \_\_\_\_\_

Project Location - Specific: \_\_\_\_\_

Project Location - City: \_\_\_\_\_ Project Location - County: \_\_\_\_\_

Description of Nature, Purpose, and Beneficiaries of Project: \_\_\_\_\_

Name of Public Agency Approving Project: \_\_\_\_\_

Name of Person or Agency Carrying Out Project: \_\_\_\_\_

**Exempt Status: (check one):**

- ☐ Ministerial (Sec. 210B0(b)(1); 15268);
- ☐ Declared Emergency (Sec. 2108D(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☐ Categorical Exemption. State type and section number: \_\_\_\_\_
- ☐ Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt: \_\_\_\_\_

Lead Agency \_\_\_\_\_

Contact Person: \_\_\_\_\_ Area Code/Telephone/Extension: \_\_\_\_\_

**If filed by applicant:**

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes      No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Title: \_\_\_\_\_

Signed by Lead Agency

Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_

**EXHIBIT C:  
ENVIRONMENTAL CHECKLIST FORM**

**NOTE:** The following is a sample form that may be tailored to satisfy individual agencies' needs and project circumstances. It may be used to meet the requirements for an initial study when the criteria set forth in CEQA Guidelines have been met. Substantial evidence of potential impacts that are not listed on this form must also be considered. The sample questions in this form are intended to encourage thoughtful assessment of impacts, and do not necessarily represent thresholds of significance.

1. Project title:
2. Lead agency name and address:
3. Contact person and phone number:
4. Project location:
5. Project sponsor's name and address:
6. General plan designation:
7. Zoning:
8. Description of project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheets if necessary.)
9. Surrounding land uses and setting: Briefly describe the project's surroundings:
10. Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement.):
11. Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code section 21080.3.1? If so, is there a plan for consultation that includes, for example, the determination of significance of impacts to tribal cultural resources, procedures regarding confidentiality, etc.?

**NOTE:** Conducting consultation early in the CEQA process allows tribal governments, lead agencies, and project proponents to discuss the level of environmental review, identify and address potential adverse impacts to tribal cultural resources, and reduce the potential for delay and conflict in the environmental review process. (See Public Resources Code section 21080.3.2.) Information may also be available from the California Native American Heritage Commission's Sacred Lands File per Public Resources Code section 5097.96 and the California Historical Resources Information System administered by the California Office of Historic Preservation. Please also note that Public Resources Code section 21082.3(c) contains provisions specific to confidentiality.

**ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:**

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a “Potentially Significant Impact,” as indicated by the checklist on the following pages.

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Aesthetics                  | <input type="checkbox"/> Agriculture / Forestry Resources | <input type="checkbox"/> Air Quality                        |
| <input type="checkbox"/> Biological Resources        | <input type="checkbox"/> Cultural Resources               | <input type="checkbox"/> Energy                             |
| <input type="checkbox"/> Geology/Soils               | <input type="checkbox"/> Greenhouse Gas Emissions         | <input type="checkbox"/> Hazards & Hazardous Materials      |
| <input type="checkbox"/> Hydrology/Water Quality     | <input type="checkbox"/> Land Use / Planning              | <input type="checkbox"/> Mineral Resources                  |
| <input type="checkbox"/> Noise                       | <input type="checkbox"/> Population / Housing             | <input type="checkbox"/> Public Services                    |
| <input type="checkbox"/> Recreation                  | <input type="checkbox"/> Transportation                   | <input type="checkbox"/> Tribal Cultural Resources          |
| <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Wildfire                         | <input type="checkbox"/> Mandatory Findings of Significance |

**DETERMINATION**

On the basis of this initial evaluation:

- ☐ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- ☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- ☐ I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

[Click here to enter text.](#)

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

## EVALUATION OF ENVIRONMENTAL IMPACTS

1. A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors, as well as general standards (e.g., the project would not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
4. “Negative Declaration: Less Than Significant With Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less Than Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level.
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
  - a) Earlier Analyses Used. Identify and state where they are available for review.
  - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
  - c) Mitigation Measures. For effects that are “Less than Significant with Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project’s environmental effects in whatever format is selected.
9. The explanation of each issue should identify:
  - a) the significance criteria or threshold, if any, used to evaluate each question; and
  - b) the mitigation measure identified, if any, to reduce the impact to less than significance

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
<b>I. AESTHETICS.</b> Except as provided in Public Resources Code Section 21099, would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) In nonurbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>II. AGRICULTURE AND FORESTRY RESOURCES.</b> In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
d)	Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e)	Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**III. AIR QUALITY.** Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations. Would the project:

a)	Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b)	Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c)	Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d)	Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**IV. BIOLOGICAL RESOURCES.** Would the project:

a)	Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b)	Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c)	Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
Issues					
d)	Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e)	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f)	Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### **V. CULTURAL RESOURCES.** Would the project:

a)	Cause a substantial adverse change in the significance of a historical resource pursuant to § 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b)	Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c)	Disturb any human remains, including those interred outside of dedicated cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### **VI. ENERGY.** Would the project:

a)	Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b)	Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### **VII. GEOLOGY AND SOILS.** Would the project:

a)	Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
----	---	--------------------------	--------------------------	--------------------------	--------------------------

Issues		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
i)	Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map, issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii)	Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii)	Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv)	Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b)	Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c)	Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d)	Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e)	Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f)	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>VIII. GREENHOUSE GAS EMISSIONS.</b> Would the project:					
a)	Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b)	Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
<b>IX. HAZARDS AND HAZARDOUS MATERIALS.</b> Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code § 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>X. HYDROLOGY AND WATER QUALITY.</b> Would the project:				
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) result in a substantial erosion or siltation on- or off-site;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv) impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>XI. LAND USE AND PLANNING.</b> Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>XII. MINERAL RESOURCES.</b> Would the project:				
a) Result in the loss of availability of a known mineral resource that would be a value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>XIII. NOISE.</b> Would the project result in:				
a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>XIV. POPULATION AND HOUSING.</b> Would the project:				
a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>XV. PUBLIC SERVICES.</b> Would the project:				
a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### **XVI. RECREATION.**

- |    |   |                          |                          |                          |                          |
|----|---|--------------------------|--------------------------|--------------------------|--------------------------|
| a) | Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) | Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

#### **XVII. TRANSPORTATION.** Would the project:

- |    |   |                          |                          |                          |                          |
|----|---|--------------------------|--------------------------|--------------------------|--------------------------|
| a) | Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) | Conflict or be inconsistent with CEQA Guidelines § 15064.3, subdivision (b)?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) | Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) | Result in inadequate emergency access?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

#### **XVIII. TRIBAL CULTURAL RESOURCES.**

- |    |   |                          |                          |                          |                          |
|----|---|--------------------------|--------------------------|--------------------------|--------------------------|
| a) | Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code § 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|----|---|--------------------------|--------------------------|--------------------------|--------------------------|

		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
<b>Issues</b>					
i)	Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii)	A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code § 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code § 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**XIX. UTILITIES AND SERVICE SYSTEMS.** Would the project:

a)	Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b)	Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c)	Result in a determination by the waste water treatment provider, which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d)	Generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e)	Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Issues	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
<b>XX. WILDFIRE.</b> If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:				
a) Substantially impair an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>XXI. MANDATORY FINDINGS OF SIGNIFICANCE.</b>				
a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
Issues					
c)	Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**EXHIBIT D:**  
**NOTICE OF INTENT**  
**TO ADOPT A NEGATIVE DECLARATION**  
**(OR MITIGATED NEGATIVE DECLARATION) FOR THE**  
**\_\_\_\_\_ (PROJECT NAME) \_\_\_\_\_**

**To:** Interested Persons

**From:** Lead Agency Title  
Address Line 1  
Address Line 2  
Telephone Number  
ResponsiblePerson@LeadAgency.com

**Contact:** Responsible Person, Title

\_\_\_\_\_ is the Lead Agency pursuant to the California Environmental Quality Act (CEQA) for the proposed \_\_\_\_\_ (project name) \_\_\_\_\_. \_\_\_\_\_ (Lead Agency) \_\_\_\_\_ intends to adopt a Negative Declaration (ND) OR Mitigated Negative Declaration (MND) for the proposed project.

The project site is located on \_\_\_\_\_ (street setting) \_\_\_\_\_ in the (un)incorporated community of \_\_\_\_\_ in \_\_\_\_\_ County as described in the attached ND (or) MND. \_\_\_\_\_ (Lead Agency) \_\_\_\_\_ is considering \_\_\_\_\_ (description of entitlement) \_\_\_\_\_ to allow \_\_\_\_\_.

The proposed (ND) or (MND) is available for public review from \_\_\_\_\_ (hours) \_\_\_\_\_ a.m. to \_\_\_\_\_ (hours) \_\_\_\_\_ p.m., Monday through Friday, at the offices of the \_\_\_\_\_ (Lead Agency) \_\_\_\_\_ address listed above, and online at the \_\_\_\_\_ (Lead Agency) \_\_\_\_\_ website at:  
*www.LeadAgency.xxx*

The public comment period on the ND (or) MND begins on \_\_\_\_\_ (Opening Date, 20xx) \_\_\_\_\_ and closes on \_\_\_\_\_ (Closing Date, 20xx) \_\_\_\_\_. Comments may be submitted to "ResponsiblePerson@LeadAgency.com" and should include the phrase "\_\_\_\_\_ (Project Name) \_\_\_\_\_ ND (or) MND" in the subject line. The public hearing for the project is tentatively scheduled to be heard at \_\_\_\_\_ (hour) \_\_\_\_\_ a.m. on \_\_\_\_\_ (Date, 20xx) \_\_\_\_\_ during a meeting of the \_\_\_\_\_ (Lead Agency) \_\_\_\_\_, located at \_\_\_\_\_ (Street Address) \_\_\_\_\_. The live broadcast of the meeting will be also available to the public via a link on the \_\_\_\_\_ (Lead Agency) \_\_\_\_\_ web page of the \_\_\_\_\_ (Lead Agency) \_\_\_\_\_ website:  
*www.LeadAgency.xxx*



## EXHIBIT E: NOTICE OF PREPARATION

### Notice of Preparation

To: \_\_\_\_\_ From: \_\_\_\_\_  
\_\_\_\_\_  
(Address) (Address)  
\_\_\_\_\_

**Subject: Notice of Preparation of a Draft Environmental Impact Report**

\_\_\_\_\_ will be the Lead Agency and will prepare an environmental impact report for the project identified below. We need to know the views of your agency as to the scope and content of the environmental information which is germane to your agency's statutory responsibilities in connection with the proposed project. Your agency will need to use the EIR prepared by our agency when considering your permit or other approval for the project.

The project description, location, and the potential environmental effects are contained in the attached materials. A copy of the Initial Study ( ☐ is ☐ is not ) attached.

Due to the time limits mandated by State law, your response must be sent at the earliest possible date but not later than 30 days after receipt of this notice.

Please send your response to \_\_\_\_\_ at the address shown above. We will need the name for a contact person in your agency.

**Project Title:** \_\_\_\_\_

**Project Applicant, if any:** \_\_\_\_\_

Date \_\_\_\_\_ Signature \_\_\_\_\_  
Title \_\_\_\_\_  
Telephone \_\_\_\_\_

**Reference:** California Code of Regulations, Title 14, (CEQA Guidelines) Sections 15082(a), 15103, 15375.

**EXHIBIT F:  
NOTICE OF COMPLETION & ENVIRONMENTAL DOCUMENT TRANSMITTAL**

*Appendix C*

**Notice of Completion & Environmental Document Transmittal**

Mail to: State Clearinghouse, P.O. Box 3044, Sacramento, CA 95812-3044 (916) 445-0613

For Hand Delivery/Street Address: 1400 Tenth Street, Sacramento, CA 95814

**SCH #**

**Project Title:** \_\_\_\_\_

Lead Agency: \_\_\_\_\_ Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ Phone: \_\_\_\_\_

City: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

**Project Location:** County: \_\_\_\_\_ City/Nearest Community: \_\_\_\_\_

Cross Streets: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Longitude/Latitude (degrees, minutes and seconds): \_\_\_\_\_° \_\_\_\_\_' \_\_\_\_\_" N / \_\_\_\_\_° \_\_\_\_\_' \_\_\_\_\_" W Total Acres: \_\_\_\_\_

Assessor's Parcel No.: \_\_\_\_\_ Section: \_\_\_\_\_ Twp.: \_\_\_\_\_ Range: \_\_\_\_\_ Base: \_\_\_\_\_

Within 2 Miles: State Hwy #: \_\_\_\_\_ Waterways: \_\_\_\_\_

Airports: \_\_\_\_\_ Railways: \_\_\_\_\_ Schools: \_\_\_\_\_

**Document Type:**

CEQA: ☐ NOP ☐ Draft EIR NEPA: ☐ NOI Other: ☐ Joint Document  
☐ Early Cons ☐ Supplement/Subsequent EIR ☐ EA ☐ Final Document  
☐ Neg Dec (Prior SCH No.) \_\_\_\_\_ ☐ Draft EIS ☐ Other: \_\_\_\_\_  
☐ Mit Neg Dec Other: \_\_\_\_\_ ☐ FONSI \_\_\_\_\_

**Local Action Type:**

☐ General Plan Update ☐ Specific Plan ☐ Rezone ☐ Annexation  
☐ General Plan Amendment ☐ Master Plan ☐ Prezone ☐ Redevelopment  
☐ General Plan Element ☐ Planned Unit Development ☐ Use Permit ☐ Coastal Permit  
☐ Community Plan ☐ Site Plan ☐ Land Division (Subdivision, etc.) ☐ Other: \_\_\_\_\_

**Development Type:**

☐ Residential: Units \_\_\_\_\_ Acres \_\_\_\_\_ ☐ Transportation: Type \_\_\_\_\_  
☐ Office: Sq.ft. \_\_\_\_\_ Acres \_\_\_\_\_ Employees \_\_\_\_\_ ☐ Mining: Mineral \_\_\_\_\_  
☐ Commercial: Sq.ft. \_\_\_\_\_ Acres \_\_\_\_\_ Employees \_\_\_\_\_ ☐ Power: Type \_\_\_\_\_ MW \_\_\_\_\_  
☐ Industrial: Sq.ft. \_\_\_\_\_ Acres \_\_\_\_\_ Employees \_\_\_\_\_ ☐ Waste Treatment: Type \_\_\_\_\_ MGD \_\_\_\_\_  
☐ Educational: \_\_\_\_\_ ☐ Hazardous Waste: Type \_\_\_\_\_  
☐ Recreational: \_\_\_\_\_ ☐ Other: \_\_\_\_\_  
☐ Water Facilities: Type \_\_\_\_\_ MGD \_\_\_\_\_

**Project Issues Discussed in Document:**

☐ Aesthetic/Visual ☐ Fiscal ☐ Recreation/Parks ☐ Vegetation  
☐ Agricultural Land ☐ Flood Plain/Flooding ☐ Schools/Universities ☐ Water Quality  
☐ Air Quality ☐ Forest Land/Fire Hazard ☐ Septic Systems ☐ Water Supply/Groundwater  
☐ Archeological/Historical ☐ Geologic/Seismic ☐ Sewer Capacity ☐ Wetland/Riparian  
☐ Biological Resources ☐ Minerals ☐ Soil Erosion/Compaction/Grading ☐ Growth Inducement  
☐ Coastal Zone ☐ Noise ☐ Solid Waste ☐ Land Use  
☐ Drainage/Absorption ☐ Population/Housing Balance ☐ Toxic/Hazardous ☐ Cumulative Effects  
☐ Economic/Jobs ☐ Public Services/Facilities ☐ Traffic/Circulation ☐ Other: \_\_\_\_\_

**Present Land Use/Zoning/General Plan Designation:**

**Project Description:** (please use a separate page if necessary)

*Note: The State Clearinghouse will assign identification numbers for all new projects. If a SCH number already exists for a project (e.g. Notice of Preparation or previous draft document) please fill in.*

Revised 2010

APPENDIX C

continued

Reviewing Agencies Checklist

Lead Agencies may recommend State Clearinghouse distribution by marking agencies below with and "X".  
If you have already sent your document to the agency please denote that with an "S".

<input type="checkbox"/> Air Resources Board	<input type="checkbox"/> Office of Historic Preservation
<input type="checkbox"/> Boating & Waterways, Department of	<input type="checkbox"/> Office of Public School Construction
<input type="checkbox"/> California Emergency Management Agency	<input type="checkbox"/> Parks & Recreation, Department of
<input type="checkbox"/> California Highway Patrol	<input type="checkbox"/> Pesticide Regulation, Department of
<input type="checkbox"/> Caltrans District # _____	<input type="checkbox"/> Public Utilities Commission
<input type="checkbox"/> Caltrans Division of Aeronautics	<input type="checkbox"/> Regional WQCB # _____
<input type="checkbox"/> Caltrans Planning	<input type="checkbox"/> Resources Agency
<input type="checkbox"/> Central Valley Flood Protection Board	<input type="checkbox"/> Resources Recycling and Recovery, Department of
<input type="checkbox"/> Coachella Valley Mtns. Conservancy	<input type="checkbox"/> S.F. Bay Conservation & Development Comm.
<input type="checkbox"/> Coastal Commission	<input type="checkbox"/> San Gabriel & Lower L.A. Rivers & Mtns. Conservancy
<input type="checkbox"/> Colorado River Board	<input type="checkbox"/> San Joaquin River Conservancy
<input type="checkbox"/> Conservation, Department of	<input type="checkbox"/> Santa Monica Mtns. Conservancy
<input type="checkbox"/> Corrections, Department of	<input type="checkbox"/> State Lands Commission
<input type="checkbox"/> Delta Protection Commission	<input type="checkbox"/> SWRCB: Clean Water Grants
<input type="checkbox"/> Education, Department of	<input type="checkbox"/> SWRCB: Water Quality
<input type="checkbox"/> Energy Commission	<input type="checkbox"/> SWRCB: Water Rights
<input type="checkbox"/> Fish & Game Region # _____	<input type="checkbox"/> Tahoe Regional Planning Agency
<input type="checkbox"/> Food & Agriculture, Department of	<input type="checkbox"/> Toxic Substances Control, Department of
<input type="checkbox"/> Forestry and Fire Protection, Department of	<input type="checkbox"/> Water Resources, Department of
<input type="checkbox"/> General Services, Department of	
<input type="checkbox"/> Health Services, Department of	Other: _____
<input type="checkbox"/> Housing & Community Development	Other: _____
<input type="checkbox"/> Native American Heritage Commission	

Local Public Review Period (to be filled in by lead agency)

Starting Date \_\_\_\_\_ Ending Date \_\_\_\_\_

Lead Agency (Complete if applicable):

Consulting Firm: _____	Applicant: _____
Address: _____	Address: _____
City/State/Zip: _____	City/State/Zip: _____
Contact: _____	Phone: _____
Phone: _____	

Signature of Lead Agency Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Authority cited: Section 21083, Public Resources Code. Reference: Section 21161, Public Resources Code.

## APPENDIX G: NOTICE OF DETERMINATION

### Notice of Determination

### Appendix D

<b>To:</b> <input type="checkbox"/> Office of Planning and Research <i>U.S. Mail:</i> <i>Street Address:</i> P.O. Box 3044                      1400 Tenth St., Rm 113 Sacramento, CA 95812-3044      Sacramento, CA 95814  <input type="checkbox"/> County Clerk County of: _____ Address: _____ _____	<b>From:</b> Public Agency: _____ Address: _____ _____ Contact: _____ Phone: _____  Lead Agency (if different from above): Address: _____ _____ Contact: _____ Phone: _____
--	--

***SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.***

State Clearinghouse Number (if submitted to State Clearinghouse): \_\_\_\_\_

Project Title: \_\_\_\_\_

Project Applicant: \_\_\_\_\_

Project Location (include county): \_\_\_\_\_

Project Description: \_\_\_\_\_

This is to advise that the \_\_\_\_\_ has approved the above  
(☐ Lead Agency or ☐ Responsible Agency)  
described project on \_\_\_\_\_ and has made the following determinations regarding the above  
(date)  
described project.

1. The project [☐ will ☐ will not] have a significant effect on the environment.
2. ☐ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.  
    ☐ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [☐ were ☐ were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [☐ was ☐ was not] adopted for this project.
5. A statement of Overriding Considerations [☐ was ☐ was not] adopted for this project.
6. Findings [☐ were ☐ were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:

\_\_\_\_\_  
Signature (Public Agency): \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date Received for filing at OPR: \_\_\_\_\_

Authority cited: Sections 21083, Public Resources Code.  
Reference Section 21000-21174, Public Resources Code.

Revised 2011

APPENDIX I

FINAINCIAL INFORMATION REQUIRED  
TO BE SUBMITTED WITH  
INCORPORATION OF PROPOSAL APPLICATIONS

## **Appendix I**

### **FINANCIAL INFORMATION TO BE SUBMITTED WITH INCORPORATION PROPOSAL APPLICATIONS**

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

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

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

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

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

## EXHIBIT I

### SUMMARY OF THE FINANCIAL FEASIBILITY OF THE INCORPORATING CITY

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

## EXHIBIT II

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

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

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



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

fiscal years, as provided in the County of other appropriate agency's annual audited financial statements.

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

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

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

### EXHIBIT III

#### SUMMARY OF THE ESTIMATED TOTAL ANNUAL REVENUES FOR THE INCORPORATING CITY

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

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

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

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

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

**EXHIBIT IV**  
**SUMMARY OF THE FINANCIAL IMPACT**  
**OF THE INCORPORATION ON SACRAMENTO COUNTY**

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

## EXHIBIT V

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

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

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

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

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

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

### **Section B - Computation of the Property Tax Transfer Ratio**

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

### **Section C - Computation of the Service Costs to be Transferred**

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

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

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

## EXHIBIT VI

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

#### A. *Computation of Sacramento County's General Purpose Revenues*

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



**EXHIBIT VI -continued-**

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

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

Property Tax Property Tax to Revenue General Purpose Revenue	General Purpose Revenue (as computed in A)	Ratio of
---	---	----------

\$ \_\_\_\_\_ + \$ \_\_\_\_\_ =

*C. Computation of the Service Costs to be Transferred*

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

**EXHIBIT VI -continued-**

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

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

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

\$ \_\_\_\_\_ x \_\_\_\_\_ % = \$ \_\_\_\_\_

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

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

Base Year Sales and Use Tax Amount = \$ \_\_\_\_\_

**Transition Year**

Base Year Amount      Portion of the Year      Transition  
Year Amount

\$ \_\_\_\_\_ x \_\_\_\_\_ % = \$ \_\_\_\_\_

**First Full Year**

First Full Year Amount      Escalator      First Full Year Amount

\$ \_\_\_\_\_ x \_\_\_\_\_ % = \$ \_\_\_\_\_

**Second Full Year**

Second Full Year Amount      Escalator      Second Full Year Amount

\$ \_\_\_\_\_ x \_\_\_\_\_ % = \$ \_\_\_\_\_



## EXHIBIT VI

### SUMMARY OF THE TOTAL ANNUAL REDUCTIONS IN COUNTY REVENUES -continued-

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

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

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

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

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

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

annual growth in sales and use tax in the county during the base year and the two prior fiscal years.

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

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

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

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

## EXHIBIT VII

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

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

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

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

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

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

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



## EXHIBIT VIII

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

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

## EXHIBIT IX

### COMPUTATION OF THE TOTAL ANNUAL REDUCTION IN SPECIAL DISTRICT REVENUES

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

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

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

## APPENDIX I

### COMPUTATION OF THE GANN LIMITATION

## **Appendix J**

### **CALCULATION OF THE GANN LIMITATION**

This appendix provides guidance to local government agencies in the calculation of the appropriation limit required by Proposition 4, the Gann Initiative, that was approved by the voters in 1979.

#### **A. BACKGROUND REGARDING THE GANN LIMITATION**

Proposition 4 imposed an appropriation limit on state and local government agencies in California. Beginning with fiscal year 1980-81, the state's and each local government's appropriations will be limited to the fiscal year 1978-78 appropriations, plus increases according to a formula based on population growth and increases in the cost of living, or the growth of personal income, whichever is less.

Proposition 4 did not identify responsibility for determining the Gann limitation for local government agencies, however, since a limit must be established for any proposed agency, the LAFCo will ensure that a Gann limit is calculated for each agency that has an action come before LAFCo.

#### **B. ADJUSTMENTS TO EXISTING APPROPRIATION LIMITS**

Proposition 4 includes provision for the adjustment of appropriation limits for existing agencies. Specifically, Section 3A of the initiative states:

In the event that the financial responsibility of providing services is transferred, in whole or in part, whether by annexation, incorporation, or otherwise, from one entity of government to another, then for the year in which such transfer becomes effective the appropriations limit of the transferee entity shall be increased by such reasonable amount as the said entities shall mutually agree and the appropriations limit of the transferor entity shall be decreased by the same amount.

LAFCo staff will participate with the involved agencies in the negotiation of any adjusted appropriations limits. Any changes in these limits should reflect prior appropriations for these agencies, changes in population growth and increases in cost of living, or the growth of personal income, whichever is less.

### **C. ESTABLISHING A NEW APPROPRIATION LIMIT**

The language of Proposition 4 did not provide a clear method for establishing the appropriation limit of a new agency proposed for formation. However, Section 4 of Proposition 4 allows a new agency to establish an appropriation limit through an election. Specifically, this Section states:

The appropriation limit imposed on any new or existing entity of government by this Article may be established or changed by the electors of such entity, subject to and in conformity with constitutional and statutory voting requirements. The duration of any such change shall be as determined by said electors but shall in no event exceed four years from the most recent vote of said electors creating or continuing such change.

LAFCo staff will participate with the involved parties in the creation of any new agency of government based upon the anticipated budget of the new agency. However, the appropriations limit of the new agency may be established or changed by the electors of such entity consistent with existing law.

## APPENDIX K

### MEMBERS OF THE REGIONAL ADVISORY COMMITTEE

## **APPENDIX L**

### **DESCRIPTION OF LAFCo's DECISION-MAKING**

This chapter contains a general chronology of events during the LAFCo hearing and evaluation process, and it describes post-approval steps taken by the LAFCo and by the Conducting Authority.

#### **A. THE LAFCo EVALUATION AND HEARING PROCESS**

This section describes the steps the LAFCo and its staff will take to ensure that proposals comply with LAFCo standards and policies.

##### **1. Receipt and Acceptance of Applications**

- a. Except where LAFCo is the lead agency under CEQA, the Executive Officer will determine within 30 days of receiving an application whether the applicant has provided the appropriate materials.
  - (1) If an application is determined not to be complete, the Executive Officer will inform the applicant, specifying those parts of the application which are incomplete and the manner which they can be made complete. An application which is not complete will not be accepted for filing.
  - (2) No application shall be deemed complete for processing purposes until the appropriate environmental documents have been prepared.
- b. After accepting an application for filing, the LAFCo will provide mailed notice to affected agencies, to agencies or individuals requesting notice, and to subject agencies of the proposal's description and the territory it affects. The notice shall state that a copy of any comments on the application, or other submittals to LAFCo must be accompanied by proof of mailing a copy to the applicant. The Executive Officer may not issue a Certificate of Filing until at least 20 days after mailing such notice.
- c. If the environmental documents required in the California Environmental Quality Act (CEQA) have been prepared, the environmental documents should be included with the application. If the LAFCo is the Lead Agency under CEQA, the LAFCo must cause environmental documents to be prepared before the application will be accepted for filing.
- d. When an application is accepted as complete, including the environmental documents, the Executive Officer shall issue a Certificate of Filing to the applicant and file it with the County Clerk, unless a 20-day notice and waiting period is required by law.



Certain exceptions will be made to these procedures as provided for in Section 56828 of the Cortese-Knox-Hertzberg Act.

## 2. Staff Report Preparation

- a. The Executive Officer shall review each application and shall prepare a report on the application that includes recommendations to LAFCo. The report shall be completed not less than five days prior to the date specified in the Notice of Hearing.
- b. If the Executive officer requires additional information to complete his or her evaluation of the proposal, he or she will notify the applicant. The applicant may submit a response within 30 days of receiving such notice, which may include an amendment to the application. The amendment should state the reason, or reasons, for the amendment and provide evidence regarding how the amendments would correct problems identified by the Executive officer. The Executive Officer will then review the amendment to determine if the changes address or correct the problem identified.
- c. Upon completion, the Executive Officer shall furnish copies of the report to:
  - (1) Officers, entities, or persons designated in each application;
  - (2) Each local agency, including the County, whose boundaries, service responsibilities, revenue authorities, or Sphere of Influence would be changed by the proposal or recommendation;
  - (3) Each local agency, group, or person that has filed a request for a report with the Executive officer;
  - (4) The LAFCo Executive officer of any other affected county when a portion of a district is or will be located in that other county;
  - (5) Each affected city, including the city Manager and City Councilperson in whose district the project site is located; and
  - (6) The Board of Supervisor member, or members, representing the district in which the project site is located.

The report shall evaluate the application and make recommendations based upon an application of the Cortese-Knox-Hertzberg Act and LAFCO policies and standards to information and data provided in the application, and to other related information and data that the LAFCo may gather.

### 3. Property Tax Exchange

If the proposal includes an incorporation or the formation of a district, the Commission shall determine the amount of property tax revenue to be exchanged by the affected local agencies, pursuant to Section 56842 of the Cortese-Knox-Hertzberg Act. As part of that determination, the commission will:

- (a) Estimate the total amount of sales tax revenue and user fees, service charges and other revenue transferred, but this total shall not include those revenues excluded by Section 56842(c)(1)(A) and (B);
- (b) Estimate the value of any agreements included in the proposal which may be designed to compensate for fiscal inequities;
- (c) Estimate the cost to the current service provider of performing those services which will be transferred to the new city or district if the proposal is approved;
- (d) Based upon the above calculations and estimations, the Commission will determine the fiscal effect of the proposal. Appendix D contains more detailed guidelines for determining the fiscal impact of applications for incorporation.

### 4. Commission Hearing of the Proposal

- a. Following the issuance of the Certificate of Filing, the Executive Officer shall set the proposal for a public hearing before the Commission on a date not more than 90 days after the issuance of the Certificate of Filing.
- b. Except as specified in Sections 56837 and 56838 of the Cortese-Knox-Hertzberg Act, the Commission shall not make any determinations upon any proposal, plan of reorganization, or report and recommendation of a reorganization committee until after a public hearing has been held on that proposal, plan, or report and recommendation.
- c. The hearing date will be included as part of the Certificate of Filing. The hearing date will be further publicized, in accordance with Sections 56834 and 56835 of the Cortese-Knox-Hertzberg Act. In summary, such notice shall include:
  - (1) Publication at least 15 days prior to the hearing date in one or more newspapers of general circulation within affected territories or agencies;
  - (2) Notice posted at least 15 days prior to the hearing date on or near the doors of the meeting room of the legislative body or commission or upon any official bulletin board used for posting

public notices pertaining to the legislative body or commission;  
and

(3) Mailed notice, first class, postage prepaid, at least 15 days prior to the hearing date to:

- (a) each affected local agency;
- (b) the chief petitioners, if any;
- (c) each person who has filed a written request for special notice with the Executive officer;
- (d) each city within three miles of the subject territory's boundaries, if the proposal is for an annexation or detachment, or for a reorganization which includes the formation of a new district;
- (e) the County, if the proposal includes incorporation of a new city or formation of a new district;
- (f) the Director of Forestry and Fire Protection, if the proposal includes formation of or annexation of territory to a fire protection district formed pursuant to the Fire Protection District Law of 1987 and part or all of the area has been classified as a state responsibility area;
- (g) all owners of parcels which are located within 500 feet of the project site if so designated by the LAFCo; and
- (h) when required by law.

d. The hearing shall be held on the date, and at the place and time specified in the various notices. The hearing may be continued from time to time, but not more than 70 days after the originally scheduled hearing date.

e. At the hearing, the Commission shall receive any oral or written protests, objections, or evidence which shall be made, presented, or filed, and consider the report of the Executive Officer.

## 5. Commission Actions

- a. The LAFCo has the power to review and approve or disapprove, with or without amendment, wholly, in part or conditionally, proposals for changes of organization or reorganization, with limited exceptions described in Section 56375 and 56839 and elsewhere in the Cortese-Knox-Hertzberg Act.

- b. LAFCo may amend an application to affect proposed boundaries, and LAFCo may approve a proposal with a variety of conditions, which are limited to:
- (1) Payment of a fixed or determinable amount of funds for acquisition of any agency's real or personal property;
  - (2) Levying, or fixing, and collecting taxes, assessments, ser-vice charges, rentals and/or rates for the purpose of funding any payment required by condition (1);
  - (3) Local Agency acceptance of liability for repayment of any authorized or outstanding bonds, contracts, or other obligations, including such revenue measures as may be appropriate to fund those liabilities;
  - (4) The formation of a new improvement district, or the annexation or detachment of territory to, or from, any existing improvement district;
  - (5) The incurring of new indebtedness by, or on behalf of, all or any part of any local agency, including territory being annexed to any local agency.
  - (1) The issuance and sale of any bonds by a local agency or by that agency's designated successor;
  - (2) The acquisition, improvement, disposition, sale, transfer, or division of any property, real or personal;
  - (3) The disposition, transfer, or division of any monies or funds, including cash and any receivables;
  - (9) The fixing and establishment of priority of use, or right of use, of water, or capacity rights in any public improvement or facilities, or of any other real or personal property;
  - (10) The establishment, continuation, termination, transfer, consolidation, or separation of any office, department or board or any function of an office, department or board only if authorized by the principal act;
  - (11) The employment, transfer, or discharge of employees, the continuation, modification, or termination of existing employment contracts, civil service rights, seniority rights, retirement rights, and other employees benefits and rights;
  - (12) The designation of a city, district or county as the successor to any local agency that is dissolved as a result of any change of organization or reorganization;
  - (13) The designation of the method of selection and/or the number of members of the legislative body of a district if the

proceedings include a consolidation or formation of a new district, and the method of selection and/or number of those members is specified in the principal act;

- (14) The initiation, conduct, or completion of proceedings on a proposal made pursuant to the Cortese-Knox-Hertzberg Act;
  - (15) Any terms or conditions required or authorized by the principal act with respect to any change of organization or reorganization;
  - (16) The continuation or provision of any service provided at that time, or previously authorized to be provided by an official act of the local agency;
  - (17) The levying of assessments, including the imposition of a fee pursuant to Sections 50029 or 66484.3 of the Government Code, or the approval by the voters of general or special taxes;
  - (18) The continuation of any previously authorized charge, fee, assessment, or tax by a successor local agency; and
  - (19) The transfer of authority and responsibility for the administration, levying, and collecting of special tax and assessment districts;
- c. The Commission, in order to coordinate multiple proposals for the same geographical areas may, as a condition of its approval, hold further action in abeyance for up to 6 months until all proposals are ready for hearing, require that elections for different proposals be held on the same date, before, or after the date of any other election regarding a change of organization or reorganization.
  - d. Finally, the Commission may require that voters consider questions of annexation and district reorganization, or questions of incorporation and district reorganization at the same time, through use of a single ballot question.

## 5. Reconsideration

- a. Any person or affected agency may file, within 30 days of a resolution's adoption, a written request with the Executive Officer requesting amendments to or reconsideration of any resolution adopted by the Commission making determinations.
- b. After complying with notice and hearing requirements described in Section 56895 of the Cortese-Knox-Hertzberg Act, the Commission may approve or deny with or without amendment, wholly, partially, or conditionally, the request.

- c. The determination of the Commission shall be final and conclusive. No person or agency shall make any further request for the same change or a substantially similar change for a period of one year, as determined by the Commission.
- d. Specific reconsideration requirements are described in the standards section of the LAFCo's policies, standards and procedures.

## **B. POST-LAFCo APPROVAL PROCESS**

This Section describes the usual procedures generally followed by a conducting authority. However, each conducting authority complies with the Cortese-Knox-Hertzberg Act in its own way, and is not required to follow those policies in this section that interpret the Cortese-Knox-Hertzberg Act. The conducting authority, determined pursuant to Section 56029 of the Cortese-Knox-Hertzberg Act, means the legislative body of an affected city, district, or the County that is authorized by the Commission to conduct proceedings to complete action on the proposal. The conducting Authority will hold a hearing or a meeting to provide the public with an opportunity to voice approval or disapproval, in writing or orally, of a proposal. However, primarily its role is to receive written protest from those authorized to do so.

### **1. The Conducting Authority's Hearing**

- (a) Within 35 days after the LAFCo's approval of a proposal, the conducting authority shall set the proposal for hearing, giving notice of the date set. The date for the hearing shall be not less than 15 or more than 60 days after the notice is given.
- (b) The conducting authority may establish a schedule of processing fees and require the deposit of such fees before further action is taken.
- (c) At the hearing, the conducting authority shall hear and receive any oral or written protests, objections, or evidence which is made, presented, or filed.

### **2. Written Protest**

- (a) Any owner of land or any registered voter within inhabited territory proposed to be annexed, detached, incorporated, disincorporated, consolidated, merged, formed into a county service area or subsidiary district, or dissolved, may file a written protest against the proposed change of organization or reorganization.
- (b) Based upon written protests filed and not withdrawn before the close of the conducting authority's hearing, no more than 30 days after the conclusion of its hearing, the conducting authority shall adopt a resolution which provides for one of the following actions:

- (1) **Terminate proceedings**, nullifying the proposal, if a majority protest exists, which means:
  - (a) In the case of uninhabited territory, written protests have been filed by landowners owning 50 percent or more of the assessed value of the land within the territory;
  - (b) In the case of an inhabited territory, written protests have been filed by 50 percent or more of registered voters; and
  - (c) In the case of a district of landowner voters, written protests have been filed by landowners holding 50 percent or more of the voting power of the voters entitled to vote as a result of owning land within the district.
- (2) **Order the change** of organization or reorganization, **subject to** confirmation by **election** within the affected territory if:
  - (a) For annexations, detachments or formations of County Service Areas only:
    - (1) In the case of inhabited territory, written protests have been filed by at least 25 percent of the registered voters residing within the territory;
    - (2) In the case of inhabited territory, written protests have been filed by at least 25 percent of the number of owners of land who also own at least 25 percent of the assessed value of land within the affected territory;
    - (3) In the case of a district where land owners are voting, written protests have been filed by at least 25 percent of the number of owners of land who also own at least 25 percent of the assessed value of land within the affected territory;
    - (4) In the case of a district where land owners are voting, written protests have been filed by at least 25 percent of the voting power of the voters entitled to vote as a result of owning land within the district; or
  - (b) In the case of a proposed change which includes a dissolution, disincorporation, incorporation,

establishment of a subsidiary district, consolidation, or merger, an election is required regardless of the number of protests, unless more than 50% have protested as outlined above, or unless the special rules in paragraph (3) below waiving elections apply.

(3) **Order the change** of organization or reorganization **without electoral confirmation**, if either:

- (a) for annexations, detachments, or formations of County service areas only, less than 25% protest is received;
- (b) in the same cases listed in subsection (2)(b) above, only if the special rules in sections 57081, 57083, 57087 or 57089 apply.

C. If proceedings are terminated by the conducting authority because a majority protest or after a majority of electors do not confirm the change of organization or reorganization, no substantially similar proposal may be filed with the LAFCo within two years after the conducting authority's resolution to terminate proceedings per Section 57090 of the Cortese-Knox-Hertzberg Act. The LAFCo may waive the waiting period if it finds that the requirement is detrimental to the public interest.

### **3. Election**

- a. A conducting authority's resolution which calls for an election must comply with the requirements of section 57100 et seq. of the Cortese-Knox-Hertzberg Act.  
All matters pertaining to elections must be coordinated with the Sacramento County Registrar of Voters. The conduct of the election must also be consistent with the recommendations of the Sacramento County Registrar of Voters.
- b. The election shall be conducted in accordance with Sections 57100 through 57179 of the Cortese-Knox-Hertzberg Act. The requirements of these sections include:
  - (1) The votes needed to confirm a change of organization or reorganization are generally in sections 51740 through 51743.
  - (2) The election shall take place within the territory to be consolidated, incorporated, disincorporated, formed into a district, or dissolved.
  - (3) Elections for annexations, detachments, mergers and subsidiary districts involve votes either in the changed territory and the remaining territory of the district or city, or in the



changed territory only, depending on statutory requirements (section 57103(b), (d) and (e)).

- (4) If the proposal would annex to a city territory with a population and assessed value of land equal to or exceeding 50 percent of the city's, an election must be held within both the territory to be annexed and the city.

- c. If the majority of votes cast in an election confirm the proposal, the conducting authority shall adopt a resolution confirming the order of the change of organization or reorganization.

### **C. LAFCo Completion of Actions**

1. The LAFCo Executive officer shall prepare and record a certificate of Completion after the conducting authority adopts a resolution ordering a change of organization or reorganization without election, or after the conducting authority confirms an order for a change after confirmation by the voters, unless the conducting authority's resolution is not in compliance with the boundaries, modifications and conditions specified by the LAFCo.
2. The Executive Officer shall record a certified copy of the Certificate of Completion with the County recorder and file a copy with the clerk of the legislative body of each local agency subject to the change.
3. The Executive officer shall file the Certificate of completion, resolutions, legal descriptions, and parcel maps with the following:
  - (a) The Board of Equalization;
  - (b) The County Assessor;
  - (c) The County Auditor; and
  - (d) The Secretary of State, if the LAFCo action involves a city.
4. Upon the execution of the certificate of completion by the Executive officer, the action is deemed completed.