



## Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

Brad Wagenknecht, Chairman ■ Brian J. Kelly, Vice Chairman ■ Joan Bennett ■ Lewis Chilton ■ Bill Dodd  
Juliana Inman, Alternate ■ Mark Luce, Alternate ■ Gregory Rodeno, Alternate

Administrative Office

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### REGULAR MEETING AGENDA

Monday, February 4, 2013

County of Napa Administration Building

1195 Third Street, Board Chambers, 3<sup>rd</sup> Floor

Napa, California 94559

**1. CALL TO ORDER BY CHAIR; ROLL CALL: 4:00 P.M.**

**2. PLEDGE OF ALLEGIANCE**

**3. APPROVAL OF AGENDA**

The Chair will consider a motion to approve the agenda as prepared by the Executive Officer with any requests to remove or rearrange items by members or staff.

**4. PUBLIC COMMENTS**

In this time period anyone may comment to the Commission regarding any subject over which the agency has jurisdiction. No comments will be allowed involving any subject matter scheduled for hearing, action, or discussion as part of the current agenda other than to request discussion on a specific consent item. Individuals will be limited to three minutes. No action will be taken by the Commission as a result of any item presented at this time.

**5. CONSENT ITEMS**

All items calendared as consent are considered ministerial or non-substantive and subject to single motion approval. With the concurrence of the Chair, a Commissioner may request discussion of an item on the consent calendar.

**a) Second Quarter Budget Report for 2012-2013 (Action)**

The Commission will review a second quarter budget report for 2012-2013. The report compares budgeted versus actual transactions through one-half of the fiscal year. The report projects the Commission is on pace to improve its year-end financial position by eliminating its budgeted funding gap of (\$8,811) and finish with an overall operating surplus of \$12,163. The report is being presented to the Commission to formally accept.

**b) Progress Report on Strategic Plan (Action)**

The Commission will receive a report on progress made to date in meeting goals and implementing strategies in the current two-year strategic plan. The report is being presented to the Commission to formally accept.

**c) Approval of Meeting Minutes (Action)**

The Commission will consider approving minutes prepared by staff for the January 7, 2013 meeting.

**d) New Legislation in 2013 (Information)**

The Commission will review a report from staff summarizing new legislation affecting LAFCOs in 2013. The report is being presented to the Commission for information only.

**e) Current and Future Proposals (Information)**

The Commission will receive a report summarizing current and future proposals. The report is being presented for information. No new proposals have been submitted since the January 7, 2013 meeting.

**6. PUBLIC HEARING ITEMS**

Any member of the public may address the Commission with respect to a scheduled public hearing item. Comments should be limited to no more than five minutes unless additional time is permitted by the Chair.

None.

**7. ACTION ITEMS**

Items calendared for action do not require a public hearing before consideration by the Commission. Any member of the public may receive permission to provide comments on an item at the discretion of the Chair.

**a) Approval of Draft Proposed Budget for Fiscal Year 2013-2014**

The Commission will review a draft proposed budget for 2013-2014. The draft's operating expenses total \$448,755 and represent a 3.8% increase over the current fiscal year. The draft's operating revenues total \$435,915 with the remaining shortfall – (\$12,841) – to be covered by drawing down on agency reserves. The draft is being presented to the Commission for approval and authorization to circulate to local funding agencies for their review in anticipation of adopting a proposed budget in April.

**b) Proposed Annexation of 29 Forest Drive to the City of Napa**

The Commission will consider a proposal filed by the City of Napa on behalf of interested landowners to annex an approximate 6.0 acre unincorporated lot at 29 Forest Drive (041-720-003). Staff recommends approval of the proposal with two discretionary amendments to expand the proposed annexation boundary to include an additional 0.4 acre portion of adjacent right-of-way and concurrent detachment of the affected territory from County Service Area No. 4. Conditions are also recommended.

**8. DISCUSSION ITEMS**

A member of the public may receive permission to provide comments on any item calendared for discussion at the discretion of the Chair. General direction to staff for future action may be provided by Commissioners.

**a) Napa Berryessa Resort Improvement District Sphere of Influence Update**

The Commission will receive a draft report on its scheduled sphere of influence update on Napa Berryessa Resort Improvement District. The central focus of the draft report is to consider whether it is appropriate to expand the current sphere of influence designation to include the entire jurisdictional boundary. The draft report concludes four distinct update options are merited and subject to Commission preference. The draft report identifies the preferred option is to update the sphere with no changes and table all related policy considerations to the next update. The draft report is being presented for discussion and direction in anticipation of staff preparing a final report for adoption at a future meeting.

**b) Legislative Report**

The Commission will receive a report from staff summarizing notable items under discussion as the 2013-2014 legislative session commences. The report is being presented for discussion with possible direction for staff with respect to issuing comments on specific items.

**9. EXECUTIVE OFFICER REPORT**

The Commission will receive a verbal report from the Executive Officer regarding current staff activities.

**10. CLOSED SESSION**

None.

**11. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS**

**12. ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING: April 1, 2013**



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Subdivision of the State of California

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**February 4, 2013**  
**Agenda Item No. 5a (Consent/Action)**

January 29, 2013

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Second Quarter Budget Report for 2012-2013**

The Commission will review a second quarter budget report for 2012-2013. The report compares budgeted versus actual transactions through one-half of the fiscal year. The report projects the Commission is on pace to improve its year-end financial position by eliminating its budgeted funding gap of (\$8,811) and finish with an overall operating surplus of \$12,163. The report is being presented to the Commission to formally accept.

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The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 mandates operating costs for Local Agency Formation Commissions (LAFCOs) shall be annually funded by the affected counties, cities, and, if applicable, special districts. In most instances, the county is responsible for one-half of LAFCO's annual budget with the remaining amount proportionally shared by the cities based on a weighted calculation of population and tax revenues. LAFCOs are also authorized to establish and collect fees for purposes of offsetting agency contributions.

**A. Discussion**

LAFCO of Napa County's ("Commission") adopted final budget for 2012-2013 totals \$432,461. This amount represents the total approved operating expenditures for the fiscal year divided between salaries and benefits, services and supplies, and contingencies. Budgeted revenues total \$423,650 and are divided between intergovernmental fees, service charges, and investments. Markedly, an operating shortfall of (\$8,811) was intentionally budgeted at the beginning of the fiscal year to reduce the funding requirements of the local agencies and to be covered by drawing down on unreserved funds. The unreserved portion of the fund balance totaled \$118,523 as of July 1, 2012.

Budgeted Operating Expenses	Budgeted Operating Revenues	Budgeted Operating Balance
\$432,461	\$423,650	(\$8,811)

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Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

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

Brian J. Kelly, Vice Chair  
Representative of the General Public

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Bill Dodd, Commissioner  
County of Napa Supervisor, 4th District

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Keene Simonds  
Executive Officer

## ***Operating Revenues***

The Commission's operating revenues budgeted for 2012-2013 total \$423,650. Actual revenues collected through the second quarter totaled \$410,873. This amount represents 97% of the adopted budget total with 50% of the fiscal year complete. The following table compares budgeted and actual revenues through the second quarter.

Revenue Units	Adopted	Through 2 <sup>nd</sup> Quarter	Dollar Difference	Percent Collected
Intergovernmental	409,574	409,574	0	100.0
Service Charges	10,000	1,593	(8,407)	15.9
Investments	4,076	677	(4,076)	16.6
Total	\$423,650	\$410,873	(12,777)	97.2

Actuals in the second quarter and related analysis suggest the Commission will finish the fiscal year with \$428,287 in total revenues and produce a surplus of \$4,637 or 1.0%. An expanded discussion on budgeted and actual revenues through the second quarter in the Commission's three revenue units along with projected year-end totals follows.

### ***Intergovernmental Fees***

The Commission budgeted \$409,574 in intergovernmental fees in 2012-2013. Half of the total was invoiced to the County of Napa in the amount of \$204,787. The remaining amount was proportionally invoiced to the cities based on a weighted calculation of population and general tax revenues. This latter formula resulted in invoice charges totaling \$33,321 for American Canyon, \$12,095 for Calistoga, \$136,583 for Napa, \$14,153 for St. Helena, and \$8,635 for Yountville. All agency invoices have been paid in full leaving a zero balance.

### ***Service Charges***

The Commission budgeted \$10,000 in service charges in 2012-2013. At the end of the second quarter, actual revenues collected within this unit totaled \$1,593 or 16% of the budgeted amount. The collected service charges are predominately tied to collecting a fee for additional staff hours needed in completing a reorganization proposal involving the Napa Sanitation District and City of Napa.<sup>1</sup> A review of pending proposals suggests there may be upwards of five applications filed in the near term. Staff believes it would be reasonable – for budgeting purposes – to assume three of these proposals will be filed by the end of the fiscal year and would result in a year-end unit surplus of \$6,003 or 60%.

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<sup>1</sup> The referenced proposal is titled Rosewood Lane No. 1 Reorganization.

**Investments**

The Commission budgeted \$4,076 in investment income in 2012-2013 based on actual revenues collected during the first two quarters of the prior fiscal year. All income generated in this unit is tied to interest earned on the Commission’s fund balance, which is under pooled investment by the County Treasurer. Only earnings from the first quarter have been posted and total \$677. It is reasonable to assume the three remaining quarters will generate similar amounts and would result in a year-end unit deficit projection of (\$1,366) or (34%).

**Operating Expenses**

The Commission’s operating expenses budgeted for 2012-2013 total \$432,461. Actual expenses through the second quarter totaled \$191,515. This amount represents 44% of the budgeted total with 50% of the fiscal year complete. The following table compares budgeted and actual expenses through the first quarter.

Expense Units	Adopted	Actuals Through 2 <sup>nd</sup> Quarter	Dollar Balance	Percent Expended
Salaries/Benefits	311,287	135,086	176,201	43.4
Services/Supplies	121,174	56,429	64,745	46.6
Contingencies	-	-	-	-
Total	\$432,461	\$191,515	\$240,946	44.3

Actuals in the second quarter and related analysis suggest the Commission will finish the fiscal year with \$416,123 in total expenses and produce a surplus/savings of \$16,338 or 3.8%. An expanded discussion on budgeted and actual expenses through the second quarter within the Commission’s three expense units follows.

**Salaries/Benefits**

The Commission budgeted \$311,287 in salaries and benefits for 2012-2013. At the end of the second quarter, the Commission’s actual expenses within the 10 affected accounts totaled \$135,086, representing 43% of the budgeted amount. None of the affected accounts finished the second quarter with balances exceeding 50% of their budgeted allocation. Staff projects the Commission will finish the fiscal year with a moderate surplus of approximately \$9,058 or 3% in the unit with the majority of the savings tied to lower group insurance costs.

**Services/Supplies**

The Commission budgeted \$121,174 in services and supplies for 2012-2013. At the end of the second quarter, the Commission’s actual expenses within the 20 affected accounts totaled \$56,429, which represents 47% of the budgeted amount. Seven of the affected accounts – building/land, accounting/auditing, business travel, training/conferences, computer software/license, memberships/certifications, and special department expenses – finished with balances exceeding 50% of their budgeted allocation with expanded explanations provided below. Staff projects the Commission will finish the fiscal year with a surplus of approximately \$7,274 or 6% in the unit and primarily tied to a sizable decrease in legal costs.

- Building/Land

This account covers the Commission's lease for office space at 1030 Seminary Street in Napa. The account was budgeted to equal the contracted annual lease amount of \$25,560, which is fixed over the next five fiscal years and results in a monthly payment of \$2,130. Expenses through the second quarter total \$14,780 or 58% of the budgeted amount and cover rent through the first six months plus a \$2,000 security deposit collected in July 2012. The security charge, notably, will result in a corresponding deficit of (\$2,000) or (8%) in this account at the end of the fiscal year.

- Auditing and Accounting

This account primarily covers the Commission's annual costs for contracted financial support services provided by the County Auditor's Office. This includes processing accounts payable and receivable along with payroll. The account also covers costs to retain an outside consultant to prepare an annual audit for the prior completed fiscal year. The Commission budgeted \$9,126 in this account in 2012-2013. Expenses through the second quarter totaled \$5,797 or 63% of the budgeted amount. Over four-fifths of expenses through the second quarter are tied to the payment of an outside consultant (Gallina) to prepare an audit report for the prior fiscal year. Staff projects the Commission will ultimately finish with a moderate deficit of (\$961.54) or (11%) in this account at the end of the fiscal year.

- Business Travel

This account covers the Commission's costs to reimburse members and staff for all travel related expenditures incurred in the course of performing agency business and includes airline tickets and automobile mileage.<sup>2</sup> The Commission budgeted \$5,000 in this account in 2012-2013. Expenses through the second quarter totaled \$3,297 or 66% of the budgeted amount. The majority of the expenses through the second quarter are tied to reimbursing members and staff for their vehicle mileage to attend the CALAFCO Annual Conference in Monterey in October 2012. Staff projects the Commission will finish ultimately with a nominal surplus of \$300 or 6% in this account at the end of the fiscal year.

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<sup>2</sup> The Executive Officer does not receive mileage reimbursement for any vehicle mileage incurred within Napa County.

- Training/Conferences  
This account is used for a variety of instructional activities for commissioners and staff with the majority of actual expenditures associated with the California Association of LAFCOs or CALAFCO. The Commission budgeted \$4,000 in this account in 2012-2013. Expenses through the second quarter totaled \$6,351 and represent 159% of the budgeted amount. The majority of charges incurred through the second quarter are tied to registering members and staff for the recent CALAFCO Annual Conference.<sup>3</sup> Staff projects the Commission will finish with an account deficit of (\$3,850) or (96%) at the end of the fiscal year due to other scheduled training sessions.
- Computer Software/License  
This account is used to cover the Commission's annual fees for computer software services. The Commission budgeted \$3,487 in this account in 2012-2013 to cover support and license fees that provide website hosting/updates, live video/audio streaming, and digital record archiving. Expenses through the second quarter totaled \$2,480 and represent 71% of the budgeted amount; the majority of which is tied to paying the entire contract amount for digital record archiving services. (Website hosting/updating is billed quarterly and the video/audio streaming services are expected to be implemented in January 2013). Staff projects the Commission will finish with a nominal surplus/deficit in this account at the end of the fiscal year.
- Memberships/Certifications  
This account currently covers the Commission's annual membership fee for CALAFCO. The Commission's budgeted membership fee is \$2,248 in 2012-2013 and has been paid in full.
- Special Department Expenses  
This account covers the Commission's special or one-time expenses and typically tied to equipment or software purchases that are expected to be in use for an extended period. The Commission budgeted \$3,500 in this account in 2012-2013 with over two-thirds dedicated to the purchase of software and related training with Granicus to begin live-streaming meetings on the internet. Expenses through the second quarter total \$3,112 or 89% of the budgeted amount and cover the referenced Granicus software and training expenditure along with the purchase of two new desktop monitors. Staff projects the Commission will finish with a nominal surplus/deficit in this account at the end of the fiscal year.

### Contingencies

The Commission did not budget funds for contingencies in 2012-2013, and instead will rely on its unreserved fund balance to address any unexpected costs.

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<sup>3</sup> Attendees for the CALAFCO Annual Conference included six commissioners (Bennett, Chilton, Kelly, Inman, Rodeo, and Wagenknecht) and three staff (Simonds, Freeman, and Gong). CALAFCO's Annual Conference was held on October 3-5 at the Hyatt Regency in Monterey, California.

## **B. Analysis**

Activity through the end of the second quarter indicates the Commission is advantageously on pace to finish 2012-2013 with an operating surplus of \$12,163; an amount that would represent a significant improvement compared to the (\$8,811) deficit budgeted at the beginning of the fiscal year. This projected improvement in the Commission's year-end financial standing is primarily attributed to savings in two specific areas: employee insurance premiums and legal services. Further, if these projections prove accurate through the final two quarters, the Commission will be positioned to increase its unreserved fund balance from \$118,523 to \$130,686; a change that would mark the first year-end increase in reserves since 2007-2008.

## **C. Recommendation**

It is recommended the Commission formally accept the report as presented.

## **D. Alternatives for Action**

The following two alternatives are available to the Commission:

Alternative Action One (Recommended):

Accept the staff report as presented.

Alternative Action Two:

Continue consideration of the staff report to a future meeting and provide direction for more information as needed.

## **E. Procedures for Consideration**

This item has been agendized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully submitted,

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Keene Simonds  
Executive Officer

Attachment:

- 1) 2012-2013 General Ledger through December 31, 2012



# Local Agency Formation Commission of Napa County

Subdivision of the State of California

ATTACHMENT ONE

## FY2012-2013 Adopted Operating Budget: Second Quarter Report

### Expenses

		FY2009-10		FY2010-11		FY2011-12		FY2012-13			
		Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Actual FY11-12	Adopted FY12-13	Actual 2nd Quarter	Projected Year End	
<b>Salaries and Benefits</b>											
<u>Account</u>	<u>Description</u>										
51100	Salaries and Wages	195,580.00	193,055.65	198,346.60	198,280.48	202,387.60	203,108.73	203,183.19	92,066.82	45.3%	204,682.82
51400	Employee Insurance: Premiums	36,471.00	29,210.94	37,953.96	33,872.67	45,648.12	37,643.35	47,646.00	19,093.60	40.1%	38,269.32
51600	Retirement	34,064.00	33,015.37	34,991.95	34,924.41	36,701.99	36,871.55	37,736.30	16,665.02	44.2%	37,003.66
51605	Other Post Employment Benefits	8,706.00	8,706.00	9,138.00	9,138.00	9,341.00	9,341.00	12,139.00	3,034.75	25.0%	12,139.00
51210	Commissioner/Director Pay	9,600.00	5,100.00	9,600.00	4,900.00	9,600.00	5,700.00	6,400.00	2,500.00	39.1%	6,100.00
51300	Medicare	2,836.00	2,657.51	2,876.49	2,738.20	2,934.62	2,790.20	2,946.16	1,259.45	42.7%	2,792.07
51205	Cell Phone Allowance	840.00	843.50	840.00	843.50	840.00	843.50	840.00	367.50	43.8%	840.00
51405	Workers Compensation	168.00	168.00	226.00	226.00	327.00	327.00	396.00	99.00	25.0%	396.00
51110	Extra Help	-	-	-	-	-	-	-	-	-	-
51115	Overtime	-	-	-	-	-	-	-	-	-	-
		<u>288,265.00</u>	<u>272,756.97</u>	<u>293,973.00</u>	<u>284,923.26</u>	<u>307,780.33</u>	<u>296,625.33</u>	<u>311,286.64</u>	<u>135,086.14</u>	<u>43.4%</u>	<u>302,222.87</u>
<b>Services and Supplies</b>											
<u>Account</u>	<u>Description</u>										
52605	Rents and Leases: Building/Land	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	29,280.00	25,560.00	14,780.00	57.8%	27,560.00
52140	Legal Services	24,990.00	17,938.31	26,010.00	17,659.74	22,540.00	17,593.30	22,540.00	2,219.18	9.8%	11,095.90
52130	Information Technology Services	22,438.00	19,182.50	18,438.91	17,625.42	24,630.83	23,385.87	22,009.00	11,004.48	50.0%	22,008.96
52125	Accounting/Auditing Services	7,883.00	7,819.33	8,277.15	7,301.48	8,691.01	7,340.78	9,125.56	5,797.42	63.5%	10,087.10
52600	Rents and Leases: Equipment	-	-	-	-	-	-	6,500.00	2,232.14	34.3%	5,732.14
53100	Office Supplies	15,000.00	9,697.20	15,000.00	9,628.08	12,000.00	14,508.46	5,500.00	622.87	11.3%	4,500.00
52905	Business Travel/Mileage	4,500.00	5,044.48	4,500.00	6,469.45	5,000.00	2,253.35	5,000.00	3,297.39	65.9%	4,797.39
52900	Training/Conference	4,500.00	6,063.92	4,500.00	4,140.97	4,000.00	5,141.00	4,000.00	6,350.77	158.8%	7,850.77
53600	Special Departmental Purchases	1,000.00	1,095.25	1,000.00	2,482.00	1,000.00	426.64	3,500.00	3,112.40	88.9%	3,500.00
53415	Computer Software/License	-	-	-	-	-	-	3,487.13	2,479.58	71.1%	3,487.13
52800	Communications/Telephone	3,500.00	1,205.16	3,500.00	1,640.02	4,470.00	2,329.81	2,970.00	529.24	17.8%	2,493.24
53120	Memberships/Certifications	2,275.00	2,200.00	2,275.00	2,200.00	2,275.00	2,200.00	2,248.40	2,248.00	100.0%	2,248.00
53205	Utilities: Electric	-	-	-	-	-	-	1,500.00	525.53	35.0%	1,225.53
52830	Publications and Notices	1,500.00	1,112.17	1,500.00	1,433.43	1,500.00	2,255.64	1,500.00	480.87	32.1%	1,500.00
52835	Filing Fees	850.00	250.00	850.00	450.00	850.00	237.50	850.00	150.00	17.6%	550.00
53110	Postage/Freight	-	-	-	-	-	-	800.00	127.42	15.9%	610.00
52700	Insurance: Liability	347.00	347.00	444.00	444.00	321.00	321.00	153.00	74.00	48.4%	148.00
52105	Election Services	-	-	-	-	-	-	-	75.00	-	75.00
53105	Office Supplies: Furniture/Fixtures	-	-	-	-	-	-	-	322.38	-	500.00
54600	Capital Replacement/Depreciation*	-	3,931.30	3,931.40	3,931.40	3,931.40	3,931.40	3,931.40	-	-	3,931.40
		<u>118,063.00</u>	<u>105,166.62</u>	<u>119,506.46</u>	<u>104,685.99</u>	<u>120,489.23</u>	<u>111,204.75</u>	<u>121,174.49</u>	<u>56,428.67</u>	<u>46.6%</u>	<u>113,900.56</u>
<b>Contingencies</b>											
<u>Account</u>	<u>Description</u>										
58100	Appropriation for Contingencies	90,632.80	-	-	-	-	-	-	-	-	-
		<u>90,632.80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>EXPENSE TOTALS</b>	<u>496,960.80</u>	<u>377,923.59</u>	<u>413,479.46</u>	<u>389,609.25</u>	<u>428,269.56</u>	<u>407,830.08</u>	<u>432,461.13</u>	<u>191,514.81</u>	<u>44.3%</u>	<u>416,123.43</u>

**Revenues**

		FY2009-10		FY2010-11		FY2011-12		FY2012-13			
		Adopted FY09-10	Actual FY09-10	Adopted FY10-11	Actual FY10-11	Adopted FY11-12	Actual FY11-12	Adopted FY12-13	Actual 2nd Quarter		Projected Year End
<b>Intergovernmental</b>											
<b>Account</b>	<b>Description</b>										
43910	County of Napa	-	153,965.70	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17	204,787.17	100.0%	204,787.17
43950	Other Governmental Agencies		153,965.70	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17	204,787.17	100.0%	204,787.17
----	<i>City of Napa</i>	-	105,428.75	119,646.81	119,647.00	126,330.38	126,330.38	136,583.40	136,583.40	100.0%	136,583.40
----	<i>City of American Canyon</i>	-	22,010.54	27,468.37	27,468.00	32,912.04	32,912.04	33,320.64	33,320.64	100.0%	33,320.64
----	<i>City of St. Helena</i>	-	11,135.35	12,656.54	12,657.00	12,997.37	12,997.37	14,152.67	14,152.67	100.0%	14,152.67
----	<i>City of Calistoga</i>	-	8,742.73	10,642.45	10,642.00	11,393.34	11,393.34	12,095.39	12,095.39	100.0%	12,095.39
----	<i>Town of Yountville</i>	-	6,648.33	7,595.60	7,596.00	7,917.37	7,917.37	8,635.07	8,635.07	100.0%	8,635.07
			307,931.40	356,019.55	356,020.00	383,101.00	383,101.00	409,574.34	409,574.34	100.0%	409,574.34
<b>Service Charges</b>											
42690	Application/Permit Fees	-	18,437.00	10,000.00	24,293.00	10,000.00	8,562.00	10,000.00	1,130.00	11.3%	15,290.00
46800	Charges for Services	-	625.00	-	3,187.00	-	475.00	-	375.00		625.00
47900	Miscellaneous	-	156.30	-	-	-	50.00	-	88.00		88.00
			19,218.30	10,000.00	27,480.00	10,000.00	9,087.00	10,000.00	1,593.00	15.9%	16,003.00
<b>Investments</b>											
45100	Interest	-	3,791.48	5,000.00	2,570.00	2,340.00	2,472.66	4,076.00	677.38	16.6%	2,709.52
			3,791.48	5,000.00	2,570.00	2,340.00	2,472.66	4,076.00	677.38		2,709.52
	REVENUE TOTALS	-	330,941.18	371,019.55	386,070.00	395,441.00	394,660.66	423,650.34	411,844.72	97.2%	428,286.86
<b>OPERATING DIFFERENCE</b>		-	(43,051)	(42,459.91)	(3,539)	(32,828.56)	(13,169.42)	(8,810.79)			12,163.43

**UNRESERVED/UNRESTRICTED FUND BALANCE**

<b>Beginning:</b>	186,574.00	134,344.00	131,692.00	118,522.58
<b>Ending:</b>	134,344.00	131,692.00	118,522.58	130,686.01



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

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---

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---

**February 4, 2013**  
**Agenda Item No. 5b (Consent/Action)**

January 29, 2013

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Progress Report on Strategic Plan**

The Commission will receive a report on progress made to date in meeting goals and implementing strategies in the current two-year strategic plan. The report is being presented to the Commission to formally accept.

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Local Agency Formation Commissions (LAFCOs) are responsible for regulating the formation and development of local governmental agencies under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). Commonly exercised regulatory actions include forming, expanding, and reorganizing cities and special districts for the purpose of facilitating orderly urban growth and efficient municipal service. LAFCOs inform their regulatory powers through various planning activities, namely preparing municipal service reviews. All regulatory and planning actions undertaken by LAFCOs may be conditioned and must be consistent with written policies.

**A. Discussion**

*Adoption and Vision*

LAFCO of Napa County's ("Commission") strategic plan was adopted on June 4, 2012. The strategic plan is the byproduct of an earlier workshop discussion and intended to guide the agency's near-term resources in a manner consistent with the collective preference of current members. The strategic plan is anchored by a vision statement orienting the Commission to proactively fulfill its duties and responsibilities under CKH in a manner responsive to local conditions.

*Near-Term Goals*

The strategic plan identifies five near-term goals to be accomplished through the 2013 calendar year. The first goal directs the Commission to focus its activities – external and internal – on improving service efficiencies. The second goal directs the Commission to proactively expand the use and relevance of the municipal service reviews. The third goal directs the Commission to emphasize partnering with local agencies in coordinating planning activities. The fourth and fifth goals direct the Commission to participate in regional and statewide discussions impacting local agencies and services as well as improve the general public's understanding of the agency and its various functions.

---

Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

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

Bill Dodd, Commissioner  
County of Napa Supervisor, 4th District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Vice Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

### ***Implementing Strategies***

The strategic plan prescribes one or more implementing strategies in support of achieving each identified near-term goal. An underlying intent of the implementing strategies is to serve as a public performance measurement for the Commission in reconciling its goals with actions for subsequent review and reset at the end of the two year timeframe. A summary of the implementing strategies for each near-term goal follows.

**Goal: Improve Service Efficiencies**

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- Prepare a cost-analysis to transition agenda packets to electronic tablets.
- Expand website to allow for online applications and updates.

**Goal: Expand Use and Relevance of Municipal Service Reviews**

---

- Establish formal process in soliciting scoping comments on studies.
- Conduct scoping workshop for pending study on central county region.

**Goal: Renew and Strengthen Coordination with Local Government Agencies**

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- Invite local agencies to present current/future planning activities.
- Present updates to local agencies on current/planned activities.
- Prepare an informational report on local school districts and boards.

**Goal: Anticipate and Evaluate Regional/Statewide Issues**

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- Prepare an informational report on private water services.
- Provide reports on relevant regional agency activities.

**Goal: Improve the Public's Understanding of the Commission**

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- Prepare annual agency newsletters for public distribution.

### **B. Analysis**

The Commission is effectively halfway through the current two-year strategic plan and the agency has made substantive progress with respect to completing several of the implementing strategies. Summary of key activities to date follows.

- Chair Chilton and the Executive Officer made a formal presentation to the County Planning Committee in November 2012 outlining LAFCO's policies and programs and discussed shared interests in regional growth management.
- An informational report on the location and scope of private community water systems operating in Napa County was presented at the December 2012 meeting. The informational report, notably, incorporated the new directives established under the recent enactment of Assembly Bill 54 requiring, among other items, LAFCOs identify and make related assessments concerning the operation of mutual water companies as part of municipal service reviews.

- A newsletter summarizing recent and pending Commission activities was circulated to all local agencies and other pertinent community stakeholders in January 2013. The newsletter included articles on the Legislative Analyst's Office recent review of the Commission, key conclusions in the recently completed law enforcement service review, and ongoing efforts to annex and eliminate the 20 unincorporated islands existing within the City of Napa.
- Staff conducted a scoping meeting for the staff of the affected agencies as part of the pending central county study in mid January 2013. The meeting was well attended and served as a collaborative opportunity among staff to discuss evaluation criteria to be used in preparing the municipal service review as well as potential study areas for the sphere of influence updates.

With respect to other implementing strategies, staff anticipates the Commission will be holding a public workshop on the central county study as early as the April meeting. Staff also anticipates working with the Chair in scheduling guest presentations among local agencies and other regional bodies during the remainder of the calendar year. Also of note, and consistent with recent comments from Commissioners to focus resources on the central county study, staff will defer preparing an informational report on local school boards and districts to another strategic plan cycle.

### **C. Recommendation**

It is recommended the Commission formally accept the report as presented.

### **D. Alternatives for Action**

The following two alternatives are available to the Commission:

#### **Alternative Action One (Recommended)**

Accept the report as presented with any further direction as specified.

#### **Alternative Action Two:**

Continue consideration of the report to a future meeting and provide direction for more information as needed.

### **E. Procedures for Consideration**

This item has been agendaized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully submitted,

---

Keene Simonds  
Executive Officer

Attachment:

1) Adopted Strategic Plan for Calendar Years 2012 and 2013



## Local Agency Formation Commission of Napa County *Political Subdivision of the State of California*

### Strategic Plan 2012-2013

## Vision Statement

Provide effective oversight of local government agencies and their municipal service consistent with the tenets and ideals of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and in a manner responsive to local character and circumstances. The Commission will strive diligently to achieve this vision by emphasizing the following core values at all times.

**a) Professional**

The Commission will be accountable and transparent in developing, implementing, and communicating its policies, procedures, and programs.

**b) Principled**

The Commission will maintain a higher set of standards in fulfilling its prescribed duties and responsibilities with integrity and fairness in facilitating orderly growth.

**c) Reasonable**

The Commission will be objective in its decision-making with particular focus in considering the “reasonableness” of all potential actions before the agency.

## Goals and Strategies

The Commission’s goals supporting its vision statement along with corresponding implementation strategies for the 2012-2013 planning period follow.

### **1. Improve Service Efficiencies**

The Commission shall focus its prescribed duties and responsibilities in assisting local governmental agencies in pursuing efficiencies relative to available resources to reduce costs and enhance services. The Commission, accordingly, will lead by example and use creativity and innovation in improving its own service efficiencies by doing more with less for the benefit of both local funding agencies and the general public. This includes:

- a) Prepare a cost-benefit analysis for the Commission to purchase electronic tablets for purposes of converting all agenda packets to digital-only copies.
- b) Expand the use of the Commission website to allow applicants to submit all required proposal forms on-line. The website should also be expanded to allow each applicant to log-in with a personal password to check the status of their proposal.

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## **2. Expand Use and Relevance of Municipal Service Reviews**

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The Commission shall proactively expand the use and relevance of municipal service reviews by focusing on issues of local significance within each affected community. This includes:

- a) Formally invite all affected local agencies and the general public to submit comments on governance and service related issues for consideration before the start of each scheduled municipal service review. Include a summary of the comments received along with staff responses in the final report.
- b) Conduct a scoping workshop for the pending central county municipal service review (City of Napa, Napa Sanitation District, Silverado Community Services District, and Congress Valley Water District) to help inform the report's direction and focus on specific areas of analysis as it relates to potential sphere of influence changes.

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## **3. Renew and Strengthen Coordination with Local Governmental Agencies**

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The Commission shall fulfill its prescribed duties and responsibilities in partnership with local governmental agencies. To this end, and given the significant change in boards, councils, directors, and senior staff over the last several years, the Commission shall make a concerted effort to renew and strengthen its coordination with local agencies to help ensure appropriate communication relative to current and planned activities exists. This includes:

- a) Invite the County of Napa, cities, and special districts to make individual presentations to the Commission summarizing their current and future planning activities. Presentations will be scheduled by the Executive Officer and subject to the Chair's approval.
- b) Present formal updates to the County of Napa, cities, and special districts on current and future activities relevant to the affected agency. Updates should be scheduled in consultation with the affected agency's director/manager.
- c) Prepare a report for Commission use on local school districts and boards. The report shall be prepared in consultation with the affected agencies and address, among other items, the relationship between current/planned growth and school resources. The report shall also be distributed to all local agencies for review and file.

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#### **4. Anticipate and Evaluate Regional and Statewide Issues Impacting Municipalities and their Services**

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The Commission shall participate and provide, as appropriate, its expertise and perspective in regional and statewide discussions on critical issues that have the potential for significantly affecting local municipalities and their services. The Commission shall also, as appropriate, assume a leadership role in convening discussions among multiple stakeholders on critical service and growth issues affecting Napa County. This includes:

- a) In conjunction with Assembly Bill 54, prepare a report on private water companies operating in Napa County. The report shall be limited initially to identifying the location, service area, and general service capacity/demand of each private water company and distributed to all local agencies for their review and file.
- b) Actively follow the Association of Bay Area Governments and Metropolitan Transportation Commission. Provide annual reports on these agencies' current and planned activities as it relates to issues of interest to the Commission.

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#### **5. Improve the Public's Understanding of the Commission**

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The Commission shall make a concerted effort to improve the public's awareness and understanding of the agency's responsibilities and activities. This includes:

- a) Actively utilize print and social media resources in expanding the public's understanding of the role and function of the Commission.
- b) Prepare an annual newsletter for public distribution summarizing recent and planned Commission activities. The annual newsletter will be made available on the Commission website and directly e-mailed out through the agency's distribution list.



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**February 4, 2013**  
**Agenda Item No. 5c (Consent/Action)**

January 30, 2013

**TO:** Local Agency Formation Commission

**FROM:** Kathy Mabry, Commission Secretary

**SUBJECT: Approval of Minutes for Regular Meeting on January 7, 2013**

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**A. Discussion and Recommendation**

Attached are summary minutes prepared for the Commission's Regular Meeting on January 7, 2013. Staff recommends approval.

Respectfully submitted,

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Kathy Mabry  
Commission Secretary

Attachment: as stated

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Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

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

Bill Dodd, Commissioner  
County of Napa Supervisor, 4th District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Vice Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
*Executive Officer*



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MEETING MINUTES OF JANUARY 7, 2013**

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**1. CALL TO ORDER; ROLL CALL**

Chair Wagenknecht called the regular meeting of January 7, 2013 to order at 4:00P.M. The following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Brad Wagenknecht, Chair	Juliana Inman	Keene Simonds, Executive Officer
Brian J. Kelly, Vice-Chair	Mark Luce	Jackie Gong, Commission Counsel
Joan Bennett	Gregory Rodeno	Kathy Mabry, Secretary
Lewis Chilton		
Bill Dodd		

**2. PLEDGE OF ALLEGIANCE**

Chair Wagenknecht led the Pledge of Allegiance.

**3. AGENDA REVIEW**

The Commission approved a motion to accept the agenda as prepared.

**4. PUBLIC COMMENTS**

Chair Wagenknecht invited members of the audience to provide public comment.

Ron Stahlecker spoke to the Commission regarding island annexations. Mr. Stahlecker noted he is one of three landowners comprising an island located off of Easum Drive. Mr. Stahlecker added he is interested in participating in the annexation so long as there are no direct costs, but is unclear whether the Commission will proceed with an actual proposal.

Chair Wagenknecht noted it has been on LAFCO's radar for awhile and remains an interest to the agency. Staff reported that this is a priority and hopes to have conversations with the City of Napa soon, and getting their resolution.

Commissioner Bennett stated she believes staff should make contact with Mr. Stahlecker to let him know the status of the island annexation program.

Commissioner Dodd commented that this has been discussed before and wonders if this Commission has the political resources to proceed at this time.

Commissioner Inman said she believes the annexation application is at the City's Planning department, and believes the fees will be waived, however, the findings have to be finalized by City staff and then it goes to Counsel. The City of Napa filled the Planning Manager position in December (Ken McNab) so now proper staff is in place to move forward.

Chair Wagenknecht closed the public comment period.

**5. CONSENT ITEMS**

**a) Amendments to Adopted Fee Schedule**

The Commission considered minor amendments to its adopted fee schedule to reflect new filing charges for the California Department of Fish and Game for lead agencies under the California Environmental Quality Act.

**b) Approval of Agency Newsletter**

The Commission reviewed an agency newsletter prepared by staff. The newsletter summarized notable actions and related accomplishments in the 2012 calendar year as well as highlighted pending activities. The newsletter complies with the Commission's strategic plan to perform proactive outreach to improve the public's awareness and understanding of the agency and its various functions. The newsletter was presented to the Commission to formally approve for public distribution.

**5. CONSENT ITEMS – continued:**

**c) Approval of Meeting Minutes**

The Commission considered approving minutes prepared by staff for the December 3, 2012 meeting.

**d) Current and Future Proposals**

The Commission received a report summarizing current and future proposals. The report was presented for information. Three new proposals have been submitted since the December 3, 2012 meeting.

Upon motion by Commissioner Chilton and second by Commissioner Kelly, the consent items were unanimously approved.

**6. PUBLIC HEARING ITEMS**

There was no discussion of this item.

**7. DISCUSSION ITEMS**

**a) Commendation for Dedicated Service: William Chiat**

The Commission recognized the distinguished service of William Chiat upon his recent retirement as the Executive Director for the California Association of Local Agency Formation Commissions. A draft resolution of commendation was presented for formal adoption.

Chair Wagenknecht presented William Chiat with a plaque with a commemorative inscription, which noted gratitude for 8 years of service to CALAFCO and Napa LAFCO.

William Chiat expressed his appreciation for the commendation, and stated he especially appreciates the intimate association Napa LAFCO has had in various CALAFCO activities. Mr. Chiat stated that he will continue to work counties as the Dean of CSAC Institute.

Upon motion by Commissioner Kelly and second by Commissioner Bennett, the commendation and resolution were approved (**Resolution #2013-01**).

**b) Proposed Annexation of 1101 Grandview Drive to the City of Napa**

The Commission considered a proposal from the City of Napa to annex approximately 1.1 acres of unincorporated territory located at 1101 Grandview Drive (APN: 043-091-013). Staff recommended approval of the proposal with two discretionary amendments to expand the proposed annexation boundary to include an additional 0.1 acre portion of adjacent right-of-way and concurrent detachment of the affected territory from County Service Area No. 4. Standard conditions were also recommended.

Staff provided a verbal report noting that this lot has been in the City's sphere since 1976 and is part of the Hilton subdivision. Staff noted the underlying and immediate purpose of the proposal is to facilitate the future development of a single-family residence; an action that requires annexation to the City given the landowners want/need to connect their future residence to City water, which is not available because of ordinances established by the City Council for the Hilton subdivision several decades ago. Staff also noted the subject lot lies within NSD's sphere of influence, but is approx. 1,000 feet away from the nearest sewer line located at Foster Road and Canterbury Drive. The estimated cost to extend the sewer line to the subject lot would be a minimum amount of \$100,000. Staff commented this estimated cost appears substantially prohibitive for the landowner to assume and therefore staff believes it would be appropriate to waive the concurrent annexation requirement to NSD.

Staff also noted receipt of a request from CSA #4 requesting a condition be added to require the City file a proposal to annex the land back into the District if a vineyard is built on this property.

**7. DISCUSSION ITEMS – continued:**

The Commission discussed and noted how most of the homes in this area are on septic systems, and agreed that there should be a long-term strategic plan to get those in that area hooked up to NSD. The Commission also discussed what LAFCO's and NSD's responsibility might be or not be for this situation.

Chair Wagenknecht suggested staff confer with NSD staff regarding status of this location.

There were no public comments. Chair Wagenknecht closed the public hearing.

Upon motion by Commissioner Kelly and second by Commissioner Chilton, the recommended action to approve the proposal with the referenced amendments and conditions were approved **(Resolution #2013-02)**.

**8. DISCUSSION ITEMS**

There was no discussion of this item.

**9. EXECUTIVE OFFICER REPORT**

The Commission received a verbal report from the Executive Officer regarding current staff activities.

**10. CLOSED SESSION**

There was no closed session.

**11. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS**

There was no discussion of this item.

**12. ADJOURNMENT**

The meeting was adjourned at 4:35 p.m. The next regular LAFCO meeting is scheduled for Monday, February 4, 2013 at 4:00 p.m.

---

Brad Wagenknecht, Chair

ATTEST: Keene Simonds, Executive Officer

Prepared by:

---

Kathy Mabry, Commission Secretary



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**February 4, 2013**

**Agenda Item No. 5d (Consent/Information)**

January 29, 2013

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: New Legislation in 2013**

The Commission will review a report from staff summarizing new legislation affecting LAFCOs in 2013. The report is being presented to the Commission for information only.

---

Local Agency Formation Commissions (LAFCOs) are responsible for administering the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”). This includes approving or disapproving, with or without modifications, change of organization or reorganization proposals as well as outside service extension requests. LAFCOs inform their regulatory duties through a series of planning activities, most notably preparing municipal service reviews and sphere of influence updates every five years.

**A. Information**

The second year of the California Legislature’s 2011-2012 session proved largely uneventful with respect to generating new legislation affecting LAFCOs. The lone exception involves the passage of Assembly Bill (AB) 2698, which was authored by the Committee on Local Government as part of their annual omnibus item and makes a number of non-controversial changes to CKH. This includes clarifying the procedural requirements to waive notice, hearing, and protest proceedings for inhabited and uninhabited annexations or detachments as well as encouraging LAFCOs to utilize a reorganization committee when initiating a reorganization of two or more special districts.

A notable absence from the legislation enacted for 2013 involves the previously discussed AB 2238; an item that was authored by Assemblymember Henry Perea on behalf of the California Rural Legal Assistance (CRLA). This bill originally sought to expand LAFCOs’ mandate in preparing municipal service reviews to no longer encourage but mandate the review of governance alternatives and determine whether affected agencies comply with the Safe Drinking Water Act. The bill was subsequently amended at the request of CALAFCO to reverse the directives back to encourage with the addition the Department of Public Health first consult with LAFCOs before issuing grants or loans to community water systems. The bill was ultimately amended for non LAFCO purposes before stalling in the committee review process. However, based on CRLA feedback, it is reasonable to assume a similar effort to the bill’s initial intent may be pursued again.

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Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

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

Brian J. Kelly, Vice Chair  
Representative of the General Public

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Bill Dodd, Commissioner  
County of Napa Supervisor, 4th District

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Keene Simonds  
Executive Officer

**B. Commission Review**

This item has been agendaized as part of the consent calendar for information only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair.

Attachments:  
1) Chaptered: AB 2698



*California*  
LEGISLATIVE INFORMATION

AB-2698 Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. (2011-2012)

**Assembly Bill No. 2698**

CHAPTER 62

**An act to amend Sections 56375, 56425, 56658, 56662, 56827, 56853, 57077, 57102, 57107, 57113, and 57114.5 of, to add Sections 57077.1, 57077.2, 57077.3, and 57077.4 to, to repeal Sections 56854, 57081, and 57114 of, and to repeal and add Section 56663 of, the Government Code, and to amend Section 99 of the Revenue and Taxation Code, relating to local government.**

[ Approved by Governor July 09, 2012. Filed Secretary of State July 09, 2012. ]

LEGISLATIVE COUNSEL'S DIGEST

AB 2698, Committee on Local Government. Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

(1) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the power to approve the annexation of a contiguous disadvantaged community, under specified circumstances. Existing law provides that an application to annex a contiguous disadvantaged community is not required if a commission finds that a majority of the residents within the affected territory are opposed to annexation.

This bill would provide that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the registered voters within the affected territory are opposed to annexation.

(2) The act requires a local agency formation commission to determine the sphere of influence of each local governmental agency within the county, and to enact policies designated to promote the logical and orderly development of areas within the sphere of influence. When adopting, amending, or updating a sphere of influence for a special district, existing law requires a commission to require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.

This bill would instead require a commission to determine the sphere of influence of each city, and each special district subject to the jurisdiction of the commission, within the county. The bill would instead authorize a commission to require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts, rather than mandating the filing.

(3) The act authorizes a petitioner or legislative body to initiate proceedings before a local agency formation commission to submit an application to the executive officer of the principal county, and requires the executive officer, immediately after receiving an application and before issuing a certificate of filing, to give mailed notice that the application has been received to specified agencies, as specified.

This bill would correct a cross-reference in these provisions.

(4) The act authorizes a local agency formation commission to approve proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission. The act requires a local agency formation commission to comply with certain procedural requirements prior to ordering a change of organization or reorganization, including, among others, requiring voter approval of a change of

organization or reorganization if certain requirements are met. Existing law authorizes a commission to, without notice and hearing, make determinations with regard to approval or disapproval of a proposal for an annexation, detachment, or reorganization that consists solely of annexations or detachments, or both, and of a county service area.

This bill would revise and recast those provisions. The bill would, among other things, specify that voter approval is required for a change of organization or reorganization that consists of an incorporation or disincorporation, and provide for specific protest standards for a change of organization that consists of a dissolution of a district, a consolidation of 2 or more districts, certain types of reorganizations, and the merger or establishment of a subsidiary district. The bill would authorize the waiver of protest proceedings under specified circumstances, and would set forth procedures that apply to those waivers, including the mailing of specified notices. The bill would exempt from voter approval a change of organization that consists of a dissolution, except if the proposal meets certain requirements, subject to protest procedures.

(5) The act provides that if a local agency formation commission has initiated a change of organization or reorganization that affects more than one special district, the commission may utilize and is encouraged to utilize a reorganization committee to review the proposal.

This bill would revise and recast that provision.

(6) The act requires a local agency formation commission to order the consolidation of districts, dissolution, merger, the establishment of a subsidiary district, or a reorganization that includes any of these changes of organization, without an election, as specified. The act exempts from these provisions, any proposal for a change of organization or reorganization submitted to a commission before January 1, 2003, where the Goleta Sanitary District or the Goleta West Sanitary District is an affected district, as specified.

This bill would repeal this exemption.

(7) Existing law requires a county auditor to adjust the allocation of property tax revenues for local agencies whose service area or service responsibility may be altered by a jurisdictional change, as specified.

This bill would make a technical, nonsubstantive change to those provisions.

(8) This bill would make other conforming changes to the act to implement these provisions.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 56375 of the Government Code is amended to read:

**56375.** The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:

(a) (1) To review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

(2) The commission may initiate proposals by resolution of application for any of the following:

(A) The consolidation of a district, as defined in Section 56036.

(B) The dissolution of a district.

(C) A merger.

(D) The establishment of a subsidiary district.

(E) The formation of a new district or districts.

(F) A reorganization that includes any of the changes specified in subparagraph (A), (B), (C), (D), or (E).

(3) A commission may initiate a proposal described in paragraph (2) only if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430, and the commission makes the determinations specified in subdivision (b) of Section 56881.

(4) A commission shall not disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:

(A) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.

(B) Located within an urban service area that has been delineated and adopted by a commission, which is not prime agricultural land, as defined by Section 56064, and is designated for urban growth by the general plan of the annexing city.

(C) An annexation or reorganization of unincorporated islands meeting the requirements of Section 56375.3.

(5) As a condition to the annexation of an area that is surrounded, or substantially surrounded, by the city to which the annexation is proposed, the commission may require, where consistent with the purposes of this division, that the annexation include the entire island of surrounded, or substantially surrounded, territory.

(6) A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.

(7) The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and rezoning of the city. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city rezone the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at build-out, and are consistent with the city's general plan. However, the commission shall not specify how, or in what manner, the territory shall be rezoned.

(8) (A) Except for those changes of organization or reorganization authorized under Section 56375.3, and except as provided by subparagraph (B), a commission shall not approve an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer.

(B) An application to annex a contiguous disadvantaged community shall not be required if either of the following apply:

(i) A prior application for annexation of the same disadvantaged community has been made in the preceding five years.

(ii) The commission finds, based upon written evidence, that a majority of the registered voters within the affected territory are opposed to annexation.

(b) With regard to a proposal for annexation or detachment of territory to, or from, a city or district or with regard to a proposal for reorganization that includes annexation or detachment, to determine whether territory proposed for annexation or detachment, as described in its resolution approving the annexation, detachment, or reorganization, is inhabited or uninhabited.

(c) With regard to a proposal for consolidation of two or more cities or districts, to determine which city or district shall be the consolidated successor city or district.

(d) To approve the annexation of unincorporated, noncontiguous territory, subject to the limitations of Section 56742, located in the same county as that in which the city is located, and that is owned by a city and used for municipal purposes and to authorize the annexation of the territory without notice and hearing.

(e) To approve the annexation of unincorporated territory consistent with the planned and probable use of the property based upon the review of general plan and rezoning designations. No subsequent change may be made to the general plan for the annexed territory or zoning that is not in conformance to the rezoning designations for a period of two years after the completion of the annexation, unless the legislative body for the city makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application to the commission.

(f) With respect to the incorporation of a new city or the formation of a new special district, to determine the number of registered voters residing within the proposed city or special district or, for a landowner-voter special district, the number of owners of land and the assessed value of their land within the territory proposed to be included in the new special district. The number of registered voters shall be calculated as of the time of the last report of voter registration by the county elections official to the Secretary of State prior to the date the first signature was affixed to the petition. The executive officer shall notify the petitioners of the number of registered voters resulting from this calculation. The assessed value of the land within the territory proposed to be included in a new landowner-voter special district shall be calculated as shown on the last equalized assessment roll.

(g) To adopt written procedures for the evaluation of proposals, including written definitions consistent with existing state law. The commission may adopt standards for any of the factors enumerated in Section 56668. Any standards adopted by the commission shall be written.

(h) To adopt standards and procedures for the evaluation of service plans submitted pursuant to Section 56653 and the initiation of a change of organization or reorganization pursuant to subdivision (a).

(i) To make and enforce regulations for the orderly and fair conduct of hearings by the commission.

(j) To incur usual and necessary expenses for the accomplishment of its functions.

(k) To appoint and assign staff personnel and to employ or contract for professional or consulting services to carry out and effect the functions of the commission.

(l) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

(m) To waive the restrictions of Section 56744 if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

(n) To waive the application of Section 22613 of the Streets and Highways Code if it finds the application would deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and if it finds that the waiver would not affect the ability of a city to provide any service. However, within 60 days of the inclusion of the territory within the city, the legislative body may adopt a resolution nullifying the waiver.

(o) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56810.

(p) To authorize a city or district to provide new or extended services outside its jurisdictional boundaries pursuant to Section 56133.

(q) To enter into an agreement with the commission for an adjoining county for the purpose of determining procedures for the consideration of proposals that may affect the adjoining county or where the jurisdiction of an affected agency crosses the boundary of the adjoining county.

(r) To approve with or without amendment, wholly, partially, or conditionally, or disapprove pursuant to this section the annexation of territory served by a mutual water company formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code that operates a public water system to a city or special district. Any annexation approved in accordance with this subdivision shall be subject to the state and federal constitutional prohibitions against the taking of private property without the payment of just compensation. This subdivision shall not impair the authority of a public agency or public utility to exercise eminent domain authority.

**SEC. 2.** Section 56425 of the Government Code is amended to read:

**56425.** (a) In 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.

(b) Prior to a city submitting an application to the commission to update its sphere of influence, representatives from the city and representatives from the county shall meet to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If an agreement is reached between the city and county, the city shall forward the agreement in writing to the commission, along with the application to update the sphere of influence. The commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section, and the commission shall give great weight to the agreement to the extent that it is consistent with commission policies in its final determination of the city sphere.

(c) If the commission's final determination is consistent with the agreement reached between the city and county pursuant to subdivision (b), the agreement shall be adopted by both the city and county after a noticed public hearing. Once the agreement has been adopted by the affected local agencies and their respective general plans reflect that agreement, then any development approved by the county within the sphere shall be consistent with the terms of that agreement.

(d) If no agreement is reached pursuant to subdivision (b), the application may be submitted to the commission and the commission shall consider a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section.

(e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

- (1) The present and planned land 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 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) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere.

(g) On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.

(h) In determining a sphere of influence, the commission may assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery. The commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.

(i) When adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.

(j) When adopting, amending, or updating a sphere of influence for a special district, the commission may require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.

**SEC. 3.** Section 56658 of the Government Code is amended to read:

**56658.** (a) Any petitioner or legislative body desiring to initiate proceedings shall submit an application to the executive officer of the principal county.

(b) (1) Immediately after receiving an application and before issuing a certificate of filing, the executive officer shall give mailed notice that the application has been received to each affected agency, the county committee on school district organization, and each school superintendent whose school district overlies the affected territory. The notice shall generally describe the proposal and the affected territory. The executive officer shall not be required to give notice pursuant to this subdivision if a local agency has already given notice pursuant to subdivision (c) of Section 56654.

(2) It is the intent of the Legislature that an incorporation proposal shall be processed in a timely manner. With regard to an application that includes an incorporation, the executive officer shall immediately notify all affected local agencies and any applicable state agencies by mail and request the affected agencies to submit the required data to the commission within a reasonable timeframe established by the executive officer. Each affected agency shall respond to the executive officer within 15 days acknowledging receipt of the request. Each affected local agency and the officers and departments thereof shall submit the required data to the executive officer within the timelines established by the executive officer. Each affected state agency and the officers and departments thereof shall submit the required data to the executive officer within the timelines agreed upon by the executive officer and the affected state departments.

(3) If a special district is, or as a result of a proposal will be, located in more than one county, the executive officer of the principal county shall immediately give the executive officer of each other affected county mailed notice that the application has been received. The notice shall generally describe the proposal and the affected territory.

(c) Except when a commission is the lead agency pursuant to Section 21067 of the Public Resources Code, the executive officer shall determine within 30 days of receiving an application whether the application is complete and acceptable for filing or whether the application is incomplete.

(d) The executive officer shall not accept an application for filing and issue a certificate of filing for at least 20 days after giving the mailed notice required by subdivision (b). The executive officer shall not be required to comply with this subdivision in the case of an application which meets the requirements of Section 56662 or in the case of an application for which a local agency has already given notice pursuant to subdivision (c) of Section 56654.

(e) If the appropriate fees have been paid, an application shall be deemed accepted for filing if no determination has been made by the executive officer within the 30-day period. An executive officer shall accept for filing, and file, any application submitted in the form prescribed by the commission and containing all of the information and data required pursuant to Section 56652.

(f) When an application is accepted for filing, the executive officer shall immediately issue a certificate of filing to the applicant. A certificate of filing shall be in the form prescribed by the executive officer and shall specify the date upon which the proposal shall be heard by the commission. From the date of issuance of a certificate of filing, or the date upon which an application is deemed to have been accepted, whichever is earlier, an application shall be deemed filed pursuant to this division.

(g) If an application is determined not to be complete, the executive officer shall immediately transmit that determination to the applicant specifying those parts of the application which are incomplete and the manner in which they can be made complete.

(h) Following the issuance of the certificate of filing, the executive officer shall proceed to set the proposal for hearing and give published notice thereof as provided in this part. The date of the hearing shall be not more than 90 days after issuance of the certificate of filing or after the application is deemed to have been accepted, whichever is earlier. Notwithstanding Section 56106, the date for conducting the hearing, as determined pursuant to this subdivision, is mandatory.

**SEC. 4.** Section 56662 of the Government Code is amended to read:

**56662.** (a) If a proposal for an annexation, a detachment, or a reorganization consisting solely of annexations or detachments, or both, or formation of a county service area meets all of the following criteria, the commission may make determinations upon the proposal without notice and hearing and may waive protest proceedings entirely pursuant to Part 4 (commencing with Section 57000):

(1) The territory is uninhabited.

(2) An affected local agency has not submitted a written demand for notice and hearing during the 10-day period as described in subdivision (c).

(3) The proposal meets either of the following criteria:

(A) The petition accompanying the proposal is signed by all of the owners of land within the affected territory.

(B) The proposal is accompanied by proof, satisfactory to the commission, that all the owners of land within the affected territory have given their written consent to the proposal.

(b) Except for the determinations authorized to be made by subdivision (a), the commission shall not make any determinations upon any proposal, plan of reorganization, or report and recommendation of a reorganization committee until after public hearing by the commission on that proposal, plan of reorganization, or report and recommendation of a reorganization committee.

(c) The commission shall not take any action on the petition or resolution of application for 10 days following the mailed notice required under subdivision (b) of Section 56658. Upon written demand by an affected local agency, filed with the executive officer during that 10-day period, the commission shall make determinations upon the petition or resolution of application only after notice and hearing on the petition or resolution of application.

(d) If a proposal for an annexation, a detachment, or a reorganization consisting solely of annexations or detachments, or both, or formation of a county service area meets all of the following criteria, the commission may make determinations upon the proposal and waive protest proceedings entirely pursuant to Part 4 (commencing with Section 57000):

(1) The territory is uninhabited.

(2) The proposal is accompanied by proof, satisfactory to the commission, that all the owners of land within the affected territory, exclusive of land owned by a private railroad company, have given their written consent to the proposal and a private railroad company that is an owner of land within the affected territory has not submitted written opposition to the waiver of protest proceedings prior to the conclusion of the commission hearing.

(3) A subject agency has not submitted written opposition to a waiver of protest proceedings.

**SEC. 5.** Section 56663 of the Government Code is repealed.

**SEC. 6.** Section 56663 is added to the Government Code, to read:

**56663.** For a change of organization consisting of an annexation or a detachment, or a reorganization consisting solely of annexations or detachments, or both, or the formation of a county service area that would otherwise require the conduct of protest proceedings, the commission may waive protest proceedings pursuant to Part 4 (commencing with Section 57000) if all of the following have occurred:

(a) The mailed notice pursuant to Section 56157 has been given to landowners and registered voters within the affected territory.

(b) The mailed notice discloses to the registered voters and landowners that unless written opposition to the proposal is received before the conclusion of the commission proceedings on the proposal, the commission intends to waive protest proceedings. The notice shall disclose that there is potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency in the affected territory.

(c) Written opposition to the proposal from landowners or registered voters within the affected territory is not received before the conclusion of the commission proceedings on the proposal.

**SEC. 7.** Section 56827 of the Government Code is amended to read:

**56827.** (a) Except as provided in subdivision (b), upon the presentation of any petition or applications making a proposal for a reorganization, the commission may take proceedings pursuant to Part 3 (commencing with Section 56650) without referring the proposal to a reorganization committee, as provided in this part.

(b) The commission may refer to a reorganization committee any incorporation proposal that includes, or may be modified to include, any of the following changes of organization affecting an independent special district: consolidation, dissolution, formation, merger, or establishment of a subsidiary district.

(c) If the commission has initiated a change of organization or reorganization that affects more than one special district, the commission may, and is encouraged to, utilize a reorganization committee to review the proposal.

**SEC. 8.** Section 56853 of the Government Code is amended to read:

**56853.** (a) If a majority of the members of each of the legislative bodies of two or more local agencies adopt substantially similar resolutions of application making proposals either for the consolidation of districts or for the reorganization of all or any part of the districts into a single local agency, the commission shall approve, or conditionally approve, the proposal.

(b) Except as provided in subdivision (c), a commission may order any material change in the provisions or the terms and conditions of the consolidation or reorganization, as set forth in the proposals of the local agencies. The commission shall direct the executive officer to give each subject agency mailed notice of any change prior to ordering a change. The commission shall not, without the written consent of all subject agencies, take any further action on the consolidation or reorganization for 30 days following that mailing. Upon written demand by any subject agency, filed with the executive officer during that 30-day period, the commission shall make determinations upon the proposals only after notice and hearing on the proposals. If no written demand is filed, the commission may make those determinations without notice and hearing. The application of any provision of this subdivision may be waived by consent of all of the subject agencies.

(c) The commission shall not order a material change in the provisions of a consolidation or reorganization, as set forth in the proposals of the local agencies pursuant to subdivision (a), that would add or delete districts without the written consent of the applicant local agencies.

**SEC. 9.** Section 56854 of the Government Code is repealed.

**SEC. 10.** Section 57077 of the Government Code is amended to read:

**57077.** If a change of organization consists of an incorporation or disincorporation, or if a reorganization includes an incorporation or disincorporation, the commission shall order the change of organization or reorganization subject to confirmation of the voters. A protest proceeding shall not be conducted.

**SEC. 11.** Section 57077.1 is added to the Government Code, to read:

**57077.1.** (a) If a change of organization consists of a dissolution, the commission shall order the dissolution without confirmation of the voters, except if the proposal meets the requirements of subdivision (b), the commission shall order the consolidation subject to confirmation of the voters.

(b) The commission shall order the dissolution subject to the confirmation of the voters as follows:

(1) If the proposal was not initiated by the commission, and if a subject agency has not objected by resolution to the proposal, the commission has found that protests meet one of the following protest thresholds:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, the affected territory.

(B) In the case of a landowner-voter district, that the territory is uninhabited and that protests have been signed by at least 25 percent of the number of landowners within the affected territory owning at least 25 percent of the assessed value of land within the territory.

(2) If the proposal was not initiated by the commission, and if a subject agency has objected by resolution to the proposal, written protests have been submitted as follows:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within any subject agency within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any subject agency within the affected territory.

(B) In the case of a landowner-voter district, that the territory is uninhabited and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(3) If the proposal was initiated by the commission, and regardless of whether a subject agency has objected to the proposal by resolution, written protests have been submitted that meet the requirements of Section 57113.

(c) Notwithstanding subdivisions (a) and (b) and Section 57102, if a change of organization consists of the dissolution of a district that is consistent with a prior action of the commission pursuant to Section 56378, 56425, or 56430, the commission may do either of the following:

(1) If the dissolution is initiated by the district board, immediately approve and order the dissolution without an election or protest proceedings pursuant to this part.

(2) If the dissolution is initiated by an affected local agency, by the commission pursuant to Section 56375, or by petition pursuant to Section 56650, order the dissolution after holding at least one noticed public hearing, and after conducting protest proceedings in accordance with this part. Notwithstanding any other law, the commission shall terminate proceedings if a majority protest exists in accordance with Section 57078. If a majority protest is not found, the commission shall order the dissolution without an election.

**SEC. 12.** Section 57077.2 is added to the Government Code, to read:

**57077.2.** (a) If the change of organization consists of a consolidation of two or more districts, the commission shall order the consolidation without confirmation by the voters, except that if the proposal meets the requirements of subdivision (b), the commission shall order the consolidation subject to confirmation of the voters.

(b) The commission shall order the consolidation subject to the confirmation of the voters as follows:

(1) If the commission has approved a proposal submitted by resolution of a majority of the members of the legislative bodies of two or more local agencies pursuant to Section 56853, and the commission has found that protests meet one of the following protest thresholds:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within the territory subject to the consolidation who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, the territory.

(B) In the case of a landowner-voter district, the territory is uninhabited and protests have been signed by at least 25 percent of the number of landowners within the territory subject to the consolidation, owning at least 25 percent of the assessed value of land within the territory.

(2) If the commission has approved a proposal not initiated by the commission and if a subject agency has not objected by resolution to the proposal, written protests have been submitted that meet the requirements specified in subparagraph (A) or (B) of paragraph (1).

(3) If the proposal was not initiated by the commission, and if a subject agency has objected by resolution to the proposal, written protests have been submitted as follows:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within any subject agency within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any subject agency within the affected territory.

(B) In the case of a landowner-voter district, the territory is uninhabited, and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(4) If the commission has approved a proposal initiated by the commission, and regardless of whether a subject agency has objected to the proposal by resolution, written protests have been submitted that meet the requirements of Section 57113.

**SEC. 13.** Section 57077.3 is added to the Government Code, to read:

**57077.3.** (a) If a proposal consists of a reorganization not described in Section 57075, 57076, 57077, 57077.4, or 57111, the commission shall order the reorganization without confirmation by the voters except that if the reorganization meets the requirements of subdivision (b), the commission shall order the reorganization subject to confirmation of the voters.

(b) The commission shall order the reorganization subject to confirmation of the voters as follows:

(1) If the commission has approved a proposal submitted by resolution of a majority of the members of the legislative bodies of two or more local agencies pursuant to Section 56853, and the commission has found that protests meet one of the following protest thresholds:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, the affected territory.

(B) In the case of a landowner-voter district, that the territory is uninhabited, and that protests have been signed by at least 25 percent of the number of landowners within the affected territory, owning at least 25 percent of the assessed value of land within the territory.

(2) If the commission has approved a proposal not initiated by the commission, and if a subject agency has not objected by resolution to the proposal, a written protest has been submitted that meets the requirements specified in subparagraph (A) or (B) of paragraph (1).

(3) If the commission has approved a proposal not initiated by the commission, and if a subject agency has objected by resolution to the proposal, written protests have been submitted as follows:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within any subject agency within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any subject agency within the affected territory.

(B) In the case of a landowner-voter district, the territory is uninhabited, and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(4) If the commission has approved a proposal initiated by the commission, and regardless of whether a subject agency has objected to the proposal by resolution, written protests have been submitted that meet the requirements of Section 57113.

(c) This section shall not apply to reorganizations governed by Sections 56853.5 and 56853.6.

**SEC. 14.** Section 57077.4 is added to the Government Code, to read:

**57077.4.** (a) If a reorganization consists of the dissolution of one or more districts and the annexation of all or substantially all the territory to another district not initiated pursuant to Section 56853 or by the commission pursuant to Section 56375, the commission shall order the reorganization without confirmation by the voters except that if the reorganization meets the requirements of subdivision (b), the commission shall order the reorganization subject to confirmation by the voters.

(b) The commission shall order the reorganization subject to confirmation by the voters as follows:

(1) In the case of inhabited territory, protests have been signed by either of the following:

(A) At least 25 percent of the number of landowners within any subject agency within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(B) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any subject agency within the affected territory.

(2) In the case of a landowner-voter district, the territory is uninhabited, and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(3) If the reorganization has been initiated by the commission pursuant to Section 56375, protests have been submitted that meet the requirements of Section 57113.

**SEC. 15.** Section 57081 of the Government Code is repealed.

**SEC. 16.** Section 57102 of the Government Code is amended to read:

**57102.** (a) In any resolution ordering a dissolution, the commission shall make findings upon one or more of the following matters:

(1) That the corporate powers have not been used, as specified in Section 56871, and that there is a reasonable probability that those powers will not be used in the future.

(2) That the district is a registered-voter district and is uninhabited.

(3) That the board of directors of the district has, by unanimous resolution, consented to the dissolution of the district.

(4) That the commission has authorized, pursuant to subdivision (a) of Section 57077.1, the dissolution of the district without an election.

(b) If the commission makes any of the findings specified in subdivision (a), the commission may, except as otherwise provided in Section 57103, order the dissolution of the district without election.

**SEC. 17.** Section 57107 of the Government Code is amended to read:

**57107.** (a) In any resolution ordering a merger or establishment of a subsidiary district, the commission shall approve the change of organization without an election except that if the change of organization meets the requirements of subdivision (b), the commission shall order the change of organization subject to confirmation of the voters.

(b) The commission shall order the change of organization subject to confirmation of the voters within any subject agency as follows:

(1) If the proposal was not initiated by the commission, and if a subject agency has not objected by resolution to the proposal, the commission has found that protests meet one of the following protest thresholds:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, the affected territory.

(B) In the case of a landowner-voter district, that the territory is uninhabited and that protests have been signed by at least 25 percent of the number of landowners within the affected territory owning at least 25 percent of the assessed value of land within the territory.

(2) If the proposal was not initiated by the commission, and if a subject agency has objected by resolution to the proposal, written protests have been submitted as follows:

(A) In the case of inhabited territory, protests have been signed by either of the following:

(i) At least 25 percent of the number of landowners within any subject agency within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(ii) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any subject agency within the affected territory.

(B) In the case of a landowner-voter district, that the territory is uninhabited and protests have been signed by at least 25 percent of the number of landowners within any subject agency within the affected territory, owning at least 25 percent of the assessed value of land within the subject agency.

(3) If the proposal was initiated by the commission, and regardless of whether a subject agency has objected to the proposal by resolution, written protests have been submitted that meet the requirements of Section 57113.

(c) Notwithstanding subdivision (a) or (b), the commission shall not order the merger or establishment of a subsidiary district without the consent of the subject city.

**SEC. 18.** Section 57113 of the Government Code is amended to read:

**57113.** Notwithstanding Section 57102, 57108, or 57111, for any proposal that was initiated by the commission pursuant to subdivision (a) of Section 56375, the commission shall forward the change of organization or reorganization for confirmation by the voters if the commission finds either of the following:

(a) In the case of inhabited territory, protests have been signed by either of the following:

(1) At least 10 percent of the number of landowners within any subject agency within the affected territory who own at least 10 percent of the assessed value of land within the territory. However, if the number of landowners within a subject agency is less than 300, the protests shall be signed by at least 25 percent of the landowners who own at least 25 percent of the assessed value of land within the territory of the subject agency.

(2) At least 10 percent of the voters entitled to vote as a result of residing within, or owning land within, any subject agency within the affected territory. However, if the number of voters entitled to vote within a subject agency is less than 300, the protests shall be signed by at least 25 percent of the voters entitled to vote.

(b) In the case of a landowner-voter district, that the territory is uninhabited and protests have been signed by at least 10 percent of the number of landowners within any subject agency within the affected territory, owning at least 10 percent of the assessed value of land within the territory. However, if the number of voters entitled to vote within a subject agency is less than 300, protests shall be signed by at least 25 percent of the voters entitled to vote.

**SEC. 19.** Section 57114 of the Government Code is repealed.

**SEC. 20.** Section 57114.5 of the Government Code is amended to read:

**57114.5.** (a) Notwithstanding subdivision (a) of Section 57077.1 and Sections 57077.4 and 57111, for any proposal involving the dissolution of the Newhall County Water District, the commission shall forward the change of organization or reorganization for confirmation by the voters if the commission finds that a petition requesting that the proposal be submitted to confirmation by the voters has been signed by either:

(1) At least 10 percent of the number of voters entitled to vote as a result of residing within the district.

(2) At least 10 percent of the number of landowners within the district who own at least 10 percent of the assessed value of land within the district.

(b) If a petition that meets the requirements of this section has been submitted, the commission shall approve the proposal subject to confirmation by the voters of the district.

**SEC. 21.** Section 99 of the Revenue and Taxation Code is amended to read:

**99.** (a) For the purposes of the computations required by this chapter:

(1) In the case of a jurisdictional change, other than a city incorporation or a formation of a district as defined in Section 2215, the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 96.1, or the annual tax increment determined pursuant to Section 96.5, for local agencies whose service area or service responsibility would be altered by the jurisdictional change, as determined pursuant to subdivision (b) or (c).

(2) In the case of a city incorporation, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56810 of the Government Code and the adjustments in tax revenues that may

occur pursuant to Section 56815 of the Government Code to the newly formed city or district and shall make the adjustment as determined by Section 56810 in the allocation of property tax revenue determined pursuant to Section 96 or 96.1 for each local agency whose service area or service responsibilities would be altered by the incorporation.

(3) In the case of a formation of a district as defined in Section 2215, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56810 of the Government Code to the district and shall make the adjustment as determined by Section 56810 in the allocation of property tax revenue determined pursuant to Section 96 or 96.1 for each local agency whose service area or service responsibilities would be altered by the formation.

(b) Upon the filing of an application or a resolution pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code), but prior to the issuance of a certificate of filing, the executive officer shall give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change.

(1) (A) The county assessor shall provide to the county auditor, within 30 days of the notice of filing, a report which identifies the assessed valuations for the territory subject to the jurisdictional change and the tax rate area or areas in which the territory exists.

(B) The auditor shall estimate the amount of property tax revenue generated within the territory that is the subject of the jurisdictional change during the current fiscal year.

(2) The auditor shall estimate what proportion of the property tax revenue determined pursuant to paragraph (1) is attributable to each local agency pursuant to Sections 96.1 and 96.5.

(3) Within 45 days of notice of the filing of an application or resolution, the auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the jurisdictional change of the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to paragraph (2) that is subject to a negotiated exchange.

(4) Upon receipt of the estimates pursuant to paragraph (3), the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. Except as otherwise provided, this negotiation period shall not exceed 60 days. If a local agency involved in these negotiations notifies the other local agencies, the county auditor, and the local agency formation commission in writing of its desire to extend the negotiating period, the negotiating period shall be 90 days.

The exchange may be limited to an exchange of property tax revenues from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years.

(5) In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts, negotiate any exchange of property tax revenues. Prior to entering into negotiation on behalf of a district for the exchange of property tax revenue, the board shall consult with the affected district. The consultation shall include, at a minimum, notification to each member and executive officer of the district board of the pending consultation and provision of adequate opportunity to comment on the negotiation.

(6) Notwithstanding any other provision of law, the executive officer shall not issue a certificate of filing pursuant to Section 56658 of the Government Code until the local agencies included in the property tax revenue exchange negotiation, within the negotiation period, present resolutions adopted by each such county and city whereby each county and city agrees to accept the exchange of property tax revenues.

(7) In the event that the commission modifies the proposal or its resolution of determination, any local agency whose service area or service responsibility would be altered by the proposed jurisdictional change may request, and the executive officer shall grant, 30 days for the affected agencies, pursuant to paragraph (4), to renegotiate an exchange of property tax revenues. Notwithstanding the time period specified in paragraph (4), if the resolutions required pursuant to paragraph (6) are not presented to the executive officer within the 30-day period, all proceedings of the jurisdictional change shall automatically be terminated.

(8) In the case of a jurisdictional change that consists of a city's qualified annexation of unincorporated territory, an exchange of property tax revenues between the city and the county shall be determined in accordance with subdivision (e) if that exchange of revenues is not otherwise determined pursuant to either of the following:

(A) Negotiations completed within the applicable period or periods as prescribed by this subdivision.

(B) A master property tax exchange agreement among those local agencies, as described in subdivision (d).

For purposes of this paragraph, a qualified annexation of unincorporated territory means an annexation, as so described, for which an application or a resolution was filed on or after January 1, 1998, and on or before January 1, 2015.

(9) No later than the date on which the certificate of completion of the jurisdictional change is recorded with the county recorder, the executive officer shall notify the auditor or auditors of the exchange of property tax revenues and the auditor or auditors shall make the appropriate adjustments as provided in subdivision (a).

(c) Whenever a jurisdictional change is not required to be reviewed and approved by a local agency formation commission, the local agencies whose service area or service responsibilities would be altered by the proposed change, shall give notice to the State Board of Equalization and the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change and request the auditor and assessor to make the determinations required pursuant to paragraphs (1) and (2) of subdivision (b). Upon notification by the auditor of the amount of, and allocation factors with respect to, property tax subject to exchange, the local agencies, pursuant to the provisions of paragraphs (4) and (6) of subdivision (b), shall determine the amount of property tax revenues to be exchanged between and among the local agencies. Notwithstanding any other provision of law, no such jurisdictional change shall become effective until each county and city included in these negotiations agrees, by resolution, to accept the negotiated exchange of property tax revenues. The exchange may be limited to an exchange of property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years. Upon the adoption of the resolutions required pursuant to this section, the adopting agencies shall notify the auditor who shall make the appropriate adjustments as provided in subdivision (a). Adjustments in property tax allocations made as the result of a city or library district withdrawing from a county free library system pursuant to Section 19116 of the Education Code shall be made pursuant to Section 19116 of the Education Code, and this subdivision shall not apply.

(d) With respect to adjustments in the allocation of property taxes pursuant to this section, a county and any local agency or agencies within the county may develop and adopt a master property tax transfer agreement. The agreement may be revised from time to time by the parties subject to the agreement.

(e) (1) An exchange of property tax revenues that is required by paragraph (8) of subdivision (b) to be determined pursuant to this subdivision shall be determined in accordance with all of the following:

(A) The city and the county shall mutually select a third-party consultant to perform a comprehensive, independent fiscal analysis, funded in equal portions by the city and the county, that specifies estimates of all tax revenues that will be derived from the annexed territory and the costs of city and county services with respect to the annexed territory. The analysis shall be completed within a period not to exceed 30 days, and shall be based upon the general plan or adopted plans and policies of the annexing city and the intended uses for the annexed territory. If, upon the completion of the analysis period, no exchange of property tax revenues is agreed upon by the city and the county, subparagraph (B) shall apply.

(B) The city and the county shall mutually select a mediator, funded in equal portions by those agencies, to perform mediation for a period not to exceed 30 days. If, upon the completion of the mediation period, no exchange of property tax revenues is agreed upon by the city and the county, subparagraph (C) shall apply.

(C) The city and the county shall mutually select an arbitrator, funded in equal portions by those agencies, to conduct an advisory arbitration with the city and the county for a period not to exceed 30 days. At the conclusion of this arbitration period, the city and the county shall each present to the arbitrator its last and best offer with respect to the exchange of property tax revenues. The arbitrator shall select one of the offers and recommend that offer to the governing bodies of the city and the county. If the governing body of the city or the county rejects the recommended offer, it shall do so during a public hearing, and shall, at the conclusion of that hearing, make written findings of fact as to why the recommended offer was not accepted.

(2) Proceedings under this subdivision shall be concluded no more than 150 days after the auditor provides the notification pursuant to paragraph (3) of subdivision (b), unless one of the periods specified in this subdivision is extended by the mutual agreement of the city and the county. Notwithstanding any other provision of law, except for those conditions that are necessary to implement an exchange of property tax revenues determined pursuant to this subdivision, the local agency formation commission shall not impose any fiscal conditions upon a city's qualified annexation of unincorporated territory that is subject to this subdivision.

(f) Except as otherwise provided in subdivision (g), for the purpose of determining the amount of property tax to be allocated in the 1979–80 fiscal year and each fiscal year thereafter for those local agencies that were affected by a jurisdictional change which was filed with the State Board of Equalization after January 1, 1978, but on or before January 1, 1979. The local agencies shall determine by resolution the amount of property tax revenues to be exchanged between and among the affected agencies and notify the auditor of the determination.

(g) For the purpose of determining the amount of property tax to be allocated in the 1979–80 fiscal year and each fiscal year thereafter, for a city incorporation that was filed pursuant to Sections 54900 to 54904 after January 1, 1978, but on or before January 1, 1979, the amount of property tax revenue considered to have been received by the jurisdiction for the 1978–79 fiscal year shall be equal to two-thirds of the amount of property tax revenue projected in the final local agency formation commission staff report pertaining to the incorporation multiplied by the proportion that the total amount of property tax revenue received by all jurisdictions within the county for the 1978–79 fiscal year bears to the total amount of property tax revenue received by all jurisdictions within the county for the 1977–78 fiscal year. Except, however, in the event that the final commission report did not specify the amount of property tax revenue projected for that incorporation, the commission shall by October 10 determine pursuant to Section 54790.3 of the Government Code the amount of property tax to be transferred to the city.

The provisions of this subdivision shall also apply to the allocation of property taxes for the 1980–81 fiscal year and each fiscal year thereafter for incorporations approved by the voters in June 1979.

(h) For the purpose of the computations made pursuant to this section, in the case of a district formation that was filed pursuant to Sections 54900 to 54904, inclusive, of the Government Code after January 1, 1978, but before January 1, 1979, the amount of property tax to be allocated to the district for the 1979–80 fiscal year and each fiscal year thereafter shall be determined pursuant to Section 54790.3 of the Government Code.

(i) For the purposes of the computations required by this chapter, in the case of a jurisdictional change, other than a change requiring an adjustment by the auditor pursuant to subdivision (a), the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 96.1 or its predecessor section, or the annual tax increment determined pursuant to Section 96.5 or its predecessor section, for each local school district, community college district, or county superintendent of schools whose service area or service responsibility would be altered by the jurisdictional change, as determined as follows:

(1) The governing body of each district, county superintendent of schools, or county whose service areas or service responsibilities would be altered by the change shall determine the amount of property tax revenues to be exchanged between and among the affected jurisdictions. This determination shall be adopted by each affected jurisdiction by resolution. For the purpose of negotiation, the county auditor shall furnish the parties and the county board of education with an estimate of the property tax revenue subject to negotiation.

(2) In the event that the affected jurisdictions are unable to agree, within 60 days after the effective date of the jurisdictional change, and if all the jurisdictions are wholly within one county, the county board of education shall, by resolution, determine the amount of property tax revenue to be exchanged. If the jurisdictions are in more than one county, the State Board of Education shall, by resolution, within 60 days after the effective date of the jurisdictional change, determine the amount of property tax to be exchanged.

(3) Upon adoption of any resolution pursuant to this subdivision, the adopting jurisdictions or State Board of Education shall notify the county auditor who shall make the appropriate adjustments as provided in subdivision (a).

(j) For purposes of subdivision (i), the annexation by a community college district of territory within a county not previously served by a community college district is an alteration of service area. The community college district and the county shall negotiate the amount, if any, of property tax revenues to be exchanged. In these negotiations, there shall be taken into consideration the amount of revenue received from the timber yield tax and forest reserve receipts by the community college district in the area not previously served. In no event shall the property tax revenue to be exchanged exceed the amount of property tax revenue collected prior to the

annexation for the purposes of paying tuition expenses of residents enrolled in the community college district, adjusted each year by the percentage change in population and the percentage change in the cost of living, or per capita personal income, whichever is lower, less the amount of revenue received by the community college district in the annexed area from the timber yield tax and forest reserve receipts.

(k) At any time after a jurisdictional change is effective, any of the local agencies party to the agreement to exchange property tax revenue may renegotiate the agreement with respect to the current fiscal year or subsequent fiscal years, subject to approval by all local agencies affected by the renegotiation.



**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*

**February 4, 2013**  
**Agenda Item No. 5e (Consent/Information)**

January 29, 2013

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer  
Brendon Freeman, Analyst

**SUBJECT: Current and Future Proposals**

The Commission will receive a report summarizing current and future proposals. The report is being presented for information. No new proposals have been submitted since the January 7, 2013 meeting.

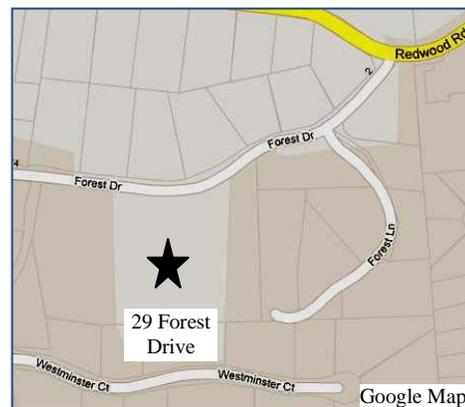
The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCOs) with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies. This includes approving or disapproving proposals involving the formation, expansion, merger, and dissolution of cities and special districts.

**A. Information**

There are currently four active proposals on file with LAFCO of Napa County (“Commission”). A summary of these active proposals follows.

**Alumbaugh Annexation to the City of Napa**

The City of Napa Council adopted a resolution of application for the Alumbaugh annexation at its December 4, 2012 meeting. The subject territory is approximately 6.0 acres and comprises one entire unincorporated parcel located at 29 Forest Drive. Staff recommends the proposal be reorganized to expand the boundary to include an approximate 0.4 acre adjacent right-of-way portion of Forest Drive as well as concurrent detachment from County Service Area No. 4.



Status: The Commission is expected to consider the proposal as item 7b on today’s meeting agenda.

Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

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

Bill Dodd, Commissioner  
County of Napa Supervisor, 4th District

Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Brian J. Kelly, Vice Chair  
Representative of the General Public

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Keene Simonds  
Executive Officer

### Formation of the Villa Berryessa Water District

This application has been submitted by Miller-Sorg Group, Inc. The applicant proposes the formation of a new special district under the California Water District Act. The purpose in forming the new special district is to provide public water and sewer services to a planned 100-lot subdivision located along the western shoreline of Lake Berryessa. A tentative subdivision map for the underlying project has already been approved by the County. The County has conditioned recording the final map

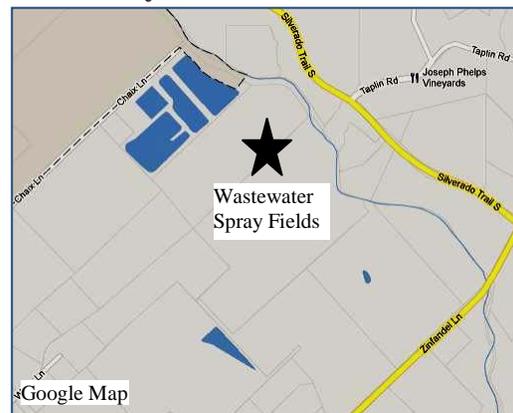


on the applicants receiving written approval from the United States Bureau of Reclamation to construct an access road and intake across federal lands to receive water supplies from Lake Berryessa. Based on their own review of the project, the Bureau is requesting a governmental agency accept responsibility for the construction and perpetual operation of the water and sewer systems serving the subdivision.

Status: Staff is currently awaiting a response to an earlier request for additional information from the applicant.

### Silverado Trail/Zinfandel Lane Annexation to the City of St. Helena

The City of St. Helena proposes the annexation of approximately 100 acres of unincorporated territory located northwest of the intersection of Silverado Trail and Zinfandel Lane. The subject territory consists of one entire parcel and a portion of a second parcel, which are both owned and used by St. Helena to discharge treated wastewater from an adjacent treatment plant through a spray irrigation system. Both subject parcels are located outside the City's sphere of influence. Rather than request



concurrent amendment, St. Helena is proposing only the annexation of a portion of the second parcel to ensure the subject territory is non-contiguous to its incorporated boundary and therefore eligible for annexation under Government Code Section 56742. This statute permits a city to annex non-contiguous land it owns and uses for municipal purposes without consistency with its sphere of influence. However, if sold, the statute requires the land be automatically detached. The two subject parcels are identified by the County Assessor as 030-240-017 (portion) and 030-250-018.

Status: Staff has completed its review of the proposal. St. Helena has filed a request with the Commission to delay consideration of the proposal in order to explore a separate agreement with the County to extend the current Williamson Act contract associated with the subject territory.

### **Materials Diversion Facility Annexation to the City of Napa**

The City of Napa Council has adopted a resolution of application for the Materials Diversion Facility annexation using special proceedings codified under Government Code Section 56742. This section permits LAFCO to approve the annexation of noncontiguous territory to a city without requiring consistency with the sphere of influence so long as the subject lands are owned and used by the annexing agency for municipal purposes. The subject territory comprises six entire unincorporated parcels totaling approximately 18.6 acres located at 820 Levitin Way. The City owns and uses the subject territory to remove reusable materials from curbside collected refuse. The purpose of the proposal is to eliminate an approximate \$50,000 annual property tax obligation.



**Status:** Staff has received the application from the City of Napa and will begin review of the proposal in anticipation of presenting the item to the Commission as early as its April 1, 2013 meeting.

There are five potential new proposals that may be submitted to the Commission in the near future based on extensive discussions with proponents. A summary of these anticipated proposals follows.

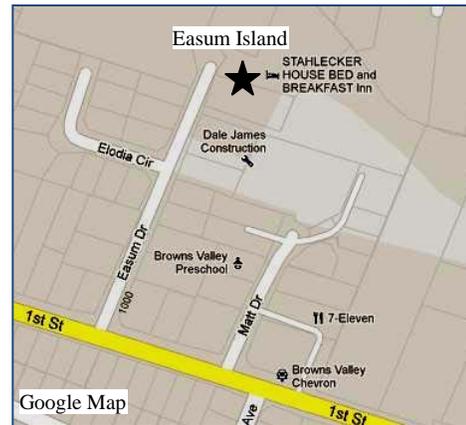
### **Sibsey Annexation to the City of Napa**

A representative for an interested landowner of a 0.77 acre unincorporated property located at 2138 Wilkins Avenue has inquired about re-initiating annexation to the City of Napa. This property was conditionally approved for annexation by the Commission on February 2, 2009. The conditions, however, were never satisfied and annexation proceedings were formally abandoned on April 5, 2010. Staff is working with the landowner's representative and the City to discuss resuming annexation proceedings. This includes preparing a new application in consultation with the City.



### **Stahlecker Annexation to the City of Napa**

An interested landowner within a completely surrounded unincorporated island located near Easum Drive in the City of Napa has inquired about annexation. The landowner owns and operates a bed and breakfast and is interested in annexation in response to an informational mailer issued by LAFCO outlining the cost benefits to annexation. Subsequent follow up indicates one of the other two landowners within the island is also agreeable to annexation if there is no financial obligation. Staff is working with the City on its interest/willingness to reduce or waive fees associated with adopting a resolution of application in order to initiate “island proceedings”.



### **Garaventa Annexation to the City of Napa**

An interested landowner within a substantially surrounded unincorporated island located near the intersection of Imola Avenue and Tejas Avenue has inquired about annexation to the City of Napa. The interested landowner owns an approximate 1.5 acre undeveloped lot and is interested in ultimately pursuing a development project, although no specific plans exist at this time. Staff worked with the landowner on gauging interest to increase the scope of the annexation through a mailed survey. The results of the survey indicated, however, there is not sufficient interest to expand the boundary to eliminate the entire island. Accordingly, and in consultation with the City, staff supports the landowner moving forward with the City in initiating an application to LAFCO for the affected territory with the caveat that it may be amended at the dais if deemed appropriate by the Commission.



### Airport Industrial Area Annexation to County Service Area No. 3

LAFCO staff recently completed a sphere of influence review and update for County Service Area (CSA) No. 3. This included amending CSA No. 3's sphere to add approximately 125 acres of unincorporated territory located immediately north of the City of American Canyon in the Airport Industrial Area. The County of Napa is expected to submit an application to annex the 125 acres to CSA No. 3 by the end of the fiscal year. The subject territory is completely uninhabited and includes seven entire parcels along with a portion of an eighth parcel. This eighth parcel, notably, comprises a railroad track owned and operated by Southern Pacific. The subject territory also includes segments of Airport Drive, Devlin Road, and South Kelly Road. Annexation would help facilitate the orderly extension of street and fire protection services to the subject territory under the land use authority of the County.



### Formation of a Community Services District at Capell Valley

An interested landowner has inquired about the formation of a new special district for purposes of assuming water responsibilities from an existing private water company. The subject area includes the 58-space mobile home park adjacent to Moskowitz Corners as well as two adjacent parcels that are zoned for affordable housing by the County. Staff has been working with the landowner in evaluating governance options as well as other related considerations under LAFCO law. This includes presenting at a community meeting earlier this year. The meeting was attended by approximately 25 residents and provided staff the opportunity to explain options and processes available to residents with respect to forming a special district as well as to answer questions. Commissioner Dodd was also in attendance. The landowner subsequently requested a fee waiver for the cost of submitting an application to form a new special district at the Commission's June 4<sup>th</sup> meeting. The Commission denied the request without prejudice and noted the opportunity exists for the landowner to return at a future date with additional information to justify a fee waiver request as well as the underlying action: forming a new special district.



**B. Commission Review**

This item has been agendaized as part of the consent calendar for information only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair.

Attachments: none



**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*

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**February 4, 2013**  
**Agenda Item No. 7a (Action)**

January 29, 2013

**TO:** Local Agency Formation Commission

**FROM:** Budget Committee (Chilton, Kelly, and Simonds)

**SUBJECT: Approval of Draft Proposed Budget for Fiscal Year 2013-2014**

The Commission will review a draft proposed budget for 2013-2014. The draft's operating expenses total \$448,755 and represent a 3.8% increase over the current fiscal year. The draft's operating revenues total \$435,915 with the remaining shortfall – (\$12,841) – to be covered by drawing down on agency reserves. The draft is being presented to the Commission for approval and authorization to circulate to local funding agencies for their review in anticipation of adopting a proposed budget in April.

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Local Agency Formation Commissions (LAFCOs) are responsible under State law for annually adopting a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. State law specifies the proposed and final budgets shall – at a minimum – be equal to the budget adopted for the previous fiscal year unless LAFCO finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties.

**A. Background**

*Prescriptive Funding Sources*

LAFCO of Napa County's ("Commission") annual operating expenses are principally funded by the County of Napa and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville. State law specifies the County is responsible for one half of the Commission's operating expenses while the remaining amount is to be apportioned among the five cities. The current formula for allocating the cities' shares of the Commission's budget was adopted by the municipalities in 2003 as an alternative to the standard method outlined in State law and is based on a weighted calculation of population and general tax revenues. Additional funding – typically representing less than one-fifth of total revenues – is budgeted from application fees and interest earnings.

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Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

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

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Gregory Rodeno, Alternate Commissioner  
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Keene Simonds  
*Executive Officer*

### ***Budgeting Policies***

It is the policy of the Commission to utilize a Budget Committee (“Committee”) to inform the agency’s decision-making process in adopting an annual operating budget. The Commission establishes a Committee for each fiscal year to include two appointed Commissioners and the Executive Officer. The Committee’s core responsibilities are divided between three distinct and sequential phases as summarized below.

- The Committee’s initial responsibility is to present a draft proposed budget for Commission approval in February before it is circulated for comment to each funding agency for no less than 21 days. The draft proposed budget, notably, is the opportunity for the Committee to identify and propose recommendations on changes in baseline expenditures for Commission feedback. It also provides the funding agencies an early opportunity to review and comment on the Commission’s anticipated budget needs relative to their own budgeting processes.
- The Committee’s second formal action is to incorporate the comments received from the funding agencies during the initial review along with any updated cost/revenue projections into a proposed budget for Commission adoption in April. The adopted proposed budget is subsequently circulated to the funding agencies for review and comment for another 21 day period. The adopted proposed budget is also posted for public review and comment on the Commission’s website.
- The Committee’s third and final formal action is to incorporate the comments received from the funding agencies and general public on the proposed budget into a final budget for Commission adoption in June. Significantly, and in terms of intent, any changes incorporated into the final budget in June are generally limited to relatively minor updates or to address new information on budgetary needs that was not previously known or addressed by the Committee.

Two specific policy determinations underlie the Committee’s work and related recommendations to the Commission. First, it is the policy of the Commission to ensure the agency is appropriately funded to effectively and proactively meet its prescribed duties while controlling operating expenses whenever possible to limit the financial impact on the funding agencies. Markedly, and by practice, this means utilizing reserves when appropriate to offset increases in agency contributions. Second, it is the policy of the Commission to retain sufficient reserves to equal no less than three months of budgeted operating expenses in the affected fiscal year less any capital depreciation.

## **B. Discussion**

The 2013-2014 Committee (Chilton, Kelly, and Simonds) conducted a noticed public meeting on January 14, 2013 to review and develop draft recommendations on the Commission's operating expenses and revenues for the upcoming fiscal year.<sup>1</sup> Four specific budget factors permeated the Committee's review. First, the Committee considered baseline agency costs to maintain the current level of services at next year's projected price for labor and supplies. Second, the Committee considered whether changes – increases or decreases – in baseline agency costs are appropriate to accommodate changes in need or demand. Third, upon a preliminary setting of operating expenses, the Committee considered the need for increases in agency contributions and whether agency reserves should be utilized to lower contribution requirements. Fourth, the Committee compared the preliminary setting of operating expenses and revenues to previous fiscal years and the current consumer price index for the region.

The Committee's review of the four referenced budget factors premises its recommendation for a line-item draft proposed budget totaling \$448,755 in expenses and \$435,915 in revenues. The Committee further recommends the resulting shortfall – (\$12,841) – should be covered by drawing down on agency reserves; an amount calculated to represent exactly one-half of the increase in agency contributions between the two affected fiscal years if no reserves were to be utilized. A detailed summary of the draft proposed budget's operating expenses and revenues follows with the corresponding general ledger showing all affected accounts attached.

### *Operating Expenses*

The draft proposed budget represents largely a status quo with some pertinent exceptions as detailed in the succeeding paragraphs. The draft proposed budget ultimately increases operating expenses from \$432,461 to \$448,755; a difference of \$16,294 or 3.8%. Nearly all of the increases lie within the salaries/benefits unit with the majority tied to non-discretionary items associated with the Commission's staff support services agreement with the County of Napa.<sup>2</sup> Four-fifths of the total increase in operating expenses is attributed to rises in salary, group insurance, and retirement costs. The first of these three labor costs – salary – represents the largest single item increase and is projected to rise by approximately \$8,800 or 4.3%. The increase in salary incorporates three distinct changes in employee compensation, and includes providing an automobile allowance for the Executive Officer (mistakenly absent from the present fiscal year budget), accommodating a pending job reclassification for the Secretary position, and budgeting a 1.5% cost-of-living adjustment for all employees.<sup>3</sup>

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<sup>1</sup> The Commission appointed Commissioners Chilton and Kelly to the 2013-2014 Budget Committee at its December 3, 2012 meeting.

<sup>2</sup> The term "non-discretionary" infers the associated cost increases are not directly the purview of the Commission to amend given they are a byproduct of the decision to contract with the County of Napa for staff support services. The Commission retains the right, however, to reconsider its staffing support services agreement with the County at its own discretion.

<sup>3</sup> The automobile allowance for the Executive Officer is provided under County of Napa's Management Compensation Plan and totals \$5,280 annually. The pending job reclassification is to promote the agency's current Secretary to Administrative Secretary under the County of Napa's Job Classification System; a reclassification that generates an additional \$1,238 in annual pay. The 1.5% cost-of-living adjustment is drawn from the County of Napa's memorandum of understanding with employees and would generate an additional \$2,318 annually.

Along with the referenced increases tied to the Commission's staff support services agreement with the County, the draft proposed budget incorporates a limited number of changes to discretionary line-item expense accounts. Most of the proposed changes are minor and reflect current fiscal year expense trends with the notable exception of the following two recommendations.

- The Committee proposes increasing the per diem expense account from \$6,100 to \$10,000. The proposed change represents a \$3,900 or 64% increase and would accommodate two anticipated amendments in the manner in which stipends are provided to members for attending meetings on behalf of the agency. The first anticipated change is an increase in the per diem amount from \$100 to \$125; a change – if enacted – that would represent the first increase since 2006. The second anticipated change is to begin providing per diems for Commissioner attendance at outside meetings in which members are representing the agency. A prominent example includes Commissioners attending the annual conferences hosted by the California Association of LAFCOs (“CALAFCO”). Actual implementation of these anticipated changes, and in particular providing per diems for outside meetings, is subject to adopted policy revisions. Accordingly, as part of this item, the Committee recommends the Budget Committee incorporate and offer recommendations on implementing these changes as part of their ongoing work in updating the agency's policies and procedures.
- The Committee proposes decreasing the special expense account from \$3,500 to \$2,500. The proposed change represents a \$1,000 or 29% decrease and reflects the difference in one-time purchases anticipated between the current and pending fiscal years. The Commission will recall this account – which by practice is budgeted at \$1,000 unless additional monies are allocated for specific one-time purposes – was budgeted with an additional \$2,500 in 2012-2013 to purchase software programming and related training from Granicus to begin live-streaming meetings on the internet. The Committee believes \$1,500 should be added to the account in 2013-2014 to fund the services of an outside consultant to facilitate the Commission's scheduled biannual workshop. This amount parallels the charge incurred in utilizing an outside consultant at the last workshop in 2011.

The Committee notes two other discretionary expense increases appear merited, but have not been included in the draft to control overall costs and more specifically agency contributions in 2013-2014. Most notably, and in terms of future prioritizing, this includes allocating approximately \$6,500 to purchase a wide-format printer for producing full size and appropriately scaled maps of all agency boundaries and spheres of influence in Napa County.<sup>4</sup> The Committee believes it would be appropriate for the Commission to revisit this expense during the course of the fiscal year to consider whether any accumulated savings achieved in other operating accounts can be applied for a mid-year

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<sup>4</sup> As needed, staff currently utilizes the County of Napa Planning Department's wide-format printer for producing large scale maps. This arrangement is problematic, however, given the constraints of the optic data line connecting the two agencies network drives results in long print times and prone to printing errors.

purchase.<sup>5</sup> The Committee also believes there would be merit to revisit the purchase of electronic tablets for members and staff to replace paper agenda packets as part of an effort to reduce the agency’s resource consumption. The estimated cost to purchase tablets and related software for all members and staff totals \$7,000 to \$8,000; an amount that may significantly decrease if the appointing authorities provide and allow members to use their agency-issued tablets as Commissioners.<sup>6</sup>

The following table summarizes operating expenses in the draft proposed budget.

Expense Unit	Adopted FY12-13	Draft FY13-14	Change %
1) Salaries/Benefits	311,287	329,235	5.8
2) Services/Supplies	121,174	119,520	-1.4
3) Contingencies	0	0	0.0
	\$432,461	\$448,755	3.8

### *Operating Revenues*

The draft proposed budget increases operating revenues from \$423,650 to \$435,915; a difference of \$12,265 or 2.9%. The Committee proposes nearly this entire amount of new revenues to be collected – \$422,415 – would be drawn from agency contributions and would exceed the current fiscal year total by \$12,840 or 3.1%. The rationale for the increase in agency contributions is directly tied to the projected rise in operating costs. The amount of projected agency contributions, however, has been reduced by the Committee by raising the budgeted use of reserves as offsetting revenues in 2013-2014. Specifically, and as the result of current cost-savings, the Committee is recommending the Commission increase its budgeted use of reserves from \$8,811 this fiscal year to \$12,840 in the next fiscal year; the latter amount representing exactly one-half of the increase to the funding agencies if no reserves were used with the resulting charges purposefully aligning with the consumer price index for the region.<sup>7</sup>

Budgeted service charges and interest earnings on the fund balance invested by the County Treasurer represent the remaining portion of revenues in the draft. A moderate 5% increase in service charges is budgeted to reflect the collection of mapping service fees consistent with the recent amendments to the adopted study schedule. A 26% decrease in interest earning is budgeted based on current fiscal year collection amounts.

<sup>5</sup> The Executive Officer must receive Commission approval for any purchases exceeding \$3,000.

<sup>6</sup> Other discretionary expenses considered by the Committee included purchasing a software program to improve the preparation of meeting minutes and establishing a website application to allow users to file proposals electronically. The Committee believes the estimated costs of these two purchases based on vendor responses, however, substantially exceed the anticipated benefit to the Commission at this time.

<sup>7</sup> The recommendation to budget \$12,840 in reserves as offsetting revenue would mark the first related increase since the Commission began budgeting revenues in 2010-2011 (\$42,460 in 10-11; \$32,829 in 11-12; and \$8,811 in 12-13). Importantly, the small increase in reserve use recommended in 2013-2014 suggests the Commission has – as intended – achieved an appropriate balance going forward with respect to matching operating costs with agency contributions after an extended vacancy in the analyst position in the late 00s created an artificial reduction in contribution requirements.

The following table summarizes operating revenues in the draft proposed budget.

Revenue Unit	Adopted FY12-13	Draft FY13-14	Change %
1) Agency Contributions	409,574	422,415	3.1
(a) County of Napa	204,787	211,207	3.1
(b) City of Napa	136,583	141,044	3.3
(c) City of American Canyon	33,321	34,004	2.1
(d) City of St. Helena	14,153	14,059	(0.7)
(e) City of Calistoga	12,095	12,479	3.2
(f) Town of Yountville	8,635	9,622	11.4
2) Service Charges	10,000	10,500	5.0
3) Interest Earnings	4,076	3,000	(26.4)
Total	\$423,650	435,915	2.9

### C. Analysis

The draft proposed budget for 2013-2014 accomplishes the Committee's two core objectives to (a) provide sufficient resources to maintain current service levels while (b) minimizing impacts on the funding agencies by limiting overall contribution increases. In particular, the draft preserves present staff and service levels the Committee believes are merited given the agency's prescribed and expanding duties. The draft also budgets additional monies to retain an outside consultant to facilitate the next biannual workshop as well as provide per diems for members to represent the Commission at outside events and meetings, such as the CALAFCO annual conferences.

Three other pertinent and related takeaways underlie the draft proposed budget before the Commission. First, the projected increase in the funding agencies' combined contribution – 3.1% – has been purposefully managed by applying new reserves accumulating this fiscal year as a result of cost-savings to stay below the region's consumer price index, which is currently at 3.2% over the last 12 months. Second, while this would mark the fourth year in which the contribution totals for the funding agencies have increased, the percentage changes have continued to decrease. This dynamic suggests the Commission is closer to achieving an appropriate balance going forward in matching operating costs with agency contributions after an extended vacancy in the analyst position had previously and artificially lowered allocation requirements. Third, and despite allocating almost \$13,000 as offsetting revenues, the draft provides the Commission would finish the fiscal year with an available fund balance of \$117,845; an amount more than sufficient to meet the Commission's policy to retain reserves equal to no less than three months of operating expenses.

**D. Alternatives for Action**

The following alternative actions are available to the Commission.

**Alternative Action One (Recommended):**

(a) Approve the draft proposed budget for 2013-2014 as provided in Attachment One with any desired changes. (b) Direct the Executive Officer to circulate the approved draft proposed budget to funding agencies for review and schedule a public hearing on April 1, 2013 for consideration of adoption. (c) Direct the Policy Committee to incorporate the recommendations of the Budget Committee in preparing policy revisions to address the proposed changes in per diem payments.

**Alternative Action Two:**

Continue the item to a specified meeting date and provide direction to staff with respect to providing additional information as needed.

**E. Recommendation**

It is recommended the Commission take all three of the actions provided in Alternative One as outlined in the preceding section.

**F. Procedures for Consideration**

This item has been agendized as part of the action calendar. The following procedures are recommended with respect to the Commission's consideration of this item:

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

Respectfully submitted on behalf of the Committee,

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Keene Simonds  
Executive Officer



# Local Agency Formation Commission of Napa County

Subdivision of the State of California

## FY2013-2014 OPERATING BUDGET / DRAFT PROPOSED

Prepared on January 22, 2013

### Expenses

		FY2010-11		FY2011-12		FY2012-13		FY2013-14		
		Adopted	Actual	Adopted	Actual	Adopted	Estimate	Draft		
		FY10-11	FY10-11	FY11-12	FY11-12	FY12-13	FY12-13	FY13-14		
<b>Salaries and Benefits</b>										
<u>Account</u>	<u>Description</u>								<u>Difference</u>	
51100	Salaries and Wages	198,346.60	198,280.48	202,387.60	203,108.73	203,183.19	204,682.82	<b>212,019.15</b>	8,835.96	4.3%
51400	Employee Insurance: Premiums	37,953.96	33,872.67	45,648.12	37,643.35	47,646.00	38,269.32	<b>51,202.80</b>	3,556.80	7.5%
51600	Retirement	34,991.95	34,924.41	36,701.99	36,871.55	37,736.30	37,003.66	<b>39,595.42</b>	1,859.12	4.9%
51605	Other Post Employment Benefits	9,138.00	9,138.00	9,341.00	9,341.00	12,139.00	12,139.00	<b>12,166.00</b>	27.00	0.2%
51210	Commissioner/Director Pay	9,600.00	4,900.00	9,600.00	5,700.00	6,400.00	6,100.00	<b>10,000.00</b>	3,600.00	56.3%
51300	Medicare	2,876.49	2,738.20	2,934.62	2,790.20	2,946.16	2,792.07	<b>3,012.22</b>	66.06	2.2%
51205	Cell Phone Allowance	840.00	843.50	840.00	843.50	840.00	840.00	<b>840.00</b>	-	0.0%
51405	Workers Compensation	226.00	226.00	327.00	327.00	396.00	396.00	<b>400.00</b>	4.00	1.0%
51110	Extra Help	-	-	-	-	-	-	-	-	-
51115	Overtime	-	-	-	-	-	-	-	-	-
		293,973.00	284,923.26	307,780.33	296,625.33	311,286.65	302,222.87	<b>329,235.60</b>	17,948.95	5.8%
<b>Services and Supplies</b>										
<u>Account</u>	<u>Description</u>									
52605	Rents and Leases: Building/Land	29,280.00	29,280.00	29,280.00	29,280.00	25,560.00	27,560.00	<b>25,560.00</b>	-	0.0%
52140	Legal Services	26,010.00	17,659.74	22,540.00	17,593.30	22,540.00	11,095.90	<b>22,540.00</b>	-	0.0%
52130	Information Technology Services	18,438.91	17,625.42	24,630.83	23,385.87	22,009.00	22,008.96	<b>22,374.00</b>	365.00	1.7%
52125	Accounting/Auditing Services	8,277.15	7,301.48	8,691.01	7,340.78	9,125.56	10,087.10	<b>9,125.56</b>	-	0.0%
52600	Rents and Leases: Equipment	-	-	-	-	6,500.00	5,732.14	<b>6,000.00</b>	(500.00)	-7.7%
53100	Office Supplies	15,000.00	9,628.08	12,000.00	14,508.46	5,500.00	4,500.00	<b>5,000.00</b>	(500.00)	-9.1%
52905	Business Travel/Mileage	4,500.00	6,469.45	5,000.00	2,253.35	5,000.00	4,797.39	<b>5,000.00</b>	-	0.0%
52900	Training/Conference	4,500.00	4,140.97	4,000.00	5,141.00	4,000.00	7,850.77	<b>4,000.00</b>	-	0.0%
53600	Special Departmental Purchases	1,000.00	2,482.00	1,000.00	426.64	3,500.00	3,500.00	<b>2,500.00</b>	(1,000.00)	-28.6%
53415	Computer Software/License	-	-	-	-	3,487.13	3,487.13	<b>3,487.73</b>	0.59	0.0%
52800	Communications/Telephone	3,500.00	1,640.02	4,470.00	2,329.81	2,970.00	2,493.24	<b>2,950.00</b>	(20.00)	-0.7%
53120	Memberships/Certifications	2,275.00	2,200.00	2,275.00	2,200.00	2,248.40	2,248.00	<b>2,248.40</b>	-	0.0%
53205	Utilities: Electric	-	-	-	-	1,500.00	1,225.53	<b>1,500.00</b>	-	0.0%
52830	Publications and Notices	1,500.00	1,433.43	1,500.00	2,255.64	1,500.00	1,500.00	<b>1,500.00</b>	-	0.0%
52830	Filing Fees	850.00	450.00	850.00	237.50	850.00	550.00	<b>850.00</b>	-	0.0%
53110	Postage/Freight	-	-	-	-	800.00	610.00	<b>800.00</b>	-	0.0%
52700	Insurance: Liability	444.00	444.00	321.00	321.00	153.00	148.00	<b>153.00</b>	-	0.0%
52105	Election Services	-	-	-	-	-	75.00	-	-	-
53105	Office Supplies: Furniture/Fixtures	-	-	-	-	-	500.00	-	-	-
54600	Capital Replacement/Depreciation*	3,931.40	3,931.40	3,931.40	3,931.40	3,931.40	3,931.40	<b>3,931.00</b>	(0.40)	0.0%
		119,506.46	104,685.99	120,489.23	111,204.75	121,174.49	113,900.56	<b>119,519.69</b>	(1,654.80)	-1.4%
<b>Contingencies and Reserves</b>										
<u>Account</u>	<u>Description</u>									
58100	Appropriation for Contingencies	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
	<b>EXPENSE TOTALS</b>	<b>413,479.46</b>	<b>389,609.25</b>	<b>428,269.56</b>	<b>407,830.08</b>	<b>432,461.14</b>	<b>416,123.43</b>	<b>448,755.28</b>	16,294.14	3.8%

**Revenues**

		FY2010-11		FY2011-12		FY2012-13		FY2013-14			
		Adopted	Actual	Adopted	Actual	Adopted	Estimate	Draft			
		FY10-11	FY10-11	FY11-12	FY11-12	FY12-13	FY12-13	FY13-14			
<u>Account</u>	<u>Description</u>									<u>Difference</u>	
<b>Intergovernmental</b>											
43910	County of Napa	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17	204,787.17	211,207.41	6,420.24	3.1%	
43950	Other Governmental Agencies	178,009.77	178,010.00	191,550.50	191,550.50	204,787.17	204,787.17	211,207.41	6,420.24	3.1%	
----	<i>City of Napa</i>	119,646.81	119,647.00	126,330.38	126,330.38	136,583.40	136,583.40	141,043.83	4,460.43	3.3%	
----	<i>City of American Canyon</i>	27,468.37	27,468.00	32,912.04	32,912.04	33,320.64	33,320.64	34,003.91	683.27	2.1%	
----	<i>City of St. Helena</i>	12,656.54	12,657.00	12,997.37	12,997.37	14,152.67	14,152.67	14,058.84	(93.83)	-0.7%	
----	<i>City of Calistoga</i>	10,642.45	10,642.00	11,393.34	11,393.34	12,095.39	12,095.39	12,479.30	383.91	3.2%	
----	<i>Town of Yountville</i>	7,595.60	7,596.00	7,917.37	7,917.37	8,635.00	8,635.00	9,621.53	986.53	11.4%	
		<u>356,019.55</u>	<u>356,020.00</u>	<u>383,101.00</u>	<u>383,101.00</u>	<u>409,574.34</u>	<u>409,574.34</u>	<u>422,414.81</u>	<u>12,840.47</u>	<u>3.1%</u>	
<b>Service Charges</b>											
42690	Application/Permit Fees	10,000.00	24,293.00	10,000.00	8,562.00	10,000.00	15,290.00	10,000.00	-		
46800	Charges for Services	-	3,187.00	-	475.00	-	625.00	500.00	500.00		
47900	Miscellaneous	-	-	-	50.00	-	88.00	-	-		
		<u>10,000.00</u>	<u>27,480.00</u>	<u>10,000.00</u>	<u>9,087.00</u>	<u>10,000.00</u>	<u>16,003.00</u>	<u>10,500.00</u>	<u>500.00</u>	<u>5.0%</u>	
<b>Investments</b>											
45100	Interest	5,000.00	2,570.00	2,340.00	2,472.66	4,076.00	2,709.52	3,000.00	(1,076.00)	-26.4%	
		<u>5,000.00</u>	<u>2,570.00</u>	<u>2,340.00</u>	<u>2,472.66</u>	<u>4,076.00</u>	<u>2,709.52</u>	<u>3,000.00</u>	<u>(1,076.00)</u>	<u>-26.4%</u>	
	REVENUE TOTALS	<u>371,019.55</u>	<u>386,070.00</u>	<u>395,441.00</u>	<u>394,660.66</u>	<u>423,650.34</u>	<u>428,286.86</u>	<u>435,914.81</u>	<u>12,264.47</u>	<u>2.9%</u>	
<b>OPERATING DIFFERENCE</b>		(42,459.91)	(3,539)	(32,828.56)	(13,169.42)	(8,810.80)	12,163.43	(12,840.47)			
Negative Balance Indicates Use of Reserves											

	2012-2013	2012-2013	2012-2013	2013-2014
	Actual	Actual	Actual	Draft Budget
<b>PERCENTAGE OF OPERATING EXPENSES</b>				
Salaries/Benefits	73.1%	72.7%	72.6%	73.4%
Services/Supplies	26.9%	27.3%	27.4%	26.6%

<b>UNRESERVED/UNRESTRICTED FUND BALANCE</b>				
Beginning:	134,344.00	131,692.00	118,522.58	130,686.01
Ending:	131,692.00	118,522.58	130,686.01	117,845.54

<b>MINIMUM THREE MONTH RESERVE GOAL</b>	102,387.02	106,084.54	107,132.44	111,206.07
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**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*

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**February 4, 2013**  
**Agenda Item No. 7b (Action)**

January 29, 2013

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer  
Brendon Freeman, Analyst

**SUBJECT: Proposed Annexation of 29 Forest Drive to the City of Napa**

The Commission will consider a proposal filed by the City of Napa on behalf of interested landowners to annex an approximate 6.0 acre unincorporated lot at 29 Forest Drive (041-720-003). Staff recommends approval of the proposal with two discretionary amendments to expand the proposed annexation boundary to include an additional 0.4 acre portion of adjacent right-of-way and concurrent detachment of the affected territory from County Service Area No. 4. Conditions are also recommended.

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Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. Two or more of these actions in a single proposal are referred to as a reorganization. LAFCOs are authorized with broad discretion in amending and conditioning change of organizations or reorganizations as long as the latter does not directly regulate land uses or subdivision requirements.

**A. Background**

*Applicant Request*

LAFCO of Napa County (“Commission”) has received a proposal from the City of Napa (“City”) on behalf of the affected landowners to annex an approximate 6.0 acre unincorporated lot located at 29 Forest Drive. The subject lot lies entirely within the adopted sphere of influence for the City and is identified by the County of Napa Assessor’s Office as 041-720-003. The subject lot is partially developed with a 3,000 square foot occupied single-family residence and an adjacent guest house. The remainder of the subject lot is undeveloped and now unimproved after having been formerly planted with grape vines up until 2011.

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Lewis Chilton, Commissioner  
Councilmember, Town of Yountville

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

Brian J. Kelly, Vice Chair  
Representative of the General Public

Joan Bennett, Commissioner  
Councilmember, City of American Canyon

Bill Dodd, Commissioner  
County of Napa Supervisor, 4th District

Gregory Rodeno, Alternate Commissioner  
Representative of the General Public

Juliana Inman, Alternate Commissioner  
Councilmember, City of Napa

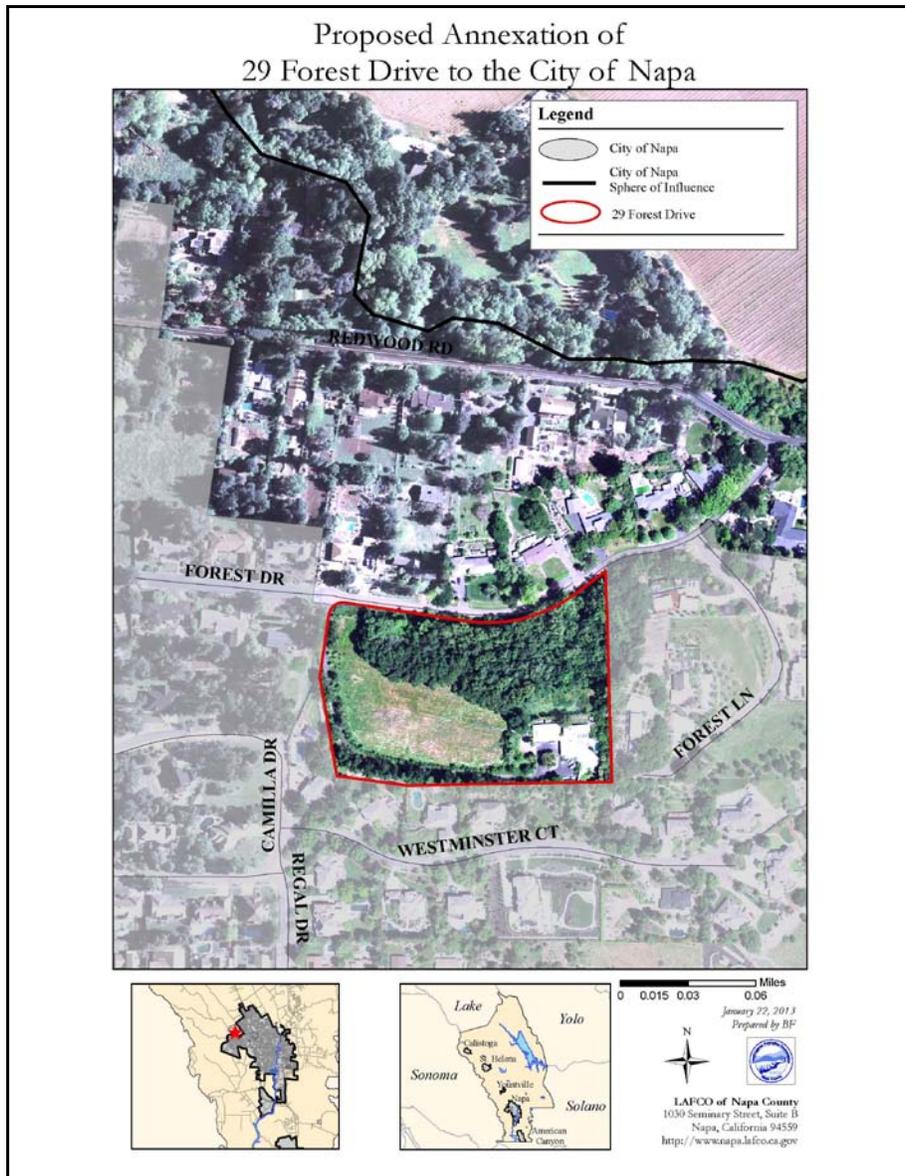
Mark Luce, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Keene Simonds  
*Executive Officer*

## B. Discussion

### *Proposal Purpose*

The subject lot was purchased by the affected landowners – Norman and Yvonne Alumbaugh – in 2007 and currently serves as the couple’s primary residence. The purpose of the proposal is to enable the Alumbaughs to file a future development application with the City, which by practice does not accept project filings for lands lying outside its jurisdictional boundary. The City’s land use policies would allow the subject lot to be divided into a maximum of five single-family residential lots. The Alumbaughs have retained Riechers and Spence Engineering to represent the couple with the Commission and in anticipation of filing a future development application with the City.



### ***Commission Focus***

The Commission added the subject lot to the City's sphere of influence in 1978 as part of an approved amendment request involving several other properties lying within the Redwood Road/Forest Drive area. The existing inclusion of the subject lot in the sphere of influence, importantly, reflects a standing Commission expectation the lands be annexed into the City to facilitate orderly urban development when the *timing* is deemed appropriate (emphasis added). Accordingly, the underlying consideration of the Commission is whether the members collectively believe the timing of the proposed boundary change is justified relative to its review of the factors prescribed by local policies and the Legislature.

### **C. Analysis**

The analysis of the proposal is organized into three distinct sections. The first section considers the proposal relative to the factors prescribed for consideration under local policy with specific focus on whether amendments are merited to comply with the established preferences in implementing LAFCO law in Napa County. The second section considers the proposal relative to the factors mandated for review by the Legislature anytime LAFCOs review boundary changes. The third section considers issues required by other applicable State statutes in processing boundary changes and highlighted by making a determination on environmental impacts.

### ***Local Policies / Possible Amendments***

A review of the submitted application materials identify three possible amendments the Commission is directed to consider based on its adopted policies. These amendments involve (a) expanding the annexation boundary, (b) detaching the affected territory from County Service Area (CSA) No. 4, and (c) annexing the affected territory from the Napa Sanitation District (NSD). An evaluation of these amendments specific to the proposal follows along with possible approval conditions.

#### ***Expansion of Annexation Boundary***

Commission policy orients members to consider alternative boundaries anytime it reviews a change of organization or reorganization to provide a more orderly and logical jurisdictional designation for the affected agencies. Towards this end, staff has evaluated the merits of expanding the proposed annexation boundary to include up to approximately 32 additional acres that along with the subject lot are all part of the same unincorporated corridor lying within the City's sphere of influence; a corridor that ideally would be annexed all at once to provide a clean and complete boundary for the City within the affected area. Surveys of the neighboring landowners, however, indicate limited support for voluntarily joining the annexation, and none among properties that are immediately adjacent to the subject lot; the latter comment being particular pertinent given contiguity requirements for city annexations. The lack of support for neighboring landowners to voluntarily join the

annexation indicates expanding the proposal to include one or more of the adjacent unincorporated properties would likely trigger successful protest proceedings.<sup>1</sup>

While the expansion of the annexation boundary to eliminate the surrounding unincorporated corridor is not advised, an amendment to include the entire public right-of-way portion immediately adjacent to the subject lot on Forest Drive appears merited. The affected right-of-way portion is approximately 0.4 acres in size and its inclusion in the annexation boundary would ensure the City's jurisdiction over the lone and immediate access point to the subject lot going forward.<sup>2</sup> Expansion of the annexation boundary to include the right-of-way would be consistent with Commission practice and would not trigger protest proceedings under LAFCO law.

Recommendation: Amend the proposal to include an approximate 0.4 acre portion of the adjacent public right-of-way on Forest Drive.

#### *Concurrent Detachment from CSA No. 4*

Commission policy requires all annexations to cities be amended and reorganized to include concurrent detachment from CSA No. 4 unless waived given special circumstances.<sup>3 4</sup> The prescribed waiver involves a determination the affected territory has been, or is reasonably expected to be, developed to include planted vineyards totaling one acre or more in size. The subject lot was previously improved with planted grapes, but these uses were entirely removed in 2011 leaving only an existing single-family residence and adjacent guest house. The landowners' stated intent is to divide the subject lot into five single-family lots as allowed under City land use policies. These combined factors substantiate there is no existing or expected tie between the affected territory and CSA No. 4's role in providing public farmworker housing services in Napa County.

Recommendation: Amend the proposal to concurrently detach the affected territory from CSA No. 4. However, as a safeguard in affirming the funding relationship between vineyards and public farmworking housing services, a special approval condition should be included to require the City to file a proposal to reannex the affected territory to CSA No. 4 if a vineyard of one acre or more in size is allowed.

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<sup>1</sup> Protest proceedings – also known as conducting authority proceedings – are required any time the Commission approves a boundary change without notice and written consent of landowners and, if applicable, registered voters unless a waiver is specifically authorized.

<sup>2</sup> The recommended addition of the public right-of-way portion of Forest Drive would not trigger protest proceedings. Public agencies are not defined as landowners under LAFCO law when the subject land involves highways, rights-of-way, easements, waterways, or canals under G.C. Section 56408(c).

<sup>3</sup> CSA No. 4 was formed in 2002 and includes all unincorporated territory along with certain incorporated territory located within the Cities of Calistoga, Napa, St. Helena, and Yountville. The intent and function of CSA No. 4 is to sponsor a voter-approved assessment on all assessor parcels within its jurisdiction containing one acre or more of planted vineyards to fund farmworker housing services.

<sup>4</sup> Statement references Commission General Policy Determination VII/D/3(a).

### ***Concurrent Annexation to NSD***

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Commission policy requires all annexations to the City be amended and reorganized to include concurrent annexation to NSD if the affected territory lies in the District's sphere of influence and sewer service is available unless waived given special circumstances. The underlying objective of this policy, notably, is to discourage the use of private septic systems within urban developing areas given the elevated public health and safety concerns tied to their ongoing maintenance. The subject lot – which currently utilizes a private septic system – does lie in NSD's sphere of influence and is surrounded to the immediate west (partially), south, and east by the District's jurisdictional boundary. The nearest NSD sewer main is within reasonable proximity with the closest access point to the subject lot distanced approximately 300 feet.

Irrespective of the preceding comments, and in consultation with NSD and the Alumbaugh's, it appears reasonable to waive the concurrent annexation requirement to the District in deference to three related factors. First, the Alumbaugh's are only interested in connecting the subject lot to NSD if the City approves a future development application to divide the property into five residential lots; the outcome of which is not presently known. Second, NSD prefers only to annex lands when service is being established given the District utilizes the property assessment roll to collect its annual user charge. Third, NSD prefers to only annex undeveloped or underdeveloped lands when there is a known development project in order to inform the District's process in establishing user terms of service consistent with expected uses (i.e., specifying applicant infrastructure improvements).

Given the referenced considerations, it appears a reasonable alternative to accomplishing the Commission's objective (i.e. promoting public sewer in urban areas) while responding to the preferences of the affected parties is to substitute the imposition of an immediate amendment in favor of requiring subsequent action through a special condition of approval. In particular, it appears appropriate to waive the concurrent annexation policy in deference to establishing a special approval condition to require the City to term any future development approval on the subject lot annexing to NSD. This condition, pertinently, would provide explicit insurance for the Commission that any future new urban uses facilitated by annexation approval would be tied to extending public sewer service to the affected territory while affirmatively responding to the preferences/concerns of NSD and the Alumbaugh's.

**Recommendation:** Waive the concurrent annexation requirement involving NSD in favor of conditioning approval on requiring the City to term any future development approval involving the subject lot to include annexation to the District. A subsequent waiver of this condition may be approved only upon prior authorization by the Commission.

### ***Legislature Policies / Mandated Factors***

G.C. Section 56668 requires the Commission to consider 15 specific factors anytime it reviews proposals for change of organization or reorganization involving cities. The majority of the prescribed factors focus on the impacts of the proposed boundary changes on the service and financial capacities of the affected agencies. No single factor is determinative and the intent is to provide a uniform baseline for LAFCOs in considering boundary changes in context to locally adopted policies and practices. To this end, consideration of these factors relative to the proposal filed by the City follows. Staff has incorporated into the review the recommended amendments and conditions as detailed in the preceding section. Consequently, references to the “affected territory” hereafter include both the subject lot and the adjacent public right-of-way on Forest Drive.

***(1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.***

The affected territory lies within a developing low density residential area and part of a neighborhood designation under the City General Plan known as “Browns Valley.” The affected territory is predominantly undeveloped with no physical improvements with the exceptions of an approximate 3,000 square foot single-family residence and adjacent guest house along with auxiliary uses (pool, etc.). A paved right-of-way portion of Forest Drive also lies within the affected territory. The existing single-family residence is currently occupied by the husband and wife landowners, who purchased the subject lot in 2007 and is currently assessed at \$2,536,174. The affected territory’s slope increases to the south with a peak terrain point at 240 feet above sea-level. Redwood Creek is the closest waterway with its nearest crossing point located approximately 500 feet to the north.



Proposal approval is expected to facilitate the near-term development of the subject lot to include – and based on existing zoning requirements – a total of five residential lots and produce an estimated buildout population of 13.<sup>5</sup> Development opportunities for adjacent areas to the affected territory – again based on existing zoning – are generally limited to lots to the north that are part of the same unincorporated corridor. The intensity of any new development in the referenced corridor, further, appears modest given only two of the 24 lots are either undeveloped or underdeveloped.

<sup>5</sup> The estimated buildout population for the affected territory assumes a per unit factor of 2.65 based on calculations performed by the California Department of Finance specific to the City.

*(2) The need for municipal services; the present cost and adequacy of municipal services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.*

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The core municipal services needed within the affected territory based on its planned and anticipated residential land use includes water, sewer, fire protection/emergency medical, and law enforcement. An analysis of the availability and adequacy of these core municipal services relative to projected needs if the proposal – with or without the recommended amendments – is approved follows.

- *Water Service*

The subject lot currently utilizes an onsite groundwater well to support the existing single-family residence and adjacent guest house. The current estimated average daily water demand for the subject lot – including landscaping uses for ornamental vegetation surrounding the residence – is 340 gallons or 0.38 acre-feet annually. The landowners’ report they have not experienced any problems with the capacity or quality of the groundwater, and do not intend to connect to the City’s water system unless as part of a future development project involving the subject lot.

Physical access to the City’s water system is readily available to the subject lot through an adjacent main located along the public right-of-way on Forest Drive. The planned and expected development of the subject lot to accommodate a total of five residential lots suggests the anticipated water demand generated from the affected territory would total 1,700 gallons on average daily and would be equivalent to 1.9 acre-feet annually. This anticipated demand at buildout would have minimal impacts to the City’s existing water system infrastructure as measured by supply, storage, and treatment capacities as detailed in the following subsections.

#### ***Water Supply and Demand***

Napa’s water supplies are derived from three distinct sources: Lake Hennessey, Milliken Reservoir, and the State Water Project. These three sources collectively provide Napa with 31,340 acre-feet of raw water for treatment during normal year conditions based on historical patterns. These historical patterns also indicate Napa’s annual water supply decreases during multiple and single dry year conditions to 19,896 and 13,533 acre-feet, respectively. Conversely, Napa’s most recently recorded annual water demand totals 13,877 acre-feet; an amount representing an average daily use of 38 acre-feet. These current demands result in an available supply surplus during normal and multiple dry year conditions. Further, the existing shortfall projected during single dry years is relatively minimal and would be likely offset by voluntary and mandatory

water conservation measures that could be adopted by the City Council consistent with their Urban Water Management Plan (UWMP).

The annual water demand associated with the annexation and buildout of the affected territory – 620,500 gallons or 1.9 acre-feet – would represent only one hundredth of a percent of the current demand commitments for the City.<sup>6</sup> Annexation and buildout of the affected territory, accordingly, would have no measurable impact on existing or future water demands on the City as depicted in the following tables.

<b>Baseline Without Annexation of the Affected Territory</b> (Amounts in Acre-Feet)			
<b>Category</b>	<b>Normal Year</b>	<b>Multiple Dry</b>	<b>Single Dry</b>
Annual Supply	31,340	19,896	13,533
Annual Demand	13,877	13,877	13,877
Difference	17,463	6,019	(344)

<b>Adjusted With Annexation/Buildout of the Affected Territory</b> (Amounts in Acre-Feet)			
<b>Category</b>	<b>Normal Year</b>	<b>Multiple Dry</b>	<b>Single Dry</b>
Annual Supply	31,340	19,896	13,533
Annual Demand	13,879	13,879	13,879
Difference	17,461	6,017	(346)

#### **Water Treatment and Storage**

Napa operates treatment facilities for each of its three water sources. These three facilities provide a combined daily treatment capacity of 135 acre-feet.<sup>7</sup> This combined treatment amount is more than three times greater than the current average day water demand (38 acre-feet) and nearly two times greater than the current estimated peak day water demand (76 acre-feet).<sup>8</sup> Furthermore, Napa’s combined treated water storage capacity overlaying its five pressure zones – including clearwell tanks – is 86 acre-feet. This combined storage amount accommodates current estimated peak day water demands in Napa.

Average day water demands associated with the annexation and buildout of the affected territory – 1,700 gallons or 0.005 acre-feet – would have no measurable impact on the City’s existing water treatment and storage capacities as depicted in the following tables.

<sup>6</sup> The amount provided as the current annual water demand commitments for the City includes the most recent calendar year totals plus projected increases associated the recent annexation approval of 1101 Grandview Drive.

<sup>7</sup> The combined daily treatment capacity for the City is divided between the Milliken facility at 4.0, Jamieson facility at 20.0, and Hennessey facility at 20.0 million gallons, respectively.

<sup>8</sup> Statement references recent usage records, the estimated peak day demand factor for the City’s 2.0.

<b>City Baseline Without Annexation of the Affected Territory</b> (Amounts in Acre-Feet)			
<b>Treatment Capacity</b>	<b>Average Day Demand</b>	<b>Peak Day Demand</b>	<b>Storage Capacity</b>
135.0	38.0	76.0	86.2

<b>City Adjusted With Annexation/Buildout of the Affected Territory</b> (Amounts in Acre-Feet)			
<b>Treatment Capacity</b>	<b>Average Day Demand</b>	<b>Peak Day Demand</b>	<b>Storage Capacity</b>
135.0	38.0	76.0	86.2

- Sewer Service**

The subject lot currently relies on an onsite private septic system to support the existing single-family residence. It is estimated the current daily sewer flow generated from the subject lot is 272 gallons on average and increases by two and one-half to 680 gallons during peak periods. The landowners' report they have not experienced any problems with the septic system, and do not intend to connect to the NSD sewer system unless as part of a future development project involving the subject lot.

Physical access to NSD's sewer system is available to the subject lot by connecting to an existing main located approximately 300 feet in distance. The planned and expected development of the subject lot to accommodate a total of five residential lots suggests the estimated daily sewer flows would increase to 1,360 gallons on average and 3,400 gallons during peak periods. These buildout estimates – under existing conditions – would have negligible impacts on NSD's sewer system as depicted in the following table.

<b>NSD Baseline Without Annexation of the Affected Territory</b> (Amounts in Gallons)			
<b>System Avg. Day Capacity</b>	<b>Average Day Demand</b>	<b>Peak Day Demand</b>	<b>System Peak Day Capacity</b>
15,400,000	6,701,040	33,702,600	126,200,000

<b>NSD Adjusted With Annexation/Buildout of the Affected Territory</b> (Amounts in Gallons)			
<b>System Avg. Day Capacity</b>	<b>Average Day Demand</b>	<b>Peak Day Demand</b>	<b>System Peak Day Capacity</b>
15,400,000	6,702,400	33,706,000	126,200,000

\* Capacity during peak-day incorporates 340 acre-feet (110,806,000 gallons) of adjacent pond storage.

- ***Fire Protection and Emergency Medical Services***  
Annexation of the affected territory would immediately transfer fire protection and emergency medical service responsibilities from the County to the City. Proximity of the affected territory, however, suggests the City is already the probable first-responder for fire protection and emergency medical service calls based on an established mutual aid agreement with the County. Approval of the proposal would eliminate any duplication and related inefficiencies associated with the City providing fire protection and emergency medical services to the affected territory. Further, information generated from the Commission's earlier municipal service review on countywide fire protection services noted the City has generally developed sufficient capacities and controls to serve existing and anticipated demands. This includes noting the affected territory is located within an adequately served area in which the City is reasonably expected to respond within its adopted five minute standard time. Additional analysis indicates this information remains valid and applicable to this proposal.
- ***Law Enforcement Services***  
Annexation of the affected territory would immediately transfer law enforcement service responsibilities from the County to the City. However, and similar to fire protection, the affected territory's proximity suggests the City is already the probable first-responder for emergency law enforcement service calls based on an established mutual aid agreement with the County. Approval of the proposal would eliminate any duplication and related inefficiencies associated with the City already providing law enforcement services to the affected territory. The Commission's recently completed municipal service review on countywide law enforcement services also notes the City has developed sufficient capacities and controls to serve existing and anticipated demands. The municipal service review also notes no service deficiencies within the area surrounding the affected territory.

***(3)The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on local governmental structure.***

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The proposal would have an advantageous effect in memorializing existing social and economic ties between the affected territory and the City. These ties are drawn from the affected territory's standing inclusion into the sphere of influence adopted for the City; inclusion approved by the Commission in 1978 and marking an expectation the site should eventually develop for urban uses under the City's land use and service authority. The recommendation to amend the proposal to concurrently detach the affected territory from CSA No. 4 would also reflect the social and economic ties underlying the District's operations. Detachment would support CSA No. 4's logical development by removing incorporated land designated for urban type use that does not have a substantive and direct tie to the District's role in funding public farmworker housing services by taxing vineyards.

***(4) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in G.C. Section 56377.***

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The proposal generally conforms with the adopted policies of the Commission and is highlighted by the affected territory lying entirely within the adopted sphere of influence for the City; a demarcation outlining the probable future service area and jurisdictional boundary of the City as determined by the Commission. The recommended amendments to expand the annexation boundary to include an adjacent right-of-way portion and concurrent detachment from CSA No. 4 further enhance the conformity of the proposal relative to the directives and policies of the Commission as detailed in the preceding sections. An additional amendment to expand the annexation boundary to include concurrent annexation to NSD would further conform to Commission policies, but is not recommended in deference to the preferences of NSD and the affected landowners to tie this change to a future development project. As a timing alternative, staff recommends a special condition to require the City to term any future development approval on the subject lot annexing to NSD.

One notable exception to the preceding comments relates to an inconsistency between the proposal and the Commission's policy to discourage boundary changes involving underdeveloped properties without known development plans or agreements.<sup>9</sup> The intent of this policy statement is to create a quantifiable measurement in helping the Commission determine when it is appropriate for lands to become urbanized; it also encourages applicants to bundle boundary change proposals with development projects to provide the Commission more certainty and accuracy in assessing impacts. Staff believes, however, three factors specific to the proposal filed by the City provide reasonable justification for the Commission to proceed and approve the annexation of the affected territory to the City and with the referenced amendments. These justifying factors follow.

- ***Scope of Potential Development is Limited and Reasonably Fixed***  
The potential development of the affected territory under existing City rezoning is limited to a total five residential units and parallels existing uses/densities in the surrounding incorporated area. LAFCO law precludes the City from changing the rezoning assignment for the affected territory for no less than 24 months from the date in which the annexation is approved and recorded by the Commission.

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<sup>9</sup> Statement references Commission General Policy Determination II/B/3.

- ***Assurances Tied to Expanded Project Description***  
At the request of the Executive Officer, the City has included an expanded project description in their proposal filing outlining notional development expectations for the affected territory based on existing City policies and regulations. This includes the City attesting to the (a) actual number of expected units, (b) anticipated infrastructure improvements and dedications, and (c) probable infrastructure funding requirements and sources. The information provided in the expanded project description is incorporated into the analysis of this report and leads to reasonable assurances the City has adequate controls and capacities to accommodate future new growth within the affected territory.
- ***Condition for Future Annexation to NSD***  
As referenced, it is recommended the Commission condition approval to require the City term any future development approval for the affected territory to require annexation to NSD. This assures the Commission will retain an approval authority specific to the extension of public sewer if and when new development is proposed for the affected territory.

The affected territory does not qualify as “open-space” under LAFCO law and therefore does not conflict with G.C. Section 56377. Specifically, the affected territory is not substantially unimproved and devoted to an open-space use under the County or City General Plan.

***(5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.***

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The affected territory does not qualify as “agricultural land” under LAFCO law. Specifically, the affected territory is not used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program.

***(6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.***

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The proposal as submitted is parcel-specific and includes all of the property identified by the County of Napa Assessor’s Office as 041-720-003. The recommended amendment modifies the affected territory to also include the public right-of-way portion of Forest Drive immediately adjacent to the subject lot. Commission approval would include a term requiring the applicant submit a map and geographic description of the approved action in conformance with the requirements of the State Board of Equalization. The submitted map and geographic description would be subject to review and possible edits by the Executive Officer before filing.

The affected territory lies within an existing unincorporated corridor consisting of a total of 24 lots along with public right-of-ways that collectively total approximately 32 acres.<sup>10</sup> Surveys of the adjacent landowners suggest expanding the annexation boundary to reduce and/or eliminate the unincorporated island would likely trigger successful protest proceedings and is not recommended.

***(7) Consistency with the city or county general plans, specific plans, and adopted regional transportation plan.***

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The affected territory is similarly planned – albeit at different intensities – for single-family residential uses under both the County and City General Plans. The County General Plan designation is *Rural Residential* and it prescribes a minimum lot size of 10 acres; a threshold that precludes any new intensive development given a guest cottage already exists. The City General Plan designation is *Single-Family Residential* – 44 and it prescribes a minimum lot size of 0.50 acres; a threshold that on its own allows the affected territory to be further divided into a maximum of 12 lots. The application of rezoning requirements, however, reduces the development potential of the affected territory under the City to a total of five lots.

The Metropolitan Transportation Commission’s regional transportation plan (RTP) was updated in April 2009 and outlines specific goals and objectives to direct public transportation infrastructure in the Bay Area through 2035. No specific projects are included in the RTP involving the affected territory. Accordingly, the proposal impact is neutral with respect to the RTP.

***(8) The sphere of influence of any local agency affected by the proposal.***

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See analysis on page 10.

***(9) The comments of any affected local agency or other public agency.***

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Staff provided notice of the proposal to all subject agencies and other interested parties as required under LAFCO law on December 17, 2012. The review included a summary of potential amendments to the proposal based on the Commission’s adopted policies and established practices. This included the potential for amending the proposal to (a) expand the annexation boundary to include the adjacent right-of-way portion of Forest Drive, (b) concurrent detachment from CSA No. 4, and (c) concurrent annexation to NSD. No formal comments were received.

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<sup>10</sup> The affected territory is not part of an unincorporated island based on Commission policies; policies that define a substantially surrounded island as having 66.6% or more of its perimeter surrounded by a city.

***(10) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.***

Information collected and analyzed in the Commission’s last municipal service review on the City concluded Napa had developed adequate financial resources and controls relative to its service commitments. Additional analysis performed subsequent to the filing of the proposal provides reasonable assurances the City’s fiscal resources and controls would enable the agency to provide an appropriate level of services to the affected territory relative to anticipated land uses. A summary of the City’s current financial resources follows.

- ***General Fund***

The City’s total available (undesignated/emergency) balance in its General Fund at the beginning of the current fiscal year totaled \$7.6 million and equals 12% of its adopted operating costs in 2012-2013. At the time of budget adoption, the City anticipated a \$4.0 million shortfall in operating costs for the current fiscal year and would – if realized – further reduce the available fund balance to \$3.6 million. A summary of the General Fund reserves over the last five fiscal years follows.

<b>Category</b>	<b>08-09</b>	<b>09-10</b>	<b>10-11</b>	<b>11-12</b>	<b>12-13</b>
Reserved: Reoccurring	2.127	0.509	0.509	0.509	0.509
Reserved: Non Reoccurring	--	--	0.900	0.900	0.900
Unreserved: Emergency	7.934	7.537	7.485	7.578	7.578
Unreserved: Undesignated	8.262	5.826	4.567	3.335	0.002
<b>Total</b>	<b>\$18.323</b>	<b>\$13.872</b>	<b>\$13.505</b>	<b>\$12.323</b>	<b>\$8.989</b>

*Dollars in Millions / Amounts as of July 1<sup>st</sup>*

The recent economic recession and corresponding stagnation of general tax revenues paired with increasing service costs underlie the City’s recent and ongoing structural imbalance. Recent administrative measures taken by the City – including reducing employment levels by 40 fulltime positions and eliminating cost-of-living adjustments over the last four years – have helped to stabilize the imbalance and decrease the demand on reserves to cover annual operating costs. Markedly, and assuming these administrative controls continue to be employed going forward, the relatively minor general service demands (i.e. public safety) anticipated and associated with the annexation and probable development of the affected territory is not expected to have an adverse fiscal impact on the City.<sup>11</sup>

<sup>11</sup> Additional services to be extended to the subject lot upon annexation and development, such as water, are self-funded through (a) connection fees and (b) usage charges. These revenue sources serve as the City’s buy-in charge for new customers to contribute their fair share for existing and future facilities necessary to receive water services as well as fund ongoing maintenance expenses. Accordingly, these other services would not generate any new unfunded demands on the City.

The recommendation to amend the proposal to also include concurrent detachment from CSA No. 4 will produce a modest financial impact given the subject lot has remained on the District's assessment roll. The current assessment for the subject lot is \$15; an amount representing only three one-thousands of a percent of the operating budget. It is important to note, and irrespective of the recommendation to detach the affected territory from the District, the current assessment will be removed from the subject lot given the grape vines are no longer planted.

***(11) Timely availability of water supplies adequate for projected needs as specified in G.C. Section 65352.5.***

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Proposal approval and the probable development of the affected territory to include a total of five single-family residences would generate a new water demand for the City. As previously referenced, the City's available water supplies are drawn from three separate sources: 1) Lake Hennessey; 2) Milliken Reservoir; and 3) the State Water Project. The City's most recent Urban Water Management Plan (UWMP) was adopted in 2011 and estimates the total annual water supply generated from these three sources during normal conditions and based on historical patterns is 31,340 acre-feet. These historical patterns also indicate the total annual water supply decreases to 19,896 and 13,533 acre-feet during multiple and single dry year conditions, respectively.

Information provided in the UWMP identifies the City's available water supplies are more than sufficient in accommodating both current annual demands – 13,877 acre-feet – and the projected buildout demands within the affected territory – 1.9 acre-feet – during normal and multiple dry year conditions. The City's available water supplies, however, are deficient under current estimated single dry years; a deficit that would be insignificantly increased with approval of the proposal along with the associated planned development of a single-family residence. The City, accordingly, has established conservation efforts within its UWMP to address the projected deficiency during single dry years. These factors provide reasonable assurances of the City's ability to effectively accommodate water demands with the minimal increases tied to the affected territory in accordance with G.C. Section 65352.5.

***(12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.***

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The proposal would not impact any local agencies in accommodating their regional housing needs. The affected territory is already located within the City's sphere of influence, and as a result, all potential units tied to the land are assigned to Napa by the Association of Bay Area Governments.

***(13) Any information or comments from the landowner or owners, voters, or residents of the affected territory.***

The landowners of the subject lot have provided their written consent to the proposal. Notice of the recommended amendments to modify the proposal to (a) expand the annexation boundary to include the adjacent right-of-way portion of Forest Drive and (b) concurrent detachment from CSA No. 4 were also provided to the subject agencies. No comments were received.

***(14) Any information relating to existing land use designations.***

Expanded discussion on existing land use designations for the affected territory is provided on page 12 of this report. The following table summarizes these designations and related zoning assignments.

Category	County	City
<b>Land Use Designation</b>	Rural Residential	Single-Family Residential - 44
- Minimum Lot Size	10 acres	0.5 acres
<b>Zoning Standard</b>	Residential Country	Residential Single – 40
- Minimum Lot Size	10 acres	0.9 acres *
- Permitted Uses	single-family residence detached second unit family care / day facility guest cottage private school farmworker housing	single-family residence detached second unit family care / day facility public/private school
<b>Overlay Zoning</b>	Urban Reserve	Hillside

\* Minimum lot size for the City applies the restrictions tied to the Hillside overlay zoning.

***(15) The extent to which the proposal will promote environmental justice.***

There is no documentation or evidence suggesting proposal approval would have a measurable effect with respect to promoting environmental justice. There is also no documentation or evidence suggesting the recommended amendments to also include the adjacent right-of-way portion and detachment from CSA No. 4 will measurably effect environmental justice.

### ***Other Considerations***

- ***Property Tax Agreement***

Revenue and Taxation Code Section 99(b)(6) requires adoption of a property tax exchange agreement by affected local agencies before the Commission can consider a proposed boundary change.<sup>12</sup> With this in mind, and upon receipt of the applicant's proposal, staff provided notice to the City and the County of the proposed jurisdictional change affecting both agencies and the need to apply a property tax exchange to the proceedings.

Staff has advised the City and the County of its recommendation to amend the proposal and intent to apply a master property tax exchange agreement adopted by both governing boards in 1980 unless otherwise informed; an agreement specifying Napa shall receive 55% of the County's existing portion of property tax revenues generated from the affected territory. The County Auditor's Office estimates the affected portion of the property tax subject to the negotiated exchange would result in a baseline year transfer to the City of \$3,781.25. Neither agency objects to the application of the referenced agreement.

- ***Environmental Review***

The City serves as lead agency for the proposal under the California Environmental Quality Act (CEQA) given it is the initiating entity with sole responsibility for approving the underlying purpose of this action: annexation of the subject lot. The City has determined the proposal qualifies as a "project" under CEQA and has accordingly prepared an initial study assessing the environmental impacts associated with the proposal given the land could be further divided under the City's adopted land use policies. The initial study concludes the project will not generate any new direct or indirect significant impacts that have not already been adequately addressed and, as needed, mitigated in the Final Environmental Impact Report adopted for the City General Plan (1998). On behalf of the Commission in its role as responsible agency under CEQA, staff has independently reviewed this matter and believes the City has made an appropriate determination.

- ***Conducting Authority Proceedings***

All change of organizations and reorganizations approved by the Commission are subject to conducting authority proceedings unless waived in accordance with criteria outlined under G.C. Section 56663. Staff has reviewed this section and confirms approval of the proposal with or without the recommended amendments is not subject to conducting authority proceedings given (a) all affected landowners have provided their written consent and (b) no subject agencies have filed written opposition to the waiver.

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<sup>12</sup> CSA No. 4 was formed after Proposition 13 and therefore not eligible for property tax revenues.

#### **D. Recommendation**

Staff recommends approving the submitted proposal to annex the subject lot to the City with two distinct amendments. These amendments include an expansion of the annexation boundary to include an additional 0.4 acre portion of adjacent right-of-way on Forest Drive and concurrent detachment from CSA No. 4 for reasons detailed in this report. It is also recommended the following conditions of approval be applied with delegation to the Executive Officer to determine when the requested actions have been sufficiently satisfied before proceeding with a recordation.

- Submittal of a map and geographic description of the affected territory conforming to the requirements of the State Board of Equalization.
- Payment of any outstanding fees owed to other agencies involved in the processing of this proposal as identified in the Commission's adopted fee schedule.
- An indemnification agreement signed by the City in a form provided by the Commission Counsel.
- A letter signed by the City agreeing to term future development approval involving the affected territory in which additional lots are created on annexation to NSD.
- A letter signed by the City agreeing to file a proposal with the Commission to annex the affected territory into CSA No. 4 if vineyard development one acre or more in size is allowed.

#### **E. Alternatives for Commission Action**

Staff has identified three options for Commission consideration with respect to the proposal. These options are summarized below.

##### **Alternative Action One (Recommended):**

Adopt the draft resolution identified as Attachment One approving the proposal with the recommended amendments and conditions identified in the preceding section along with any desired changes as requested by members.

##### **Alternative Action Two:**

Continue consideration of the item to the next regular meeting and provide direction to staff for additional information as needed.

##### **Alternative Action Three:**

Disapprove the proposal. Disapproval would statutorily prohibit the initiation of a similar proposal for one year unless reconsideration is filed and approved in 30 days.

**F. Procedures for Consideration**

This item has been agenzized for action. The following procedures are recommended with respect to the Commission's continued consideration of this item:

- 1) Receive verbal report from staff;
- 2) Invite comments from any interested audience members (voluntary); and
- 3) Discuss item and consider action on recommendation.

Respectfully submitted,

---

Keene Simonds  
Executive Officer

---

Brendon Freeman  
Analyst

Attachments:

- 1) Draft Resolution of Approval
- 2) Application Materials
- 3) Correspondence from 56 Forest Drive
- 4) Commission General Policy Determinations

## RESOLUTION NO. \_\_\_\_

**RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MAKING DETERMINATIONS**

**PROPOSED ANNEXATION OF 29 FOREST DRIVE TO THE CITY OF NAPA**

**WHEREAS**, the City of Napa, by resolution of application, has filed a proposal with the Local Agency Formation Commission of Napa County, hereinafter referred to as "Commission," pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the proposal seeks Commission approval to annex approximately 6.0 acres of unincorporated land to the City of Napa and represents an entire legal lot identified by the County of Napa Assessor's Office as 041-720-003; and

**WHEREAS**, the Commission's Executive Officer has reviewed the proposal and prepared a report with recommendations; and

**WHEREAS**, the Executive Officer's report and recommendations on the proposal have been presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a public meeting held on the proposal on February 4, 2013;

**WHEREAS**, the Commission considered all the factors required by law under Government Code Section 56668 and adopted local policies and procedures.

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER** as follows:

1. The Commission's determinations on the proposal incorporate the information and analysis provided in the Executive Officer's written report.
2. As responsible agency under the California Environmental Quality Act, the Commission has considered the initial study and corresponding determination by the City of Napa the proposal will not generate any new significant effects that have not already been adequately addressed as part of the Environment Impact Report (EIR) prepared for the City General Plan, certified December 1, 1998. The Commission has considered the EIR and finds that it makes land use assignments for the subject territory and adequately discusses the environmental impacts of development of the affected territory to the assigned densities. The Commission concurs with the City's determination and finds the annexation will not introduce any new considerations with respect to this EIR, and probable future projects are adequately addressed by it. The Commission further finds that projects, as they become known, will be subject to environmental review as they are developed. The Executive Officer, accordingly, shall file a notice of

determination with the County of Napa Clerk-Recorder's Office memorializing the findings of the Commission. The records upon which these findings and determination are made are located at the office of the Commission at 1030 Seminary Street, Suite B, Napa, California.

3. The proposal is APPROVED with the following amendments:
  - a) The affected territory is expanded to include an approximate 0.4 acre public right-of-way portion of Forest Drive immediately adjacent to 041-720-003.
  - b) The affected territory is concurrently detached from County Service Area No. 4.
4. The proposal is assigned the following distinctive short-term designation:

**FOREST DRIVE NO. 2 REORGANIZATION**

5. The affected territory is depicted in the vicinity map provided in Exhibit "A".
6. The affected territory is uninhabited as defined in Government Code Section 56046.
7. The City of Napa utilizes the regular assessment roll of the County of Napa.
8. Upon effective date of the proposal, the affected territory will be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by the City of Napa. The affected territory will also be subject to all of the rates, rules, regulations, and ordinances of the City of Napa.
9. The Commission authorizes conducting authority proceedings to be waived in accordance with Government Code Section 56663.
10. Approval is contingent upon the satisfaction of following conditions as determined by the Executive Officer:
  - (a) A map and geographic description of the affected territory conforming to the requirements of the State Board of Equalization for annexation of the affected territory to the City of Napa.
  - (b) Payment of any outstanding fees owed to other agencies involved in the processing of this proposal.
  - (c) An indemnification agreement signed by the City of Napa in a form provided by the Commission Counsel.
  - (d) A letter of acknowledgment from the City of Napa agreeing to file a future proposal with the Commission to annex the affected territory into County Service Area No. 4 if vineyard development one acre or more in size is permitted.
  - (e) A letter of acknowledgement from the City of Napa agreeing to term any future development approvals for the affected territory in which new lots are created on annexation to the Napa Sanitation District.

11. The effective date shall be the date of recordation of the Certificate of Completion. The Certificate of Completion must be filed within one calendar year from the date of approval unless a time extension is approved by the Commission.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on February 4, 2013, by the following vote:

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Abstain: \_\_\_\_\_

Absent: \_\_\_\_\_

Attest: Keene Simonds  
Executive Officer

Recorded by: \_\_\_\_\_  
Kathy Mabry  
Commission Secretary

RECEIVED

FORM D

DEC 12 2012

NAPA COUNTY  
LAFCO

Date Filed: 12/12/12  
Received By: BF

JUSTIFICATION OF PROPOSAL  
Change of Organization/Reorganization

I. APPLICANT INFORMATION

A. Name: SCOTT KLINGBEIL CITY OF NAPA, CDD  
Contact Person Agency/Business (If Applicable)

Address: 1600 FIRST ST NAPA 94559  
Street Number Street Name City Zip Code

Contact: 707 257-9530 257-9522 SKLINGBEE@CITYOFNAPA.ORG  
Phone Number Facsimile Number E-Mail Address

B. Applicant Type: (Check One)  Local Agency  Registered Voter  Landowner

II. PROPOSAL DESCRIPTION

A. Affected Agencies:

_____	_____
Name	Address
_____	_____
Name	Address
_____	_____
Name	Address

*Use Additional Sheets as Needed*

B. Proposal Type: (Check as Needed)

<input checked="" type="checkbox"/> Annexation	<input type="checkbox"/> Detachment	<input type="checkbox"/> City Incorporation	<input type="checkbox"/> District Formation
<input type="checkbox"/> City/District Dissolution	<input type="checkbox"/> City/District Merger	<input type="checkbox"/> Service Activation (District Only)	<input type="checkbox"/> Service Divestiture (District Only)

C. Purpose Statement: (Specific) REQUEST ANNEXATION OF SIX ACRE  
PROPERTY AT 29 FOREST DRIVE

III. GENERAL INFORMATION

A. Location:	<u>29 FOREST DRIVE</u>	<u>041-720-003</u>	<u>6</u>
	Street Address	Assessor Parcel Number	Acres
	Street Address	Assessor Parcel Number	Acres
	Street Address	Assessor Parcel Number	Acres
	Street Address	Assessor Parcel Number	Acres

Total Location Size  
(Including Right-of-Ways) \_\_\_\_\_

B. Landowners:

- (1) Assessor Parcel Number : 041-702-003 Name: ALUMBAUGH, NORM  
Mailing Address: 29 FOREST DRIVE, NAPA, CA 94558  
Phone Number: 252-7966 E-mail: \_\_\_\_\_
- (2) Assessor Parcel Number : \_\_\_\_\_ Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_
- (3) Assessor Parcel Number : \_\_\_\_\_ Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_
- (4) Assessor Parcel Number : \_\_\_\_\_ Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

*Use Additional Sheets As Needed*

C. Population:

- (1) Total Number of Residents: 2
- (2) Total Number of Registered Voters: 2

**D. Land Use Factors:**

- (1a) County General Plan Designation: \_\_\_\_\_
- (1b) County Zoning Standard: \_\_\_\_\_
- (2a) Applicable City General Plan Designation: SFR-44
- (2b) Applicable City Rezoning Standard: RS-40:HS

**E. Existing Land Uses:**  
(Specific)

SINGLE FAMILY RESIDENCE  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**F. Development Plans:**

- (1a) Territory Subject to a Development Project?  Yes  No
- (1b) If Yes, Describe Project: APPLICANT WOULD LIKE TO SUBDIVIDE PROPERTY INTO NO MORE THAN 5 PARCELS
- (1c) If No, When Is Development Anticipated? \_\_\_\_\_  
\_\_\_\_\_

**G. Physical Characteristics:**

- (1) Describe Topography: RATHER STEEP PROPERTY THAT RISES UP FROM FOREST DRIVE
- (2) Describe Any Natural Boundaries: FOREST DRIVE ON THE SOUTH
- (3) Describe Soil Composition and Any Drainage Basins: \_\_\_\_\_  
\_\_\_\_\_
- (4) Describe Vegetation: 50% WOODED 50% GRASSES THAT WAS ONCE A VINEYARD

**H. Williamson Act Contracts**  
(Check One)

- Yes
- No

**IV. GOVERNMENTAL SERVICES AND CONTROLS**

---

**A. Plan For Providing Services:**

(1) Enumerate and Describe Services to Be Provided to the Affected Territory:

CITY WATER WILL BE PROVIDED  
NAPA SANITATION WILL ALSO PROVIDE SEWER  
SERVICE

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(2) Level and Range of Services to Be Provided to the Affected Territory:

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(3) Indication of When Services Can Feasibly Be Extended to the Affected Territory:

WATER SERVICE WILL BE WITHIN FOREST DRIVE.

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(4) Indication of Any Infrastructure Improvements Necessary to Extend Services to the Affected Territory:

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(5) Information On How Services to the Affected Territory Will Be Financed:

PROPERTY OWNER / DEVELOPER

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**V. ENVIRONMENTAL INFORMATION**

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**A. Environmental Analysis**

(1) Lead Agency for Proposal: CITY OF NAPA  
Name

(2) Type of Environmental Document Previously Prepared for Proposal:

Environmental Impact Report

Negative Declaration/Mitigated Negative Declaration

Categorical/Statutory Exemption: SECTIONS 15063 AND 15162  
Type

None

*Provide Copies of Associated Environmental Documents*

**VI. ADDITIONAL INFORMATION**

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**A. Approval Terms and Conditions Requested For Commission Consideration:**

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

*Use Additional Sheets As Needed*

**B. Identify Up to Three Agencies or Persons to Receive Proposal Correspondence:**

(1) Recipient Name: \_\_\_\_\_

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

E-Mail: \_\_\_\_\_

(2) Recipient Name: \_\_\_\_\_

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

E-Mail: \_\_\_\_\_

(3) Recipient Name: \_\_\_\_\_

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

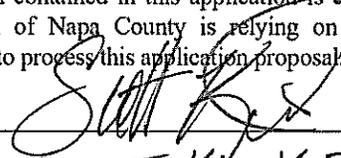
E-Mail: \_\_\_\_\_

**VII. CERTIFICATION**

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I certify the information contained in this application is correct. I acknowledge and agree the Local Agency Formation Commission of Napa County is relying on the accuracy of the information provided in my representations in order to process this application proposal.

Signature:

  
\_\_\_\_\_

Printed Name:

SCOTT KLINGBELL  
\_\_\_\_\_

Title:

SENIOR PLANNER  
\_\_\_\_\_

Date:

12/10/12  
\_\_\_\_\_

CITY OF NAPA CITY COUNCIL  
AGENDA REPORT

CONSENT HEARING  
AGENDA ITEM 26.A.  
Date: December 04, 2012

To: Honorable Mayor and Members of City Council  
From: Rick Tooker, Community Development Director  
Prepared by: Scott Klingbeil, Senior Planner  
Subject: Alumbaugh Annexation of a six acre parcel at 29 Forest Drive

**ISSUE STATEMENT:**

Adopt a resolution requesting that the Local Agency Formation Commission (LAFCO) initiate proceedings for the annexation of the Alumbaugh property at 29 Forest Drive.

**DISCUSSION:**

Ryan Gregory, on behalf of the property owner Norm Alumbaugh, requests an annexation of a six acre parcel at 29 Forest Drive. The parcel is located within an unincorporated "island" substantially surrounded by the City and is within the City's Rural Urban Limit line (RUL) and the LAFCO Sphere of Influence. The exhibits included in Attachment 2 identify the project site. During review of this application staff surveyed 23 owners of adjacent parcels within the unincorporated "island" for their interest in also being included in the annexation. Three property owners expressed support or were neutral regarding also annexing into the City and nine property owners specifically opposed inclusion of their properties in the annexation. No response was received from the other 11 property owners.

In the past, the City's general policy has been to respect the interests of property owners and generally included only those willing property owners in an annexation request to LAFCO. However, in this case the inclusion of the three property owners in support of or neutral to the annexation would create an illogical annexation resulting in three to four distinctively new unincorporated islands. LAFCO staff has advised the City that the California Government Code discourages LAFCO from approving annexations resulting in the creation of new unincorporated islands; therefore, this annexation proposal does not include any additional property owners other than Norm Alumbaugh. However, LAFCO reserves the right to expand the boundaries of the Alumbaugh annexation to include the entire island if it determines this is appropriate upon its review of the application.

The proposed annexation was reviewed by City staff and other associated agencies at an interdepartmental meeting on July 10, 2012. Napa Sanitation District staff commented that specific conditions of approval for development will be established when future applications for development are received. The subject parcel is rezoned

RS 40: HS (Single Family Residential 40,000 sq. ft. minimum lot size District; Hillside Overlay District). The Hillside Overlay District reduces densities based on hillside slopes, requires a use permit for any additional units beyond one unit. Design criteria and standards also guide development of the property in a HS Overlay District. This six acre property has the potential to be subdivided into five one acre lots where just one single family residence presently exists on the site.

Approval of an annexation of the subject parcel requires that the City Council adopt a Resolution of Application requesting that LAFCO initiate proceedings to complete the annexation. This is an annexation request only; any future development proposal would occur after completion of annexation of the parcel into the City.

**FINANCIAL IMPACTS:**

There would be slight increases in City revenues due to property tax reapportionment and paramedic fees, as well as corresponding increases in City service costs to the existing single family residence.

**CEQA:**

City staff recommends that the City Council determine that the potential environmental effects of the Recommended Action described in this Agenda Report were adequately examined by the Environmental Impact Report (EIR) for Envision Napa 2020, the City's General Plan, certified on December 1, 1998, pursuant to CEQA Guidelines Sections 15063 and 15162. As documented in a subsequent Initial Study prepared for the Alumbaugh Annexation (Project No. 12-0093), the EIR adequately identifies the density ranges for the subject parcel and adequately analyzes at a program level the environmental and mitigating policies and programs for future development at assigned density ranges.

**DOCUMENTS ATTACHED:**

- 1.Attachment 1: Resolution with associated exhibits requesting that LAFCO initiate proceedings for the annexation of the Alumbaugh property at 29 Forest Drive.
- 2.Attachment 2: Applicant's written statement and location map.

**NOTIFICATION:**

The following were notified of this application:

- Norm Alumbaugh, Applicant
- Ryan Gregory, Applicant Representative
- Kristof & Jennifer Anderson, 68 Forest Drive, Napa, CA 94558
- Richard & Carol Eyheralde, 62 Forest Drive, Napa, CA 94558
- Francis Healy & Ann Ferrigan, 56 Forest Drive, Napa, CA 94558
- Ray Mitchell Evensen & Marie Rossi, 44 Forest Drive, Napa, CA 94558
- Loren Kroeger, 32 Forest Drive, Napa, CA 94558
- David & Brenda Dugan, 22 Forest Drive, Napa, CA 94558
- Bret & Kelly Hyatt, 11 Forest Drive, Napa, CA 94558

Garrett Murphy & Kim Erasmy-Murphy, 2122 Second Street, Napa, CA 94558  
Elizabeth Yarris, 2841 Redwood Road, Napa, CA 94558  
Barbara Kinder, 2477 Southern Oak Road, Ramona, CA 92065  
Glen & Betty Carr, 2835 Redwood Road, Napa, CA 94558  
Robert David Poppe Jr., 2855 Redwood Road, Napa, CA 94558  
Michael & Carolyn Lombardi, 2873 Redwood Road, Napa, CA 94558  
Phoebe Dinsdale, 2873 Redwood Road, Napa, CA 94558  
Jay & Susan Hanson, 2877 Redwood Road, Napa, CA 94558  
Robert & Sue Osborn, 2883 Redwood Road, Napa, CA 94558  
Daniel & Donna Brown, 2866 Redwood Road, Napa, CA 94558  
Richard & Anna Jetton, 2890 Redwood Road, Napa, CA 94558  
Tyler Dann II, 2590 Pine Street, San Francisco, CA 94115  
Robert Jones, 2930 Redwood Road, Napa, CA 94558  
Napa Valley Unified School District  
Local Agency Formation Commission  
Napa County Planning  
Napa Sanitation District

Legal notice of public hearing was also published in the Napa Valley Register on November 20, 2012.

**RECOMMENDED ACTION:**

Staff recommends that the City Council move, second and approve each of the actions set forth below, in the form of the following motion. Move to:

Adopt a resolution requesting that the Local Agency Formation Commission (LAFCO) initiate proceedings for the annexation of the Alumbaugh property at 29 Forest Drive.

**RESOLUTION R2012 155**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, REQUESTING THAT THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) INITIATE PROCEEDINGS FOR THE ANNEXATION OF THE ALUMBAUGH PROPERTY AT 29 FOREST DRIVE**

**WHEREAS, this annexation request is in accordance with applicable provisions of the California Environmental Quality Act (CEQA), pursuant to the Environmental Impact Report (EIR) for Envision Napa 2020, the City of Napa's General Plan, that establishes future land use and densities for the subject territory and adequately analyzes at a program level the environmental impacts and mitigating policies for such development at 29 Forest Drive and throughout the city; and**

**WHEREAS, factors identified in Government Code Section 56668 have been identified and shall be considered by the Napa County Local Agency Formation Commission (LAFCO) in review of the proposal; and**

**WHEREAS, the City of Napa desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for the annexation of the Alumbaugh Property, and**

**WHEREAS, the parcel proposed to be annexed is within the City's Rural Urban Limit (RUL) and is coterminous LAFCO Sphere of Influence, the territory is inhabited (per LAFCO law), and a description of the boundaries of the territory is set forth in the location map attached hereto as Exhibit C, and incorporated herein by reference; and**

**WHEREAS, the territory proposed to be annexed has been pre-zoned in accordance with the City of Napa General Plan, which land use map (portion) and Zoning Map (portion) are set forth in Exhibits A and B, attached hereto and incorporated herein by reference; and**

**WHEREAS, the chief petitioner for the Alumbaugh Annexation, Norman Alumbaugh located at 29 Forest Drive, Napa, CA 94559, has signed the petition for annexation; and**

**WHEREAS, the reasons for annexation include development of land in accordance with the City's General Plan and providing for logical boundaries and service provision in the area; and**

**WHEREAS, the City Council has considered all information related to this matter, as presented at the public meeting of the City Council identified herein, including any supporting reports by City staff, and any information provided during public meetings.**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Napa as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

2. This Resolution is hereby adopted and LAFCO is hereby requested to initiate proceedings for the annexation of territory as shown in Exhibit "C" including parcel APN 041-720-003, according to the terms and conditions stated above and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

3. The City Council finds that the parcel has been rezoned and will have the RS 40:HS District (Single Family Residential District: Hillside Overlay District) designation upon annexation.

4. Pursuant to Government Code Section 56663, the City Council hereby consents to annexation of the subject territory as submitted.

5. This Resolution shall take effect immediately upon its adoption.

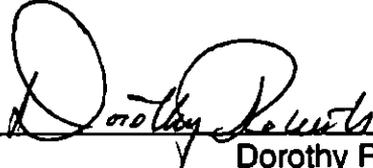
I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Napa at a regular meeting of said City Council held on the 4<sup>th</sup> day of December, 2012, by the following roll call vote:

AYES: Mott, Inman, Pedroza, Sedgley, Techel

NOES: None

ABSENT: None

ABSTAIN: None

ATTEST:   
Dorothy Roberts  
City Clerk

Approved as to form:



Michael W. Barrett  
City Attorney

EXHIBIT "A"

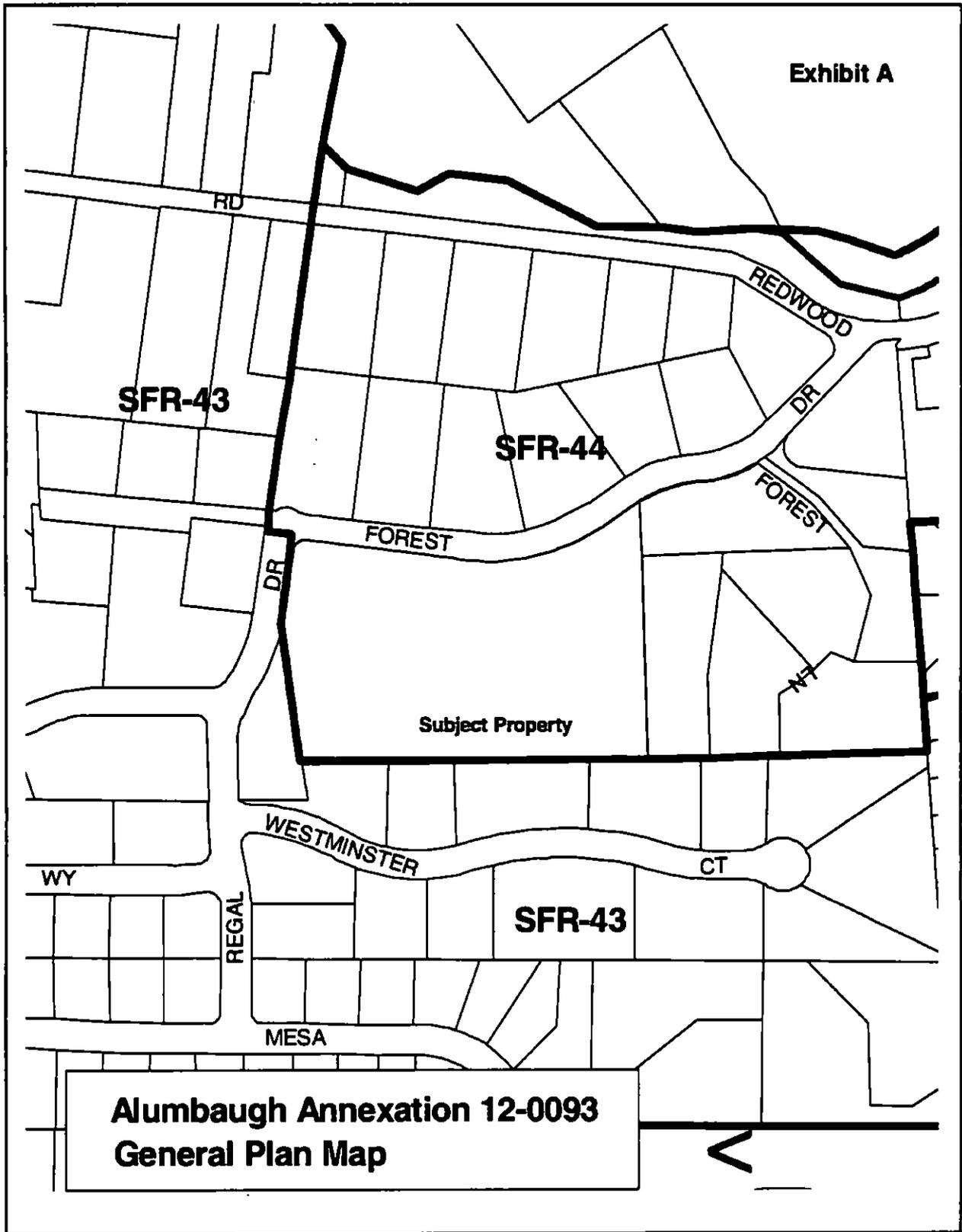


EXHIBIT "B"

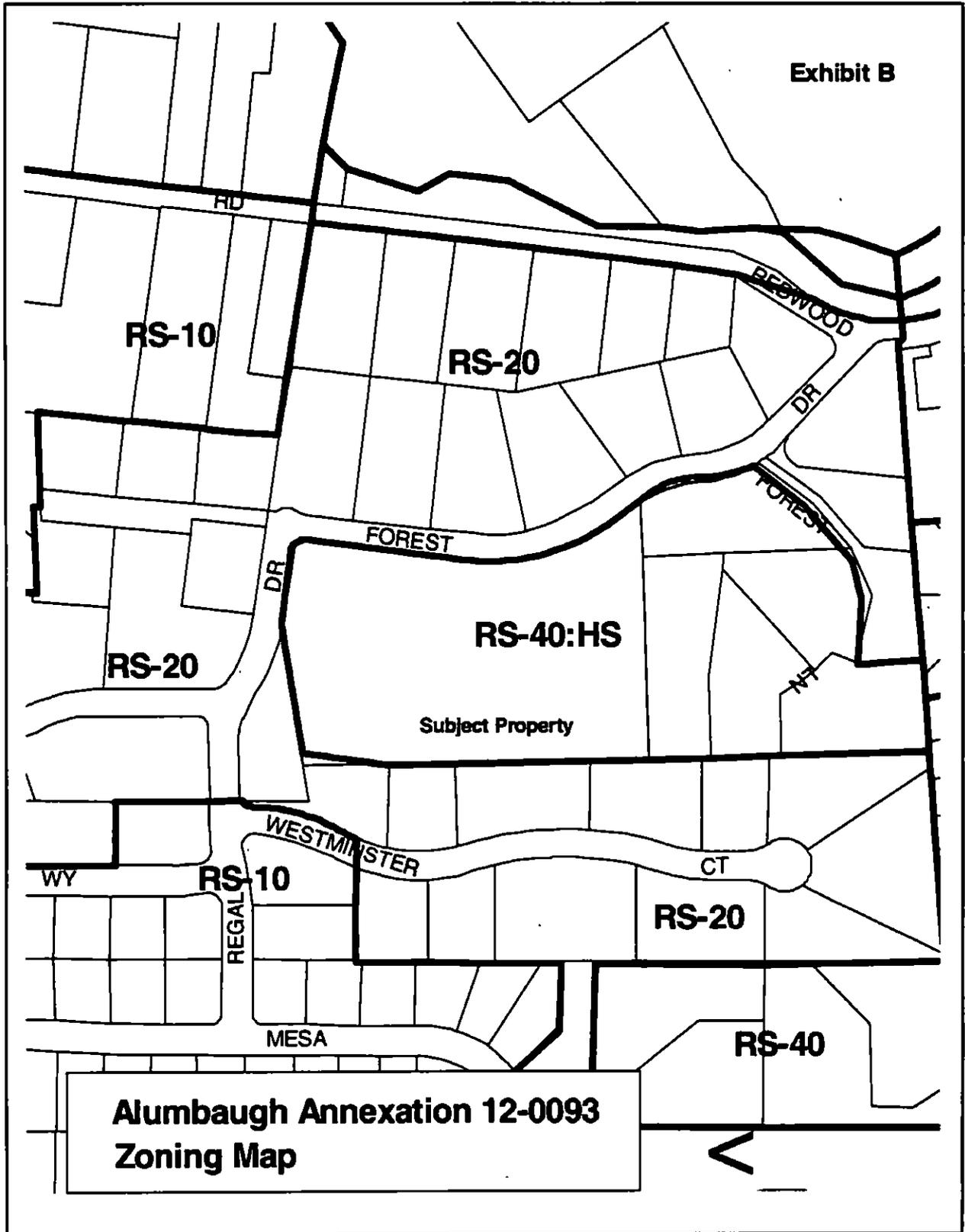


Exhibit B

**Alumbaugh Annexation 12-0093  
Zoning Map**

EXHIBIT "C"

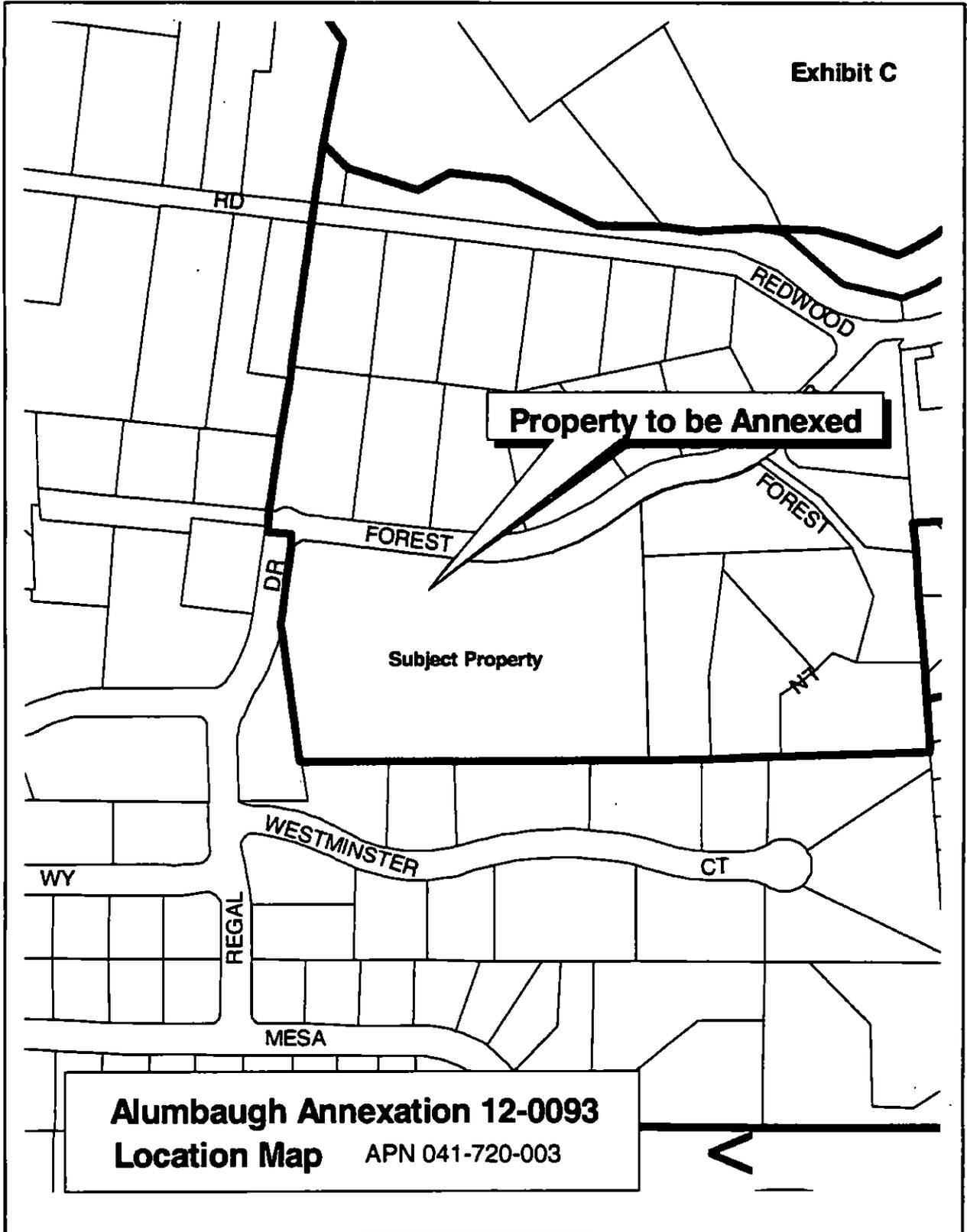


Exhibit C

Property to be Annexed

Subject Property

**Alumbaugh Annexation 12-0093**  
**Location Map**    APN 041-720-003

**Lands of Alumbaugh  
City of Napa Annexation Application**

**Site Development Narrative**

The Alumbaughs have filed an application with the City of Napa to annex their property at 29 Forest Drive into the City of Napa. The subject property was added to the City's sphere of influence in June 1978 reflecting LAFCO's long-standing policy that the affected territory should eventually be annexed into the City for purposes of facilitating orderly urban development.

Given that the subject property is within the City's sphere, it is considered in the City's current General Plan and has been pre-zoned accordingly. The property has a General Plan designation of SFR 44 which allows for 0-2 dwelling units per acre (du/acre). And, the property is pre-zoned with a designation of RS 40 with the Hillside (HS) Overlay. The HS Overlay requires that the allowable General Plan densities be reduced according to the topography and slopes that exist on site. According to this calculation and as shown on the attached exhibit entitled "Slope Analysis Map", the maximum density is reduced to 0.86 du/acre resulting in a maximum yield of 5 residential lots.

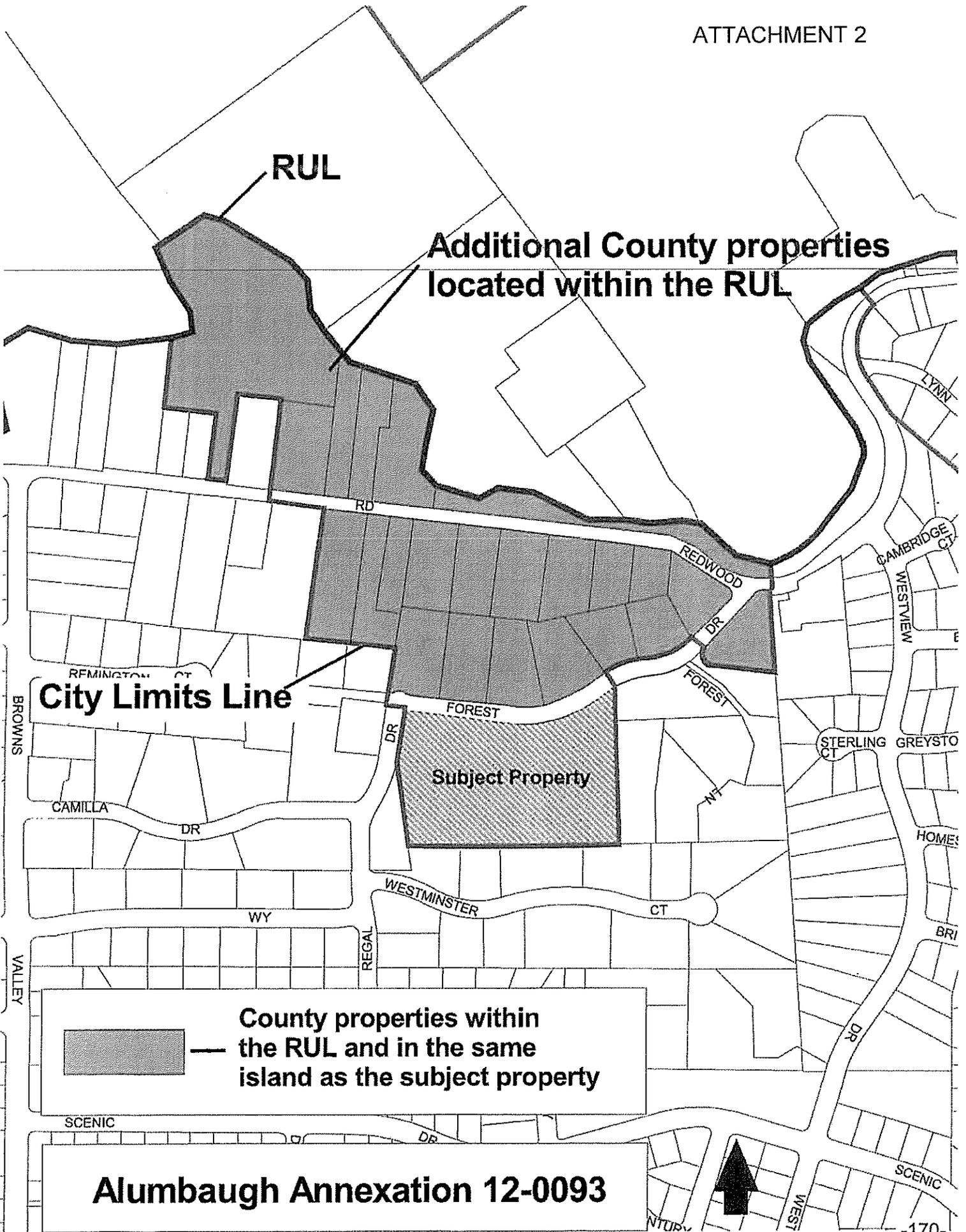
In terms of infrastructure, there are existing City-owned water and storm drain facilities as well as existing electric, phone, cable and gas facilities within Forest Drive which is a public right-of-way. A Napa Sanitation District-owned sanitary sewer main is available within the public right-of-way of Camilla Drive which abuts the north boundary of the subject property.

It is expected that all costs for future on-site improvements, as well as off-site improvements if any, will be borne by a future developer of a project on the subject property.

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OCT 31 2012

COMMUNITY DEVELOPMENT  
DEPARTMENT



**RUL**

**Additional County properties located within the RUL**

**City Limits Line**

**Subject Property**

**County properties within the RUL and in the same island as the subject property**

**Alumbaugh Annexation 12-0093**

City Of Napa – Community Development Department  
1600 First Street – P.O. Box 660  
Napa, CA 94559  
(707) 257-9530

## INITIAL STUDY OF ENVIRONMENTAL SIGNIFICANCE

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<b>PROJECT NAME:</b>	<b>Alumbaugh Annexation</b>	<b>FILE NUMBER: 12-0093</b>
<b>SITE ADDRESS:</b>	<b>29 Forest Drive</b>	<b>APN: 041-720-003</b>
<b>GENERAL PLAN:</b>	<b>SFR-44, Single Family Residential</b>	
<b>PREZONING:</b>	<b>RS:40;HS, Single Family Residential:Hillside Overlay District</b>	
<b>APPLICANT:</b>	Riechers Spence and Associates Ryan Gregory 1515 Fourth Street Napa, CA 94559	<b>PHONE: (707) 252-3301</b>

---

**PROJECT DESCRIPTION:** An annexation application of the six acre parcel at 29 Forest Drive. The parcel is located within an unincorporated "island" substantially surrounded by the City and is within the City's Rural Urban Limit line (RUL) and the LAFCO Sphere of Influence. The property is currently developed with a single family residence. No physical development is proposed with the annexation request.

**ENVIRONMENTAL SETTING** – The City of Napa is a 150 year old community of approximately 76,700 people (State Dept. of Finance 1/06 estimate) located in the north part of the San Francisco Bay region. Napa is a largely developed city, surrounded by a Rural Urban Limit (RUL) line designed to contain urban development and protect important agricultural lands outside the city. The six acre property is within the City's RUL and LAFCO Sphere of Influence, substantially surrounded by the City. The property is located on the south side of Forest Drive approximately 500 feet west of Redwood Road and is currently developed with a single family residence. The property contains a mix of mature trees and grasses, although portions of the property were previously planted in vineyard.

### **OTHER PUBLIC AGENCIES WHOSE APPROVAL IS REQUIRED (E.G., PERMITS, FINANCING APPROVAL, OR PARTICIPATION AGREEMENT.**

The Napa Local Agency Formation Commission (LAFCO) has the authority to act on any annexation application.

### **GUIDELINES DOCUMENTS, GENERAL PLAN DOCUMENTS AS PART OF CEQA DOCUMENTATION.**

CEQA Guidelines Section 15150 recognizes the desirability of reducing the volume of documentation necessary for environmental review and authorizes the use of *incorporation by reference* of any portion of relevant documents that provide general background to the environmental document. As such, this Initial Study incorporates the City of Napa *General Plan Policy Document and Background Report* (Adopted 12/1/98, as it has been most recently amended), as well as the *Final EIR SCH #95-03-3060* certified for the General Plan and the CEQA Findings (CC Reso. 98-238 and 239); the *Housing Element General Plan Amendment and Negative Declaration*, adopted 12/4/2001 (CC Reso. 2001/272-274) and amended in 2004; the *Zoning Ordinance and Negative Declaration*, adopted 8/12/2003 (CC Reso. 2003/187; Ordinance 2003 12 as most recently amended). These documents are available for review at the City of Napa Community Development Department, 1600 First Street, Napa, CA (707) 257-9530.

### **PURPOSE OF INITIAL STUDY**

The purpose of this Initial Study is to evaluate the environmental impacts of the annexation project. This analysis incorporates analysis and conclusions from the General Plan FEIR by reference. Future development applications will require additional project level CEQA analysis.

**ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:**

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages. This initial study prescribes mitigation measures to reduce all potentially significant impacts to a less than significant level.

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

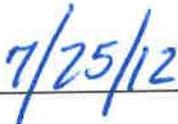
**CEQA DETERMINATION:**

- Although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Prepared by:



Signature  
Scott Klingbeil



Date  
For: Cassandra Walker, Community Development Director  
City of Napa Community Development Department

**ENVIRONMENTAL CHECKLIST:**

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
<b>I. AESTHETICS. <i>Would the project:</i></b>				
a. Have a substantial adverse effect on a scenic vista?				X
b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				X
c. Substantially degrade the existing visual character or quality of the site and its surroundings?				X
d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?				X
<p><u>Discussion:</u> Visual quality is assessed in the General Plan FEIR on pages 3.6-1 through 3.6-5 and S-17. Environmental analysis and conclusions related to the aesthetic character of urban development generally, enhancement of the visual setting along key corridors, and protection of scenic resources are specifically discussed in items 1, 2 and 4 on pages 3.6-2, 3.6-3, and 3.6-5 and include references to applicable mitigating policies in the General Plan. Future projects would need to address City design policies and guidelines.</p> <p><u>General Plan Mitigating Policies and implementing programs:</u> LU-1, LU-1.2, LU-1.4, LU-1.5, LU-1.6, LU-1.8, LU-1.A, LU-1.C, LU-4.1, LU-4.5, LU-4.11, LU-4.A, , LU-4.B, LU-7.4, LU-8.A, LU-10.1, LU-10.2, LU-10.3, LU-10.4, LU-10.5, H-3.1, H-3.A, H-3.B, H-3.C, H-3.D NR 1.7, NR-1.C, NR-1.E</p> <p><u>Conclusion:</u> The proposed annexation will not result in changes in the environment. The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new aesthetic impacts that are not already analyzed adequately in the General Plan FEIR and such potential impacts will be avoided or mitigated in accordance with that earlier EIR when a development project is proposed by applying mitigating policies of the General Plan (that include implementing programs and ordinances) as well as City Policy Resolution 27 standard conditions and mitigation measures and the City's Residential Design Guidelines.</p>				
<b>II. AGRICULTURAL &amp; FOREST RESOURCES. <i>Would the project:</i></b>				
a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				X
b. Conflict with existing zoning for agricultural use or a Williamson Act Contract?				X
c. Conflict with existing zoning for, or cause rezoning of, forest land, timberland, or timberland zoned Timberland Production?				X
d. Result in the loss of forest land or conversion of forest land to non-forest use?				X
e. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?				X
<p><u>Discussion:</u> The proposed annexation does not affect new agricultural lands that were not already assessed in the General Plan FEIR on pages 3.2-3 through 3.2-8 and on pages 4-1 through 4-2. The State Farmland Mapping Program identifies the six acre parcel as "Urban and Built Up Land". In the General Plan FEIR, loss of small agricultural plots not on prime agricultural soils when contiguous with urban development within the RUL was not considered significant while conversion of prime soils (identified as Classes I and II) within the RUL was considered significant but offset in part by General Plan policies that focus development within the RUL, thereby protecting significant tracts of agricultural land and open space outside the RUL from development. Findings of overriding consideration were made in the FEIR regarding the loss of some prime agricultural soils within the city to allow land within the RUL to be used for urban uses to accommodate housing growth consistent with local</p>				

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
<p>and regional projections. A primary goal of the City's General Plan is to contain urban development within the City's Rural Urban Limit to minimize disturbance to the region's rich agricultural resources outside the RUL.</p> <p><u>General Plan Mitigating Policies:</u> LU-2.1, LU-2.2, LU-3.1, LU-10.2, LU-10.5, LU-3.1, LU-3.2</p> <p><u>Conclusion:</u> The proposed annexation (and potential future development consistent with the General Plan) will not result in significant impacts related to conversion of mapped Farmland or significant impacts on prime soils that were not already evaluated in the General Plan FEIR and addressed by the mitigating policies of the General Plan as well as City Policy Resolution 27 standard conditions and mitigation measures.</p>				
<p><b>III. AIR QUALITY. [Significance criteria established by the BAAQMD may be relied upon to make the following determinations] <i>Would the project:</i></b></p>				
a. Conflict with or obstruct implementation of the applicable air quality plan?				X
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				X
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?				X
d. Expose sensitive receptors to substantial pollutant concentrations?				X
e. Create objectionable odors affecting a substantial number of people?				X
<p><u>Discussion:</u> Air Quality is assessed in the General Plan FEIR on pages 3.10-1 through 3.10-5 and S-22-23. Impact discussion items in this section are at a program level, city-wide basis and include references to applicable mitigating policies in the General Plan. The proposed annexation (and subsequent potential development) do not alter the overall area land use assumptions used for analysis of these impacts in the General Plan FEIR.</p> <p><u>General Plan Mitigating Policies:</u> NR-5, NR-5.1, NR-5.2, NR-5.3, NR-5.4, NR-5.5, NR-5.6; T-1.1, T-5.1, T-5.2, T-5.4, T-5.12, T-5.13T-6.1, T-6.2, T-6.8, T-6.9, T-6.D, T-6.E, T-7.1, T-7.2, T-7.A, T-8.1, T-8.2, T-8.A and B, T-9.2 T-9.8, PR 5.2, PR-5.4, PR-5.7, LU-3.1, LU-3.2, LU-5.3, LU-5.7, LU-7.3, LU-7.4.</p> <p><u>Conclusion:</u> The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new air quality impacts that are not already evaluated in the General Plan FEIR and addressed by the mitigating policies of the General Plan as well as City Policy Resolution 27 standard conditions and mitigation measures.</p>				
<p><b>IV. BIOLOGICAL RESOURCES. <i>Would the proposal result in:</i></b></p>				
a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game (CDFG) or U.S. Fish and Wildlife Service (USFWS)?				X
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the CDFG or USFWS?				X
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, etc.) through direct removal, filling, hydrological interruption, or other means?				X
d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X
e. Conflict with any local policies or ordinances protecting biological				

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
resources, such as a tree preservation policy or ordinance?				X
f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X

**Discussion:** Biological resources are assessed in the General Plan FEIR on pages 3.7-1 through 3.7-10, S-18-19. Page 4-1 also provides discussion regarding endangered species and the potential for an unavoidable impact that may unknowingly result, regardless of mitigating policies, from future development that is enabled by the General Plan. The 2003 Zoning Ordinance updated and strengthened ordinance provisions relating to riparian habitat and wetland identification and protection to help implement these mitigating policies, and also references City native tree protection requirements. The subject parcel is sloping open grasslands with mature trees, some of which are likely to be oak trees that receive protection under the City's tree ordinance. The California Native Diversity Database 1998 map for the Napa Quad does not identify any species of concern anywhere close to the site. Potential future development consistent with the General Plan will be subject to General Plan and zoning ordinance provisions, as well as CEQA requirements to address and mitigate impacts on site resources. There are no applicable habitat or conservation plans.

**General Plan Mitigating Policies:** LU-10.1, LU-10.2, LU-10.3, LU-10.4, LU-10.5, NR-1.1, NR-1.2, NR-1.3, NR-1.4, NR-1.5, NR-1.6, NR-1.7, NR-1.8, NR-1.10, NR-1.11, NR-1.12, NR-1.13, NR-1.A, NR-2.1, NR-2.3, NR-2.4, NR-2.A, NR-2.B, NR-3.3, NR-4.1, NR-4.2, NR-4.4, NR-4.5, NR-4.7

**Conclusion:** The proposed annexation by itself does not result in changes in the environment. The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new biologic impacts that are not already analyzed adequately in the General Plan FEIR and such potential impacts will be avoided or mitigated in accordance with that earlier EIR when a development project is proposed by applying mitigating policies of the General Plan (that include implementing programs and ordinances) as well as City Policy Resolution 27 standard conditions and mitigation measures.

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

a. Cause a substantial adverse change in the significance of an historical resource as defined in Sec.15064.5?				X
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to Sec. 15064.5?				X
c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				X
d. Disturb any human remains, including those interred outside of formal cemeteries?				X

**Discussion:** Historic/cultural resources are assessed in the General Plan FEIR on pages 3.5-1 through 3.5-4 and S-16 Impact discussion items in this section are at a program, citywide level and include references to applicable mitigating policies in the General Plan. This area is outside of the Citywide survey of historic resources, but it does not contain buildings more than 50 years old. A planning area-wide *Archaeological Sensitivity Survey* was compiled in 2001; this survey identifies the parcels as having low to medium sensitivity. The environmental review for future master planning or specific planning of the site will further evaluate site archaeological resources. No human remains or unique paleontological resources or unique geologic feature have been identified in overall city surveys.

**General Plan Mitigating Policies:** HR-1.1, HR-1.2, HR-1.3, HR-1.8, HR-1.15, HR-1.18, HR-1.19, HR-1.20, HR-1.B, HR-1.C, HR-1.P; HR-6.1 through 6.4.

**Conclusion:** The proposed annexation will not result in changes in the environment. The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new cultural resource impacts that are not already analyzed adequately in the General Plan FEIR and such potential impacts will be avoided or mitigated in accordance with that earlier EIR when a development project is proposed by applying mitigating policies of the General Plan (that include implementing programs, guidelines and ordinances)

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
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as well as City Policy Resolution 27 standard conditions and mitigation measures.

**VI. GEOLOGY & SOILS. Would the project:**

a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury or death involving				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area, or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Pub. 42				X
ii) Strong seismic ground shaking?				X
iii) Seismic-related ground failure, including liquefaction?				X
iv) Landslides?				X
b. Result in substantial soil erosion or the loss of topsoil?				X
c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse)?				X
d. Be located on expansive soil, as defined in Table 18-1B of the Uniform Building Code (1994), creating substantial risks to life or property?				X
e. Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?				X

Discussion: Geologic and soils-related impacts are assessed in the General Plan FEIR on pages 3.8-1 through 3.8-3 and S-20. Impact discussion items in this section are at a program, citywide level and include references to applicable mitigating policies in the General Plan. The sites proposed for annexation are for the most part gently sloping or flat. The site is not within an Alquist Priolo Earthquake Fault Zone. All of Napa is subject to earthquake risk and risks in this general area are considered moderate.

General Plan Mitigating Policies: HS-1.1 through 1.5, HS-2.1 through 2.

Conclusion: The proposed annexation will not result in changes in the environment. The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new geologic and soils-related impacts that are not already analyzed adequately in the General Plan FEIR and such potential impacts will be avoided or mitigated in accordance with that EIR when development is proposed by applying mitigating policies of the General Plan (that include implementing programs and ordinances) as well as City Policy Resolution 27 standard conditions and mitigation measures, including building codes for construction.

**VII. GREENHOUSE GAS EMISSIONS. Would the project:**

a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?				X
b. Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?				X

Discussion: The proposed annexation will not result in changes in the environment as it relates to greenhouse gas emissions. The site is currently developed with a single family residence and no development or construction is proposed with this project that would impact greenhouse gas emissions.

General Plan Mitigating Policies: None.

Conclusion: No impact to greenhouse gas emissions.

**VIII. HAZARDS & HAZARDOUS MATERIALS. Would the project:**

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
a. Create a significant hazard to the public or the environment through the routing transport, use or disposal of hazardous materials?				X
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				X
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				X
d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				X
e. For a project located within an airport land use plan, would the project result in a safety hazard for people residing or working in the project area?				X
f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				X
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
h. Expose people or structures to a significant risk of loss, injury or death involving wild land fires, including where wild lands are adjacent to urbanized areas or where residences are intermixed with wild lands?				X
<p><u>Discussion:</u> Hazardous materials-related impacts are assessed in the General Plan FEIR in the "Health and Safety" section on pages 3.12-1 through 3.12-3, S-23; fire and emergency preparedness and response impact assessments are found on pages 3.4--6, and 4-8. Impact discussion of these subjects are at a program, citywide level and include references to applicable mitigating policies from the Health and Safety Element of the General Plan. The parcels to be annexed are not near private airstrips or the Napa County Airport and are not on a hazardous materials list. The parcel appears to be near but not within a wildland-urban interface fire hazard area on General Plan maps.</p> <p><u>General Plan Mitigating Policies:</u> Hazardous Materials: HS-7.1 through 7.2; Emergency Preparedness and Response: HS-8.1 through 8.19; Wildland Fire hazards: HS-5.1 through 5.3, H-5.A; Aircraft Hazards: Not Applicable.</p> <p><u>Conclusion:</u> The proposed annexation will not result in changes in the environment. The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new hazard/hazardous materials impacts that are not already analyzed adequately in the General Plan FEIR and such potential impacts will be avoided or mitigated in accordance with that earlier EIR when a development project is proposed by applying mitigating policies of the General Plan (that include implementing programs and ordinances) as well as City Policy Resolution 27 standard conditions and mitigation measures.</p>				
<p><b>IX. HYDROLOGY &amp; WATER QUALITY.</b> <i>Would the project:</i></p>				
a. Violate any water quality standards or waste discharge requirements?				X
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				X
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-				X

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
site?				
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?				X
e. Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?				X
f. Otherwise substantially degrade water quality?				X
g. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				X
h. Place within a 100-year flood hazard area structures which would impede or redirect flood flows?				X
i. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				X
j. Inundation by seiche, tsunami, or mudflow?				X
<p><b>Discussion:</b> Hydrology and water quality-related impacts are assessed in the General Plan FEIR on pages 3.9-1 through 3.9-3; S-20-21. Impact discussion of this subject is at a program, citywide level and includes references to applicable mitigating policies from both the Community Services and Natural Resource Chapters of the General Plan. Such policies are implemented by the City's Floodplain Management Ordinance, storm drainage master plan, drainage and best management practices programs (the National Pollutant Discharge Elimination System (NPDES) program) called for by the General Plan and Standard Policy Resolution 27 conditions and mitigation measures.</p> <p><b>General Plan Mitigating Policies:</b> Water Quality: NR-4.1 through 4.7; Hydrology/Storm Drainage: CS-11.1 through 11.9, CS-11.A; H-3.1 through 3.9, H-4.1 and 4.2</p> <p><b>Conclusion:</b> The proposed annexation will not result in changes in the environment. The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new hydrology and water quality impacts that are not already analyzed adequately in the General Plan FEIR and such potential impacts will be avoided or mitigated in accordance with that earlier EIR when development is proposed by applying mitigating policies of the General Plan (that include implementing programs and ordinances) as well as City Policy Resolution 27 standard conditions and mitigation measures.</p>				
<b>X. LAND USE &amp; PLANNING. Would the project:</b>				
a. Physically divide an established community?				X
b. Conflict with any applicable land use plan, policy, or resolution of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				X
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?				X
<p><b>Discussion:</b> Annexation will allow eventual future development consistent with land uses and amounts identified in the General Plan.</p> <p><b>General Plan Mitigating Policies:</b> All of the policies in the General Plan.</p> <p><b>Conclusion:</b> The proposed annexation (and potential subsequent development) will not result in new land use impacts not already evaluated in the General Plan FEIR and addressed by the mitigating policies of the General Plan.</p>				
<b>XI. MINERAL RESOURCES. Would the project:</b>				

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				X
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?				X
<p><u>Discussion:</u> Based on information compiled as part of the city General Plan and its FEIR, there are no known mineral resource sites within the City or its RUL.</p> <p><u>General Plan Mitigating Policies:</u> None needed</p> <p><u>Conclusion:</u> The proposed annexation will not result in any impacts related to mineral resources as there are no known mineral resource sites in the City or its RUL.</p>				
<b>XII. NOISE. <i>Would the project result in:</i></b>				
a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies??				X
b. Exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels?				X
c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project				X
d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				X
e. For a project located within an airport land use plan, would the project expose people residing or working in the project area to excessive noise levels?				X
<p><u>Discussion:</u> Noise related impacts are assessed in the General Plan FEIR on pages 3.11-1 through 3.11-9 and S-23. Impact discussion of this subject is at a program, citywide level and includes references to applicable mitigating policies in the Health and Safety Chapter of the General Plan.</p> <p>The proposed annexation area has been planned for eventual urban development; ambient noise levels would in the long term be consistent with typical residential use and would not be a substantial increase over existing levels in this infill area. The site is outside of the Airport Land Use Plan area.</p> <p><u>General Plan Mitigating Policies:</u> HS-9.1 through 9.14, HS-9.A and the noise level standards shown in Table 8-1.</p> <p><u>Conclusion:</u> As with other topic areas, the proposed annexation will not result in changes in the environment. The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new noise impacts that are not already analyzed adequately in the General Plan FEIR and such potential impacts will be avoided or mitigated in accordance with that earlier EIR when a development project is proposed by applying mitigating policies of the General Plan (that include implementing programs and ordinances) as well as City Policy Resolution 27 standard conditions and mitigation measures, including measures relating to temporary construction noise that may be anticipated with development.</p>				
<b>XIII. POPULATION AND HOUSING. <i>Would the project:</i></b>				
a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads and other infrastructure)?				X
b. Displacing substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X
<p><u>Discussion:</u> The General Plan identifies this area for residential use. While the annexation has no impact on population and housing; any eventual future development must occur consistent with land uses and densities called for by the General Plan. The City also carefully monitors residential development pacing as it relates to the</p>				

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
<p>city's "even rate of growth" policies and to date, the pace of development has been within that planned by the General Plan; if it were not, the city has a draft pacing ordinance to address that eventuality.</p> <p><u>General Plan Mitigating Policies:</u> All of the policies in the Land Use and Housing Elements of the General Plan.</p> <p><u>Conclusion:</u> The proposed annexation (and potential subsequent development) will not result in new population and housing impacts not already evaluated in the General Plan FEIR and addressed by the mitigating policies of the General Plan.</p>				
<b>XIV. PUBLIC SERVICES. <i>Would the project:</i></b>				
a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services including:				X
i) Fire Protection?				X
ii) Police Protection?				X
iii) Schools?				X
iv) Parks?				X
v) Other Public Facilities?				X
<p><u>Discussion:</u> Public Service-related impacts are assessed in the General Plan FEIR in the "Community Services and Utilities" section on pages 3.4-1 to 4-2; 3.4-5 to 3.6 and 3.4-16 to 3.4-17. Impact discussion of this subject is at a program, citywide level and includes references to applicable mitigating policies from relative sections of the Community Services chapter of the General Plan. The proposed annexation (and any subsequent potential development) do not alter the overall assumptions used for analysis of these impacts in the General Plan FEIR.</p> <p><u>General Plan Mitigating Policies:</u> All police, fire and emergency medical policies in the Community Services Element of the General Plan CS1.1 through 1.5, CS-1.7; CS-2.1-2.2; CS-3.1-3.3; CS-4.1-4.4; CS-5.1-5.8; CS-6.1-6.8; CS-7.1-7.5; CS-8.1-8.3 and all parks policies found in the Parks and Recreation Element.</p> <p><u>Conclusion:</u> The proposed annexation will not result in changes in the environment. The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new public services impacts that are not already analyzed in the General Plan FEIR and such potential impacts will be avoided or mitigated in accordance with that earlier EIR when a development project is proposed by applying mitigating policies of the General Plan (that include implementing programs and ordinances) as well as City Policy Resolution 27 standard conditions and mitigation measures, including payment of fire and paramedic, park and school fees.</p>				
<b>XV. RECREATION. <i>Would the project:</i></b>				
a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that a substantial physical deterioration of the facility would occur or be accelerated?				X
b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?				X
<p><u>Discussion:</u> The Parks and Recreation Element of the General Plan was carried forward in the 1988 General Plan. A separate Parks and Recreation Element EIR, referenced in the General Plan FEIR, evaluated and addressed impacts in the category of recreation, including discussion on p. S-15.</p> <p><u>General Plan Mitigating Policies:</u> All policies in the Parks and Recreation Element of the General Plan and Appendix D Trails Alignment Recommendations.</p> <p><u>Conclusion:</u> The proposed annexation will not result in changes in the environment. The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new recreation</p>				

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
impacts that are not already analyzed in the General Plan FEIR and such potential impacts will be avoided or mitigated in accordance with that earlier EIR when a development project is proposed by applying mitigating policies of the General Plan (that include implementing programs and ordinances) as well as City Policy Resolution 27 standard conditions and mitigation measures , including park dedication and improvement fees.				
<b>XVI. TRANSPORTATION &amp; TRAFFIC. <i>Would the project:</i></b>				
a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?				X
b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?				X
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				X
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersection) or incompatible uses (e.g., farm equipment)?				X
e) Result in inadequate emergency access?				X
f) Result in inadequate parking capacity				X
g) Conflict with adopted policies supporting alternative transportation (e.g., bus turnouts, bicycle racks)?				X
<p><u>General Plan Discussion:</u> Transportation-related impacts are assessed in the General Plan FEIR on pages 3.3-1 through 3.3-15 and S-11 and 12. Impact discussion of this subject is at a program, citywide level and includes references to applicable mitigating policies from relevant sections of both the Land Use and Transportation Elements of the General Plan, including establishment of level of service standards. Any new development projects require evaluation of traffic impacts in accordance with the City's <i>Traffic Impact Analysis</i> policy guidelines. Further, city policies encourage pedestrian and bicycle connections within new development and to surrounding areas when development is proposed, and ordinances require onsite parking to meet needs of the development. The City will continue to require mitigation measures from future new development to implement major road improvements identified in the transportation section of the Plan including assessing traffic impact fees on new development sufficient to cover the fair share of that development's impacts; requiring that new developments reserve right of ways for widening projects and other road improvements, and other measures related to the specific project's impacts. In addition, City plans call for seeking additional funding for transportation system improvements.</p> <p><u>General Plan Mitigating Policies:</u> All policies in the Transportation Element of the General Plan.</p> <p><u>Conclusion:</u> The proposed annexation will not result in changes in the environment and any subsequent potential development will not alter the overall area land use assumptions used for analysis of these impacts in the General Plan FEIR. The proposed annexation and any potential future development consistent with the General Plan will not result in significant new transportation impacts that are not already analyzed adequately in the General Plan FEIR. Potential impacts of any future development will be required to be avoided or mitigated in accordance with the earlier EIR when a development project is proposed by applying mitigating policies of the General Plan (and implementing ordinances and programs, such as the City's <i>Policy Guidelines: Traffic Impact Analysis for Private Development Review</i>) as well as City Policy Resolution 27 standard conditions and mitigation measures, including traffic mitigation fees.</p>				
<b>XVII. UTILITIES &amp; SERVICE SYSTEMS. <i>Would the project:</i></b>				

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				X
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				X
e. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?				X
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				X
g. Comply with federal, state, and local statutes and regulations related to solid waste?				X

**Discussion:** Water supply and distribution, wastewater, and solid waste impacts are assessed in the General Plan FEIR in the "Community Services and Utilities" section on pages 3.4-2 through 3.4-15., while drainage is discussed in the hydrology and water quality section on pages 3.9-1 through 3.9-3. Impact discussion of this subject is at a program, citywide level and includes references to applicable mitigating policies from relative sections of the Community Services chapter of the General Plan. About the same time as General Plan adoption, the County approved a contract amendment with the State to accelerate the City's North Bay Aqueduct water entitlement, to provide sufficient water supplies for General Planned development through the planning period. A more recent LAFCO 2050 Napa Valley Water Resources Study confirmed sufficient supplies through 2020 and, except for a slight shortage under a single dry year scenario, through 2050. The proposed annexation (and subsequent potential development) do not alter the overall area land use assumptions used for analysis of these impacts in the General Plan FEIR.

The Water Division and Stormwater drainage division indicated no concerns with the proposed annexation. The City of Napa Water and Drainage Divisions, NSD and solid waste companies coordinate with City Community Development to serve planned development within the City when development proposals are submitted.

**General Plan Mitigation Policies:** CS-9.1 through 9.10; CS-10.1 through 10.3; CS 11.1 through 11.9, CS-12.1 and 12.2, S-12 through 15, S-20-21

**Conclusion:** The proposed annexation will not result in changes in the environment. The proposed annexation (and potential future development consistent with the General Plan) will not result in significant new utilities and service impacts that are not already analyzed adequately in the General Plan FEIR and such potential impacts will be avoided or mitigated in accordance with that earlier EIR when a development project is proposed by applying mitigating policies of the General Plan (such as best management practices, drainage system master plan, drainage studies and other implementing programs and ordinances) as well as City Policy Resolution 27 standard conditions and mitigation measures.

**XVIII. MANDATORY FINDINGS OF SIGNIFICANCE.**

a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	No
b. Does the project have impacts which are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in conjunction with the effects of past projects, the effects of other current projects and the effects of probable future projects.)	No

Environmental Issue Area	Potentially Significant Impact, Unmitigated	Potentially Significant Impact, Mitigated	Less Than Significant Impact	No Impact
c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?				No
<p><u>Discussion:</u> The proposed annexation does not create any changes to the environment. The proposed annexation (and subsequent potential development) do not alter the overall area land use assumptions used for analysis of these impacts in the General Plan FEIR or raise new issues related to fish and wildlife habitat, endangered plants, historic resources, cumulative impacts or environmental effects on human beings not already addressed by the prior General Plan FEIR.</p> <p>Submittal of this annexation application to LAFCO (and any potential subsequent development consistent with the General Plan) will not affect the application of project-specific CEQA requirements, General Plan mitigating policies and their implementing programs or ordinances, and City standards and conditions contained in Policy Resolution 27 during master planning of the site or other development project review.</p>				

**SOURCES OF INFORMATION USED IN PREPARATION OF THIS INITIAL STUDY:**

On file at the Planning Division:

- City of Napa; *General Plan Policy Document*, Adopted December, 1998.
- City of Napa; *General Plan Background Report*, Adopted December, 1998.
- City of Napa; *General Plan Final Environmental Impact Report*, Adopted December, 1998.
- City of Napa; *Zoning Ordinance*, 1996.
- City of Napa; *Resolution 89-362* Establishing a Street Improvement Fee for all new Development within the City and subsequent Resolutions Amending this Resolution: Resolution 93-198.
- City of Napa, *Water System Optimization and Master Plan*, 1997; West Yost & Associates
- City of Napa; *Water System Optimization and Master Plan*; Final EIR; 1997
- City of Napa; *Big Ranch Specific Plan and Specific Plan FEIR*, October, 1996; Nichols Berman
- City of Napa; *Linda Vista Specific Plan and Specific Plan FEIR*; October, 1987
- County of Napa; *Napa County Airport Land Use Compatibility Plan*, April, 1991
- Bay Area Air Quality Management District, *CEQA Guidelines*, 1996
- Bay Area Air Quality Management District, *Bay Area '97 Clean Air Plan*, December, 1997
- U.S. Army Corps of Engineers, *Napa River/Napa Creek Flood Protection Project General Design Manual and Supplemental EIR/EIR*, December, 1997.
- State of California, Resources Agency, *Farmland Mapping and Monitoring Program*

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SEP 17 2012

COMMUNITY DEVELOPMENT  
DEPARTMENT

September 5, 2012

Scott Klingbeil  
City of Napa Planning Division  
PO Box 660  
Napa, CA 94559-0660

RE: Forest Drive Annexation

Dear Mr. Klingbeil:

Thank you for your letter dated August 29 regarding annexation into the City of Napa. As we have indicated on the enclosed form, we strongly oppose the annexation of our property located at 56 Forest Drive. While we appreciate there is greater development potential with annexation, we are not interested in developing our property. We are not sure how increased development would "work" with our neighborhood, which was established in the 1950's as a collection of ranch-style homes along a narrow access (Forest Drive).

Your August 29 letter states that the owner of 29 Forest Drive has requested annexation. Our understanding is that Napa LAFCO has not received an application to date. If an application is submitted by the City or the owner, we would be very interested in reviewing it to understand the annexation's proposed development and the impact such development may have on our neighborhood's environment.

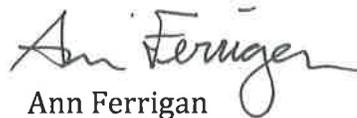
Our previous experience with the Forest Lane development has been that building multiple homes on steep hillsides can pose dangers to downhill neighbors such as ourselves. Additionally, Forest Drive is a narrow road constrained by a seasonal stream on one side. We would oppose any development requiring expansion of Forest Drive that results in the taking of our property.

Thank you again for your letter and for your attention to our concerns.

Sincerely,



Francis Healy, M.D.



Ann Ferrigan

56 Forest Drive  
Napa, California 94558  
APN 041-101-011

cc: Keene Simonds



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *General Policy Determinations*

Adopted: August 9, 1972  
Last Amended: October 3, 2011

#### **I. Background**

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

#### **II. General Policies**

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

##### **A) Legislative Declarations**

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

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

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

## **B) Commission Declarations**

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

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

- (2) Location of Urban Development:  
The Commission shall guide urban development away from designated agricultural or open-space lands until such times as urban development becomes an overriding consideration as determined by the Commission.
- (3) Timing of Urban Development:  
The Commission discourages proposals involving the annexation of undeveloped or underdeveloped lands to cities and special districts that provide potable water, sewer, fire protection and emergency response, or police protection services. This policy does not apply to proposals in which the affected lands are subject to a specific development plan or agreement under consideration by a land use authority. This policy does not apply to city annexation proposals in which the affected lands are part of an unincorporated island.
- (4) Factors for Evaluating Proposals Involving Agricultural or Open-Space Lands:  
The Commission recognizes there are distinct and varying attributes associated with agricultural and open-space designated lands. A proposal which includes agricultural or open-space designated land shall be evaluated in light of the existence of the following factors:
- a) "Prime agricultural land", as defined by G.C. §56064.
  - b) "Open-space", as defined by G.C. §56059.
  - c) Land that is under contract to remain in agricultural or open-space use, such as a Williamson Act Contract or Open-Space Easement.
  - d) Land which has a County General Plan agricultural or open-space designation (Agricultural Resource or Agriculture, Watershed and Open-Space).
  - e) The adopted general plan policies of the County and the affected city.
  - f) The agricultural economic integrity of land proposed for conversion to urban use as well as adjoining land in agricultural use.
  - g) The potential for the premature conversion of adjacent agricultural or open-space designated land to urban use.
  - h) The potential of vacant non-prime agricultural land to be developed with a use that would then allow the land to meet the definition of prime agricultural land under the Williamson Act.

(5) Encouragement of Reorganizations:

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

### **III. Policies Concerning Spheres of Influence**

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

#### **A) Legislative Declarations**

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

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

## **B) General Guidelines for the Review of Spheres of Influence**

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

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

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

### **C) City Spheres of Influence**

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

- (1) Location of Urban Development:  
It shall be a basic policy of the Commission is that the sphere of influence shall guide and promote the affected city's orderly urban growth and development.
- (2) 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) Use of County General Plan Agricultural and Open-Space Designations:  
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) Avoidance of Inclusion of Agricultural and Open-Space Lands:  
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) Preference for Infill:  
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) Urbanizing Effect of Services:  
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) Exclusion of Agricultural and Open-Space Lands:  
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) Sphere of Influence as a Guide to Special District Annexations:  
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) Joint Applications:  
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) Cooperative Planning and Development Programs:  
Spheres of influence shall be developed by the Commission in cooperation with any affected cities and the County.
  - a) The service area of a special district as delineated by the sphere of influence or other boundary adopted by the Commission should be recognized and considered as part of the planning and development programs of any affected district, city, and the County.

#### **IV. Policies Concerning the County Of Napa**

##### **A) Location of Urban Development**

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

**B) Use of County Service Areas and Community Services Districts**

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

**V. Policies Concerning Cities**

**A) Incorporations**

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

**B) Outside Service Agreements**

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

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

## **VI. Policies Concerning Special Districts**

### **A) In Lieu of New District Creation**

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

### **B) Preference for Districts Capable of Providing All Essential Services**

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

### **C) Establishing New Services or Divestiture of Existing Service Powers**

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

## **D) Outside Service Agreements**

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

## **VII. Policies Concerning Annexations**

### **A) General Policies Concerning Annexations to a City**

- (1) Inclusion in Sphere of Influence:  
The affected territory shall be included within the affected city sphere of influence prior to issuance of the Executive Officer's certificate of filing for the subject annexation proposal. The Executive Officer may amend both a sphere of influence amendment and annexation application for Commission consideration and action at the same meeting.

- (2) Substantially surrounded:  
For the purpose of applying the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act, most notably G.C. §56375, the affected territory of an annexation proposal shall be deemed “substantially surrounded” if the following two conditions apply:
- a) The affected territory lies within the city’s sphere of influence.
  - b) The affected territory is surrounded by no less than 66.6% by the city, as set forth in a boundary description accepted by the Executive Officer.

**B) Policies Concerning Island Annexations**

- (1) Boundary of Areas Not 100% Surrounded by City:  
The outside boundary of an unincorporated island less than 100% surrounded shall be the affected city sphere of influence boundary line.
- (2) Criteria for Determining a Developed Island:  
A developed island shall substantially meet all the following criteria:
- a) The island shall have a housing density of at least 0.5 units per gross acre.
  - b) All parcels within the island can readily receive from the affected city or any affected special district basic essential services including but not limited to police protection, fire protection, potable water and sanitation.
- (3) Policy Regarding Annexations Within an Identified Island Area:  
When an annexation proposal includes territory within a developed island, the Commission shall invite the affected city to amend the boundary of the proposed annexation to include the entire island. To the extent permitted by law, the Commission reserves the right to expand the boundaries of the proposed annexation to include the entire island.

**C) Policies Concerning Annexation of Municipally-Owned Land**

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

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

**D) Concurrent Annexation Policies**

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

- (1) City of Napa and Napa Sanitation District
- a) Annexations to the District:  
All annexation proposals to the Napa Sanitation District located outside of the City of Napa shall first be required to annex to the City if the affected territory is located within the City's sphere of influence as adopted by the Commission, is located within the City Residential Urban Limit Line (RUL) as adopted by the City, and annexation is legally possible.
  - b) Annexations to the City:  
All 100% consent annexation proposals to the City of Napa located outside of the Napa Sanitation District shall be required to annex to the Napa Sanitation District if the affected territory is located within the District's sphere of influence and if sanitation service is available.
- (2) City of American Canyon and American Canyon Fire Protection District
- a) Annexations to the District:  
All annexation proposals to the American Canyon Fire Protection District located outside of the City of American Canyon shall be required to annex to the City if the affected territory is located within the City's sphere of influence as adopted by the Commission and if annexation is legally possible.
  - b) Annexations to the City:  
All annexation proposals to the City of American Canyon located outside of the American Canyon Fire Protection District shall be required to annex to the District if the affected territory is located within the District's sphere of influence.

(3) County Service Area No. 4

a) Annexations to Cities:

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



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**February 4, 2013**  
**Agenda Item No. 8a (Discussion)**

January 29, 2013

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer  
Brendon Freeman, Analyst

**SUBJECT: Napa Berryessa Resort Improvement District Sphere of Influence Update**

The Commission will receive a draft report on its scheduled sphere of influence update on Napa Berryessa Resort Improvement District. The central focus of the draft report is to consider whether it is appropriate to expand the current sphere of influence designation to include the entire jurisdictional boundary. The draft report concludes four distinct update options are merited and subject to Commission preference. The draft report identifies the preferred option is to update the sphere with no changes and table all related policy considerations to the next update. The draft report is being presented for discussion and direction in anticipation of staff preparing a final report for adoption at a future meeting.

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The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) directs Local Agency Formation Commissions (LAFCOs) to establish, amend, and update spheres of influence (“spheres”) for all cities and special districts. LAFCOs use spheres to designate the territory it independently believes represents the appropriate future service areas and jurisdictional boundaries of the affected agencies. Importantly, all jurisdictional changes and outside service extensions must be consistent with the affected agencies’ spheres with limited exceptions. Sphere updates are prepared in concurrence with municipal service reviews and must be performed for all local agencies every five years.

**A. Discussion**

Staff has prepared a draft report representing LAFCO of Napa County’s (“Commission”) scheduled sphere update on Napa Berryessa Resort Improvement District (NBRID); the governmental entity responsible for providing water and sewer services for the unincorporated Berryessa Highlands community and its estimated 920 residents. The basic objective of the report is to independently identify and evaluate areas warranting consideration for inclusion or removal from NBRID’s sphere relative to the policies and goals codified in CKH and adopted by the Commission. The report supersedes the last comprehensive sphere update for NBRID adopted by the Commission in December 2007.

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County of Napa Supervisor, 1st District

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The report also draws on information collected and analyzed in the Commission's recently completed municipal service review on the Lake Berryessa region, which included evaluating the availability, adequacy, and capacity of services provided by NBRID.

## **B. Summary/Analysis**

### ***Report Policy Focus***

The report and its analysis has been oriented to focus on one central policy question as to whether it is appropriate to expand NBRID's current sphere to include the District's entire jurisdictional boundary. This central consideration is drawn from the Commission's previous action to include only one-fourth of NBRID's jurisdictional boundary in establishing the sphere in 1985 for reasons detailed in this report and summarized in the succeeding paragraphs. The report, accordingly, evaluates the merits of adding this lone study category consisting of approximately 1,387 acres of remaining jurisdictional land to the sphere relative to current considerations (i.e., legislative directives, adopted policies, and member preferences). The report further divides this lone study category into two distinct subareas labeled "A-1" and "A-2" based on private versus public ownership (map attached).

### ***Report Conclusions***

The report concludes there is relatively equal merit in taking one of four actions with respect to updating NBRID's sphere. These four options are subject to Commission preference in administering LAFCO law in Napa County. The four options are identified below with an expanded discussion provided in the draft report's Executive Summary.

- **Option One: Expand the Sphere to Match Entire Jurisdictional Boundary**  
This option would be appropriate if it is the Commission's preference to assign overriding deference to the lands' existing social and economic ties to NBRID in choosing to add both subareas to the sphere.
- **Option Two: Expand the Sphere to Include A-1's Oakridge Estates**  
This option would be appropriate if it is the Commission's preference to assign overriding deference to the existing adequacy and need for water and sewer services within the lands as well as their social and economic ties to NBRID in choosing to add the approximate 130 acres to the sphere. This option would orient the sphere to explicitly reflect NBRID's present service area, and in doing so, eliminate the current policy inference of the Commission that the affected lands – irrespective of their connectivity to the water and sewer systems – be detached.

- **Option Three: Retain Current Sphere and Pursue Detachment Alternatives**  
This option would be appropriate if it is the Commission's preference to emphasize the affected lands' limited land use and service planning compatibilities with NBRID in choosing to continue to exclude the subareas from the sphere with the possible exception of the Oakridge Estates given its referenced service ties. This option would serve to reaffirm the Commission's policy statement the affected lands be detached and memorialized by requesting the NBRID Board take action to initiate a proposal for Commission consideration to detach the subareas.
- **Option Four: Retain Current Sphere and Table Considerations**  
This option would be appropriate if it is the Commission's preference to maintain the status quo on the sphere and table all related policy considerations to the next update. This option would specifically be appropriate if the Commission prioritizes allowing the pending reorganization proceedings to conclude without changing baseline factors and/or if members believe more information is needed in aligning the sphere with the needs of the community.

### ***Report Recommendations***

The draft identifies and recommends Option Four as the preferred option for the Commission in fulfilling its statutory mandate to update NBRID's sphere at this time. This option – updating with no changes and tabling policy related considerations to the next study cycle – would serve to signal the Commission's interest and intent in prioritizing the conclusion of the pending reorganization proceedings before making any other determinations on possible changes to the sphere. Further, this option would provide the Commission, NBRID, and the community the opportunity to continue to collectively consider the merit of sphere changes in step with the District's anticipated facility improvements over the next five year period.

### **C. Commission Review**

Staff respectfully seeks Commission input with regards to member preferences in pursuing one of the four update options referenced in the preceding section in updating NBRID's sphere. Staff will incorporate the input provided by Commissioners in preparing a final report with recommendations for consideration at the next regularly scheduled meeting. Staff will also issue a 30-day public review notice on the draft report to all interested parties – including landowners – following today's meeting. Comments received during the review period will be incorporated into the final report.

Attachments: (Attachments are included with the draft report on the "Staff Reports" and "Studies" pages)

- ~~1) Enlarged Map Depicting the Two Subareas Evaluated in Draft Report~~
- ~~2) Draft Report~~



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**February 4, 2013**  
**Agenda Item No. 8b (Discussion)**

January 29, 2013

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Legislative Report**

The Commission will receive a report from staff summarizing notable items under discussion as the 2013-2014 legislative session commences. The report is being presented for discussion with possible direction for staff with respect to issuing comments on specific items.

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The Local Agency Formation Commission (LAFCO) of Napa County has two appointed members on the California Association of LAFCOs' ("CALAFCO") Legislative Committee: Juliana Inman and Keene Simonds. The Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors with regard to new legislation that would have either a direct impact on LAFCO law or laws LAFCO helps to administer. Committee actions are guided by the Board's adopted policies, which are annually reviewed and amended to reflect current year priorities.

**A. Discussion and Analysis**

The Committee met on January 25, 2013 in Ontario to discuss legislative interests for the first year of the 2013-2014 session. This included discussing four topics staff believes are particularly of interest to LAFCO of Napa County ("Commission") and involve island annexations proceedings, property tax exchanges, sphere of influence updates, and outside service extensions. A summary of the key discussion points for each of these four items follows.

- **Extending Island Annexation Proceedings**

The Committee discussed preferences with respect to addressing the approaching January 1, 2014 sunset date tied to Government Code Section 56375.3; a statute authorizing LAFCOs to expedite city island annexation proceedings by waiving protest proceedings so long as certain preconditions are satisfied. A majority of the Committee agreed the statute is a valuable tool for LAFCOs in encouraging cities to eliminate islands and the service inefficiencies they perpetuate and would prefer to eliminate the sunset altogether rather than pursue extending the deadline. (Members from Los Angeles LAFCO expressed the lone opposition to

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Executive Officer

eliminating the sunset and noted they do not utilize the statute given it does not provide non-consenting landowners the opportunity to challenge the proceedings.) A majority of the Committee also expressed interest in expanding the threshold allowance for expedited island annexation proceedings from 150 acres to 300 acres. The Committee's recommendation for CALAFCO to sponsor legislation to eliminate the sunset and expand the threshold to 300 acres will be considered by the Board at its February 8, 2013 meeting.

- **Improving Property Tax Exchange Procedures**

The Committee received a report from a subcommittee appointed to review and identify focus areas with respect to possible improvements to the the property tax exchange procedures codified under Revenue and Tax Code Section 99; a subcommittee that includes the Executive Officer. The subcommittee's report noted three specific areas meriting consideration – albeit to different degrees – to improve either the efficiency and/or outcome of property tax exchanges tied to boundary changes. These three focus areas are summarized below.

- Existing procedures do not provide a conclusive outcome with regard to counties and cities agreeing to negotiated property tax exchanges before LAFCOs are allowed to take action on proposed boundary changes. Additionally, the consultation/mediation/arbitration procedures currently prescribed to guide the exchange process sunsets on January 1, 2015.
- LAFCOs were authorized in 2008 with the authority to initiate certain boundary changes involving special districts (formation, dissolution, reorganization, etc.). However, existing property tax exchange procedures are oriented only to respond to boundary changes initiated by the affected agencies, landowners, or registered voters.
- Existing procedures do not adequately contemplate boundary changes in which the affected properties have no assessed value or subject to master property tax agreements.

The Committee directed the subcommittee to solicit feedback among the 58 LAFCOs on whether there is membership support to pursue legislation to address any or all of the listed focus areas. The Committee also agreed any amendments in this area – and in particular proposing changes to the arbitration process – should be developed with the explicit support of other stakeholders. The subcommittee will provide an update to the Committee on its outreach efforts at the next meeting on March 22, 2013.

- **Extending Sphere of Influence Update Cycles**

The Committee considered a joint request by Ventura and Sonoma LAFCOs to extend the current five year cycle for preparing sphere of influence updates. The Committee agreed the current five year cycle for updating spheres and the corresponding requirement to prepare municipal service reviews is problematic for many LAFCOs due to available resources. It was agreed extending the cycle from five to seven years would be appropriate given it matches the timeframe provided for the inaugural round of sphere of influence updates (2001 to 2008). It was also agreed the statute be amended to explicitly empower LAFCOs to affirm spheres as part of the update cycle; an amendment specifically intended to acknowledge the update may not produce a change in the designation. The Committee's recommendations to sponsor legislation for these referenced amendments will be considered by the Board at its February 8, 2013 meeting.

- **Outside Municipal Service Extensions**

The Committee reaffirmed its support for the proposed amendments initiated by the Commission to Government Code Section 56133; the statute requiring cities and special districts to request and receive written approval from LAFCOs before providing new or extended municipal services outside their jurisdictional boundaries and spheres of influence. As previously discussed, the proposed amendments would make three substantive changes to the existing statute. First, and most importantly, it would expand LAFCOs authority to approve outside service extensions beyond spheres of influence without making a public health or safety determination if certain factors apply (i.e., contemplated in a municipal service review, will not adversely impact growth and agriculture, and consistent with local policies.) Second, it would clarify LAFCOs authority in determining when the statute and its exemptions apply. Third, it would reorient the statute to emphasize LAFCOs' approval of the outside service extension and not the underlying contract arrangement between the two affected parties.

It is important to note, and unlike the previous vote taken one year earlier, the Committee's decision to support the proposed amendments was not unanimous. Several members are now opposing the proposed amendments either because they believe it would undermine the legislative intent of spheres and/or argue not enough outreach has been performed to engage the entire membership. Staff disagrees with both assertions and, accordingly, has prepared a comment letter outlining the rationale underlying the Commission's support for the amendments for consideration by the Board at its February 8<sup>th</sup> meeting. The letter also provides a timeline of all related activities undertaken in developing the proposed amendments and concludes with a request for the Board to move forward and agree to sponsor the legislation.

## **B. Commission Review**

Commissioners are encouraged to discuss and provide feedback on the report. This includes providing direction to staff with respect to making formal comments on any legislative items of interest or concern to the Commission.

Attachments:

- 1) Letter to CALAFCO Board Regarding Proposed Amendments to 56133
- 2) Adopted CALAFCO Legislative Policies



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January 29, 2013

**Delivered by Electronic Mail**

Board of Directors  
 California Association of Local Agency Formation Commissions (CALAFCO)  
 c/o Pamela Miller, Executive Director  
 1215 K Street, Suite 1650  
 Sacramento, California 95814  
[pmiller@calafco.org](mailto:pmiller@calafco.org)

**SUBJECT: Support for Proposed Amendments to Government Code Section 56133**

Board of Directors:

This letter reaffirms the Local Agency Formation Commission (LAFCO) of Napa County's support for the proposed amendments to Government Code Section 56133 agendized for consideration by the CALAFCO Board on February 8, 2013. The proposed amendments – which were first approved by the Board in April 2011 with direction for additional review and comment by member agencies – represents a collaborative approach in strengthening LAFCO law to become more responsive to local conditions and needs.

Anchoring the proposed amendments is the authorization for LAFCOs to approve new or extended services beyond spheres of influence irrespective of documented public health or safety threats so long as certain “safeguard” findings are made at public hearings. The safeguards have been drafted with input from past and present members of the Legislative Committee to explicitly support existing directives by requiring LAFCOs to premise any approvals on their conformance to municipal service reviews, avoidance of any adverse impacts on growth and agriculture, and consistency with local policies. These safeguards, consequently, help to ensure any new or extended outside service approvals engendered by the proposed amendments are measured exceptions to the general – but not absolute – expectation spheres of influence demark the appropriate service areas of local agencies.

In considering the proposed amendments, it is important to highlight the underlying policy issue before the Board is whether it is appropriate to delegate more discretion to LAFCOs in overseeing outside service extensions. This added discretion is welcome and consistent with the latitude all 58 members already exercise in designating spheres of influence and determining the timing of boundary changes. It appears the central argument against the proposed amendments, in contrast, suggests the delegation of more discretion is problematic

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 Executive Officer

because it would subjugate LAFCOs to external pressures in approving otherwise ill-advised outside service extension requests. This argument, respectfully, appears without merit given it infers LAFCOs are not already subject to external pressures in fulfilling existing duties and responsibilities. The reality is external pressures already exist; delegating more discretion in overseeing outside service extensions is not going to be the proverbial straw that breaks LAFCOs' backs. Put another way, saying "no" remains a right and responsibility of all LAFCOs in response to illogical proposals and requests with or without moving forward with the proposed amendments.

Finally, and in response to recent comments to the contrary, please note the proposed amendments before the Board have been subject to an open review and outreach. The Legislative Committee alone has performed no less than 10 formal reviews of the proposed amendments and their earlier draft versions starting in December 2009 when an initial proposal was presented by a subcommittee. Related presentations on the proposed amendments were also made to the membership at the 2010 Workshop (Santa Rosa), 2011 Workshop (Ventura), and 2012 Conference (Monterey). Further, an informational packet on the proposed amendments following the Board's initial approval was electronically circulated for review and comment to all 58 LAFCOs. The informational packet was also posted on the CALAFCO website and included an invitation for a Legislative Committee member to make a presentation to any interested member agency; the latter resulting in presentations at Orange, Santa Barbara, and Sonoma LAFCOs. Accordingly, assertions the membership is largely unaware of the proposed amendments does not seem accurate so long as it is reasonable to assume most LAFCOs have participated in one or more CALAFCO event and/or have been subscribers to the list-serve over the last two plus years.

With the preceding comments in mind, and on behalf of Napa LAFCO, I respectfully ask for the Board to reaffirm its approval of the proposed amendments.

Sincerely,



Keene Simonds  
Executive Officer

cc: Napa LAFCO Commissioners  
Lou Ann Texeira, Executive Officer, CALAFCO  
Harry Ehrlich, Chair, CALAFCO Legislative Committee



# CALAFCO 2012 Legislative Policies

Adopted by the Board of Directors on 10 February 2012

## 1. LAFCo Purpose and Authority

- 1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et. seq.
- 1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et. seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3. Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

## 2. LAFCo Organization

- 2.1. Support the independence of LAFCo from local agencies.
- 2.2. Oppose the re-composition of any or all LAFCos without respect to the existing balance of powers that has evolved within each commission or the creation of special seats on a LAFCo.

- 2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

## 3. Agricultural and Open Space Protection

- 3.1. Support legislation which clarifies LAFCo authority to identify, encourage and insure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.
- 3.4. Support policies and tools which protect prime agricultural and open space lands.
- 3.5. Support the continuance of the Williamson Act and restore program funding through State subvention payments.

## 4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as the management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.
- 4.2. Support adoption of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.
- 4.3. Support orderly boundaries of local agencies and the elimination of

islands within the boundaries of agencies.

- 4.4. Support communication between cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to LAFCo.
- 4.5. Support cooperation between counties and cities on decisions related to development within the city's designated sphere of influence.

**5. Service Delivery and Local Agency Effectiveness**

- 5.1. Support the use of LAFCo resources to prepare and review Regional Transportation Plans and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates.
- 5.2. Support LAFCo authority and tools which provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.
- 5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- 5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.
- 5.5. Support collaborative efforts among agencies and LAFCOs that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support proposals which provide LAFCo with additional tools to encourage shared services.

**2012 Legislative Priorities**

**Primary Issues**

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<b>Viability of Local Governments</b>	Support legislation that maintains or enhances LAFCo's ability to review and act to assure the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs. Support legislation which provides LAFCo and local communities with options for local governance and service delivery, including incorporation as a city or formation as a special district. Support efforts which provide tools to local agencies to address fiscal challenges and maintain services.
<b>Authority of LAFCo</b>	Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues.
<b>Agriculture and Open Space Protection</b>	Preservation of prime agriculture and open space lands that maintain the quality of life in California. Support policies that recognize LAFCo's ability to protect and mitigate the loss of prime agricultural and open space lands, and that encourage other agencies to coordinate with local LAFCOs on land preservation and orderly growth.
<b>Water Availability</b>	Promote adequate water supplies and infrastructure planning for current and planned growth. Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of expanding private and mutual water company service areas on orderly growth.

**Issues of Interest**

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<b>Housing</b>	Provision of territory and services to support affordable housing and the consistency of regional land use plans with local LAFCo policies.
<b>Transportation</b>	Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.
<b>Flood Control</b>	The ability and effectiveness of local agencies to maintain and improve levees and the public safety of territory proposed for annexation to urban areas which is at risk for flooding. Support legislation that includes security of the delta and assessment of agency viability in decisions involving new funds for levee repair.
<b>Adequate Municipal Services in Inhabited Territory</b>	Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. Funding sources should be identified for extension of municipal services to disadvantaged unincorporated communities, including option for annexation of contiguous disadvantaged unincorporated communities.