

Local Agency Formation Commission of Napa County Subdivision of the State of California

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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 6b (Discussion)

TO: Local Agency Formation Commission

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MEETING DATE: June 3, 2019

SUBJECT: Update on Draft Policy on Spheres of Influence

RECOMMENDATION

It is recommended the Commission discuss the comments received on the draft *Policy on Spheres of Influence* and consider providing feedback or direction to staff and the Policy Committee as appropriate.

BACKGROUND AND SUMMARY

The Commission will receive an update on the draft *Policy on Spheres of Influence* ("Policy"). This item is being presented to the Commission for discussion and direction to the Policy Committee ("Committee") and staff.

The Committee was established to comprehensively review the agency's written policies and propose amendments or adoption of new policies as appropriate. Chair Rodeno and Commissioner Mohler currently serve on the Committee. Staff provides support for the Committee as needed.

Given the considerable importance of spheres of influence (SOIs) with respect to jurisdictional boundary changes and provision of municipal services, the Committee recommends the Commission adopt a new stand-alone Policy that would improve upon the existing SOI policies that are contained in the Commission's adopted *General Policy Determinations*. Section III of the *General Policy Determinations* comprises the Commission's existing SOI policies, and is included as Attachment One. Once adopted by the Commission, the new stand-alone Policy would supersede Section III of the *General Policy Determinations*.

The Committee recommends improving the SOI definitions in local policy and prescribing a uniform process for the Commission to consider SOI amendments, reviews, and updates. This includes the need to establish a direct link to municipal service reviews. The Committee prepared a draft Policy to address these issues.

On August 6, 2018, the Committee presented a preliminary draft Policy to the Commission. The Commission directed staff to circulate the draft Policy for public review and comment. Comments received were reviewed by the Committee and incorporated into a revised draft Policy. The revised draft Policy is included as Attachment Two.

On March 11, 2019, the Committee presented the revised draft Policy to the Commission as part of a public workshop. The revised draft Policy was circulated for public review and comment. Comments were received at the workshop (Attachment Three) and through comment letters submitted by the City of American Canyon (Attachment Four), the City of St. Helena (Attachment Five), and the County of Napa (Attachment Six).

On May 1, 2019, the Committee met and reviewed all comments received on the revised draft Policy. The Committee agreed it would be appropriate to provide the submitted comments to the full Commission and seek feedback and guidance on next steps prior to making further revisions to the Policy. With this in mind, it is recommended the Commission review the comments received on the Policy and provide direction to staff and the Committee as appropriate. The Commission may request additional information for specific areas of interest, responses to comments on the Policy, or further revisions prior to the Committee returning with a proposed Policy for formal adoption at a future meeting.

It is important to note Commission Counsel prepared a memorandum, included as Attachment Seven, that summarizes the purposes and requirements of SOIs, key statutes related to SOIs, definitions and use of terms such as open space and agricultural lands, and factors that may be relevant to SOI actions taken by the Commission.

The following is a summary of comments received on the revised draft Policy separated into three recurring issue categories. The Commission is invited to provide feedback to the Committee, including possible requests for more information on any particular issues.

Agricultural and Open Space Lands Definitions

Comments received indicate a strong need for a fair and uniform approach throughout the Policy with respect to agricultural and open space lands. Comments also indicate a strong need for maps to be prepared that show various definitions and classifications of agricultural and open space lands.

The Committee and staff continue to explore a variety of perspectives and sources of data. This includes examining the definitions codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), General Plan land use designations, zoning classifications, rural and urban limit lines, underlying land uses irrespective of land use designations, and other local considerations.

In the memo from Counsel, included as Attachment Seven, Section B includes the codified definitions in CKH as well as descriptions of how these provisions relate to the Commission's decision-making processes.

Attachment Eight includes the following key maps showing various definitions and classifications of agricultural and open space lands in Napa County:

- Farmland Mapping and Monitoring Program (FMMP) Napa County Important Farmland 2016 (California Department of Conservation)
- Storie Index ratings (Bay Area Greenprint)
- Irrigation capability class (Bay Area Greenprint)
- County of Napa General Plan Land Use
- County of Napa Agricultural Preserve
- County of Napa Agricultural and Open Space Lands Not Subject to Measure P

Notably, the maps showing the Storie Index ratings and irrigation capability class help identify the location of any "prime agricultural land" as defined in CKH.¹ On the other hand, land is only considered "prime farmland" under the Farmland Mapping and Monitoring Program (FMMP) if *both* irrigation and soil type criteria are met, along with other criteria.² Staff reviewed all FMMP definitions and believes it is reasonable to assume all of the following meet the definition of "prime agricultural land" under CKH:

- Prime Farmland
- Farmland of Statewide Importance
- Unique Farmland
- Farmland of Local Importance
- Grazing Land

However, not all "prime agricultural land" as defined in CKH can be easily identified and mapped. For example, Subsections (d) and (e) of G.C. Section 56064 refer to agricultural production value, yet parcel-specific agricultural production data sources are not available. This is important because very small agricultural operations may meet the CKH definition of "prime agricultural land", but would not appear in any readily-available databases and surveys from organizations such as the United States Department of Agriculture (USDA) Natural Resources Conservation Service.³

It is recommended the Commission discuss the various classifications and definitions of agricultural and open space lands, and consider providing direction to the Committee with respect to possible revisions to the Policy.

¹ Land is considered "prime agricultural land" under CKH if any one of the qualifications listed in Subsections (a) through (e) of Government Code Section (G.C.) 56064 is met.

² The "prime farmland" criteria under FMMP are more stringent than the "prime agricultural land" criteria under CKH, and additional qualifications must be met under FMMP to be considered "prime farmland".

³ The CKH definition of "prime agricultural land" is broader than similar definitions used by FMMP or USDA. Most notable is the annual production threshold of \$400 under CKH. The USDA crop survey uses a production threshold of \$1,000 annually. One might assume the Agricultural Commissioner would be a source of data for mapping CKH defined "prime agricultural land". While the Agricultural Commissioner does produce an Annual Crop Report, monetary values associated with agricultural production are provided by the USDA Crop Survey. In Napa County, grape growers report planted acres, variety, spacing, and number of vines as part of the permitting process, but not production values.

Outside Service Agreements

Comments received indicate a desire for a discussion of outside service agreements, and specifically the "Dodd Pilot Program" codified as G.C. Section 56133.5, to be incorporated into the Policy. Several comments also relate to the historical context of existing outside services that were extended by cities into unincorporated areas. Notably, the County of Napa historically approved several projects that rely on varying levels of municipal services provided by cities, and these projects were approved – and municipal services were extended – prior to the legislative mandate for LAFCOs to adopt and update SOIs.⁴

Section C of the memo from Counsel, included as Attachment Seven, describes the relationship between SOIs and outside service agreements, including relevant sections of CKH. A summary of the Dodd Pilot Program is included as Subsection C(3) of the memo.⁵

All relevant sections of CKH specific to outside service agreements are already addressed in the Commission's adopted *Policy on Outside Service Agreements*. However, there is merit to revising the Policy on SOIs to cross-reference these relevant statutes and also establish a uniform process to utilize the Dodd Pilot Program. Specifically, it appears appropriate to include a new section in the Policy on SOIs that guides the Commission in determining when SOI changes involving the affected territory and affected agency are not desirable, and therefore the Dodd Pilot Program may be applicable.

It is important to note any outside service agreement that pre-dates January 1, 2001, is considered "grandfathered" under Subsection (e)(4) of G.C. Section 56133 and does not require Commission approval. It should also be noted the existence of an outside service agreement should not be construed to imply the affected territory will be included within the affected service provider's SOI upon request of the affected agency. The Policy is intended to recognize the existence of many outside service agreements in Napa County and guide the Commission's decision-making as it relates to possible actions to reconcile the relationships between outside services and SOIs.

It is recommended the Commission discuss the extent to which the Policy should address outside service agreements.

⁴ While the Commission does not currently have information relating to the total number of existing outside service agreements and the dates these services were originally extended, this information is being compiled as part of the scheduled Countywide Water and Wastewater Municipal Service Review that is being prepared by a private consultant. A draft report is expected to be completed before December 2019.

Pursuant to G.C. Section 56133.5, *if consistent with adopted policy* (emphasis added), the Commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its SOI to support existing or planned uses if the Commission determines all of the following: (1) the extension of service or services deficiency was identified and evaluated in a municipal service review; (2) The extension of service will not result in adverse impacts on open space or agricultural lands or growth inducing impacts; and (3) An SOI change involving the affected territory and affected agency is not feasible *or desirable based on the adopted policies* of the Commission (emphasis added).

Limited Exceptions Clause

Comments received indicate a need for clarification in Section V(A)(1) of the Policy, which currently states: "It shall be a basic policy of the Commission that the establishment, amendment, or update of a local agency's SOI is intended to facilitate the orderly extension of public services for urban development, with limited exceptions. Land designated as agricultural or open-space shall not be approved for inclusion within any local agency's SOI for purposes of urban development, with limited exceptions." (emphasis added)

Comments were received from local agencies that offer conflicting recommendations, with some agencies favoring removal of the phrase "with limited exceptions" and other agencies favoring the addition of specific details to clarify the Commission's intent and process.

Staff and the Committee reviewed the SOI policies of other LAFCOs to explore options. Some LAFCOs are silent on the matter and other LAFCOs provide detailed explanations of situations that may warrant exceptions. While there is no consistent or dominant approach, it does appear appropriate for Section V(A)(1) of the Policy to be revised to address the comments received.

It is recommended the Commission discuss and provide feedback to the Committee to revise Section V(A)(1) of the Policy. The following three baseline options have been identified by staff, and the Commission is invited to consider alternative suggestions:

• Option One:

Eliminate the phrase "with limited exceptions" from Section V(A)(1) of the Policy.

• Option Two:

Add language to Section V(A)(1) of the Policy to clarify when limited exceptions may be appropriate. For example, the Commission may wish to consider replacing the phrase "with limited exceptions" with "unless the Commission and affected local agencies determine a particular SOI action is needed to promote the planned, orderly, or efficient development of an area based on unique conditions."

• Option Three:

No revisions to Section V(A)(1) of the Policy.

ATTACHMENTS

- 1) General Policy Determinations (Section III only)
- 2) Revised Draft Policy on Spheres of Influence (Presented March 11, 2019)
- 3) Comments on Revised Draft Policy on Spheres of Influence Received at March 11, 2019 Workshop
- 4) City of American Canyon Comments on Revised Draft Policy on Spheres of Influence
- 5) City of St. Helena Comments on Revised Draft Policy on Spheres of Influence
- 6) County of Napa Comments on Revised Draft Policy on Spheres of Influence
- 7) Commission Counsel Memorandum
- 8) Maps of Agricultural and Open Space Lands (List on Page 3 of this Report)

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.

- (1) <u>Location of Urban Development:</u>
 - 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) Sphere of Influence to Reflect Service Capacities:

 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) Spheres of Influence as Guides for City Annexations:

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) Joint Applications:

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) Cooperative Planning and Development:

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.

(1) <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) Sphere of Influence to Reflect Service Capacities:

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.



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Spheres of Influence

(Preliminary Draft Presented: August 6, 2018; Revised Draft Presented: March 11, 2019)

I. BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, beginning with California Government Code (G.C.) §56425, requires the Local Agency Formation Commission (LAFCO or "Commission") to establish and maintain spheres of influence for all local agencies within its jurisdiction. A sphere of influence (SOI) is defined by statute as a "plan for the probable physical boundary and service area of a local government agency as determined by the commission" (G.C. §56076). Every determination made by LAFCO shall be consistent with the SOIs of the local agencies affected by that determination (G.C. §56375.5). The Commission encourages cities, towns, and the County of Napa ("County") to meet and agree to SOI 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)). Local agency SOIs are established and changed based on information in municipal service reviews, including adopted determinative statements and recommendations (G.C. §56430).

II. PURPOSE

The purpose of these policies is to guide the Commission in its consideration of SOI amendment requests as well as SOI reviews and updates initiated by LAFCO. This includes establishing consistency with respect to the Commission's approach in the scheduling, preparation, and adoption of SOI reviews and updates.

III. OBJECTIVE

It is the intent of the Commission to determine appropriate SOIs that promote the orderly expansion of cities, towns, and special districts in a manner that ensures effective, efficient, and economic provision of essential public services, including public water, wastewater, fire protection and emergency response, and law enforcement. The Commission recognizes the importance of considering local conditions and circumstances in implementing these policies. An SOI is primarily a planning tool that will:

- Serve as a master plan for the future organization of local government within the County by providing long range guidelines for the efficient provision of services to the public;
- Discourage duplication of services by two or more local governmental agencies;
- Guide the Commission when considering individual proposals for changes of organization;
- Identify the need for specific reorganization studies, and provide the basis for recommendations to particular agencies for government reorganizations.

IV. DEFINITIONS

Recognizing that an SOI is a plan for the probable physical boundary and service area of a local government agency as determined by LAFCO, the Commission incorporates the following definitions:

- A. "SOI establishment" refers to the initial adoption of a city or special district SOI by the Commission.
- B. "SOI amendment" refers to a single change to an established SOI, typically involving one specific geographic area and initiated by a landowner, resident, or local agency.
- C. "SOI review" refers to a comprehensive review of an established SOI conducted as part of a municipal service review (MSR). Based on information collected in the SOI review component of an MSR, the Commission shall determine if an SOI update is needed.
- D. "SOI update" refers to a single change or multiple changes to an established SOI, typically initiated by the Commission and based on information collected in the SOI review.
- E. "Zero SOI" when determined by the Commission, indicates a local agency should be dissolved and its service area and service responsibilities assigned to one or more other local agencies.
- F. "Study area" refers to territory evaluated as part of an SOI update for possible addition to, or removal from, an established SOI. The study areas shall be identified by the Commission in consultation with all affected agencies.

V. LOCAL CONSIDERATIONS

A. General Guidelines for Determining Spheres of Influence

- It shall be a basic policy of the Commission that the establishment, amendment, or update of a local agency's SOI is intended to facilitate the orderly extension of public services for urban development, with limited exceptions. Land designated as agricultural or open-space shall not be approved for inclusion within any local agency's SOI for purposes of urban development, with limited exceptions. For purposes of this section, the Commission will rely on the definitions of "agricultural lands", "prime agricultural land", and "open space" pursuant to G.C. §56016, §56064, and §56059, respectively.
- 2) The Commission encourages residents, landowners, and local agencies to submit requests for changes to SOIs to the LAFCO Executive Officer as part of the LAFCO-initiated MSR and SOI review process.

- The first Agricultural Preserve in the United States was created in 1968 by the Napa County Board of Supervisors. The Agricultural Preserve protects lands in the fertile valley and foothill areas of Napa County in which agriculture is and should continue to be the predominant land use. Measure P was passed by voters in 2008 and requires voter approval for any changes that would re-designate unincorporated agricultural and open-space lands. The Commission will consider the Agricultural Preserve and Measure P in its decision making processes to the extent they apply, prior to taking formal actions relating to SOIs.
- In the course of an SOI review for any local agency as part of an MSR, the Commission shall identify all existing outside services provided by the affected agency. For any services provided outside the affected agency's jurisdictional boundary but within its SOI, the Commission shall request the affected agency submit an annexation plan or justification for not annexing the territory that is receiving outside services.
- In the course of reviewing a city or town's SOI, the Commission will consider the amount of vacant land within the affected city or town's SOI. The Commission discourages SOI amendment requests involving vacant or underdeveloped land that requires the extension of urban facilities, utilities, and services where infill development is more appropriate.
- 6) A local agency's SOI shall generally be used to guide annexations within a five-year planning period. Inclusion of land within an SOI shall not be construed to indicate automatic approval of an annexation proposal.
- 7) When an annexation is proposed outside a local agency's SOI, the Commission may consider both the proposed annexation and SOI amendment at the same meeting. The SOI amendment to include the affected territory, however, shall be considered and resolved prior to Commission action on the annexation.
- A local agency's SOI should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission. This includes information contained in current MSRs. The Commission shall consider the following municipal service criteria in determining SOIs:
 - a) The present capacity of public facilities and adequacy of public services provided by affected local agencies within the current jurisdiction, and the adopted plans of these local agencies to address any municipal service deficiency, including adopted capital improvement plans.
 - b) The present and probable need for public facilities and services within the area proposed or recommended for inclusion within the SOI, and the plans for the delivery of services to the area.

- 9) The Commission shall consider, at a minimum, the following land use criteria in determining SOIs:
 - a) The present and planned land uses in the area, including lands designated for agriculture and open-space.
 - b) Consistency with the County General Plan and the general plan of any affected city or town.
 - c) Adopted general plan policies of the County and of any affected city or town that guide future development away from lands designated for agriculture or open-space.
 - d) Adopted policies of affected local agencies that promote infill development of existing vacant or underdeveloped land.
 - e) Amount of existing vacant or underdeveloped land located within any affected local agency's jurisdiction and current SOI.
 - f) Adopted urban growth boundaries by the affected land use authorities.

B. Scheduling Sphere of Influence Reviews and Updates

G.C. §56425(g) directs the Commission to update each SOI every five years, as necessary. Each year, the Commission shall adopt a Work Program with a schedule for initiating and completing MSRs and SOI reviews based on communication with local agencies. This includes appropriate timing with consideration of city, town, and County general plan updates. The Commission shall schedule SOI updates, as necessary, based on determinations contained in MSRs.

C. Environmental Review

SOI establishments, amendments, and updates will be subject to the review procedures defined in the California Environmental Quality Act (CEQA) and the Napa LAFCO CEQA Guidelines.

If an environmental assessment/analysis is prepared by an agency for a project associated with an SOI establishment, amendment, or update, and LAFCO is afforded the opportunity to evaluate and comment during the Lead Agency's environmental review process, then LAFCO can act as a Responsible Agency under CEQA for its environmental review process.

A complete set of the adopted environmental documents prepared for the project, a copy of the filed Notice of Determination/Notice of Exemption, and a copy of the Department of Fish and Wildlife fee receipt must be submitted as part of the application. Completion of the CEQA review process will be required prior to action by the Executive Officer or the Commission.

VI. FORM OF REQUEST FOR SPHERE OF INFLUENCE AMENDMENT

Any person or local agency may file a written request with the Executive Officer requesting amendments to an SOI pursuant to §56428(a). Requests shall be made using the form provided in Attachment A and be accompanied by a cover letter and a map of the proposed amendment. Requests shall include an initial deposit as prescribed under the Commission's adopted fee schedule. The Executive Officer may require additional data and information to be included with the request. Requests by cities, towns, and special districts shall be made by resolution of application.

VII. REVIEW OF REQUEST FOR SPHERE OF INFLUENCE AMENDMENT

The Executive Officer shall review and determine within 30 days of receipt whether the request to amend an agency's SOI is complete. If a request is deemed incomplete, the Executive Officer shall immediately notify the applicant and identify the information needed to accept the request for filing.

VIII. CONSIDERATION OF REQUEST FOR SPHERE OF INFLUENCE AMENDMENT

Once a request is deemed complete, the Executive Officer will prepare a written report with a recommendation. The Executive Officer will present his or her report and recommendation at a public hearing for Commission consideration. The public hearing will be scheduled for the next meeting of the Commission for which adequate notice can be given. The Commission may approve, approve with conditions, or deny the request for an SOI amendment. The Commission's determination and any required findings will be set out in a resolution that specifies the area added to, or removed from, the affected agency's SOI. While the Commission encourages the participation and cooperation of the subject agencies, the determination of an SOI is a LAFCO responsibility and the Commission is the sole authority as to the sufficiency of the documentation and consistency with law and LAFCO policy.

LAFCO Draft Policy on Spheres of Influence

Comments Received at March 11, 2019 Workshop

Eve Kahn, private citizen:

- Focus on protecting agriculture
- Consider CASA Compact and other state/regional housing policies
- Definitions of agriculture differ in Sonoma County, Yolo County, etc.
- Consider Greenbelt buffers
- Vacant land may have a useful purpose

Dylan Feik, Calistoga City Manager:

• Focus on appropriate provision of municipal services rather than urban growth

Steve Rogers, Yountville Town Manager:

- Underlying land use development should be considered in SOI actions
- SOIs don't always reflect where growth requiring municipal service has already occurred

Jason Holley, American Canyon City Manager:

- Does CA law require SOI policies?
- Does LAFCO have a map of agricultural and prime agricultural lands?
- Specify what would be considered "limited exceptions" to Section V(A)(1) in draft Policy
- Would draft Policy result in the removal of American Canyon's existing agricultural lands from the City's SOI?
- Inappropriate to defer to County's land use policy in LAFCO's policies
- Is there a standard for determining vacant land and how much is too much or too little?

Mark Joseph, American Canyon City Council:

- Consider a weighting system for the SOI factors in Section V of draft Policy
- Consider the jobs and housing imbalance

Brad Wagenknecht, Commissioner:

- Consider voter-approval component of Napa's rural urban limit line and Am Can's urban limit line
- Consider a weighting system for the SOI factors in Section V of draft Policy

Diane Dillon, Commissioner:

- Interested in available mapping of various types of agricultural lands
- Consider broadening approach to identifying agricultural and open space lands
- Outside services are occasionally the appropriate method of addressing service needs in Napa County due to unique local circumstances
- Consider history of existing outside service agreements

Scott Sedgley, Commissioner:

• With respect to "limited exceptions" language in Section V(A)(1), best to require the affected agency or interested party to justify it to LAFCO; flexibility is important

Ryan Gregory, Commissioner:

- Consider the big picture; housing stress
- Municipal service reviews and General Plan Housing Element cycles aren't aligned

Kenneth Leary, Commissioner:

- Consider whether there is public benefit to clarifying the "limited exceptions" in Section V(A)(1)
- Consider the connectivity of jobs, housing, and traffic throughout Napa County and Bay Area
- More consideration to vacant land
- Consider the history of outside service agreements: many services in Napa County were extended in ways counter to LAFCO's mission and purpose, and those services were extended before LAFCO law evolved to what it is today



April 30, 2019

Sent Via Email to: bfreeman@napa.lafco.ca.gov

Brendon Freeman, Executive Officer Local Agency Formation Commission of Napa County 1030 Seminary Street, Suite B Napa, California 94559

Subject: Draft Napa County LAFCO Sphere of Influence Policy

Dear Mr. Freeman:

Thank you for the organizing the special March 11, 2019 LAFCO Board meeting to discuss the draft Napa County LAFCO Sphere of Influence (SOI) Policy. American Canyon submitted comments on the Policy in November 2018. We incorporate the November comment letter as well as our March 11 public comments in this letter.

As noted by the Chair of the State Assembly Committee on Local Government¹, "the purpose of LAFCO's are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies." Succinctly put, the role of LAFCO is to promote orderly growth. However, the type of growth (ie. "land-use") allowed in Napa County is solely the purview of the legislative bodies having land-use jurisdiction (ie. City Councils and Board of Supervisors).

Draft SOI Policy Section V.A.3 references Napa County's land use regulatory scheme ("Agricultural Preserve"), but does not incorporate any comparable regulatory scheme of the Cities or Town. Conversely, Government Code Section 56886 et seq. provides: "Any change of organization or reorganization may provide for, or be made subject to one or more of, the following terms and conditions.......however none of the following terms and conditions shall directly regulate land use, property development, or subdivision requirements." Read plainly, it does not appear appropriate to incorporate Napa County's land use regulatory scheme, because the Policy cannot purport to regulate land-use. Alternatively, the companion land-use regulations of the Cities and Town should also be incorporated because the Policy purports to apply equally to all jurisdictions Countywide.

Moreover, if this SOI Policy is intended to become a *defacto* constraint on land use (re: *Section V.A.1 "Land designated agricultural or open-space shall not be approved for inclusion with any agency's SOI for the*

¹ "Guide to Cortese-Knox-Hertzberg Local Government Re-Organization Act of 2000, the Honorable Assemblymember Aguiar-Curry, November 2018"



-

<u>purposes of urban development</u>, with limited exceptions"), then broader discussion involving the entirety of legislative bodies having jurisdiction over land-use is needed – particularly regarding the "jobs/housing imbalance" in Napa County.

As noted by the Commission on March 11, there is an inconsistency between the definitions of "agriculture" according to Napa County's land-use regulatory scheme (Napa County Code Chapter 18.08.040) and those provided by Government Code Section 56064 *et seq.* In addition, given the provisions of Section V.A.1 are an "optional local consideration" not otherwise required by statute, the key tenants of the proposed Policy – namely "agricultural" and "open-space" – require further refinement and definition. More importantly, a map expressly identifying these lands (regardless of which definition is chosen) should be prepared and made readily available prior to the Commission taking action so that all interested parties are aware of this Policy.

Lastly, there may be existing lands today within the City of American Canyon SOI affected by this Policy and new language should be added to exempt lands within an existing SOI from the SOI Policy. In addition, any Commission consideration of the amount of existing vacant land (Section V.A.5) should against a backdrop of a quantifiable standard (ie. not subjective) – how much is "too much" vacant land?

We look forward to further discussing LAFCO's draft SOI policy.

Sincerely,

Jason B. Holley City Manager

Electronic Copy to:

City Council Napa County 5th District Supervisor B. Ramos Brent Cooper William Ross



November 9, 2018

Sent Via Email to: bfreeman@napa.lafco.ca.gov

Brendon Freeman, Executive Officer Local Agency Formation Commission of Napa County 1030 Seminary Street, Suite B Napa, California 94559

Subject: Napa County LAFCO Draft Sphere of Influence Policy

Dear Mr. Freeman:

Thank you for the opportunity to review the August 7, 2018 draft Napa County LAFCO Sphere of Influence (SOI) Policy. By way of background, the City of American Canyon has a voter-approved urban limit line (ULL) and agreement with Napa County. Portions of the City's urban limit line extend beyond the City's SOI. The City has an expectation that properties inside the ULL but outside the SOI may be annexed at some point in the future.

Overall, we would like to see a more balanced approach to the SOI policy. The following general comments are intended to begin a discussion on the draft SOI policy.

- 1. Section V Local Considerations focuses a high priority on preventing expansion of any Sphere of Influence (SOI). For example, item #2 defines agricultural lands and open space as County General Plan land use designations in addition to G.G. Section 56016 and Section 56064. Item #3 states that agricultural land shall not be approved within any local agency's SOI.
 - Much of the land surrounding American Canyon within the ULL is designated by the County as agricultural and open space lands (as defined in Item #2), as well as G.G. Section 56016 and Section 56064. If approved, this Guideline would preclude annexations within the ULL even when it was needed for orderly expansion of urban development. For this reason, item #2 and #3 subordinates orderly service expansion with agricultural land conservation.
- Section V Local Considerations item #4 discourages local or private SOI amendment requests
 outside of a LAFCO-initiated Municipal Service Review (MSR) and SOI review process. The
 previous LAFCO initiated MSR and SOI review process occurred 8 years ago. Local or private
 applicants do not take SOI amendment requests lightly. Applications require complex technical
 studies, and consensus with residents and Napa County. Requiring a worthy SOI request to wait



another 8 years until LAFCO conducts its next MSR delays critical decision-making toward efficient coordination of urban services.

We look forward to discussing LAFCO's draft SOI policy and working with you to draft a balanced approach that recognizes the need for orderly community development. If you have any questions regarding these comments, I may be contacted at (707) 647-4335 or by e-mail at bcooper@cityofamericancanyon.org.

Sincerely,

Brent Cooper, AICP

Community Development Director

Copy to:

Jason B. Holley, City Manager



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April 10, 2019

Brendon Freeman, Executive Officer Local Agency Formation Commission of Napa County 1030 Seminary Street, Suite B Napa, California 94559

Re: Draft Sphere of Influence Policy

Mr. Freeman,

Thank you for the open house informational presentation on the pending Napa County LAFCo Sphere of Influence (SOI) Policy Update and for the opportunity to comment on the draft Policy language. The City of St. Helena believes this update is critical to the future success of all communities within Napa County and has the following comments on the policy update.

1. Section IV. Definitions

During the informational workshop, Mr. Freeman mentioned LAFCo intended to utilize definitions in the SOI policy from a number of different sources. It is recommended all definitions, including *Agriculture*, *Prime Farmland*, *Vacant Land* and *Study Area*, be first pulled from existing definitions in the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act, and then from other sources in State law. LAFCo is a State agency, and as such, should seek consistency in defining terms by utilizing existing State provided definitions. If no such definitions are available, no single jurisdiction should be the source for referenced term definitions.

For example, the Napa County definition of Agriculture includes marketing events and activities designed to encourage winery visitation. This is inconsistent with the State definition (and the City of St. Helena definition of Agriculture) and has led to "commercialization" of agriculturally designated properties; pointing to the need for "impartial" definitions in keeping with the intent of the CKH Act and the stated goals of LAFCo itself.

For reasons identified above, which have supported intensification and non-agricultural uses on County designated Agricultural properties adjacent to the City, the preclusion of agriculture or open space land from being included in a municipality's SOI is problematic, particularly if other nearby parcels receive City services. Given these concerns, the 'Limited Exceptions' identified in Section V. A. 1. must be clearly defined to ensure a clear

understanding of the intent of the policy and consistent application of its requirements. Specific examples of these limited exceptions which are supported by the City include:

- a. County lands zoned or developed for non-agricultural and open space purposes (i.e. logical extensions of municipalities); and
- b. Parcels which are currently served by municipal services, or capable of being readily served because basic infrastructure (water line for example) is in place (another logical extension); and
- c. Parcels subject to an outside services agreement, particularly when such agreements were triggered by County zoning approvals that intensified allowable uses and stipulated that City services be provided; and
- d. Lands needed to provide housing.

All choices made to determine a definition should be clearly explained and justified through the policy update process.

2. Agricultural Land Designation Consideration in SOI Updates

Draft SOI Policy V. A. 3) references Measure P and the County Agricultural preserve, and seems to grant more credence to County Agricultural properties than those located within cities. Incorporating this limited perspective into the draft SOI Policy is concerning to the City of St. Helena. St. Helena is home to world-renowned vineyard properties (of both local and statewide importance) many of which pre-date the adoption of the County Agricultural Preserve by decades. Further, an Agricultural land use designation is granted to over forty-percent of the City's land area, covering the greatest number of acres of any other land use within the City (approximately 1,500 acres). In addition, the City has an internal Urban Limit Line (ULL) which encourages in-fill development and preserves these existing agricultural properties.

LAFCo's stated mandate is the preservation of Agricultural and Open Space and as such, any adopted SOI policy which promotes the development of City designated Agricultural properties in favor of "preserving" County designated Agricultural parcels is unacceptable. City agricultural land outside of the ULL should be "on par" with any County designated Agricultural properties when considering SOI updates or modifications. This is further supported by the City's strict Agricultural land use definition, which is in line with the State definition of Agriculture; while the County definition seems to promote tourist oriented development within the "Agricultural Preserve", through a flexible definition of agriculture, often at the doorstep of the City.

3. The Provision of Services

All LAFCos are governed by the CKH Local Government Reorganization Act. This Act specifically defines SOI as "A plan for the probable physical boundaries and service area of a local agency." Given that the City of St. Helena provides water utility services to approximately 350 customers outside the City limits, provides police and fire services to large parts of unincorporated Napa County, serves many adjacent County residents with library and recreation services and essentially serves as the "home town" for many of these adjacent County residents, it is difficult to see how the current SOI is in keeping with this definition. The City requests that the Napa LAFCO's updated SOI policy seek to bring the City's SOI into conformance with the CKH SOI definition.

Proposed language in Section V. A. 4) of the draft SOI policy requires that a parcel able to receive City services be located within the SOI; however (as identified above) many unincorporated parcels currently receiving such services are not within the City's SOI. This appears to be inconsistent with both the CKH definition, and existing facts on the ground. As such, it is recommended this SOI language, and other areas identified with strikethrough and or comments, be revised as indicated on the attached "red-line" of the draft SOI policy document.

Draft language in SOI Policy Section V. A. 8) currently emphasizes *capacity* of service and future needs with regards to an agency's SOI. This emphasis does not seem to meet the intent and requirements of the CKH Act. This section should be modified to include services provided by an agency and enjoyed by residents, in the determination of an SOI, as identified by the CKH Act, which includes the existing service area of a local agency as definitive to an SOI.

Policy language in Section V. A. 9) should incorporate criteria related to urban services, rather than strictly limiting the determination to General Plan policies and land use. It is recommended that this policy be revised to:

- a. Emphasize that "present use" means "actual current use" not just zoning designation.
- b. Identify lands lying on or close to City boundaries, which are designated or used for non-agricultural purposes, or are provided with City services, shall be considered appropriate for inclusion in a SOI.
- c. Emphasize that consistency with the Policy is more than the zoning designation; it is actual use.
- d. Incorporate a reference to the "vacant land" definition discussed above. Again, only lands included in the City's ULL and not designated (and used) for agricultural purposes would be identified as available "vacant" development sites.

Finally, the St. Helena City Council does not recommend utility service extensions be provided, or expanded, to properties not included in a City or Special District's Sphere of Influence. The current draft SOI policy language appears to be silent regarding this inconsistency with the CKH and should be updated to be more definitive.

4. Consideration of Vacant Land in an SOI Update

Draft SOI Policy V. A. 5) identifies that the amount of vacant land within an affected jurisdiction's (current) SOI will be considered as a component of an SOI Update; unfortunately "vacant land" is left undefined. This is concerning to the City given the City's commitment to agricultural land preservation and the adoption of our ULL. A definition of "vacant land" which does not include parcels outside of the City's established ULL or those zoned and used for agricultural purposes, is critical to the successful implementation of the updated SOI Policy, and for the preservation of City designated agricultural lands. The availability of "in-fill" parcels under the control of a City should not preclude changes to an established SOI and/or the future annexation of properties which are deemed to be a logical extension of a City boundary or where City services are being provided to serve existing development and community needs (eg. Public Safety, Recreation, Library, etc.).

5. Look to the Future

The current SOI is antiquated and out of touch with contemporary land use practices, community expectations and established policy. It is atypical for a City's boundary and SOI to be co-terminus when significant services are provided by a city to unincorporated parcels on that City's boundary. However this is essentially the case for each of the upvalley communities governed by Napa County LAFCo. This SOI Update should look toward the future, and should therefore create and foster contemporary land use practices regarding how a SOI is determined.

Currently the draft SOI policy does not appear to anticipate providing solutions to health hazard impacts such as well contamination and/or septic system failure through the extension of utility services; however other LAFCO policies seem to support such extensions when warranted (which again is in conflict with the City's Municipal Code). The SOI Policy Update should anticipate that developed properties impacted by a contaminated well and/or a compromised septic system will likely seek to mitigate these impacts by requesting utility services from a City or Special District, and establish a process for determining whether the properties should be annexed or incorporated into a city's SOI as a component of such a connection.

Recently planning staff from all Napa County jurisdictions were presented with information from the Metropolitan Transportation Commission (MTC) identifying significant changes in the RHNA allocation and Housing Element certification process are likely, and that these changes will depart from past allocations and approvals. This

uncertainty, coupled with the current pressures for housing, necessitates a flexible LAFCo policy framework to adapt to the changing policy landscape. Staff anticipates parcels adjacent to a City's boundary, where development has already occurred and where services are readily available, are likely to play a critical role in providing an effective response for both the cities and the County in meeting future housing mandates and related environmental considerations. It is recommended that the updated LAFCo SOI Policy consider this need for flexibility as it looks to the future regarding how city and the county lands interact.

Thank you again for the opportunity to review and comment on the draft Napa County LAFCo SOI Policy; it is much appreciated. Please take these comments into serious consideration.

Sincerely,

manh Mayor Geoff Ellsworth and the St Helena City Council



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Attachment Six

County Executive Office

1195 Third St. Suite 310 Napa, CA 94559 www.countyofnapa.org

Main: (707) 253-4421 Fax: (707) 253-4176

Minh C. Tran County Executive Officer

April 23, 2019

Brendon Freeman, Executive Officer Local Agency Formation Commission of Napa County 1030 Seminary Street, Suite B Napa, CA 94559

RE: Draft Policy on Spheres of Influence

Comments on March 11, 2019 Draft Policy

Dear Mr. Freeman;

Thank you for the opportunity to comment on the March 11, 2019 draft of the Local Agency Formation Commission (LAFCO) Draft Policy on Spheres of Influence (SOI). On April 23, 2019, the Board of Supervisors reviewed the most recent draft. In general, it is Napa County's position that the original proposed policy dated August 6, 2018 is a superior document to the revised proposal dated March 11, 2019. Napa County offers these specific comments:

Related to Preservation of Agriculture and Open Space

- 1. The policy allows agricultural and open space land to be approved for inclusion within a SOI for the purpose of urban development. This is unacceptable. The policy should delete the phrase "with limited exception" in Section V.A.1. as it allows agricultural and open space land to be included in any local agency's SOI for the purposes of urban development.
- 2. Napa County objects to removal of the local consideration (formerly V.A.2.) directing the Commission to "use the Napa County General Plan land use designations as the basis to identify agricultural and open space lands in establishing, amending, and updating a local agency's SOI." We note that St. Helena applauds the removal, yet they identify Napa County's Agricultural Resource (AR) and Agricultural, Watershed, and Open Space (AWOS) General Plan Designations in the three "study areas" located outside of their current SOI but now included in their Draft General Plan. St. Helena is conducting special studies of these areas while concurrently requesting LAFCO not consider these designations for future SOI boundary adjustments. It seems like an inappropriate time to pursue a change to this policy when the issue is actively being pursued by one jurisdiction as part of a General Plan Amendment and before its SOI is completed.
- 3. Napa County requests that former Section V.A.7 be reinstated in the policy. This general guideline encourages the cities and towns to first develop existing vacant and underdeveloped infill lands within their jurisdictions and SOIs prior to amending their SOI, discourages the premature conversion of agricultural and open space lands to urban uses, and requires that amendments and updates be in collaboration with the County of Napa. Consider the following:

Attachment Six

- The geographies of all of the incorporated areas are the direct result of Napa County's AR/AWOS General Plan designations. The County has set aside lands for agricultural protection surrounding the city limits of St. Helena, Yountville and Calistoga, and large portions of Napa City and American Canyon.
- The voters of all of the communities have supported preservation of agricultural and open space lands. Each municipality benefits greatly from being surrounded by the highest value agricultural land in the country, if not the world.
- Through policy, LAFCO should acknowledge this locally significant situation and recognize that the primary purpose of incorporated cities is for urban uses. Not doing so would be a disservice to the community.
- There are existing non-agricultural uses nested in agriculturally-designated areas, but in each
 case, the non-agricultural zoning that controls these limited properties was established decades
 before Measure J and the County General Plan. In addition, County laws require voter approval
 for land use changes and effectively prevent expansion of these pre-existing legally established
 uses.
- 4. Allowing the inclusion and urban development of agricultural and open space lands is contrary to the plain language and intent of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act). The CKH Act strongly discourages urban sprawl and the development of agricultural and open space lands. Specifically, the Act:
 - Directs LAFCOs to guide development "away from existing prime agricultural lands in openspace use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area." (Gov. Code Section 56377(a).)
 - Directs LAFCOs to encourage the urban development of existing vacant or nonprime lands for urban uses within a city's existing jurisdiction or SOI "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." (Gov. Code Section 56377(b) [emphasis added].)
 - Creates a pilot program for Napa County [AB402, discussed at p. 3 of our letter], but only if "[t]he extension of service will <u>not</u> result in either (1) adverse impacts on open space or agricultural lands or (2) growth inducing impacts." (Gov. Code Section 56377.5(a)(2) [emphasis added].)
 - Explicitly calls for LAFCOs to discourage urban sprawl and preserve open space and prime agricultural lands. (Gov. Code Section 56001.)
 - Declares that the purpose of the Napa County LAFCO and other LAFCOs is to discourage urban sprawl and preserve open space and prime agricultural lands. (Gov. Code Section 56301.)
 - Directs LAFCOs to adopt written policies and procedures that preserve open space and agricultural lands. (Gov. Code Section 56300(a).)
 - Commands LAFCOs that when determining the sphere of influence of each local agency, the first consideration shall be "The present and planned land uses in the area, including agricultural and open-space lands." (Gov. Code Section 56425(e)(1).)
- 5. Other county LAFCOs have adopted SOI policies that better protect agriculture and meet the intent of the CKH Act. For example, the Sonoma LAFCO has a policy to "discourage proposals which would likely convert to urban uses those lands identified by the County General Plan as suitable for long-term agricultural or open space." (<a href="http://sonomalafco.org/Procedures-and-Guidelines/Policies-Pr

<u>Outside-Service-Area-Agreements-for-Parcels-within-a-City-s-Sphere-of-Influence/</u>). It is surprising that agricultural lands are more strongly protected by Sonoma LAFCO than by its Napa counterpart.

Related to Outside Service Provisions

- 6. The policy needs to be edited to add local consideration recognizing that virtually all municipal water lines outside of municipalities were installed decades before each municipalities General Plans were first adopted; before the Napa County General Plan and Agricultural Preserve was established; and before the creation of LAFCO's, which were created to avoid these situations.
- 7. LAFCO should place great consideration as to why SOI expansion and annexation based on existing outside service provisions may be necessary going forward, when for the last 40 to 60 years it has not been necessary. It seems that a local consideration for expansion of an SOI based on service provisions would only be needed if some form of new development were contemplated necessitating expansion of service provisions outside of city limits, or when an existing service has failed.
- 8. Napa County requests policy language to expressly discourage the expansion of SOI's to include existing municipally-served unincorporated developments unless there is agreement between the municipality and Napa County on the boundary adjustment. Since at least the 1970's, the cities, town, and Napa County have worked to establish and maintain mutually agreeable urban growth boundaries. Within that context, there are several unincorporated areas where varying levels of municipal services were extended to unincorporated developments before the establishment of SOI's and/or urban growth boundaries.
- 9. Assembly Bill 402, authored by then Assemblymember Bill Dodd, addresses outside service provisions. Despite the County's request that reference to this law be included in the revised policy draft, it is not. This legislative action, effective January 1, 2016, established a mechanism for LAFCO to authorize service provisions outside a local agency's jurisdictional boundary and SOI under special circumstances, and again, we request that reference to the legislative action be recognized in the policy and utilized when determining appropriate SOIs.
- 10. We recommend LAFCO consider the fiscal implications of the revised policy. Annexation of existing revenue-generating uses from the County to a City/Town, where no new development is taking place, is simply shifting an existing revenue source from the County to a City or Town. The fact that a water line was extended to a property outside of an agency decades before formation of LAFCO's, passage of Proposition 13, and the pension crisis, etc., should not be grounds for inclusion of the property within a SOI. Note that City of Napa water is provided to Yountville, St. Helena and Calistoga through water lines crossing miles of unincorporated lands. Taken to its extreme, efficient government services might suggest that Yountville, Calistoga, and St. Helena come under the jurisdiction of Napa City.

In summary, Napa County is strongly opposed to the revised draft and believes that language proposed to be removed from the initial draft be reinstated.

Please contact John McDowell in the Planning Division if you have any questions or wish to discuss.

Sincerely

Minh Tran

County Executive Officer

cc: Napa County Board of Supervisors



DEEANNE GILLICK TELEPHONE: (916) 258-8811 dgillick@sloansakai.com

MEMORANDUM

To: Brendon Freeman, Executive Officer

Local Agency Formation Commission of Napa County

From: DeeAnne Gillick

Senior Counsel

Date: May 28, 2019

Re: Sphere of Influence Policy

The Local Agency Formation Commission of Napa County ("the Commission") is considering revisions to its Sphere of Influence ("SOI") Policy and has received several comments related to the purposes and requirements of SOIs and the definitions and use of terms such as open space and agricultural lands. This memorandum sets forth provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code § 56000 et seq.) ("CKH" or the "Act") related to SOIs and definitions and factors that may be relevant to a SOI action by the Commission.

A. Sphere of Influence Definitions and Findings

The primary purpose of a SOI is to serve as a long-range policy planning tool to be used by the Commission, the affected city, and other municipal service providers to facilitate and develop planning and financing strategies to accommodate future growth. An SOI may guide the direction of growth, but it does not drive the timing of growth. An SOI does not change land use authority for the affected area. It is a long-range planning tool similar to a city general plan. A SOI establishes a policy planning area to be used by the affected agencies to effectively plan for growth. The following definitions and factors relate to SOIs.

A sphere of influence is defined as "a plan for the probable physical boundaries and service area of a local agency as determined by the commission." Gov. Code § 56076.



- 2. Related to the purposes of an SOI, Government Code Section 56425, subdivision (a), specifies that "[i]n order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the jurisdiction of the commission 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 city and each special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere."
- 3. In determining the SOI of each local agency, the Commission shall consider and prepare a written statement of its determinations with respect of each of the following:
 - (1) The present and planned uses in the area, including agricultural and open space lands.
 - (2) The present and probable need for public facilities and services in the area.
 - (3) The present capacity of public facilities and adequacy of public services that the agency (or agencies) provides or is authorized to provide.
 - (4) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
 - (5) The present and probable need for public facilities and services provided by the city related to sewers, municipal and industrial water, and structural fire protection of any disadvantaged unincorporated communities within the existing sphere of influence. Gov. Code § 56425(e).

These factors are required to be considered and written determinations made related to the factors; however, there is no requirement that certain findings are more important or must be demonstrated in order for an SOI to be approved.

4. Municipal service reviews are required for SOI actions. In order to consider SOI actions, the Commission must conduct a service review of the municipal services provided in the affected territory. The Municipal Service Review ("MSR") is the instrument required to provide information and data to ensure that the Commission has access to all necessary information in a timely manner to make sound conclusions and determinations with respect to municipal services and SOI actions. Pursuant to Government Code Section 56430, for a MSR the Commission shall include in the area designated for service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determination with respect to each of the following:



- (1) Growth and population projections for the affected area.
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
- (4) Financial ability of agencies to provide services.
- (5) Status of, and opportunities for, shared facilities.
- (6) Accountability for community service needs, including governmental structure and operational efficiencies.
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy.
- 5. California Government Code Section 65300 provides that a city may comprehensively plan for lands outside of its jurisdiction without the area being within an approved SOI. A city may prezone unincorporated territory to determine the zoning that will apply upon annexation, and the zoning for that territory becomes effective at the same time that an annexation becomes effective. Gov. Code § 65859.

B. Agricultural and Open Space Lands Definitions

In determining an SOI, the Commission must consider and make determinations with respect of each of the present and planned uses in the area, including agricultural and open space lands. Gov. Code § 56425(e). The following are the definitions and findings related to agricultural and opens space lands for SOI actions.

1. Section 56016 defines "agricultural land" as land that is currently being farmed, or left fallow for a farming reason. It reads as follows: "land 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."



- 2. Section 56064 defines "prime agricultural land" as land that (1) has not be developed, and (2) has characteristics for "good" farmland based on its soil quality and ability to be irrigated, or its capability to support livestock, or its past commodity production of not less than \$400 per acre. Prime agricultural land is relevant to Commission decisions that relate to certain city island annexations (Section 56375) and changes of organization such as annexations which is discussed in this memo below. The Act does not require any special findings or considerations related to prime agricultural land for SOI actions.
- 3. Section 56059 defines "open space" as "any parcel or area of land or water which is substantially unimproved and devoted to an open-space use, as defined in Section 65560." Section 56060 defines "open space use" as a use defined in Section 65560.

Section 65560 is part of the California Planning and Zoning Law. Section 65560(h) defines open space to include certain land that is devoted to open-space use <u>and</u> is designated on a local, regional, or state open-space plan as open space. Therefore, to be open space for purposes of the CKH Act, the land needs to be actually in an open-space use and the local general plan needs to designate the property as "open-space."

An "open space" use as set forth in Section 65560(h) includes:

- (1) open space for the preservation of natural resources.
- (2) open space for the managed production of resources, including forest lands, rangeland, agricultural lands and area of economic importance of the production of food or fiber.
- (3) open space for outdoor recreation, including scenic, historic or cultural value, such as rivers, beaches and scenic corridors.

"Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:

- (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.
- (b) Land that qualifies for rating 80 through 100 Storie Index Rating.
- (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.
- (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.

¹ Section 56064 reads in full as follows:



- (4) open space for public health and safety, such as required for flood plans, watersheds or high fire risks.
 - (5) open space in support of military installations.
- (6) open space for the protections places, features and objects related to Native American historical, cultural and sacred sites.²
- 4. Lands which are considered agricultural lands pursuant to the California Planning and Zoning Law as defined above and which qualify as "open space" is a different criterion than lands considered "agricultural lands" for purposes of the CKH Act for LAFCO related agricultural findings.
- 5. Land that is subject to Farmland Security Zone Contracts or Williamson Act Contracts may be included in an SOI only if specific findings are made by the Commission. The Commission must find that the potential municipal services of the affected agency would benefit the land uses allowed by the Farmland Security Zone contract or the Williamson Act contract or other findings related to consistency with a Williamson Act contract. Gov. Code §§ 56426, 56426.6.

(h) "Open-space land" means any parcel or area of land or water that is devoted to an open-space use as defined in this section, and that is designated on a local, regional, or state open-space plan as any of the following:

- (2) Open space used for the managed production of resources, including, but not limited to, forest lands, rangeland, agricultural lands, and areas of economic importance for the production of food or fiber; areas required for recharge of groundwater basins; bays, estuaries, marshes, rivers, and streams that are important for the management of commercial fisheries; and areas containing major mineral deposits, including those in short supply.
- (3) Open space for outdoor recreation, including, but not limited to, areas of outstanding scenic, historic, and cultural value; areas particularly suited for park and recreation purposes, including access to lakeshores, beaches, and rivers and streams; and areas that serve as links between major recreation and open-space reservations, including utility easements, banks of rivers and streams, trails, and scenic highway corridors.
- (4) Open space for public health and safety, including, but not limited to, areas that require special management or regulation because of hazardous or special conditions such as earthquake fault zones, unstable soil areas, flood plains, watersheds, areas presenting high fire risks, areas required for the protection of water quality and water reservoirs, and areas required for the protection and enhancement of air quality.
- (5) Open space in support of the mission of military installations that comprises areas adjacent to military installations, military training routes, and underlying restricted airspace that can provide additional buffer zones to military activities and complement the resource values of the military lands.
- (6) Open space for the protection of places, features, and objects described in Sections 5097.9 and 5097.997 of the Public Resources Code.

² Government Code Section 65560(h) states in full:

⁽¹⁾ Open space for the preservation of natural resources, including, but not limited to, areas required for the preservation of plant and animal life, including habitat for fish and wildlife species; areas required for ecologic and other scientific study purposes; rivers, streams, bays, and estuaries; and coastal beaches, lakeshores, banks of rivers and streams, and watershed lands.



- 6. Section 56001 includes the legislative findings and declarations as to the purpose of the CKH Act. These are policy considerations and do not set forth requirements as to any approval processes. Related to prime agricultural lands, Section 56001 states: "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 sometime competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services."
- 7. Section 56668 sets forth factors for the Commission is to consider in reviewing proposals. Proposals include annexations, but SOI requests are not considered proposals. Therefore, the factors of Section 56668 related to agricultural lands do not apply to SOI actions, but for background purposes I set forth the provisions of Section 56668 related to agricultural lands. Subsection (d) requires the Commission to consider "the conformity of both the proposal and its anticipated effects with both the adopted commission policies on proving planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377."

Referenced Section 56377 requires the Commission to consider certain factors when a proposal "could reasonably be expected to induce, facilitate, or lead to conversion of existing open-space lands to uses other than open-space." As set forth above open space is defined by CKH in Section 56059 by referring to Section 65560 which defines open space as land being used as open space which is also currently designated in the local general plan as "open space." Agricultural uses are considered "open space" uses.

Section 56377 related to changes of organizations, and not sphere of influence amendments, states in full as follows, with added emphases:

In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of <u>existing open-space</u> 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 <u>existing vacant or nonprime agricultural lands</u> for urban <u>uses within the existing jurisdiction</u> of a local agency or within the sphere of influence of a local agency <u>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 <u>uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency.</u></u>

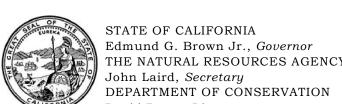


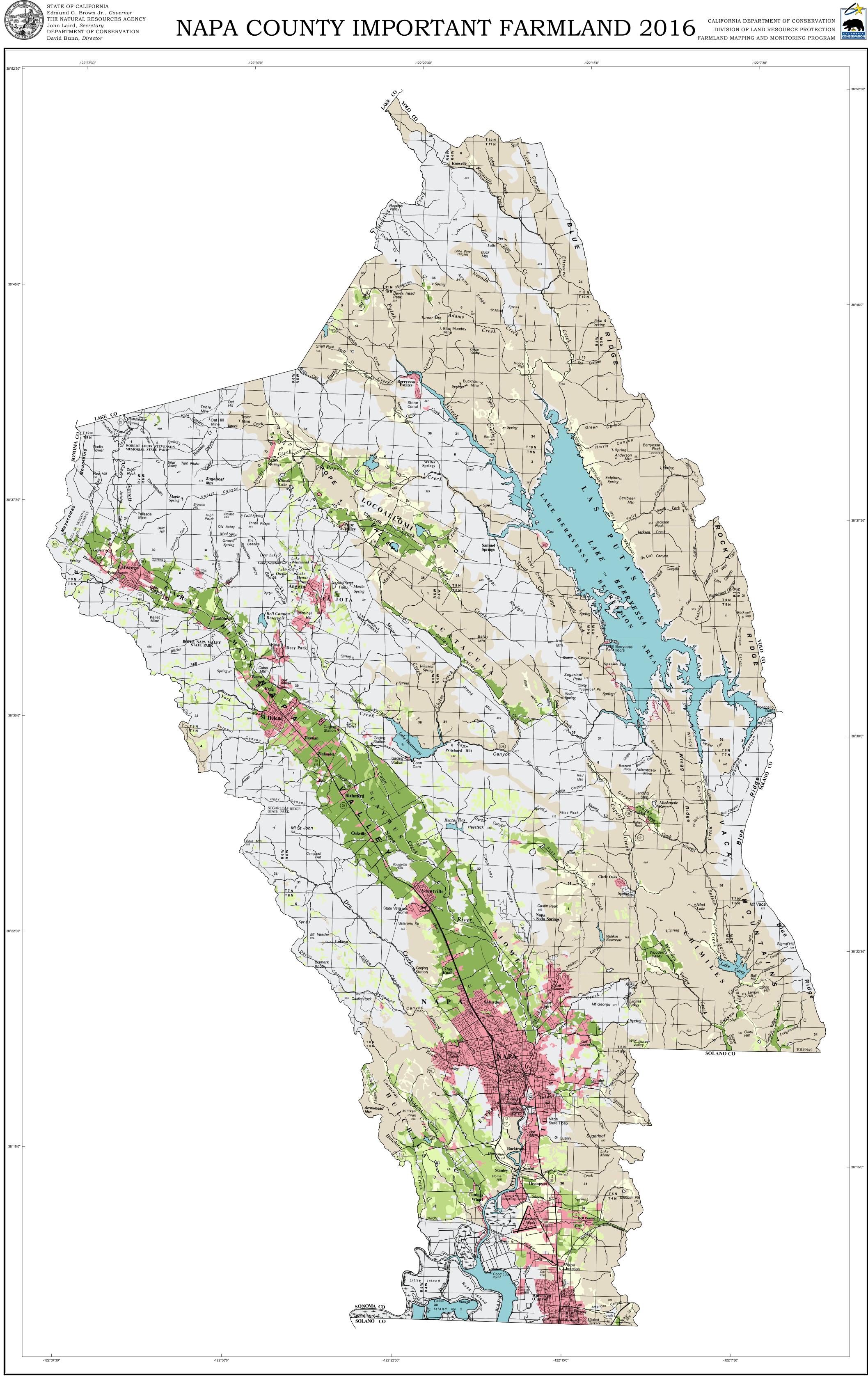
According to these provisions, when considering an annexation, the Commission is to consider the policies that prime agricultural land should not be developed unless not allowing the development would not promote the "planned, orderly, or efficient development of an area." Furthermore, existing vacant and nonprime agricultural land within existing jurisdiction boundaries should be developed before approving an annexation that would promote developing open space which is outside an existing city boundary.

- 8. Subsection (e) of Section 56668 related to annexation approvals, not SOI actions, requires the Commission to consider the "effect of the proposal on maintaining the physical and economic integrity of agricultural lands."
- C. <u>Sphere of Influence Determinations are Relevant in Outside Service</u> <u>Agreements.</u>

Commission approval if an agency provides services outside of its jurisdictional boundary. There are three different scenarios for approving an outside service agreements and an SOI boundaries can be relevant when considering outside service agreements.

- 1. An outside service agreement may be approved for service extensions within an SOI in "anticipation of a later change of organization." Gov. Code § 56133 (b). This provision allows outside service agreements to serve property within the agency's SOI if a future annexation of the territory is anticipated.
- 2. Subsection (c) of Section 56133 allows for the approval of an outside service agreement which is outside the agency's SOI only to "respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory" upon documentation of the threat to the health or safety and notice to any potential alternate service provider.
- 3. In addition, the "Dodd Pilot Program" enacted through July 1, 2021, in Napa County and San Bernardino County, allows for approval of outside service agreements involving areas outside an SOI if consistent with adopted LAFCO policies, and to support "existing or planned uses" based on the following findings: (1) the extension of service or services deficiency is identified and evaluated in a MSR; (2) the extension will not result in adverse impacts on open space or agricultural lands, or will not result in growth inducing impacts; and (3) an SOI amendment is not feasible or desirable based on the adopted policies of the Commission. Gov. Code § 56133.5. To date, there have been no outside service agreement requests to Napa LAFCO pursuant to Section 56133.5, which applies uniquely to Napa and San Bernardino LAFCOs.





Attachment Eight

PRIME FARMLAND

PRIME FARMLAND HAS THE BEST COMBINATION OF PHYSICAL AND CHEMICAL FEATURES ABLE TO SUSTAIN LONG-TERM AGRICULTURAL PRODUCTION. THIS LAND HAS THE SOIL QUALITY, GROWING SEASON, AND MOISTURE SUPPLY NEEDED TO PRODUCE SUSTAINED HIGH YIELDS. LAND MUST HAVE BEEN USED FOR IRRIGATED AGRICULTURAL PRODUCTION

FARMLAND OF STATEWIDE IMPORTANCE

AT SOME TIME DURING THE FOUR YEARS PRIOR TO THE MAPPING DATE.

FARMLAND OF STATEWIDE IMPORTANCE IS SIMILAR TO PRIME FARMLAND BUT WITH MINOR SHORTCOMINGS, SUCH AS GREATER SLOPES OR LESS ABILITY TO STORE SOIL MOISTURE. LAND MUST HAVE BEEN USED FOR IRRIGATED AGRICULTURAL PRODUCTION AT SOME TIME DURING THE FOUR YEARS PRIOR TO THE MAPPING DATE.

UNIQUE FARMLAND

UNIQUE FARMLAND CONSISTS OF LESSER QUALITY SOILS USED FOR THE PRODUCTION OF THE STATE'S LEADING AGRICULTURAL CROPS. THIS LAND IS USUALLY IRRIGATED, BUT MAY INCLUDE NONIRRIGATED ORCHARDS OR VINEYARDS AS FOUND IN SOME CLIMATIC ZONES IN CALIFORNIA. LAND MUST HAVE BEEN CROPPED AT SOME TIME DURING THE FOUR YEARS PRIOR TO THE MAPPING DATE.

FARMLAND OF LOCAL IMPORTANCE

THESE FARMLANDS INCLUDE AREAS OF SOILS THAT MEET ALL THE CHARACTERISTICS OF PRIME FARMLAND OR OF ADDITIONAL FARMLAND OF STATEWIDE IMPORTANCE WITH THE EXCEPTION OF IRRIGATION. THESE FARMLANDS INCLUDE DRYLAND GRAINS, HAYLANDS,

GRAZING LAND

GRAZING LAND IS LAND ON WHICH THE EXISTING VEGETATION IS SUITED TO THE GRAZING OF LIVESTOCK.

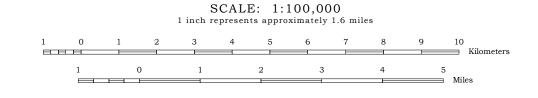
URBAN AND BUILT-UP LAND

URBAN AND BUILT-UP LAND IS OCCUPIED BY STRUCTURES WITH A BUILDING DENSITY OF AT LEAST 1 UNIT TO 1.5 ACRES, OR APPROXIMATELY 6 STRUCTURES TO A 10-ACRE PARCEL. COMMON EXAMPLES INCLUDE RESIDENTIAL, INDUSTRIAL, COMMERCIAL, INSTITUTIONAL FACILITIES, CEMETERIES, AIRPORTS, GOLF COURSES, SANITARY LANDFILLS, SEWAGE TREATMENT, AND WATER CONTROL STRUCTURES.

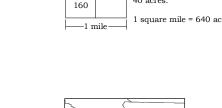
OTHER LAND

OTHER LAND IS LAND NOT INCLUDED IN ANY OTHER MAPPING CATEGORY. COMMON EXAMPLES INCLUDE LOW DENSITY RURAL DEVELOPMENTS, BRUSH, TIMBER, WETLAND, AND RIPARIAN AREAS NOT SUITABLE FOR LIVESTOCK GRAZING, CONFINED LIVESTOCK, POULTRY, OR AQUACULTURE FACILITIES, STRIP MINES, BORROW PITS, AND WATER BODIES SMALLER THAN 40 ACRES. VACANT AND NONAGRICULTURAL LAND SURROUNDED ON ALL SIDES BY URBAN DEVELOPMENT AND GREATER THAN 40 ACRES IS MAPPED AS OTHER LAND.

PERENNIAL WATER BODIES WITH AN EXTENT OF AT LEAST 40 ACRES.



The minimum land use mapping unit is 10 acres, except Water, which is





Important Farmland Maps are compiled by the Farmland Mapping and Monitoring Program (FMMP) pursuant to Section 65570 of the California Government Code. To create the maps, FMMP combines current land use information with U.S. Department of Agriculture-Natural Resources Conservation Service (NRCS) soil survey data. Soil units qualifying for Prime Farmland and Farmland of Statewide Importance are determined by the NRCS. Changes to soil profiles subsequent to publication of NRCS Gridded Soil Survey Geographic (gSSURGO) Database for California, November 29, 2016 are not reflected on this map. This map was developed using NRCS gridded digital soil data (gSSURGO) and may contain individual soil units less than one acre.

Land use status is determined using current and historic aerial imagery, supplemental GIS data, and field verification. Imagery sources may include public domain datasets, web-based information, and commercially purchased data, depending on data availability. Supplemental data on land management status is obtained from federal, state, and local governments. Map reviewers at the local level contribute valuable information with their comments and suggestions. Please refer to FMMP field analyst reports for each county to obtain specific citations.

Mapped Area - 505,857 acres

County boundaries for the 2016 Important Farmland Series are from the California Department of Forestry and Fire Protection's Fire and Resource Assesment Program (FRAP) 2009 version of California Counties GIS data.

Cultural base information for the Important Farmland Maps was derived from public domain data sets, based upon design of the U.S. Geological Survey, with updates generated by digitizing over current imagery.

This map should be used within the limits of its purpose - as a current inventory of agricultural land resources. This map does not necessarily reflect general plan or zoning designations, city limit lines, changing economic or market conditions, or other factors which may be taken into consideration when land use policies are determined. This map is not designed for parcel-specific planning purposes due to its scale and the ten-acre minimum land use mapping unit. Classification of important farmland and urban areas on this map is based on best available data. The information has been delineated as accurately as possible at 1:24,000-scale, but no claim to meet 1:24,000 National Map Accuracy

Standards is made due to variations in the quality of source data. The Department of Conservation makes no warranties as to the suitability of this product for any particular purpose.

Additional data is available at www.conservation.ca.gov/dlrp/fmmp, including detail on the program, full size PDF maps, map categories, statistics, field summaries, and GIS data for download. Contact the:

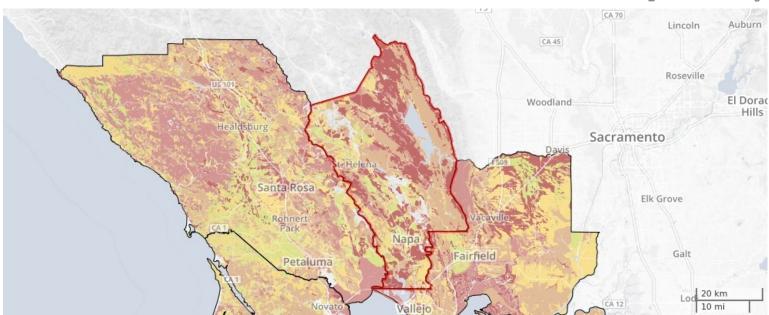


Farmland Mapping and Monitoring Program 801 K Street, MS 14-15 Sacramento, CA 95814 Phone: (916) 324-0850

e-mail: fmmp@conservation.ca.gov © California Department of Conservation, Division of Land Resource Protection, 2017.

BAY AREA GREENPRINT

Napa County



County Boundaries

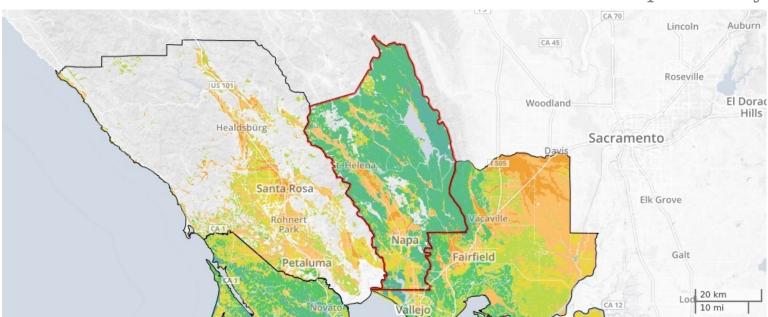
Boundary

CA Storie Index

- Grade 1 Excellent
- Grade 2 Good
- Grade 3 Fair
- Grade 4 Poor
- Grade 5 Very Poor
- Grade 6 Nonagricultural

BAY AREA GREENPRINT

Napa County



County Boundaries

Boundary

Irrigation Capability Class

Class 1

Class 2

Class 3

Class 4

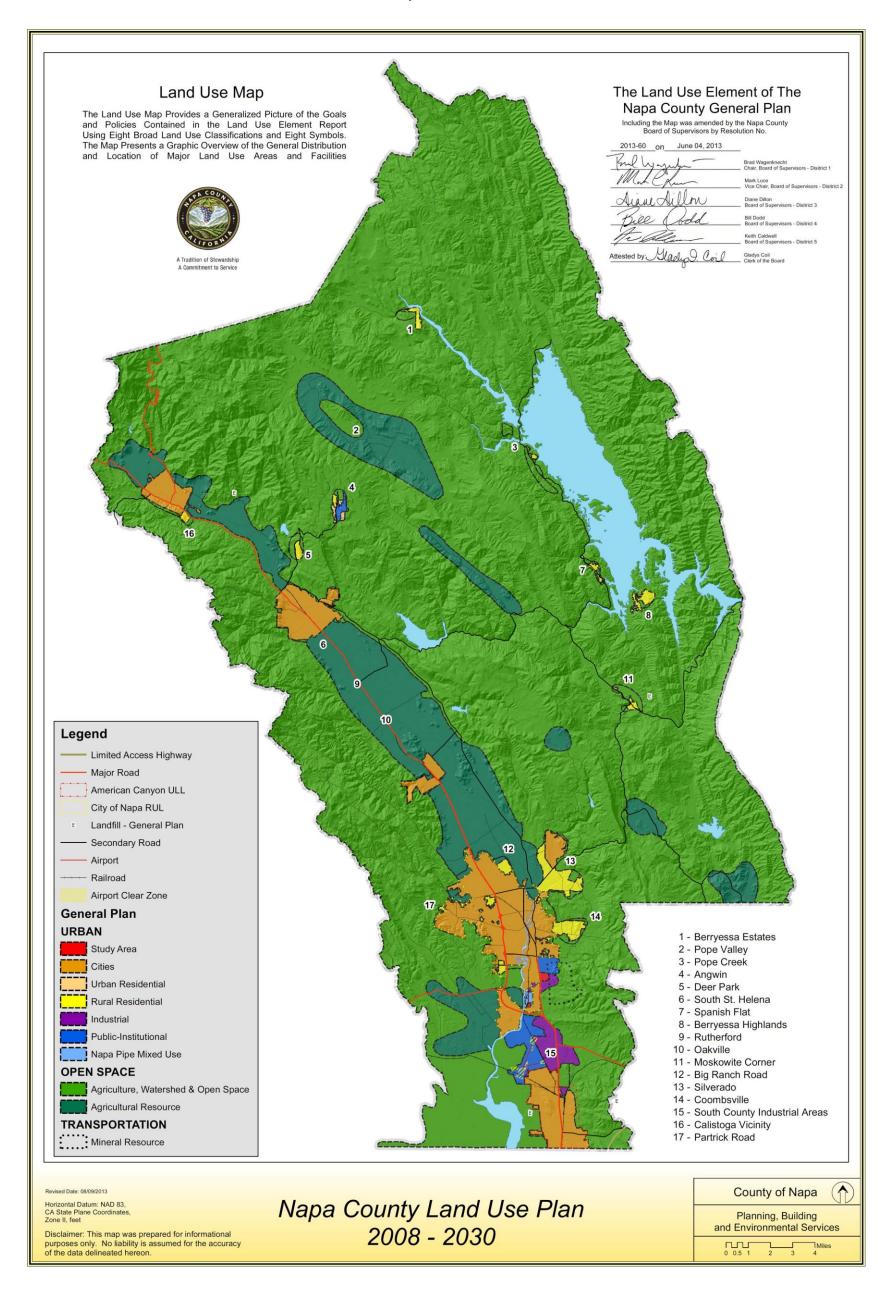
Class 5

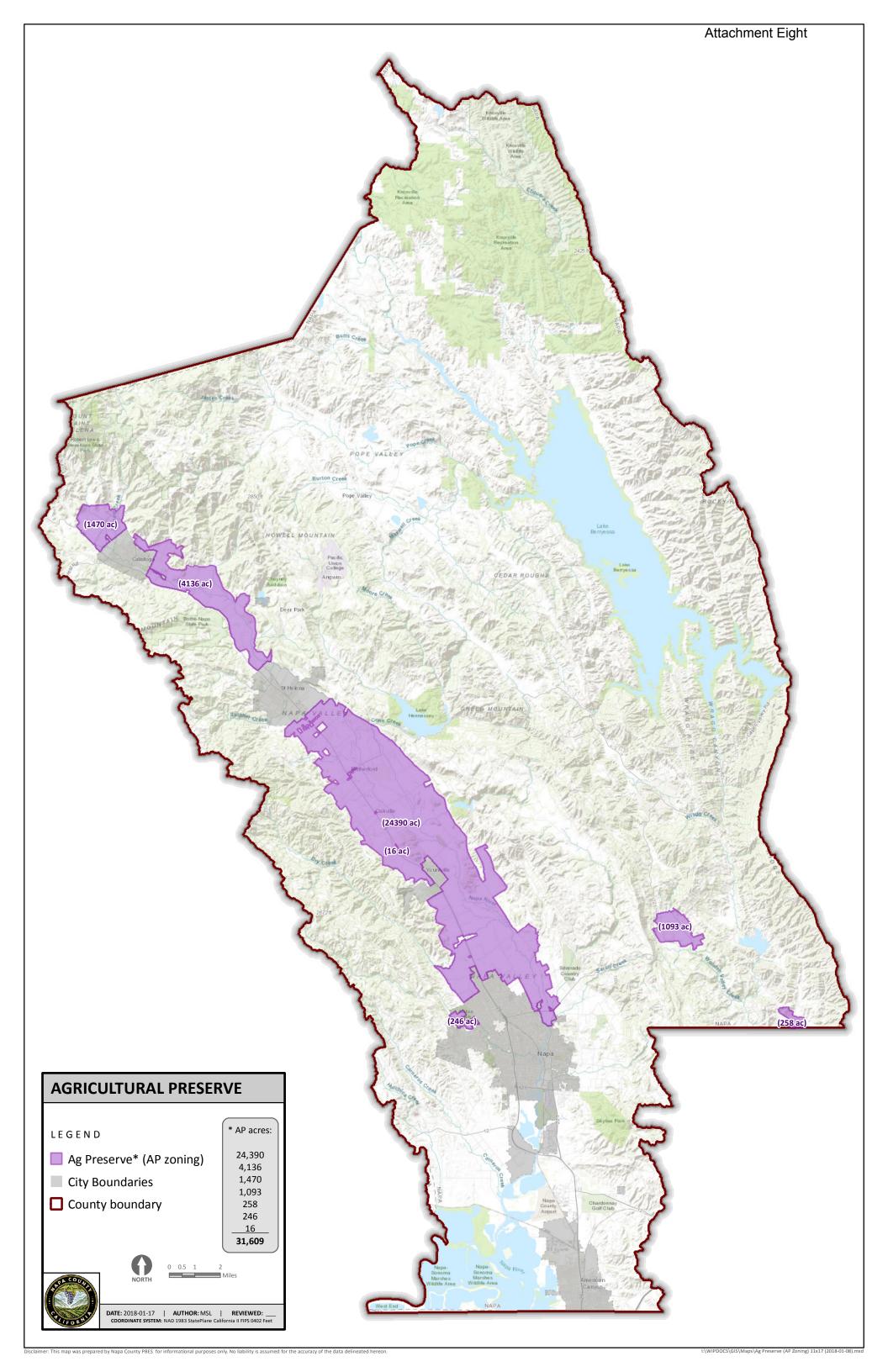
Class 6

Class 7

Class 8

FIGURE AG/LU-3: LAND USE MAP





AND LAND USE

