

REVISED
(SEPTEMBER 19, 2007)
RESOLUTION No. LAFC 1348 OF THE SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION MAKING DETERMINATIONS FOR THE MUNICIPAL
SERVICES REVIEW AND
APPROVING

CITY OF SACRAMENTO
SPHERE OF INFLUENCE AMENDMENT
AND
SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT
AND
COUNTY SANITATION DISTRICT #1
SPHERE OF INFLUENCE AMENDMENTS
(APNs: 201-0300-049, 067-071, 076, 077, 079-081, 083 & 085)

WHEREAS, the Sacramento Local Agency Formation Commission (“Commission” or “LAFCo”) is the sole entity authorized to approve a Sphere of Influence 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 Sphere of Influence of each local governmental agency within the county;

WHEREAS, the Commission is required to update the Sphere of Influence for each local government agency within the county every five years;

WHEREAS, in determining the Sphere of Influence of each local governmental agency, the Commission shall consider and prepare a written statement of its determinations with respect to its approval of the Sphere of Influence;

WHEREAS, on November 4, 2005, the City of Sacramento (“City”) submitted an application to the Commission for an amendment of its Sphere of Influence (“Application”), and resulting amendments to the Sphere of Influence of the Sacramento Regional County Sanitation District and County Sanitation District #1 (collectively the “SOI Amendment” or “SOI Amended Area”). The Application includes requests for additional development entitlements subject to approval by other public agencies, including Prezoning, General Plan amendment, Master Tentative Parcel Map, Tentative Subdivision Map, Planned Unit Development, and Development Agreement. The Application also includes a subsequent Request for Reorganization (Annexation and Detachments) should the SOI Amendment and other certain development entitlements be approved. However, the only issue currently before LAFCo is the SOI Amendment;

WHEREAS, on December 10, 2002, prior to submittal of the Application, the City and the County of Sacramento entered into a “Memorandum of Understanding Regarding Principles of Land Use and Revenue Sharing for the Natomas Area,” (“Joint Vision MOU”), which terms set forth policies regarding future development in the Natomas area;

WHEREAS, on November 1, 2005, the City and LAFCo entered into a Memorandum of Understanding (“MOU”) by which the two entities agreed to process a single Environmental Impact Report to evaluate the environmental consequences of the SOI Amendment, Reorganization, and related development entitlements;

WHEREAS, a Notice of Preparation for a Draft Environmental Impact Report (“Draft EIR”) was prepared and released for public comment on July 28, 2005, and a Recirculated Notice of Preparation was released for public comments on August 16, 2005;

WHEREAS, a Draft EIR was prepared and circulated for public review and comment between July 19, 2006, and September 5, 2006. Based upon comments received, certain revisions were made to the Draft EIR and a Recirculated Draft EIR was released for public comment on November 14, 2006, through January 2, 2007. Based upon comments received, a Second Recirculated Draft EIR was prepared and published on April 10, 2007, and the public comment period ran until May 25, 2007;

WHEREAS, the Commission received public comments on the Amended SOI and the Draft EIR on August 2, 2006, and August 30, 2006, and received written comments on the Draft and Recirculated EIRs from individuals and organizations;

WHEREAS, a Final Environmental Impact Report (“Final EIR”) that incorporated the Draft EIR and Recirculated EIRs by reference and provided responses to public comments was prepared and distributed to the public on August 15, 2007;

WHEREAS, a Municipal Services Review (“MSR,” alternatively called a Master Services Element) was prepared and submitted by the City in July 2007;

WHEREAS, the Commission discussed the SOI Amendment and Final EIR during its meeting on September 19, 2007, and heard public comments on the SOI Amendment and Final EIR;

WHEREAS, the Commission has, by means of Resolution No. LAFC 1345, concurrently certified that the Final EIR has been prepared in full compliance with the terms of the California Environmental Quality Act (“CEQA”);

WHEREAS, the Commission concurrently approved the Findings of Fact and Statement of Overriding Considerations and approved the Mitigation Monitoring and Reporting Plan, as stated in Resolution Nos. LAFC 1346 and LAFC 1347;

WHEREAS, the Commission has undertaken a comprehensive analysis of the City’s SOI Amendment;

WHEREAS, the SOI Amendment 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 SOI Amendment 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 given.
2. The boundaries of the SOI Amended Area are represented in Exhibit A and Exhibit B attached hereto and incorporated herein.
3. 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 1345.
4. The SOI Amendment of the City, Sacramento Regional County Sanitation District and County Sanitation District #1 is approved as set forth in the Application, which contemplates the extension of the City's Sphere of Influence to include approximately 577 acres at the northwest quadrant of the intersection of State Route 99 and Interstate 5. The SOI Amended Area is located in the unincorporated portion of Sacramento County, adjacent to and west of the City, outside the City's existing Sphere of Influence.
5. The Commission concurrently adopts Resolution No. LAFC 1346, adopting Findings of Fact and a Statement of Overriding Considerations, and Resolution No. LAFC 1347, adopting a Mitigation Monitoring Reporting Program, consistent with the requirements of CEQA.
6. The SOI Amended Area is located approximately 1 mile east of the Sacramento International Airport. The western two-thirds of the SOI Amended Area are located within the airport overflight safety zone and adjacent to the proposed Metro Air Park Development. The SOI Amended Area is uninhabited.
7. The SOI Amended Area consists of 12 parcels of land that have been in agricultural production and agricultural support uses. The site is currently fallow; however, the site has historically been rotated from fallow to active crop cultivation conditions. The SOI Amendment has 100 percent consent of the landowners within the SOI Amended Area.
8. Surrounding land uses include agricultural land uses to the north and south, new residential development in the North Natomas community to the east and south, and the recently approved Metro Air Park development project to the west. The Metro Air Park development

consists of proposed commercial, hotel, and recreational (i.e., golf course) land uses. The North Natomas Community Plan (“NNCP”) area is located adjacent to the eastern boundary of the SOI Amended Area across SR 70/99. Future development in the North Natomas area includes residential and commercial land uses. Regional access to the project site is provided from State Route 70/99 and Interstate-5. Local access to the project site is provided by Elkhorn Boulevard.

9. The City’s Application includes not only an amendment to the Spheres of Influence of the City, Sacramento Regional County Sanitation District, and County Sanitation District #1, but also a General Plan Amendment, Community Plan Amendment, Rezoning, Master Tentative Parcel Map, Tentative Subdivision Map, Planned Unit Development, and Development Agreement. The approval of the development elements is within the jurisdiction of the City and hearings will only proceed if LAFCo approves the proposed SOI Amendment. The Application also includes a proposed reorganization, which includes an annexation that would be considered at a later time, provided LAFCo approves the SOI Amendment and the City approves the development entitlements. The annexation application is not currently under consideration by LAFCo.

10. On November 1, 2005, the City and LAFCo entered into the MOU, by which the two entities agreed to have a single EIR prepared to evaluate the environmental consequences of all the aspects of the Application. Under this MOU, the City and LAFCo established themselves as co-lead Agencies for the EIR and defined their respective roles and responsibilities relating to the oversight and management of the EIR to ensure that it would adequately address the environmental issues to be reviewed by both LAFCo and City. The preparation of a single EIR is appropriate, given the Memorandum of Understanding, and is permitted under CEQA.

11. The SOI Amendment is consistent with the Joint Vision MOU as follows:

- a. It targets the City as the appropriate agency for planning new growth.
- b. It fosters a development pattern of a mixed use community and adopts Smart Growth Principles.
- c. It acknowledges that open space is subject to state and federal laws regarding habitat and buffer areas sufficient to protect endangered species, provides open space consistent with the principles of the Joint Vision MOU and is subject to additional mitigation and environmental analysis.
- d. It has targeted and selected property in the Natomas area that, although currently agricultural fallow lands, including approximately 329 acres of prime agricultural land, is property that would be the next logical growth area for the City, is property within the path of existing and proposed development, is adjacent to developed land, and adjacent to two major highways. The selection of this property is consistent with the Joint Vision MOU and promotes orderly growth and development and discourages sprawl.
- e. There is currently a discussion between City and County staff as to the specifics of the Joint Vision MOU open space and habitat terms and conditions as applied

to the SOI Amended Area. Prior to annexation, the City shall, in consultation with the County of Sacramento, confirm that the habitat and open space conditions applied to the SOI Amended Area are consistent with the Joint Vision MOU.

12. The Commission determines that the proposed SOI Amendment 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 July 2007, submitted by the City, which the Commission determines is consistent with LAFCo policies and is adequate;
- c. The Final EIR;
- d. Responses to comments received after circulation of the Final EIR;
- e. All oral and written public comments;
- f. The MOU and the Joint Vision MOU; and
- g. Public agency comments, staff reports and other pertinent information in the Commission's Record of Proceedings, as defined in Section II.B of the Findings of Fact and Statement of Overriding Considerations adopted concurrently herewith.

13. The Commission makes the following determinations and findings in approving the SOI Amendment. The Commission considered the policies set forth in Government Code Section 56425. Pursuant to Government Code Section 56425, and based upon the entire record, the Commission makes the following determinations:

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

Agricultural Lands:

a. The SOI Amended Area consists of 329 acres of prime farmland, 68 acres of farmland of statewide importance, 68 acres of farmland of local importance, and 53 acres of unique farmland. None of the parcels within the SOI Amended Area are subject to Williamson Act Contracts.

b. The Commission finds that there is no alternative land available for annexation within the City's current Sphere of Influence to accommodate the needed growth. This finding is based upon the following:

i. Infill sites: The MSR states that the City has experienced rapid growth in the last five years and particularly rapid growth in the Natomas area. Urbanization of the SOI Amended Area will likely occur within five years, according to the MSR, correspondence received from the City on August 27, 2007, and the Sacramento Area Council of Government's ("SACOG") Preferred Sacramento Regional Blueprint Transportation and Land Use Study ("Blueprint"). Infill sites in the City are absorbed at less than a 30% rate due to constraints with infrastructure, adjacent land utilization, lot size, and other development restrictions. As a consequence, the City does not have sufficient capacity to accommodate expected growth without expansion of its boundaries.

ii. Other land for Sphere of Influence expansion: Other non-agricultural lands are not available for annexation, in that unincorporated urbanization abuts the City on the east and south, with the County of Sacramento boundary to the west along the center-line of the Sacramento River.

iii. The SOI Amended Area is consistent with the Joint Vision MOU, which contemplates growth in this portion of Sacramento County to accommodate need. The proposed SOI will not negatively impact development within the unincorporated area of Sacramento County.

iv. SACOG adopted the Blueprint in December 2004. The Blueprint's preferred land use scenario identifies the SOI Amended Area site for varied density mixed-use residential and commercial land uses.

v. The SOI Amendment also supports jobs and housing balance, since it would provide a relatively short commute to existing and proposed employment centers located at the airport, Metro Airpark, North Natomas Community Plan area, and Downtown Sacramento.

vi. The City and Blueprint's Smart Growth principles have been applied to the proposed development of the SOI Amended Area.

vii. The SOI Amendment would be consistent with transit plans by Regional Transit and SACOG for a future Downtown-Natomas-Airport light rail extension and station within the SOI Amended Area.

viii. Significant development already exists or is planned for areas to the south, east and west of the SOI Amended Area. Existing development to the east across State Route 70/99 is designated for single-family lots. The area south of Interstate-5 is designated for single-family large lot, single-family small lot, public, and medium-density mixed-use center or corridor land uses. The area to the west is currently agricultural, but is designated for industrial land uses (Metro Airpark).

ix. The SOI Amendment would not affect the physical and economic integrity of adjacent agricultural lands. Lands to the east and south are

predominately developed for urban uses. Lands to the north are envisioned by the City for development, so a buffer to the north was deemed unnecessary by the City. (DEIR p. 5-11.)

x. Resolutions Nos. LAFC 1346 and LAFC 1347 impose conditions and mitigations to lessen the impacts of the loss of agricultural lands while promoting orderly growth.

xi. The SOI Amendment is consistent with other urbanization plans because the area is located along the route currently planned by Regional Transit for the Downtown-Natomas-Airport Light Rail Line.

c. The anticipated uses within the SOI Amended Area are mixed-use residential, commercial and open-space. The projected land use mix and associated environmental impacts are explained and analyzed in the FEIR dated August 15, 2007. As required by LAFCo's policies, a phased plan for annexation of the Amended SOI Area is included in the Application.

d. The Commission finds that the Joint Vision MOU provides for a planning process that recognizes the need for growth as well as conservation of open space and habitat for species and agricultural land. The Commission has found that the SOI Amendment is consistent with the Joint Vision MOU and its principles.

Open Space and Habitat:

e. The Commission has conditioned the approval of the SOI Amendment and imposed measures designed to balance the need for orderly growth with the need to preserve open space, habitat for listed and endangered species, and agricultural lands. The SOI Amended Area of 577 acres contemplates the following habitat and open space:

- i. Parks: 48.4 net acres (55.2 gross acres)
- ii. Lake: 39.2 acres
- iii. Open Space/Buffer: 54 net acres (54.3 gross acres)
- iv. Open Space/Pedestrian Paseo: 2.63 acres.

v. The dedication of the Spangler property located in northern Sacramento County along the Sutter County line, northeast of the Sacramento Airport and west of SR 70/99 for habitat preservation. (FEIR, pp. 1-10 to 1-12.)

vi. The North Natomas 130 site, which is adjacent to the Natomas Basin Conservancy's Cummings Preserve to the south, Fisherman's Lake to the east, rice land to the north, and the Sacramento River to the west, will also be dedicated.

vii. Additional properties as mentioned in the FEIR.

f. The Amended SOI Area will be subject to a new United States Fish and Wildlife Service (“USFWS”) Habitat Conservation Plan (“HCP”) with the concurrence of the California Department of Fish and Game.

g. The City and USFWS have been meeting regularly since January of 2007 to discuss the preparation of a new HCP. An Environmental Impact Statement will have to be prepared in accordance with the new project-specific HCP. USFWS has indicated that higher mitigation will be required (higher than the .5 to 1).

h. Development of the Amended SOI Area was not anticipated in the 2003 Natomas Basin Habitat Conservation Plan (“NBHCP”), requiring the preparation of a separate project specific HCP for the proposed development the Amended SOI Area. The Final EIR contains a draft Effects Analysis that analyzes the proposed development of the SOI Amended Area on the NBHP Report. According to the City’s and the Commission’s environmental consultant, the Effects Analysis applies the same NBHCP methodology in the evaluation of effects.

i. By way of background, the City and Sutter County prepared the current Natomas Basin Habitat Conservation Plan in December 1997 (the “1997 NBHCP”). The 1997 NBHCP established an overall mitigation ratio of 0.5 acres for every 1 acre of impact. Lawsuits were filed challenging the 1997 NBHCP and the court ruled that the United States Fish and Wildlife Services (“USFWS”) and the City must revise the NBHCP, which they did, resulting in the 2003 NBHCP. (2003 NBHCP, p. 1-23-28). Under the 2003 NBHCP, the anticipated take of the giant garter snake was expected to be adequately mitigated through the establishment of up to 6,562.5 acres of reserve lands in both managed marsh wetlands and rice lands (based on the 0.5 to 1 ratio).

j. With respect to Swainson’s hawk, the 2003 NBHCP concluded that 328 acres of potential Swainson’s hawk nesting habitat and 21,908 acres of potential Swainson’s hawk foraging habitat exists within the Natomas Basin. (2003 NBHCP, pp. VII-12, VII-14; Appendix H, Table 5-5, p. 3-7).

k. With respect to the giant garter snake, the acreage of habitat would decrease by 204 acres when compared to the NBHCP 2001 baseline and by 45 acres when compared to 2005 conditions. (Effects Analysis, pp. 3-5 to 3-7.)

l. The project will comply with the requirements of the USFWS in order to receive an Incidental Take Permit to implement the project-specific HCP. (Effects Analysis, pp. 3-30.)

m. As set forth in the Final EIR, Swainson’s hawk loss of nesting habitat would remain at 211 acres. (Effects Analysis, p.3-7.) Swainson’s hawk foraging habitat would decrease by 222 acres when compared to the NBHCP 2001 baseline and by 380 acres when compared to the 2005 conditions. (Effects Analysis, p.3-7.) Although restoration of the Natomas 130 parcel would reduce the acreage of Swainson’s hawk habitat because the land would be converted to marsh, 14 acres would be enhanced for

Swainson's hawk foraging on the remainder of the site. (Effects Analysis, p.3-29.) This foraging habitat would be subject to the approval of the California Department of Fish and Game to determine if the habitat would provide resources sufficient to offset the lost habitat acreage. (Effects Analysis, p.3-29.)

n. The City and Sacramento County have satisfied the meet and confer requirement pursuant to Government Code Section 56425, subdivision (b). A final agreement related to open space has not been reached and will be finalized prior to annexation and approval of a property tax sharing agreement.

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

o. The SOI Amendment is a plan for the City's future probable physical and service area boundaries. According to the MSR and the City's General Plan Update Technical Background Reports, the City needs to expand in order to accommodate growth. The Sphere of Influence may be subject to terms and conditions imposed by LAFCo to ensure orderly and planned growth is tempered by the need to preserve open space, habitat for species and agricultural land. No objections to the SOI Amendment have been raised by affected agencies or jurisdictions as to service issues.

p. The SOI Amendment will not require the immediate need for additional public facilities or services. However, the application anticipates annexation if proposed development entitlements are granted. This future development will result in the need for additional public facilities and services, including the extension and improvement of sanitary sewer and municipal lines and waste water treatment facilities, new flood control facilities, construction of road improvements, additional police and fire protection, new school facilities, libraries and parks. The Commission has imposed numerous conditions on its approval of the SOI Amendment to ensure that public facilities and services are available for the SOI Amended Area.

q. The Commission finds that the SOI Amended Area will assist in financing underfunded infrastructure in the North Natomas area. Currently according to the City, infrastructure for library, fire, police, transit and roadway facilities is underfunded by approximately \$70 million dollars due to construction costs exceeding fee adjustments. The SOI Amended Area may lead to development that would reduce this underfunding by approximately 3.35 million dollars. In addition, the City anticipates that development would provide additional funding for public services including \$1.78 million for library facilities, a \$1.52 million contribution for the construction of fire facilities, and \$2.4 million for police facilities, which includes a \$1.5 million 880-MegaHertz radio transmission tower.

Regional infrastructure benefits in the event of development include the dedication of a corridor that could accommodate a future transit stop and light rail alignment for the Downtown-Natomas-Airport light rail extension. The proposed station is included in Sacramento Regional Transit Planning and is included in the Regional Transportation Plan prepared by SACOG. The light rail station would provide public

transportation access to downtown Sacramento, Sacramento International Airport and Metro Air Park. The transit station is currently estimated at \$2.4 million. RT will also be provided with a right-of-way over the project site at no cost. Finally, according to the City's plan for development of the amended SOI area, the development will provide \$1.65 million for improvements to the Elkhorn interchange.

r. The Final EIR identifies the probable impacts that may result from any future development. The identified impacts are based on certain assumptions associated with the land use scenario analyzed for the affected territory. The Commission has adopted numerous mitigation measures designed to lessen impacts upon the environment to the extent feasible.

s. The SOI Amendment is consistent with the policies of the General Plan of the City of Sacramento, as discussed in the Executive Officer's Report at pages five through eight and the Master Plans of Sacramento Regional County Sanitation District and CSD#1, respectively. This finding is based on the Record of Proceedings, the Executive Officer's Report, the General Plan of the City of Sacramento, and the Master Plans of the Sacramento Regional County Sanitation District and County Sanitation District #1.

t. The SOI Amendment does not create islands, corridors or peninsulas or distort existing boundaries. This finding is based on the Record of Proceedings, the Boundary Map, the land use plan, and the Executive Officer's Report.

u. The SOI Amendment does not exclusively contain revenue-producing properties. This finding is based on the Record of Proceedings, the Boundary Map, the land use plan, and the Executive Officer's Report.

v. Under the SOI Amendment, no parcels are split and no area that is difficult to serve is created. This finding is based on the Record of Proceedings, the Boundary Map, and the Executive Officer's Report.

w. The proposed SOI Amendment results in orderly growth and is not "leap frog" development in relation to existing development.

x. The proposed SOI Amendment does not pose a threat to public health and safety. This finding is based on the Record of Proceedings, the Boundary Map, the Executive Officer's Report, the FEIR, and the MSR.

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

y. The SOI Amendment will not result in significant unmitigable adverse effects upon other service recipients or other agencies serving the affected area. This finding is based on the MSR, the Joint Vision MOU, the SACOG Blueprint, and the comments of affected agencies.

z. Currently, the City has the capacity to provide public services to area residents and commercial/industrial customers. However, approval of the SOI Amendment will necessitate that the City budget and plan for the expansion of facilities and services.

aa. The City has sufficient water supplies to meet existing and projected future demands in addition to the proposed project through 2030 under all water year types (e.g., normal, single-dry, and multiple-dry years).

bb. The SOI Amended Area is within the Natomas levee system which does not meet minimum federal flood insurance program standards for 100-year flood protection. As a consequence, FEMA must revise the Flood Insurance Rate map. According to the City, FEMA would likely select one of three Special flood Hazard Areas as described below:

i. AE: Zone AE is the flood insurance rate zone. New structures developed in these areas must be elevated at least one foot above the base flood elevation.

ii. AR: Zone AR is the flood insurance rate zone used to depict areas protected from flood hazards by flood control structures, such as a levee, that are being restored. New structures in “infill development” areas must be elevated at least three feet above the “highest adjacent grade.”

iii. A99: Zone A99 is the flood insurance rate zone that corresponds to areas with the 1-percent annual chance floodplain that will be protected by a Federal flood protection system where construction has reached specified statutory milestones. There are no development restrictions within this zone.

cc. The City has sent a letter to FEMA requesting an A99 flood zone designation. As of September 7, 2007, a response from FEMA has not yet been received. The City will be required to implement flood measures according to the FEMA designation.

dd. Approval of the SOI Amendment does not constitute approval of any construction because the Sphere of Influence designation is merely a general description of area that indicates the City’s “probable” boundaries. No additional flood information is required at this time.

ee. Other than construction of the necessary infrastructure to connect to the City’s existing water system, no additional water supply facilities would be needed to serve the project. Sufficient capacity within the County Sanitation District #1 collection system and Sacramento Regional County Sanitation District interceptor system would be available to accommodate the project’s wastewater demand.

ff. The responsibilities and jurisdiction of the service providers in the SOI Amended Area are outlined in detail in the MSR.

gg. Sacramento County will continue to provide the following county-wide services to future residents: Agricultural Commissioner; Coroner; Courts; District Attorney; Public Defender; probation; jail; human assistance; health and human services; elections; recordation; assessments; tax collection; regional parks; and animal control. The County General Fund primarily finances these services, with revenues from both incorporated and unincorporated areas.

hh. As a precondition to any future annexation, the Commission has imposed a number of conditions to ensure that service providers have the funding and capability to provide needed services.

ii. The Commission makes the following findings regarding the existence of social or economic communities of interest in the SOI Amended Area:

i. Territory within the SOI Amended Area is agricultural and does not contain any social or economic community of interest. The SOI Amended Area is located outside the Sacramento County's General Plan Urban Service Boundary (i.e., the ultimate boundary for the delivery of an urban level of service by the County).

ii. The Joint Vision MOU discusses the policies to promote logical boundaries to accommodate future urban expansion. The Joint Vision MOU identifies the City as the most logical provider of urban services to the SOI Amended Area. The City is currently updating its General Plan to include the SOI Amended Area for development consistent with the Application.

iii. The SOI Amended Area is bounded on three sides by developed uses or proposed developed uses and is bounded on two sides by freeways, and bisected by the proposed Sacramento Regional Transit District Light Rail Downtown-Natomas-Airport alignment.

iv. The City has provided information and data in the MSR concluding that the development will not adversely affect adjacent communities of interest.

v. The SOI Amendment does not divide any existing communities or other areas having identifiable social and economic homogeneity.

FURTHERMORE, the Commission does hereby resolve that it is necessary and appropriate to apply certain conditions to the approval of the SOI Amendment 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 SOI Amendment is conditioned upon the following:

14. The mitigation measures adopted pursuant to CEQA by LAFCo under Resolution Nos. LAFC 1346 and LAFC 1347 are incorporated herein by reference. Prior to consideration

by LAFCo of the application to annex property within the SOI Amended Area, LAFCo shall review the Mitigation Monitoring and Reporting Plan approved as part of the SOI Amendment for compliance and shall undertake additional environmental review if required under CEQA.

15. Prior to annexation of the property within the SOI Amended Area, the City shall demonstrate the following:

a. Prior to annexation, the City will provide information to the Commission in compliance with FEMA and DWR flood-plain development measures adopted regarding the public interest.

b. Prior to annexation, the City shall re-confirm that the SOI Amended Area is surrounded by or adjacent to lands planned for urban uses.

c. Prior to LAFCo's consideration of the application to annex property within the SOI Amended Area, 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) regarding the Regional Housing Needs Allocation.

d. Prior to LAFCo's consideration of the application to annex property within the SOI Amended Area, the City shall adopt appropriate land use designations for all property within the SOI Amended Area, noting open space and habitat preservation measures at a minimum, as set forth in the FEIR and this Resolution.

e. Prior to annexation and pursuant to Government Code Section 56375, the City shall pre-zone the property consistent with the City of Sacramento General Plan, as amended. In pre-zoning within the SOI Amendment Area, the City must update its Water Supply Assessment so that LAFCo can determine water availability as required by law, in compliance with the terms and conditions of the Water Forum Agreement. The information provided shall be sufficient for LAFCo to determine water availability to the area pursuant to Government Code Section 56668, subdivision (k), or its successor.

f. Prior to LAFCo's consideration of the application to annex property, the City shall approve a financing plan to address the traffic/transportation measures necessary to mitigate the impacts from the development of the SOI Amended Area. To implement this finance plan, the City, in coordination with Caltrans, will provide its plan to provide traffic congestion relief and provide its plan for the fair-share contribution by the development, including the funding of a transit station and dedication of land for the Downtown-Natomas-Airport light rail line.

16. Prior to LAFCo's consideration of the application for annexation, the City shall revise and update its General Plan to include the SOI Amended Area in accordance with State law.

17. Prior to LAFCo's consideration of the application to annex property within the SOI Amended Area, the City must submit:

a. A Transit Master Plan for the SOI Amended Area 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.

b. An updated Bikeway Master Plan to delineate bikeway and pedestrian facilities within the SOI Amended Area consistent with the goals and policies of the City's General Plan.

18. Where permitted by law, the City shall incorporate feasible school impact mitigation requirements into development agreements.

19. Prior to LAFCo's consideration of the application to annex property within the SOI Amended Area, the City shall submit information demonstrating full compliance with the Joint Vision MOU.

20. Prior to annexation, the City will confirm with LAFCo that the USFWS agrees with the process for preparing the new project-specific HCP.

21. Prior to annexation, the City shall coordinate with the Sacramento Metropolitan Air Quality Management District to fully address the District's concerns.

22. *Prior to annexation, the City shall demonstrate to LAFCo as stated in the Sphere of Influence Amendment (SOIA) hearings on this issue, that any residential development in the SOI Amended Area shall not receive approval for vertical construction of improvements to real property until the affected territory has been certified by US Department of Homeland Security Federal Emergency Management Agency (FEMA) for a minimum of one hundred (100) year flood protection.*

FURTHERMORE, in accepting the MSR, the Commission has considered the policies set forth in Government Code Section 56430. Pursuant to Government Code Section 56430, the Commission finds and determines that:

23. The Executive Officer presented the MSR on September 19, 2007, to the Commission, and the Commission accepted it.

24. The City has provided for its infrastructure needs and this determination is based upon the Executive Officer's Reports and the information received from the City.

25. 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

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

27. 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.

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

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

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

31. The City is governed by eight locally elected City Council members and one Mayor.

32. The MSR is current as it was submitted in July 2007.

33. 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. The MSR is consistent with the City's annexation policy. These findings are based upon this Resolution, the Record of Proceedings, the Executive Officer's Report, the Joint Vision MOU, the MSR, and the SACOG Blueprint.

34. The MSR includes determinations with respect to each of the following: (1) infrastructure needs or deficiencies; (2) Growth and population projections for the affected area; (3) Financing constraints and opportunities; (4) Cost avoidance opportunities; (5) Opportunities for rate restructuring; (6) Opportunities for shared facilities; (7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers; (8) Evaluation of management efficiencies; and (9) Local accountability and governance.

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

36. 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.

37. The City is the subject agency that will be the most logical and efficient provider of services to the SOI Amended Area. This finding is based upon finding 13 above, the Record of Proceedings, the Executive Officer's Report, the Joint Vision MOU, the MSR, and the SACOG Blueprint.

38. 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 SOI Amendment. Through this analysis, LAFCo concludes that that there are no Spheres of Influence of overlapping jurisdictions.

39. The MSR concludes that adequate services, including water, wastewater, circulation and roadways, animal care, code enforcement, law enforcement, fire protection, solid waste and recycling, drainage and flood control, 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 SOI Amended Area.

40. 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.

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

42. The nature of each service to be provided is discussed in detail in the MSR. It discusses how water, wastewater, circulation and roadways, animal care, code enforcement, law enforcement, fire protection, solid waste, drainage and flood control, 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 SOI Amended Area.

43. The service level capacity to be provided is discussed in detail in Section III of the MSR.

44. The anticipated service level to be provided is discussed in detail in Section III of the MSR.

45. All actions, improvements, or construction necessary to reach required service levels, including costs and financing methods, is discussed in detail in Section III of the MSR.

46. LAFCo 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 sections 56000-57550) and the Municipal Utilities District Act (Public Utilities Code sections 11501-14403.5 and specifically sections 12801-12827).

47. The MSR identifies possible savings occurring as a result of the action. The report prepared for the SOI Amendment discusses projected revenues, costs, and benefits associated with the proposed annexation. It is referenced in the MSR (Appendix H).

48. 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.

49. Based upon the conclusions in the MSR, the Record of Proceedings, and the Executive Officer's Report, LAFCo concludes that the City will be able to efficiently assure reliable services at an acceptable cost to the new residents.

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

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

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

ON A MOTION made by Commissioner Fong, seconded by Commissioner Yee, the foregoing Resolution No. LAFC 1348 was adopted by the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION** State of California, on this 19th day of September, 2007, by the following vote, to wit:

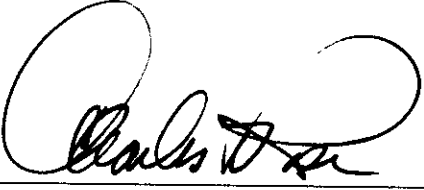
AYES: *Miklos, Peters*

NOES: *Tooker, Fox, and Rose*

ABSTAIN:

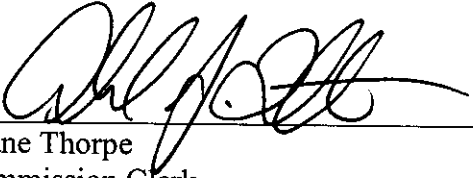
ABSENT:

By:



Chuck Rose, Chair
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

ATTEST:

la 

Diane Thorpe
Commission Clerk

EXHIBIT 'A'

**LEGAL DESCRIPTION
FOR THE
GREENBRIAR SPHERE OF INFLUENCE AMENDMENT**

All of Section 33, Township 10 North, Range 4 East, Mount Diablo Baseline and Meridian, also being all of Lots 93 – 98 and 124 – 129 as shown on the Map entitled "Natomas Central Subdivision" recorded in Book 16 of Maps, at Page 3, Sacramento County Records, located in the County of Sacramento, State of California, more particularly described as follows:

Beginning at a point which is the northeast corner of said Section 33, said point also being the northeast corner of said Lot 124, said point also being located along the City Limits line of the City of Sacramento as described in an Ordinance entitled "Natomas Annexation Area No. 1" filed as Sacramento City Ordinance No. 2295 – Fourth Series;

- 1) THENCE South 00° 33' 05" East, a distance of 2597.28 feet along the east line of said Section 33, also being the east boundary line of said Lot 124, also being the said City Limits line;
- 2) THENCE South 00° 32' 55" East, a distance of 2693.76 feet continuing along the east line of said Section 33, said east boundary line of Lots 124 and 98, and said City Limits line to the southeast corner of said Section 33;
- 3) THENCE South 89° 39' 26" West, a distance of 5185.64 feet along the south line of said Section 33, also being the south boundary line of said Lots 98, 96, and 93, also continuing along said City Limits Line and a westerly prolongation of said City Limits Line respectfully, to the southwest corner of said Section 33;
- 4) THENCE North 00° 24' 05" West, a distance of 2640.64 feet along the west line of said Section 33, also being the west boundary line of said Lots 93, 94, and 95;
- 5) THENCE North 00° 32' 38" West, a distance of 2693.69 feet continuing along said west line of said Section 33, also being the west boundary line of said Lots 127, 128, and 129 to the northwest corner of said Section 33;
- 6) THENCE South 89° 51' 49" East, a distance of 5178.84 feet along the north line of said Section 33, also being the north boundary line of said Lots 129, 125, and 124 to the POINT OF BEGINNING;

Containing 631.818 acres, more or less.

Basis of Bearings for this description is the west line of Lots 127, 128, and 129 as shown on a Record of Survey Map entitled "Portion of Natomas Central & Natomas Elkhorn Subdivisions Located in Portion of Sections 20, 21, 28, 29, 32 & 33 T.10N., R. 4E., M.D.B.&M." recorded in Book 30 of Surveys, at Page 38. Said line is taken to bear North 00° 32' 38" West.

July 20, 2007

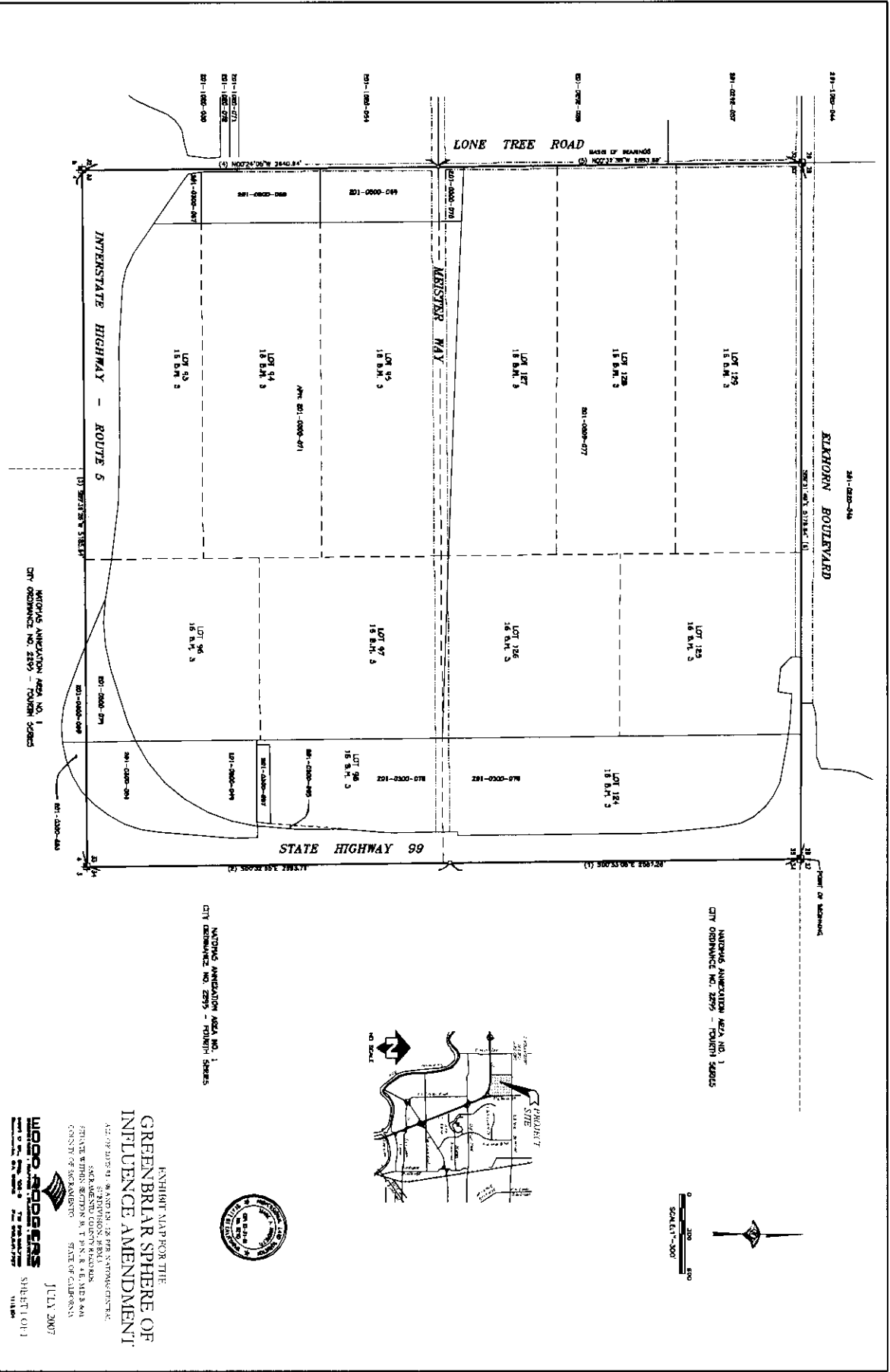
END OF DESCRIPTION

PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA



EXHIBIT B

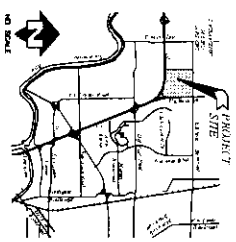
MAP OF AFFECTED TERRITORY



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NADING APPLICATION AREA NO. 1
 CITY ORDINANCE NO. 2295 - FOURTH SHEET

NADING APPLICATION AREA NO. 1
 CITY ORDINANCE NO. 2295 - FOURTH SHEET



**EXHIBIT MAP FOR THE
 GREENBRIAR SPHERE OF
 INFLUENCE AMENDMENT**

ALL OF THE 91, 98 AND 122 PER CENTAGES CENTER
 FROM WITHIN SECTION 8, T. 9 N., R. 4 E., M.D.S. 604
 COUNTY OF SERRANO
 STATE OF CALIFORNIA

WOOD ROGERS
 ENGINEERS
 1118 1/2
 SHEET 011