

**RESOLUTION NO. LAFC 2013-13-1106-09-10**

**RESOLUTION OF THE SACRAMENTO LOCAL AGENCY  
FORMATION COMMISSION MAKING DETERMINATIONS FOR THE  
MUNICIPAL SERVICES REVIEW AND APPROVING  
THE CITY OF ELK GROVE SPHERE OF INFLUENCE AMENDMENT**

(State Clearinghouse #2010092076)  
(LAFC #09-10)

**WHEREAS**, the Sacramento Local Agency Formation Commission (“Commission” or “LAFCo”) is the sole entity authorized to approve a Sphere of Influence (“SOI”) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

**WHEREAS**, pursuant to Government Code section 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 so as to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and determine the SOI of each local governmental agency within the county;

**WHEREAS**, pursuant to Government Code section 56425(e), in determining the SOI of each local governmental agency, the Commission shall consider and prepare a written statement of its determinations with respect to its approval of the SOI;

**WHEREAS**, the Commission has complied with Government Code section 56425 by adopting determinations regarding the City of Elk Grove Sphere of Influence Amendment (“SOIA”);

**WHEREAS**, in accordance with the law, the Commission has conducted hearings since 2007 on the proposal, and a history of such hearings and Commission actions is set forth below;

**WHEREAS**, on May 21, 2008, the City of Elk Grove (“City”) submitted an application to the Commission for an amendment of its Sphere of Influence. In 2010, the City submitted a revised Application (“Application”). The May 21, 2008, application requested a SOI Amendment of 12,681 additional acres. The Application as revised requests to increase the City’s SOI by 7,869 acres. The 7,869 acreage request is referred to as the City proposed SOI (“proposed project”). The Application as revised reduced the previously proposed SOI by 3,812, or approximately a reduction of one-third of the previously proposed area, to accommodate the County’s input;

**WHEREAS**, on November 29, 2007, December 21, 2007, February 15, 2008, and February 21, 2008, prior to submittal of the Application, representatives from the City and the County of Sacramento (“County”) participated in the meet and confer process regarding boundaries, development standards, and zoning requirements for land within the proposed project area in accordance with Government Code section 56425. No formal

agreement was executed. The primary purpose of the meet and confer process was to establish commonly shared conservation and open space principles. The City and the County have been working collaboratively to establish a Memorandum of Understanding (“MOU”) that would incorporate the “joint vision” shared between the City and County regarding the future planning and preservation activities within the City’s proposed Sphere of Influence area. The draft MOU was previewed by the City Council on November 18, 2009 and by the Board of Supervisors on December 2, 2009;

**WHEREAS**, the Commission is the Lead Agency and pursuant to its requirements under the California Environmental Quality Act (“CEQA”), a Notice of Preparation for a Draft Environmental Impact Report (“DEIR”) was prepared and the DEIR was released for public comment on September 27, 2010, a Notice of Preparation for the Recirculated Draft EIR (“RDEIR”) was released for public comments on March 19, 2013;

**WHEREAS**, a DEIR was prepared and circulated for public review and comment between September 29, 2011, and November 14, 2011. A public hearing was held on November 2, 2011. Based upon comments received, certain revisions were made to the Draft EIR;

**WHEREAS**, a Recirculated Draft EIR (“RDEIR”) was circulated for public comment March 21, 2013, through May 21, 2013. The Commission received public comments from individuals and organizations on the RDEIR at a public workshop held on April 23, 2013 and at a duly-noticed public hearing held on May 1, 2013;

**WHEREAS**, a Final Environmental Impact Report (“FEIR”) that incorporated the DEIR and RDEIR by reference and provided responses to public comments was prepared and distributed to the Commission and the public on September 27, 2013;

**WHEREAS**, a draft Municipal Services Review (“MSR,” alternatively called a “Master Services Element”) was prepared and submitted by the City in May 2008, was revised in 2010 and reviewed by Commission staff. The Draft MSR was posted to the Commission website and notice was provided to County departments, affected agencies, interested parties, and the general public. The MSR has been the subject of three review cycles of 45 days each, originally in 2008, then again in 2010 and most recently in 2012, after comments were received from the public and agencies. The MSR was further revised in July 2013 and circulated for public review and comment between July 3, 2013, and August 5, 2013, and was finalized and released in August 2013;

**WHEREAS**, the Commission considered the Application, DEIR, RDEIR, FEIR, and MSR at numerous public meetings over the last several years;

**WHEREAS**, the Commission has, by means of Resolution No. LAFC 2013-10-1106-09-10, certified that the FEIR has been prepared in full compliance with the terms of CEQA;

**WHEREAS**, the Commission approved the Findings of Fact and Statement of Overriding Considerations and approved the Mitigation Monitoring and Reporting Plan, as stated in Resolution Nos. LAFC 2013-11-1106-09-10 and LAFC 2013-12-1106-09-10;

**WHEREAS**, the Commission has undertaken a comprehensive analysis of the City's Application;

**WHEREAS**, the Application evaluation and review process involved public participation and public hearings at which both written and oral comments were received from concerned citizens;

**WHEREAS**, local jurisdictions, community groups, businesses and other interested parties have provided testimony throughout the planning and evaluation process; and

**WHEREAS**, public agencies have reviewed and commented upon the proposed SOIAt and MSR;

**NOW, THEREFORE, THE SACRAMENTO LOCAL AGENCY FORMATION COMMISSION** does hereby find, determine, resolve and order as follows:

1. Notice as required by law has been provided.
2. The Commission, through its Executive Officer, conducted an Initial Study and has caused a FEIR to be prepared, which was certified by the Commission as complying with CEQA, pursuant to Resolution No. LAFC 2013-10-1106-09-10.
3. The Commission selects and approves the alternative substantially similar to the Enhanced Regional Alternative ("ERA") for the City of Elk Grove Sphere of Influence, as generally described in the RDEIR and FEIR and as more specifically set forth in Resolution 2013-10-1106-09-10 and shown in Exhibit A attached hereto, and incorporated herein. The area within the ERA is referred to herein as the "ERA Area." The change of the City's SOI to the ERA Area is referred to herein as the "SOIA."
4. The Commission determines that the ERA is consistent with the Commission's purpose and responsibility for planning, shaping and coordinating the logical and orderly development of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities. In making this determination, the Commission has considered:
  - a. The Executive Officer's Report;
  - b. The MSR, dated August 2013, submitted by the City, which the Commission determines is consistent with LAFCo policies and is adequate;

- c. The FEIR;
  - d. All oral and written public comments; and
  - e. Public agency comments, staff reports and other pertinent information in the Commission's Record of Proceedings, as defined in the Findings of Fact and Statement of Overriding Considerations.
5. Based on the Executive Officer's Report, the Commission determines that the benefits of approving the ERA include the following:
- a. By reducing the SOI acreage from the amount originally proposed by the City, the Commission encourages logical and orderly growth, avoids urban sprawl, and facilitates phased and efficient development.
  - b. The ERA provides for species protection and habitat conservation in addition to satisfying the City's need to expand. The reduction in size of the SOI combined with the imposed conditions and the FEIR mitigation measures effectively reduces the impact to affected species and their habitats.
  - c. The ERA protects agricultural lands and open space while allowing orderly growth. Because the City is hemmed in on three sides with developed or designated lands, non-agricultural lands are not available for the City to utilize in future expansion. However, the total agricultural and open space lands acreage in the City's proposed SOI is 7,637 acres (excluding residential agricultural lands), and the total agricultural and open space lands acreage in the ERA is 2,698.2 acres. Thus, by adopting the ERA, the Commission preserves almost 5,000 acres of agricultural and open space lands.
  - d. The ERA will help the City improve its jobs-housing balance because it will allow the City to plan for additional employment centers, which will provide economic growth, needed commerce, and shorter commutes for City residents. Prior to annexation, the City will be required to demonstrate that any annexation improves the jobs-housing balance within the City.
  - e. Approval of the ERA ensures the City's ability to grow, but promotes infill development by limiting the permissible boundaries for the City. The City will thus be encouraged to develop within its

established urban areas, such as existing vacant parcels and underutilized lands, prior to development of new territory.

- f. Although the City's growth has slowed in the recent recession years, page 3.0-4 of the MSR projects that the City will have a 33% increase in population by the year 2035, and approval of the ERA will allow the City to plan for logical and efficient future growth.
- g. In approving the ERA, the Commission imposes numerous terms and conditions on any future attempts to annex. By conditioning its approval, the Commission ensures that any future annexation will be orderly and in compliance with applicable laws and LAFCo policies.

6. Pursuant to Government Code section 56668 and LAFCo policies, the Commission must consider several factors in reviewing an application for a SOI amendment, and the Commission has duly considered the factors enumerated in Government Code section 56668;

7. Pursuant to the policies set forth in Government Code section 56425 and based upon the entire record, the Commission makes the following determinations in approving the ERA:

A. The Present and Planned Land Uses in the Area, Including Agricultural and Open Space Lands

(1) The land use assumptions in the Executive Officer's Report are adequate and there are no specific land use entitlements proposed at this time in conjunction with the ERA Area.

(2) Government Code section 65300 provides that a city may comprehensively plan for lands outside of its jurisdiction without the area being within an approved SOI. However, while the Elk Grove City Council expressed its desire to have the proposed project area master planned, the Council has explicitly stated that no comprehensive planning of the area will occur until the Commission approves a Sphere of Influence.

(3) Although the Application would entail amendment of the City's SOI boundaries, land within the expanded SOI would not be within the City's jurisdiction until future requests for annexation of territory are approved by your Commission. If and when future requests for annexation are approved, the newly annexed property would be within the City's jurisdiction and subject to applicable City General Plan policies and regulations. Approval of a SOIA does not commit the City to development of any particular land uses. If a SOIA is approved, future development will be driven by market conditions and future planning decisions by the City of Elk Grove, in terms of timing and type and intensity of development. No development can take place prior to the plans being brought back as an

annexation application for the Commission's review and consideration. This process will require additional environmental compliance.

(4) The current City boundaries and coterminous SOI encompass 26,974 acres. Having a coterminous SOI and city boundary is atypical because with a coterminous SOI, there is no extraterritorial area for a city to plan future growth through annexation and related boundary changes. The ERA Area expands the existing SOI, not city limits, by approximately 4,040 acres. However, future growth and expansion through the annexation process would be limited to areas outside of the Federal Emergency Management Agency ("FEMA") 100-year floodplain. This would limit future growth and leave a portion of the ERA Area for non-urban uses, such as open space. The ERA Area currently consists of 151.2 acres of prime farmland, 1640.6 acres of farmland of statewide importance, 863 acres of farmland of local importance, and 13 acres of unique farmland.

(5) The ERA Area includes agricultural uses consisting of fallow/row crops/nursery, orchards, vineyards, and dairy, poultry, and livestock operations. Few structures exist within the project site, and these are limited to barns, rural housing, storage sheds with related structures, and several solar farms. The 2030 Sacramento County General Plan designates land within the ERA Area as Agricultural Cropland, Agricultural Residential, Commercial/Office, General Agriculture (20 acres), Intensive Industrial, Low Density Residential, and Natural Preserve.

(6) Surrounding land uses include agricultural cropland, natural preserve, and resource conservation, including the Stone Lakes National Wildlife Refuge, which lies to the west, with the Sacramento-San Joaquin Delta to the south; suburban residential and small-scale agricultural uses to the north; rural residential and agricultural uses to the east, including the unincorporated communities of Wilton and Sheldon, primarily rural in character, as well as land within the FEMA 100-year floodplain of the Cosumnes River; and agricultural to the south, including the unincorporated communities of Bruceville and Point Pleasant, which have land uses similar to the adjacent agricultural land uses within the ERA Area. County of Sacramento General Plan land use designations south of the project site also include Agricultural Cropland, Natural Preserve and Resource Conservation Area. Regional access to the project site is provided from State Route 99 and Interstate-5. Local access to the project site is provided by Hood-Franklin, Grant Line, Kammerer and Eschinger Roads.

(7) The ERA is consistent with the City of Elk Grove General Plan Planning Area ("Planning Area"), which includes land within the incorporated City limits of Elk Grove and unincorporated areas of Sacramento County surrounding the City. The Elk Grove General Plan provides land use planning for the City and the larger Planning Area. The Planning Area represents areas not within the city limits in which the City has an interest in influencing land use decisions by the County of Sacramento and is envisioned as the area into which the incorporated city boundaries may eventually expand.

(8) There are no current or future City General Plan land use designations in the ERA Area, but addition of the ERA Area is intended to provide sufficient land to accommodate an improved jobs-housing fit for the City of Elk Grove that provides for sufficient residential and employment-generating land uses to minimize the need for commuting to or from other jurisdictions. There is no alternative land available within the City's current SOI to accommodate the needed growth because the City's current SOI and City boundaries are coterminous.

(9) The City's Application does not change or propose to change any land use designations. Existing land uses for the ERA Area are determined by the County's General Plan designations for the ERA Area. There are no specific land use entitlements proposed at this time in conjunction with the ERA Area. Additionally, property within the ERA Area would not be within the City's jurisdiction until future request for annexation of property are approved by the Commission and no physical development can be approved or implemented by the City until the territory is prezoned and annexed.

#### B. The Present and Probable Need For Public Facilities and Services in the Area

(1) The ERA Area is presently largely undeveloped and unserved. The existing need for public facilities and services is minimal. These public services include electricity, roads, telephone, sheriff's patrol, fire protection, garbage collection, and animal control.

(2) The SOIA will not require the immediate need for additional public facilities or services. Subsequent annexations will facilitate the need and provision of additional public services prior to and at the time this area is developed. Future development within Elk Grove's SOI boundary, as a result of annexations, will require additional public facilities and services including extension of sewer lines, treatment capacity, extending water lines and increasing water supply capacity, flood control and drainage facilities, road improvements, police and fire protection, schools, libraries and parks. The FEIR for the proposed SOIA identifies the probable impacts that could occur from future development based on the hypothetical land use designations.

(3) The City will be required to prezone the property prior to submitting an annexation application and approving development. Specific mitigation requirements and impacts will be identified during that process.

#### C. The Present Capacity of Public Facilities and Adequacy of Public Services Which the Agency Provides or Is Authorized To Provide

(1) The City is a general law city which provides limited municipal services, including land use governance, public works and law enforcement. The City coordinates the land use entitlement review process with County agencies

and affected special districts that provide public facilities or services related to sewers, municipal and industrial water, or structural fire protection.

(2) The MSR more fully discusses the capacity, means and financing for the full array of services necessary to support future development, in the event of annexation approvals. Approval of the ERA will not change the current service providers. At this time minimal services are provided to this area because of its rural character. At the time of annexation, the City will be required to provide plans for all services, which will include financing and necessary funding to implement the required infrastructure.

(3) The MSR and comments from affected entities evidence that extending the City's SOI to include the ERA Area will not result in significant unmitigable adverse effects upon other service recipients or other agencies serving the affected area.

D. The Existence of Any Social or Economic Communities of Interest in the Area (if Determined by LAFCo to be Relevant to the Agency)

(1) The areas included with the proposed project area have economic and social communities of interest that are similar to the existing characteristics within the City of Elk Grove. In many cases, this territory directly benefits from the services provided by the City and indirectly from the economic and social community, such as businesses, social clubs, recreational activities, churches and other community organizations.

E. The Present and Probable Need for Public Facilities and Services Provided by the City Related to Sewers, Municipal and Industrial Water, and Structural Fire Protection of Any Disadvantaged Unincorporated Communities Within the Existing Sphere of Influence

(1) Several small communities are located adjacent or proximate to the proposed project area, including Bruceville, Old Town Franklin, Point Pleasant, and Wilton. Bruceville and Point Pleasant are south of the proposed project area and would not be affected by the SOIA. Old Town Franklin is immediately adjacent to the City and would be completely included within the proposed project area. Addition of the proposed project area to the SOI would place Old Town Franklin into the City's SOI, but would not result in any actions that may divide the community. The environmentally superior ERA Area does not include Old Town Franklin. Wilton is located across the Cosumnes River, outside of the proposed project area. As such, the ERA is consistent with the LAFCo policy requiring that an SOI shall not split neighborhoods or divide an existing identifiable community of interest and no impact would occur.

(2) None of these communities would be identified as a "Disadvantaged Unincorporated Community" – defined as either inhabited territory, or a community with an annual median household income that is less than 80 percent of the statewide annual median household income.



**FURTHERMORE**, the Commission does hereby resolve that it is necessary and appropriate to apply certain conditions to the approval of the SOIA in order to encourage well-ordered, efficient urban development with sufficient services and to preserve open space resources, agricultural land, and habitat for species. Accordingly, approval of the ERA is conditioned upon the following:

8. **Mitigation Measures.** All mitigation measures adopted pursuant to CEQA by the Commission under Resolution No. 2013-12-1106-09-10 are incorporated herein by reference as conditions of approval. Subsequent to submittal of any application to annex property within the ERA Area and prior to annexation, the Commission shall review the Mitigation Monitoring and Reporting Plan approved as part of the SOIA for compliance and shall undertake additional environmental review if required under CEQA. Furthermore, any application to annex property within the ERA Area shall include the City's multi-species habitat mitigation strategy. The strategy shall address the mitigation of development impacts upon habitat and biological/environmental resources in a manner that meets federal and state regulatory requirements. The City may fulfill the requirements of this condition by demonstrating participation in the South Sacramento Habitat Conservation Plan or preparation of its own habitat strategy.

9. **Logical & Orderly Growth.** The City is encouraged to promote annexations within the ERA Area that are well planned, capable of being efficiently served, have an orderly development pattern, and avoid the premature conversion of open space and agricultural lands within the ERA Area. Consistent with its General Plan policy, the City of Elk Grove is encouraged to develop an orderly annexation program and should discourage the filing of any annexation seeking to annex property prematurely or in piece-meal manner. Before annexing any territory, the City must demonstrate that the annexation:

- a) Conforms to an orderly expansion of City boundaries within planned urban growth areas and provides for a contiguous development pattern. The City shall re-confirm that the proposed annexation is surrounded by or adjacent to lands planned for urban uses. The City must demonstrate that its proposed annexation is part of a plan for orderly growth within logical boundaries, as identified in Commission policies.
- a) Includes a comprehensive land use plan for the affected territory, including pre-zoning and a plan for services, including for infrastructure financing and phasing.
- b) Constitutes a fiscally sound addition to the existing City, with efficient service delivery boundaries, and ensures the provision of adequate municipal services.

- c) Is consistent with state law and Commission policies, standards and criteria.
- d) Preserves neighborhood identities.
- e) Is consistent with the City's General Plan and any applicable Community Plan land use policies. Prior to submittal of an application for annexation, the City shall revise and update its General Plan to include the ERA Area in accordance with state law.
- f) Demonstrates criteria for sustainable economic growth while maintaining environmental integrity, and providing for social equity. This could include creating more housing and jobs near public transit, providing a variety of places where people can live, and utilization of existing assets.
- g) Includes development that is limited to areas outside the 100-year floodplain, and development that takes place in compliance with the goals and policies of the City's General Plan. Prior to annexation, the City will provide information to the Commission in compliance with Federal Emergency Management Agency ("FEMA") and California Department of Water Resources ("DWR") flood-plain development measures adopted.
- h) Is accompanied by an environmental evaluation of the potential impacts of development.

10. **Need for Annexation.** The City must demonstrate that the annexation proposal is needed to provide an adequate supply of land to meet projected residential, industrial, and commercial growth. The City shall demonstrate adequate available infrastructure in the vicinity of the proposed annexation area to promote sustainable economic development and prevent leapfrog development.

11. **Land Use Designations.** The City shall adopt appropriate land use designations for all property within the ERA Area noting open space and habitat preservation measures at a minimum as set forth in the Mitigation Monitoring and Reporting Plan and this Resolution.

12. **Municipal Services.** In any application to annex property within the ERA Area, the City of Elk Grove shall submit to the Commission, for its review and approval, an updated MSR which includes a program of implementation and financing measures necessary to support the provision of major components of infrastructure and services, and other essential facilities, needed to support the proposed distribution, location, extent and intensity of land uses proposed within the ERA Area. The City shall demonstrate that it has the means, ability and capacity to provide municipal services to the annexed area and that other service providers have the means, capacity and ability to provide services

not provided by the City of Elk Grove, with no adverse impact to current service levels or ratepayers. The MSR shall identify a water source(s) and the ability to acquire said water source(s) sufficient to serve the area contained in the annexation application. The MSR shall identify the process the City will undertake to acquire and secure a water supply sufficient for the Commission to determine compliance with Condition 19 of this Resolution.

13. **Plans of Services.** Prior to annexation, the City must prezone and provide the following plans of services, which will include financing and necessary funding to implement the required infrastructure:

- b) Drainage Master Plan. Any application to annex property within the ERA Area shall include a Drainage Master Plan for the ERA Area. The Drainage Plan shall address flood hazards and the use of flood protection measures. The objective of the Drainage Plan shall conform to a no net increase in floodwater surface elevations downstream of the ERA Area;
- c) Bikeway Plan to delineate bikeway and pedestrian facilities within the ERA Area consistent with the goals and policies of the City's General Plan;
- d) Transit Master Plan consistent with the policies of the City's General Plan. The Plan shall identify the roadways to be used by bus transit routes, locations for bus turnouts and pedestrian shelters, locations for bus transfer stations, alignments for fixed route rail service, and the location of rail service stations;
- e) Traffic, Transportation, and Road Plan;
- f) Park and Open Space Plan within territory proposed to be annexed;
- g) Water Supply Plan for Services that demonstrates compliance with Federal Clean Drinking Water Act standards and demonstrates that sufficient, sustainable potable water supplies adequate for projected needs are available to accommodate the build out of the annexation territory, with no adverse impact to existing ratepayers or private wells reliant on a shared groundwater source;
- h) Wastewater Plan for Services that demonstrates adequate wastewater conveyance, service, and treatment capacity and availability for the annexation territory based on pre zoning and land uses designated by the City;
- i) Housing Element demonstrating compliance with Regional Housing Needs Allocation ("RHNA"). The City shall obtain a determination of

substantial compliance from the California Department of Housing and Community Development consistent with Government Code section 65585, subdivisions (d) or (h), as may be amended, regarding the Regional Housing Needs Allocation;

- j) Air Quality Plan;
- k) School Mitigation Plan where, permitted by law, the City of Elk Grove shall incorporate feasible school impact mitigation requirements into any applicable development agreements that would take effect upon annexation of property within the ERA Area. The extent to which mitigation requirements may be necessary will depend upon availability of school facilities at the time of development, the type of development that occurs within the ERA Area (residential compared to non-residential uses) and school district policies on providing enrollment space for non-residents who are employed within district boundaries;
- l) Financing Plans. The plans shall be prepared in consultation with the affected agency or service provider, consistent with criteria applicable at the time of annexation;
- m) Right to Farm Ordinance;
- n) Code Enforcement;
- o) Animal Control; and
- p) Electricity and Natural Gas.

14. **Traffic/Transportation.** Prior to Commission approval of any application to annex property within the ERA Area, the City of Elk Grove, in consultation with Caltrans, Sacramento County, and the Sacramento Area Council of Governments (“SACOG”), shall identify the traffic/transportation measures that must be implemented to mitigate the potential impacts on regional transportation infrastructure from proposed development within the ERA Area consistent with mitigation measure TRANS-1 in the Mitigation Monitoring and Reporting Program. The City shall further set forth a funding strategy to construct the traffic/transportation necessary to fully mitigate the impacts from the development of the ERA Area and a proposed timeline for the construction of such improvements. The timeline shall be linked to the approval and construction of such development within the ERA, within a time frame intended to mitigate the long-term impacts from ERA Area development. As soon as reasonably possible, the improvements identified in this paragraph that are of regional significance shall be programmed in the Metropolitan Transportation Plan (“MTP”) and the Metropolitan Transportation Improvement Program (“MTIP”). The City shall request the programming of the improvements in the MTP as soon as the improvements are identified through the

annexation process, and shall request the programming of the improvements in the MTIP consistent with the financing plan established for implementation of the improvements.

15. **Roadways.** Prior to submittal of any application to annex property within the ERA Area, the City of Elk Grove, in consultation with Sacramento County, shall prepare a plan to address the necessary improvements to the local roadway network of each jurisdiction in order to mitigate the impacts associated with development within the ERA Area. The plan should include a list of improvements, description of the responsible jurisdiction, phasing plan and a clearly defined financing mechanism. As part of the annexation application, the City shall demonstrate that it can provide adequate roadway service to and within the ERA Area proposed to be annexed. The plan shall be submitted with the annexation application.

16. **Williamson Act Contracts.** If the proposal would result in the annexation to the City of land that is subject to a Williamson Act contract under Government Code section 51200 et seq., then the petition shall state whether the City shall succeed to the contract pursuant to section 51243 or whether the City intends to exercise its option to not succeed to the contract pursuant to section 51243.

17. **Jobs-Housing Balance.** Prior to annexation, the City shall demonstrate that its proposed annexation creates an improved quantitative and qualitative jobs-housing balance within the entire City to reduce commuting, traffic congestion, and environmental concerns related to vehicles on the road, and improve efficiency of public infrastructure and services. The City shall demonstrate population and employment forecasts and data for the proposed annexation area, and demonstrate an investigation into any identified mismatches between jobs in the area and the types and cost of housing. The City shall demonstrate that the annexation is necessary to create additional employment centers close to housing and employment centers that matches the skills of people who live in the region to ensure that a greater percentage of the people who live in the region also work in the region. The City shall present specific implementation measures to improve the jobs-housing balance within its boundaries, such as compact development, mixed use development, developer incentives to improve jobs-housing fit, and zoning which improves jobs-housing opportunities.

18. **Air Pollution.** The City will demonstrate compliance with Policy COS 7-1 of the City's General Plan, or the current version of that Policy, regarding Greenhouse Gas Emission Reduction. Identify specific actions that will be undertaken by the City to meet the emission reduction targets set by the City.

19. **Infill Development.** Upon submittal of an annexation application, the City must demonstrate that it has provided or accommodated feasible infill development of existing urban lands before annexing and developing new territory through the adoption of infill policies. These adopted infill policies should encourage the development of vacant parcels, reuse or redevelopment of abandoned or derelict structures, rezoning of excess commercial and/or industrial lands to residential uses where appropriate, utilization of existing public infrastructure and services in an efficient manner, and

intensification of uses on underutilized lands to accommodate as much residential, commercial and employment capacity as feasible within the existing City limit.

20. **Water Supply & Service.** Prior to Commission approval of any application to annex property within the ERA Area, the City shall demonstrate that it has a sufficient water supply to serve existing customers, and a master plan for future customers within the existing service area, and all proposed uses within the annexation application area, in compliance with the terms and conditions of the Water Forum Agreement. The information provided shall be sufficient for the Commission to determine water availability to the area pursuant to Government Code section 56668, subdivision (k), or its successor. Pursuant to Government Code section 56375, the City shall pre-zone the property consistent with the City of Elk Grove General Plan, as amended. In pre-zoning within the ERA Area, the City must identify the process the affected water service provider will undertake to acquire and secure a water supply sufficient for the Commission to determine timely water availability as required by law, in compliance with the terms and conditions of the Water Forum Agreement. The City of Elk Grove shall comply with requirements for water service with the Sacramento County Water Agency (“SCWA”) and/or the Elk Grove Water District (“EGWD”), and shall annex into the appropriate service area either Zone 40 and 41, as required by the SCWA, or EGWD, as applicable. This may entail a district specific Sphere of Influence amendment. The Omochumne-Hartnell Water District may be considered for provision of potable water service

21. **Sewage Service.** Prior to LAFCo approval of any application to annex property within the ERA Area, the City shall identify the timely availability of sufficient wastewater transmission and treatment capacity to serve existing customers, future customers with the existing service area, and all proposed uses within the annexation application area. The City of Elk Grove shall coordinate with Sacramento Regional County Sanitation District (“SCRSD”) and Sacramento Area Sewer District (“SASD”) for sanitary sewer service. The City will be required to annex into these two special districts as part of any proposed annexation. This may entail district specific SOI amendments.

22. **Property Tax Agreement.** The City and Sacramento County must enter into a property tax exchange agreement before the application can be considered for approval by LAFCo.

23. **Stone Lakes National Wildlife Refuge.** The City of should cooperate and collaborate with Stone Lakes National Wildlife Refuge to enhance this natural resource that is a recognized amenity to the City of Elk Grove. Proposed development along the western boundary of the ERA should be compatible with the Stone Lakes National Wildlife Refuge mission. The City also should cooperate and collaborate with the Nature Conservancy to enhance the preservation of the Cosumnes River Preserve within and adjacent to the ERA boundary. The City, when possible, should partner with Stone Lakes National Wildlife Refuge and the Nature Conservancy to preserve and enhance wildlife resources.

24. **Meet & Confer with Special Districts.** Prior to Commission approval of any application to annex property within the ERA Area, the City of Elk Grove or other applicants shall meet and confer with the Cosumnes Community Services District (“Cosumnes CSD”), and any other special districts, regarding impacts to the districts and their operations. This process shall identify potential impacts from the proposed annexation upon the districts, including but not limited to fiscal and operational impacts, assessments, bonded indebtedness, loss of property tax revenues and other impacts proposed relating to any proposed changes of organization or services. In addition, the Commission will fully analyze and consider these impacts prior to approval of any annexation to determine appropriate mitigation measures or conditions of annexation. The City of Elk Grove shall also meet with Cosumnes CSD on an ongoing periodic basis, subject to a schedule mutually agreed to between the City and Cosumnes CSD. The City shall be responsible for scheduling these meetings. The objective of these periodic meetings is to provide for discussion and coordination of issues of mutual concern regarding water and wastewater supplies and treatment.

25. Any other specific issue that becomes known during public hearings.

**FURTHERMORE**, in accepting the MSR, the Commission has considered the policies set forth in Government Code section 56430. Government Code section 56430 provides that in order to update spheres of influence, the Commission shall conduct a service review of the municipal services provided. The Commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations. Pursuant to Government Code section 56430, the Commission makes the following determinations:

26. The Executive Officer presented the MSR on November 6, 2013, to the Commission, and the Commission accepted it.

27. Growth and population projections for the affected area have been provided by the affected entities, as set forth in the MSR and the Record of Proceedings. The MSR states that population estimates within the proposed project area are difficult to determine because U.S. Census blocks do not correspond well with the proposed project area boundaries. However, the 2010 U.S. Census estimated the Sacramento County population at 1,418,788 with an estimated increase to 1,803,872 by 2030. In addition, growth assumptions within the SOIA Area are projected at 20,685 households, 31,534 non-retail units and 3,967 retail units.

28. The City operates at an efficient level and utilizes cost avoidance opportunities when available, as demonstrated in the MSR and the Record of Proceedings.

29. The City's rates and fees are reasonable compared to other comparable cities' and demonstrates efficient management of its rate structuring opportunities, as set forth in the MSR and the Record of Proceedings.

30. The City maximizes its opportunities to share facilities where possible, as set forth in the MSR and the Record of Proceedings.

31. The City's organizational structure allows for reorganization of service providers as demonstrated by the MSR and the Record of Proceedings.

32. Based upon its current fees and rates and management structure, the City has demonstrated management efficiencies.

33. The City is governed by five locally elected City Council members, including one elected Mayor.

34. The MSR is current as it was submitted in August 2013.

35. In the MSR, the City demonstrated a projected need for service based upon population projections and the inadequacy of the City's infill capacity to accommodate expected growth. These findings are based upon this Resolution, the Record of Proceedings, and the Executive Officer's Report.

36. The MSR includes determinations with respect to each of the following: (1) growth and population projections for the affected area; (2) present and planned capacity of public facilities; (3) location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence; (4) infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence; (5) financing ability, constraints and opportunities of agencies to provide services; (6) Cost avoidance opportunities; (7) opportunities for rate restructuring; (8) status of and opportunities for shared facilities; (9) accountability for community service needs, including local government structure, accountability, governance, and operational efficiencies; and (10) matters related to the effective and efficient delivery of service.

37. In the MSR, the Commission comprehensively reviewed all of the agencies that provide the identified service or services within the designated geographic area.

38. The MSR includes statements for each existing district specifying the functions or classes of services provided by those districts. The MSR also establishes the nature, location, and extent of any functions or classes of services provided by existing districts.



39. The MSR prepared by the City and LAFCo includes an assessment of services and providers and states how providers will implement the proposed development contemplated by the SOIA. Through this analysis, the Commission concludes that there are no Spheres of Influence of overlapping jurisdictions.

40. The MSR concludes that adequate services, including water, wastewater, drainage and flood control, solid waste and recycling, circulation and roadways, fire protection and emergency medical response, law enforcement, animal control, code enforcement, parks and recreation, libraries, and electricity and natural gas will be provided within the timeframe needed by the inhabitants of the area included within the proposed project area.

41. Existing land use and a reasonable projection of land uses which would occur if services were provided consistent with the updated MSR are considered in the MSR.

42. Maps indicating existing and proposed facilities and the timing of proposed facilities are included in the MSR and Financing Plan.

43. The nature of each service to be provided is discussed in detail in the MSR. It discusses how water, wastewater, drainage and flood control, solid waste and recycling, circulation and roadways, fire protection and emergency medical response, law enforcement, animal control, code enforcement, parks and recreation, libraries, and electricity and natural gas will be provided within the timeframe needed by the inhabitants of the area included within the ERA Area.

44. The service level capacity to be provided, the anticipated service level, and all actions, improvements, or construction necessary to reach required service levels, including costs and financing methods, are discussed in detail in the MSR.

45. The Commission has reviewed and continues to have access to all district enabling legislation pertinent to the provision of services and annexations, including the Cortese-Knox-Hertzberg Act (Government Code §§ 56000-57550) and the Municipal Utilities District Act (Public Utilities Code §§ 11501-14403.5 and specifically §§ 12801-12827).

46. The MSR identifies possible savings occurring as a result of the action. The report prepared for the SOIA discusses projected revenues, costs, and benefits associated with any future proposed annexation. It is referenced in the MSR in sections 4.0, 5.0, and 6.0.

47. Existing and five-year population projections are incorporated by reference from the City's Application throughout the MSR's various analyses of infrastructure circumstances and requirements.

48. In this Resolution, the Commission has made determinations regarding approval of the ERA, placed terms and conditions on approval of the SOI, and made determinations of the municipal services in the affected area. Based upon the conclusions in the MSR, the Record of Proceedings, and the Executive Officer's Report, the Commission concludes that the City will be able to efficiently assure reliable services at an acceptable cost to any future residents within the ERA.

49. The MSR was prepared in compliance with the Cortese-Knox-Hertzberg Act and Commission policies.

**BE IT FURTHER RESOLVED** by the Commission that the Executive Officer:

50. Shall mail a certified copy of this Resolution to the affected governmental agencies whose boundaries are affected by the Resolution;

51. Shall file a certified copy of this Resolution with the Clerk of the Board of Supervisors of the Sacramento County; and

On a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing Resolution No. 2013-13-1106-09-10 was passed and adopted by the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION, State of California, this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by the following vote to-wit:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
Jimmie Yee, Chair  
SACRAMENTO LOCAL AGENCY  
FORMATIONCOMMISSION

ATTEST:

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







EXHIBIT B  
Elk Grove SOIA (LAFC #09-10)  
Enhanced Regional Alternative

**APN**

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