

October 3, 2011 Agenda Item No. 7b (Action)

September 26, 2011

TO: Local Agency Formation Commission

FROM: Ad Hoc Committee on Policies and Procedures (Luce, Rodeno, and Simonds)

SUBJECT: Amendment to the General Policy Determinations

The Commission will consider a draft amendment to its General Policy Determinations to establish an additional exemption to its current declaration discouraging annexation proposals involving undeveloped or underdeveloped lands unless the affected territory is subject to a specific development plan or agreement. The draft amendment would further exempt city annexation proposals involving lands that are part of an unincorporated island. The draft amendment is being presented to the Commission for adoption.

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California located in all 58 counties in California. LAFCOs are responsible for regulating the formation and development of local governmental agencies under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"). LAFCOs inform their regulatory responsibilities through various regional planning activities, namely designating spheres of influence for all cities and special districts. CKH directs LAFCOs to establish written policies and procedures and exercise all of their delegated powers in a manner consistent with those policies and procedures. Furthermore, in adopting policies and procedures, LAFCOs are encouraged to establish specific standards for evaluating change of organization of organization or reorganization proposals, such as annexations and detachments. This includes establishing definitions or other quantifiable criteria to assist in assessing the merits of proposed local government boundary changes.

A. Background

LAFCO of Napa County's ("Commission") General Policy Determinations serve as the agency's core policy document with respect to establishing basic principles and standards in administering LAFCO law in Napa County. Key provisions include deferring to the County of Napa General Plan in determining agricultural and open-space land use designations in reviewing all types of proposals, requests, and other types of applications. The document also directs the Commission to designate cities and special districts' spheres of influence as explicit guides to urban development with limited exceptions; the latter declaration discouraging, among other things, the inclusion of municipal greenbelts into city spheres.

Lewis Chilton, Vice Chair Councilmember, Town of Yountville

Joan Bennett, Commissioner Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner Councilmember, City of Napa Bill Dodd, Chair County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner County of Napa Supervisor, 2nd District Brian J. Kelly, Commissioner Representative of the General Public

Gregory Rodeno, Alternate Commissioner Representative of the General Public

> Keene Simonds Executive Officer

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In April 2011, the Commission adopted a comprehensive update to its General Policy Determinations consistent with the recommendation of the Ad Hoc Committee on Policies and Procedures ("Committee"). The update was the first of its kind since the early 1980s and addressed several new responsibilities of the Commission. This included establishing new policies, procedures, and review standards as it relates to preparing sphere of influence updates and municipal service reviews along with overseeing outside service extensions. The update also included new policies concerning long-standing responsibilities to better reflect the present preferences and objectives of the Commissioners in administering their regulatory and planning responsibilities. Most notably, this led the Commission to include a new policy statement to further manage the *timing* of urban development (emphasis added). Specifically, the Commission decided to explicitly discourage proposals involving the annexation of undeveloped or underdeveloped lands to cities and special districts that provide core urban services unless subject to a specific development plan or agreement. This statement is codified in the General Policy Determinations under Section II/B/3.

B. Discussion

The Committee believes an amendment to General Policy Determinations Section II/B/3 is warranted to establish a second exemption for city annexation proposals in which the affected lands are part of an unincorporated island. The amendment, if adopted, would help reconcile two distinct and equally important Commission policy objectives. This reconciliation, in particular, involves memorializing the Commission's dual interest in (a) discouraging undeveloped or underdeveloped land annexations to cities and districts without known development projects or agreements while (b) encouraging the reduction or elimination of unincorporated islands; the latter of which generally involve underdeveloped lands relative to city zoning standards. The proposed draft amendment language is as follows.

Timing of Urban Development:

The Commission discourages proposals involving the annexation of undeveloped or underdeveloped lands to cities and special districts that provide potable water, sewer, fire protection and emergency response, or police protection services. This policy does not apply to proposals in which the affected lands are subject to a specific development plan or agreement under consideration by a land use authority. This policy does not apply to city annexation proposals in which the affected lands are part of an unincorporated island.

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C. Analysis

The proposed draft amendment to General Policy Determinations Section II/B/3 is a measured approach in addressing an unintended disconnect in policy objectives tied to the adoption of the referenced policy statement by the Commission in April 2011. The Committee belatedly recognizes this policy statement as currently written to narrow the timing of urban development facilitated by annexations to developed or developing lands is at odds with the interest of the Commission to encourage city island annexations. In particular, the policy statement dissuades annexations involving islands given the affected lands generally qualify as undeveloped relative to city zoning standards; an action that conflicts with the Commission's ongoing efforts to encourage city annexations to reduce or – and preferably – eliminate islands and the governance inefficiencies they perpetuate. Markedly, the proposed draft amendment clarifies the Commission's equal interest in narrowing urban development facilitated by annexations to developed or developed or developed or developed or developed or developed or developed interest in narrowing urban development facilitated by annexations to developed or developed or developed or developed or developed or developed or developed.

It is important to note the proposed draft amendment to General Policy Determinations Section II/B/3 is intentionally broad in the sense it would apply to city annexations involving both (a) entire islands and (b) portions of islands. This intentional broadening is consistent with the practice of the Commission to approve city annexations involving a portion of an island if, among other matters, reasonable efforts have been in exploring expansion to eliminate the entire island (i.e., something is better than nothing).¹ However, if interested in reflecting a more absolute position, the Commission may consider narrowing the proposed draft amendment to apply only to city annexations involving entire islands.

D. Alternatives for Commission Action

The following two actions are available for Commission consideration with respect to considering the proposed draft amendment to General Policy Determinations Section II/B/3.

Alternative One:	Approve by motion the attached draft amendment with or without modifications as specified.
Alternative Two:	Continue consideration of the draft amendment to a future meeting while providing additional direction to the Committee as needed.

E. Recommendation

The Committee recommends Alternative One as outlined in the preceding section.

¹ Reasonable efforts include documented outreach to neighboring island landowners and residents.

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F. Procedures for Consideration

The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from the Committee;
- 2) Invite public comment; and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted on behalf of the Committee,

Keene Simonds Executive Officer

Attachment:

1) General Policy Determinations with Proposed Draft Amendment to Section II/B/3 (track-changes)



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY General Policy Determinations

Adopted: August 9, 1972 Last Amended: ********

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 specifies the Commission's principal objectives are discouraging urban sprawl, preserving openspace and agricultural resources, and encouraging the orderly formation and development of cities and special districts and their municipal services based on local conditions. Regulatory duties include approving or disapproving proposals involving the formation, reorganization, expansion, and dissolution of cities and special districts. The Commission's regulatory actions must be consistent with its adopted written policies and procedures. The Commission must also inform its regulatory duties through a series of planning activities, which includes establishing and updating spheres of influence.

II. General Policies

The intent of these policies is to serve as the Commission's constitution with regards to outlining clear goals, objectives, and requirements in uniformly fulfilling its prescribed duties. The Commission reserves discretion in administering these policies, however, to address special conditions and circumstances as needed.

A) Legislative Declarations

The Commission acknowledges and incorporates into its own policies, the policies of the Legislature regarding the promotion of orderly, well-planned development patterns that avoid the premature conversion of agricultural and open-space lands and ensure effective, efficient, and economic provision of essential public services. The Commission wishes to specifically note the following declarations and policies contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:

(1) The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services. (G.C. §56000)

- (2) It is the intent of the Legislature that each commission, not later than January 1, 2002, shall establish written policies and procedures and exercise its powers pursuant to this part in a manner consistent with those policies and procedures, and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns. (G.C. §56300)
- (3) In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:
 - a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.
 - b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency. (G.C. §56377)

B) Commission Declarations

The Commission declares its intent not to permit the premature conversion of designated agricultural or open-space lands to urban uses. The Commission shall adhere to the following policies in the pursuit of this intent, and all proposals, projects, and studies shall be reviewed with these policies as guidelines.

(1) <u>Use of County General Plan Designations:</u>

In evaluating a proposal, the Commission will use the Napa County General Plan to determine designated agricultural and open-space lands. The Commission recognizes that inconsistencies may occur between the County General Plan and the affected city general plan with respect to agricultural designations. Notwithstanding open-space these potential and inconsistencies, the Commission will rely on the Napa County General Plan in recognition of the public support expressed in both the incorporated and unincorporated areas of Napa County for the County's designated agricultural and open-space lands through enactment of Measure "J" in 1990 and Measure "P" in 2008.

(2) Location of Urban Development:

The Commission shall guide urban development away from designated agricultural or open-space lands until such times as urban development becomes an overriding consideration as determined by the Commission.

(3) <u>Timing of Urban Development:</u>

The Commission discourages proposals involving the annexation of undeveloped or underdeveloped lands to cities and special districts that provide potable water, sewer, fire protection and emergency response, or police protection services. This policy does not apply to proposals in which the affected lands are subject to a specific development plan or agreement under consideration by a land use authority. This policy does not apply to city annexation proposals in which the affected lands are part of an unincorporated island.

(4) <u>Factors for Evaluating Proposals Involving Agricultural or Open-Space</u> <u>Lands:</u>

The Commission recognizes there are distinct and varying attributes associated with agricultural and open-space designated lands. A proposal which includes agricultural or open-space designated land shall be evaluated in light of the existence of the following factors:`

- a) "Prime agricultural land", as defined by G.C. §56064.
- b) "Open-space", as defined by G.C. §56059.
- c) Land that is under contract to remain in agricultural or open-space use, such as a Williamson Act Contract or Open-Space Easement.
- d) Land which has a County General Plan agricultural or open-space designation (Agricultural Resource or Agriculture, Watershed and Open-Space).
- e) The adopted general plan policies of the County and the affected city.
- f) The agricultural economic integrity of land proposed for conversion to urban use as well as adjoining land in agricultural use.
- g) The potential for the premature conversion of adjacent agricultural or open-space designated land to urban use.
- h) The potential of vacant non-prime agricultural land to be developed with a use that would then allow the land to meet the definition of prime agricultural land under the Williamson Act.

(5) <u>Encouragement of Reorganizations:</u>

The Commission encourages reorganization proposals as a means of coordinating actions of local governmental agencies involving, but not limited to, annexation of land to two or more public agencies. The Commission recognizes the usefulness of the reorganization concept as a vehicle designed to simplify and expedite such actions.

III. Policies Concerning Spheres of Influence

It is the intent of the Commission to establish spheres of influence that promote the orderly expansion of cities and special districts to ensure effective, efficient and economic provision of essential public services, including public sewer and water, fire protection and emergency response, and police protection.

A) Legislative Declarations

The Commission acknowledges and incorporates into its own policies, the policies of the Legislature as they relate to spheres of influence. The Commission wishes to specifically note the following declarations and policies contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:

- (1) "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission. (G.C. §56076)
- (2) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere. (G.C. §56425(a)).
- (3) The Commission encourages cities and the County to meet and agree to sphere of influence changes. The Commission shall give "great weight" to these agreements to the extent they are consistent with its policies.
 (G.C. §56425(b) and (c))
- (4) On or before January 1, 2008, and every five years thereafter, the Commission shall, as necessary, review and update each sphere of influence. (G.C. §56425(g))

B) General Guidelines for the Review of Spheres of Influence

It is the intent of the Commission to consider the following factors whenever reviewing a proposal that includes the adoption, amendment, or update of a sphere of influence.

- (1) The Commission incorporates the following definitions:
 - a) An "establishment" refers to the initial development and determination of a sphere of influence by the Commission.
 - b) An "amendment" refers to a limited change to an established sphere of influence typically initiated by a landowner, resident, or agency.
 - c) An "update" refers to a comprehensive change to an established sphere of influence typically initiated by the Commission.
- (2) The Commission discourages proposals from residents, landowners, and agencies proposing amendments to spheres of influence unless justified by special conditions and circumstances.
- (3) The Commission shall consider the following land use criteria in establishing, amending, and updating spheres of influence:
 - a) The present and planned land uses in the area, including designated agricultural and open-space lands.
 - b) Consistency with the County General Plan and the general plan of any affected city.
 - c) Adopted general plan policies of the County and of any affected city that guide future development away from designated agricultural or open-space land.
 - d) Adopted policies of affected agencies that promote infill of existing vacant or underdeveloped land.
 - e) Amount of existing vacant or underdeveloped land located within any affected agency's jurisdiction and current sphere of influence.
 - f) Adopted urban growth boundaries by the affected land use authorities.

- (4) The Commission shall consider the following municipal service criteria in establishing, amending, and updating spheres of influence:
 - a) The present capacity of public facilities and adequacy of public services provided by affected agencies within the current jurisdiction and the adopted plans of these agencies to improve any municipal service deficiency, including adopted capital improvement plans.
 - b) The present and probable need for public facilities and services within the area proposed for inclusion within the sphere of influence and the plans for the delivery of services to the area.
- (5) The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission, however, shall consider removal of land from an agency's sphere of influence if any of the two conditions apply:
 - a) The land is outside the affected agency's jurisdictional boundary but has been within the sphere of influence for 10 or more years.
 - b) The land is inside the affected agency's jurisdictional boundary, but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

C) City Spheres of Influence

The Commission shall adhere to the following policies in the establishment, amendment, or update of a city's sphere of influence.

- Location of Urban Development: It shall be a basic policy of the Commission is that the sphere of influence shall guide and promote the affected city's orderly urban growth and development.
- (2) <u>Sphere of Influence to Reflect Service Capacities</u>: A city's sphere of influence should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission.
- (3) <u>Use of County General Plan Agricultural and Open-Space Designations</u>: The Commission shall use the most recently adopted County General Plan as the basis to identify designated agricultural and open-space lands in establishing, amending, and updating a city's sphere of influence.

(4) <u>Avoidance of Inclusion of Agricultural and Open-Space Lands</u>:

Land specifically designated as agricultural or open-space lands shall not be approved for inclusion within any city's sphere of influence for purposes of urban development unless exceptions are warranted based on the criteria outlined in Section B(3) and (4).

(5) <u>Preference for Infill</u>:

The Commission will consider the amount of vacant land within the established sphere of influence of a city when considering amendments and updates. The Commission encourages sphere of influence proposals that promote the infill of existing vacant or underdeveloped land thereby maximizing the efficient use of existing city services and infrastructure as well as discouraging urban sprawl. Conversely, the Commission discourages sphere of influence proposals involving vacant or underdeveloped land that requires the extension of urban facilities, utilities, and services where infill is more appropriate.

- (6) <u>Spheres of Influence as Guides for City Annexations</u>: A city's sphere of influence shall generally be used to guide annexations within a five-year planning period. Inclusion of land within a sphere of influence shall not be construed to indicate automatic approval of an annexation proposal; an annexation will be considered on its own merits with deference assigned to timing.
- (7) <u>Joint Applications</u>:

When an annexation is proposed outside a city's sphere of influence, the Commission may consider both the proposed annexation and the necessary change in the sphere of influence at the same meeting. The change to the sphere of influence to include the affected territory, however, shall be considered and resolved prior to Commission action on the annexation.

- (8) <u>Cooperative Planning and Development</u>: Spheres of influence shall be developed by the Commission in cooperation with input from the cities and the County.
 - a) The urban areas as delineated by the spheres of influence or other boundary adopted by the Commission should be recognized and considered as part of planning and development programs of the affected cities as well as any affected special districts and the County.
 - b) The Commission shall encourage cities to first develop existing vacant and underdeveloped infill lands located within their jurisdictions and spheres of influence to maximize the efficient use of available services and infrastructure and discourage the premature conversion of agricultural and open-space lands to urban uses. The Commission shall encourage the development of vacant or underdeveloped infill

lands located within cities' jurisdictions before the annexation of lands requiring the extension of urban facilities, utilities, and services.

c) No urban development should be permitted by the County to occur on unincorporated lands within a city's sphere of influence. If approval of urban development in such areas is legally required of the County, such development should conform to applicable city standards and be the subject of a joint city-County planning effort.

D) Special District Spheres of Influence

The Commission shall adhere to the following policies in the establishment, review, amendment, or update of a special district's sphere of influence.

- <u>Urbanizing Effect of Services</u>: It shall be a basic policy of the Commission that the establishment, amendment, or update of a special district's sphere of influence serves to promote urban development with limited exceptions.
- (2) <u>Sphere of Influence to Reflect Service Capacities</u>: A special district's sphere of influence should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission.
- (3) <u>Exclusion of Agricultural and Open-Space Lands</u>:

Land designated agricultural or open-space by the applicable city or County general plan shall not be approved for inclusion within any special district's sphere of influence for purposes of urban development through the extension of essential public services. Such designations shall be recognized by the Commission as designating the land as non-urban in character in regard to the existing use of the area or its future development potential. The Commission may consider exceptions to this policy based on evidence provided by the affected special district demonstrating all of the following:

- a) The expansion is necessary in order to provide potable water or sewer to the territory to respond to a documented public health or safety threat.
- b) The affected special district can provide adequate potable water or sewer service to the affected territory without extending any mainline more than 1,000 feet.
- c) The expansion will not promote the premature conversion of agricultural or open-space land to urban use.

(4) <u>Sphere of Influence as a Guide to Special District Annexations:</u>

A special district's sphere of influence shall generally be used to guide annexations within a five-year planning period. Inclusion of land within a sphere of influence shall not be construed to indicate automatic approval of an annexation proposal; an annexation will be considered on its own merits with deference assigned to timing.

(5) <u>Joint Applications</u>:

When an annexation is proposed outside a special district's sphere of influence, the Commission may consider both the proposed annexation and the necessary change in the sphere of influence at the same meeting. The change to the sphere of influence to include the affected territory, however, shall be considered and resolved prior to Commission action on the proposed annexation.

- (6) <u>Cooperative Planning and Development Programs</u>: Spheres of influence shall be developed by the Commission in cooperation with any affected cities and the County.
 - a) The service area of a special district as delineated by the sphere of influence or other boundary adopted by the Commission should be recognized and considered as part of the planning and development programs of any affected district, city, and the County.

IV. Policies Concerning the County Of Napa

A) Location of Urban Development

- (1) Development of an urban character and nature should be located within areas designated as urban areas by the County General Plan in close proximity to a city or special district which can provide essential public services.
- (2) Urban development should be discouraged if it is apparent that essential services necessary for the proposed development cannot readily be provided by a city or special district.
- (3) The Commission shall review and comment, as appropriate, on the extension of services or the creation of new service providers to furnish services into previously unserved territory within unincorporated areas.

B) Use of County Service Areas and Community Services Districts

(1) In those unincorporated urban areas where essential urban services are being provided by the County, the Board of Supervisors should consider the establishment of county service areas or community services districts so that area residents and landowners pay their fair and equitable share for the services received.

V. Policies Concerning Cities

A) Incorporations

- (1) The Commission discourages proposals to incorporate communities unless substantial evidence suggests the County and any affected special district are not effectively meeting the needs of the community.
- (2) The Commission discourages proposals to incorporate communities involving land that is not already receiving essential public services from a special district.
- (3) Any community proposed for incorporation in Napa County shall have at least 500 registered voters residing with the affected area at the time proceedings are initiated with the Commission as required under G.C. §56043.

B) Outside Service Agreements

- (1) Commission approval is needed for a city to provide new or extended services outside its jurisdictional boundary by contracts or agreements. A Request by a city shall be made by resolution of application and processed in accordance with G.C. §56133.
- (2) The Commission shall incorporate the following definitions in administering these policies:
 - a) "Services" shall mean any service provided by a city unless otherwise exempted under G.C. 56133.
 - b) "New" shall mean the actual extension of a municipal service to previously unserved non-jurisdictional land. Exceptions include nonjurisdictional land in which the city or County has adequately contemplated the provision of the subject service on or before January 1, 2001 as determined by the Commission.

- c) "Extended" shall mean the intensification of an existing municipal service provided to non-jurisdictional land associated with a land use authority's redesignation or rezoning after January 1, 2001 as determined by the Commission.
- (3) The Commission shall establish policies and procedures in the review of outside service agreement requests involving a city.

VI. Policies Concerning Special Districts

A) In Lieu of New District Creation

(1) Where a limited-purpose special district exists and additional services are required for an unincorporated area designated as urban by the County General Plan, the Commission encourages reorganizations to provide the extended services of the existing limited services special district.

B) Preference for Districts Capable of Providing All Essential Services

(1) All new special districts proposed for formation in the unincorporated urban areas as designated under the County General Plan should be capable of providing essential urban type services which include, but are not limited to, water, sanitation, fire protection, and police protection.

C) Establishing New Services or Divestiture of Existing Service Powers

- (1) Commission approval is required for a special district to establish new services or divest existing service powers within all or parts of its jurisdictional boundary. Requests by a special district shall be made by adoption of a resolution of application and include all the information required and referenced under G.C. §56824.12.
- (2) The Commission incorporates the following definitions in administering these policies:
 - a) "New" shall mean activating a latent service not previously authorized.
 - b) "Divestiture" shall mean deactivating a service power previously authorized.
- (3) The Commission shall consider the effect of the proposal in supporting planned and orderly growth within the affected territory.

D) Outside Service Agreements

- (1) Commission approval is needed for a special district to provide new or extended services outside its jurisdictional boundary by contracts or agreements. Requests made by special districts shall be made by resolution of application and processed in accordance with G.C. §56133.
- (2) The Commission shall incorporate the following definitions in administering these policies:
 - a) "Services" shall mean any service provided by a special district subject to the jurisdiction of the Commission unless otherwise exempted under G.C. 56133.
 - b) "New" shall mean the actual extension of a municipal service to previously unserved non-jurisdictional land. Exceptions include nonjurisdictional land in which the special district or land use authority has adequately contemplated the provision of the subject service on or before January 1, 2001 as determined by the Commission.
 - c) "Extended" shall mean the intensification of an existing municipal service provided to non-jurisdictional land associated with a land use authority's redesignation or rezoning after January 1, 2001 as determined by the Commission.
- (3) The Commission shall establish policies and procedures in the review of outside service agreement requests involving a special district.

VII. Policies Concerning Annexations

A) General Policies Concerning Annexations to a City

(1) <u>Inclusion in Sphere of Influence</u>:

The affected territory shall be included within the affected city sphere of influence prior to issuance of the Executive Officer's certificate of filing for the subject annexation proposal. The Executive Officer may agendize both a sphere of influence amendment and annexation application for Commission consideration and action at the same meeting.

(2) <u>Substantially surrounded</u>:

For the purpose of applying the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act, most notably G.C. §56375, the affected territory of an annexation proposal shall be deemed "substantially surrounded" if the following two conditions apply:

- a) The affected territory lies within the city's sphere of influence.
- b) The affected territory is surrounded by no less than 66.6% by the city, as set forth in a boundary description accepted by the Executive Officer.

B) Policies Concerning Island Annexations

- <u>Boundary of Areas Not 100% Surrounded by City</u>: The outside boundary of an unincorporated island less than 100% surrounded shall be the affected city sphere of influence boundary line.
- (2) <u>Criteria for Determining a Developed Island</u>: A developed island shall substantially meet all the following criteria:
 - a) The island shall have a housing density of at least 0.5 units per gross acre.
 - b) All parcels within the island can readily receive from the affected city or any affected special district basic essential services including but not limited to police protection, fire protection, potable water and sanitation.

(3) <u>Policy Regarding Annexations Within an Identified Island Area:</u>

When an annexation proposal includes territory within a developed island, the Commission shall invite the affected city to amend the boundary of the proposed annexation to include the entire island. To the extent permitted by law, the Commission reserves the right to expand the boundaries of the proposed annexation to include the entire island.

C) Policies Concerning Annexation of Municipally-Owned Land

(1) <u>Restricted Use Lands Owned by Public Agencies</u>: The Commission shall disapprove annexation of publicly-owned land designated agricultural or open-space or subject to a Williamson Act contract unless the land will be used for a municipal purpose and no suitable alternative site reasonably exists within the affected city's sphere of influence. (2) <u>Facilities Exempt from Policy</u>:

Municipal purpose shall mean a public service facility which is urban in nature such as water and sewage treatment facilities and public buildings, but shall not include land which is vacant or used for wastewater reclamation irrigation, a reservoir, or agricultural, watershed or open-space.

D) Concurrent Annexation Policies

It is the intent of the Commission to promote concurrent annexations to cities and special districts whenever appropriate. The Commission may waive its concurrent annexation policies based on unique conditions or circumstances surrounding the annexation proposal which make application of the policy impractical and will not result in the annexation of lands designated agricultural or open-space by the applicable city or County General Plan.

- (1) City of Napa and Napa Sanitation District
 - a) <u>Annexations to the District</u>:

All annexation proposals to the Napa Sanitation District located outside of the City of Napa shall first be required to annex to the City if the affected territory is located within the City's sphere of influence as adopted by the Commission, is located within the City Residential Urban Limit Line (RUL) as adopted by the City, and annexation is legally possible.

b) <u>Annexations to the City</u>:

All 100% consent annexation proposals to the City of Napa located outside of the Napa Sanitation District shall be required to annex to the Napa Sanitation District if the affected territory is located within the District's sphere of influence and if sanitation service is available.

- (2) City of American Canyon and American Canyon Fire Protection District
 - a) <u>Annexations to the District</u>:

All annexation proposals to the American Canyon Fire Protection District located outside of the City of American Canyon shall be required to annex to the City if the affected territory is located within the City's sphere of influence as adopted by the Commission and if annexation is legally possible.

b) <u>Annexations to the City:</u>

All annexation proposals to the City of American Canyon located outside of the American Canyon Fire Protection District shall be required to annex to the District if the affected territory is located within the District's sphere of influence.

- (3) County Service Area No. 4
 - a) <u>Annexations to Cities</u>:

All annexation proposals to a city shall be required to concurrently detach from County Service Area No. 4 unless the affected territory has been, or is expected to be, developed to include planted vineyards totaling one acre or more in size.