

**RESOLUTION No. LAFC 1356**

**THE SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

**APPROVING THE APPLICATION FOR ANNEXATION TO THE CITY OF SACRAMENTO,  
SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT, AND COUNTY  
SANITATION DISTRICT #1, AND DETACHMENT FROM THE NATOMAS FIRE  
PROTECTION DISTRICT**

**(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 an annexation pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

**WHEREAS**, pursuant to Government Code section 56375, subdivision (a), the Commission is authorized to consider and approve an annexation application;

**WHEREAS**, on November 4, 2005, the City of Sacramento (“City”) submitted an application to the Commission for expansion of the City’s Sphere of Influence and, and amendment to the Sphere of Influence of the Sacramento Regional County Sanitation District and County Sanitation District #1 (collectively the “SOI Amendment”) and for Annexation of the territory to the City of Sacramento and to the Regional County Sanitation District and County Sanitation District 1, and Detachment from the Natomas Fire Protection District (“Proposal” or “Annexation Proposal”). The City’s submission to LAFCo also included requests for additional development entitlements subject to approval by other public agencies, including Prezoning, a General Plan amendment, a Master Tentative Parcel Map, a Tentative Subdivision Map, a Planned Unit Development, and a Development Agreement.

**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,” which terms set forth policies regarding future development in the Natomas area, and have entered into a Property Tax Exchange Agreement and an Open Space MOU (“Joint Vision MOU”) on March 11, and March 12, 2008, respectively;

**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 1345, certified that the Final EIR has been prepared in full compliance with the terms of the California Environmental Quality Act (“CEQA”) in connection with its review as the lead agency for the Sphere of Influence Amendment;

**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 approved the Sphere of Influence Amendment and accepted the Municipal Services review on September 19, 2007, in Resolution 1348;

**WHEREAS**, the Commission considered and approved a revised Mitigation Monitoring and Reporting Plan in Resolution 1347 on September 19, 2007 in connection with the Sphere of Influence Amendment;

**WHEREAS**, following approval of the Sphere of Influence Amendment in Resolution 1348, the City did not approve all items listed in its original application to LAFCo and instead approved only its first stage legislative entitlements, including a General Plan amendment (Resolution No. 2008-058), pre-zoning (Ordinance No. 2008-004), an inclusionary housing plan (Resolution No. 2008-057), establishment of a Planned Unit Development (“PUD”) (Resolution No. 2008-059), and a draft Finance Plan (Resolution No.2008-056). No actual development may occur, until the City has approved the remaining entitlements originally proposed.

**WHEREAS**, following the City’s action, the City submitted to LAFCo the City’s Request for Reorganization (Annexation and Detachments) (City Resolution 2008-055);

**WHEREAS**, LAFCo is a responsible Agency under CEQA for the Request for Reorganization. (Cal.Code Regs., tit. 14, § 15051, subd. (b)(2); LAFCo Policies and Procedures, IV.F.1.)

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

**WHEREAS**, the Executive Officer has prepared a staff report recommending approval of the annexation dated April 2, 2008.

**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 Proposal;

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

1. The Commission approves the Reorganization (Annexations and Detachment) Proposal. This approval is based on administrative record of this action and the findings in this Resolution and is subject to the terms and conditions set forth in this Resolution. In approving the Annexation Proposal, the Commission has considered the factors required by law and its policies, and has made findings as set forth in this Resolution. While these findings list references to certain documents or facts, each finding is based on the whole of the administrative record.
2. LAFCo finds that notice as required by law has been given. The Commission finds that proper notice has been provided to all interested parties and agencies including the legislative body and Executive Officer of all affected agencies consistent with Government Code 56123.
3. LAFCo finds that numerous public hearings have been conducted on the Proposal consistent with Government Code 56662(b).
4. LAFCo finds that the Commission has received and considered the Executive Officer's Report consistent with Government Code 56666.
5. LAFCo finds that the application for annexation complied with the requirements of Government Code sections 56652, 55654, and 56700.
6. LAFCo finds that it previously acted as lead agency for the Sphere of Influence Amendments, conducted an Initial Study of the Sphere of Influence Amendments, and caused an Environmental Impact Report ("EIR") to be prepared which was certified by the Commission, as complying with the California Environmental Quality Act ("CEQA"), pursuant to Resolution 1345. A revised Mitigation Monitoring and Reporting Plan was adopted pursuant to Resolution 1347 and Findings and a Statement of Overriding Considerations was adopted pursuant to Resolution 1346;
7. LAFCo finds that for its consideration of the Proposal, it is acting as a Responsible Agency. Concurrent herewith LAFCo adopted Resolution 1354 making findings under CEQA and adopting a Statement of Overriding Considerations. LAFCo also concurrently adopts a revised Mitigation Monitoring Reporting Plan in Resolution 1355.

8. LAFCo finds that the City submitted a Plan for Services dated February 11, 2008, which contained all of the following information in accordance with Government Code section 56653:

- a. An enumeration and description of the services to be extended to the affected territory.
- b. The level and range of those services.
- c. An indication of when those services can feasibly be extended to the affected territory.
- d. An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- e. Information with respect to how those services will be financed.

9. In Resolution 1348, LAFCo required that the City demonstrate compliance with certain terms and conditions prior to annexation of the property (“Conditions of Approval”). LAFCo finds that the City has complied with these Conditions of Approval, as stated in Exhibit C to this Resolution.

10. LAFCo finds that it has considered all relevant factors set forth in Government Code 56668 and all other relevant factors in reaching its conclusions regarding the Proposal including, but not limited to, the following:

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

The Annexation Area is uninhabited. It consists of 12 parcels of land consisting of 577 acres that have been in agricultural production and support agricultural uses. The site is currently fallow, but has historically been rotated from fallow to active crop cultivation conditions. There are no irregularities in the topography. The Annexation area is located at the northwest quadrant of the intersection State Routes 70/99 and Interstate 5, and is adjacent to and both north and west of the City.

The MSR states that the City has experienced rapid growth in the last five years and particularly rapid growth in the adjacent North Natomas Community Plan area. Urbanization of the Annexation Area will likely occur within five years, upon completion of the SAFCA levee improvement project scheduled for 2012, 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”).

Significant development already exists or is planned for areas to the south, east and west of the Annexation 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).

The City submitted a letter to LAFCo dated March 21, 2008, responding to the Conditions of Approval imposed by LAFCo in approving the Sphere of Influence. This letter provides additional data regarding the expected growth in the area and proposals for land use.

b. The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed reorganization (annexation and detachments), or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

The Draft Plan for Services submitted by the City on February 11, 2008, and final Plan for Services submitted by the City on March 25, 2008, provides an adequate plan for providing services to the Annexation Area. The Executive Officer has reviewed the Draft and Final Plan for Services and has determined them to be adequate. The Plan for Services contains the required information as set forth under LAFCo policies.

The City submitted a letter to LAFCo dated March 21, 2008, responding to the Conditions of Approval imposed by LAFCo in approving the Sphere of Influence. This letter also provides additional data regarding the adequacy of present City services in the North Natomas area and the cost of services in the Annexation Area.

c. The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

LAFCo has considered the effects of the annexation and detachment as contemplated under the Proposal and, as set forth in this Resolution, finds that the County and adjacent areas are not adversely affected by the Proposal. This finding is based upon the comments received from the public agencies and the documents provided to LAFCo including, but not limited to, the City's letter of March 21, 2008, the Memorandum of Understanding Regarding the Delivery of Open Space From the Greenbriar Development (hereinafter "Agreement") dated March 11, 2008 for reference purposes, entered into by the County, the City and North Natomas 575 Investors, LLC, ("Developer,") and the comments of Sacramento International Airport which is located to the west of the Proposal area.

The City submitted a letter to LAFCo dated March 21, 2008, responding to the Conditions of Approval imposed by LAFCo in approving the Sphere of Influence. This

letter also provides additional data regarding the effect of the Proposal on the adjacent area of North Natomas.

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

LAFCo imposed a number of conditions upon the City at the time of adoption of the Sphere of Influence Amendment. (See, *supra*, ¶ 9.) The City has complied with the requirements of those conditions, many of which related to the LAFCo's policies on planned, orderly, and efficient development. Further the Proposal conforms to the Sacramento Area Council of Government's ("SACOG") Preferred Sacramento Regional Blueprint Transportation and Land Use Study ("Blueprint") dated December 2004. The Blueprint's preferred land use scenario identifies the Annexation Area for varied density mixed-use, residential, and commercial land uses. The City and Blueprint's Smart Growth principles have been applied to the proposed development of the Annexation Area.

The Annexation Area is also consistent with the Joint Vision MOU, which contemplates growth in this portion of Sacramento County to accommodate need.

The Proposal 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.

The Annexation is consistent with transit plans by the Sacramento Regional Transit District and SACOG for a future Downtown-Natomas-Airport light rail extension and station within the Annexation Area. On March 20, 2008, SACOG adopted its 2035 Metropolitan Transportation Plan, which includes the DNA line for future funding, and in December, 2007, RT published a Notice of Availability (NOA) for its Draft Program EIR for the DNA Corridor. The NOA established a comment period on the Draft Program EIR (PEIR) from December 28, 2007, to February 26, 2008. During the comment period, several public meetings were held, including two Public Open Houses on February 9, 2008, and February 11, 2008, as well as a Community Meeting on February 14, 2008. In addition, the RT Board of Directors received comments on the PEIR at a public hearing on February 25, 2008.

e. The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

As required by LAFCo Policy IV.E, LAFCo finds that the annexation will result in the conversion of some prime agricultural land in open space to other uses, but also finds that this conversion will lead to the planned, orderly, and efficient development of the annexation area as required under LAFCo polices and state law. The Annexation 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 Annexation Area are subject to Williamson Act Contracts. The Annexation Area is surrounded by urban uses or proposed urban land uses on three sides

and is the next logical step for development as determined by the City. LAFCo's findings on the conversion of prime agricultural land are set forth below.

The Proposal is consistent with the City's existing General Plan adopted in 1988:

- A pro-annexation policy for urbanized areas should be based on eliminating unincorporated pockets, providing public services more efficiently, and securing property and sales tax revenues.
- The annexation issue of the future should be to achieve a mixture of commercial, industrial and residential lands, and a balanced revenue expenditure program.
- Annexation of any land into the City must be consistent with General Plan policies, within the City's adopted Sphere of Influence and approved by LAFCo.

Also, The City's draft General Plan Update currently anticipates that the City will grow by 200,000 people by 2030. Buildout of the large developable parcels within the City would only accommodate an additional estimated 114,000 people. Development of infill areas would accommodate some of the additional population, although only about 30% of the infill lands are anticipated to be absorbed within the next 20 years. The development of Greenbriar is anticipated in the draft General Plan as a way to accommodate an additional 6,000 people.

The City has indicated that if Greenbriar is not approved, then the growth is likely to be accommodated elsewhere in the region further removed from the urban core: e.g., Yuba City, Plumas Lakes. Accommodating this growth in the City rather than in outlying areas is more consistent with smart growth principles as it does not force the growth to sprawl out beyond Sacramento County's borders.

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

The boundaries of the territory are definite and certain, as shown in Exhibit A and B. The boundaries conform to lines of ownership, do not create islands or corridors of unincorporated territory, and do not raise any other similar issues.

g. Consistency with city or county general and specific plans.

In its letter dated March 21, 2008, the City confirmed that both the current General Plan and its draft General Plan Update Preferred Land Use and Urban Form Diagram assumes Greenbriar as a "pipeline project" ("Planned Development") as shown in the attached exhibit. The City draft policies on growth and change, which were attached to the letter, include policy LU1.1.5 which states: "Annexation Prior to City Services. The City shall require that unincorporated properties be annexed into the City prior to the provision of any City services, or that a conditional service agreement be executed agreeing to annex when deemed appropriate by the City."

h. The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

On September 19, 2007, LAFCo approved a Sphere of Influence Amendment that changed the Sphere of Influence for the City, SRCSD and CSD#1 to include the Annexation Area.

i. The comments of any affected local agency or other public agency.

LAFCo has not received any comments from any affected local agency raising objections to the proposal. It received a comment from the United States Fish and Wildlife Service on March 13, 2008, which is discussed in detail in Exhibit C to this Resolution.

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

The City submitted a Draft Plan for Services, dated February 11, 2008, and a Final Plan for Services dated March 25, 2008, which discuss the City's ability to provide services in the annexation area, including the sufficiency of revenues for those services after the proposed annexation.

k. Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

The City Council adopted Resolution 2007-323 on May 29, 2007, which adopted the Water Supply Assessment ("WSA") for the Greenbriar project area. The WSA was prepared consistent with the City of Sacramento Urban Water Management Plan ("UWMP") (November 14, 2006) and the direction from the City of Sacramento Department of Utilities. The UWMP assumed the Greenbriar project as a baseline project. The Greenbriar WSA concludes that based on the City's most recent Urban Water Management Plan there are sufficient water supplies for the project during normal, single dry and multiple dry years over a 20 year period. The WSA is attached to the City's letter to LAFCo dated March 21, 2008.

l. The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

The City's 2002-2007 Housing Element was adopted by the City in June 2003, and certified by HCD on September 9, 2003.

In preparing its 2007-2012 Housing Element, which must be adopted by June 2007, the City must satisfy its 2006-2013 Regional Housing Needs Allocation ("RHNA"), as prepared and adopted by SACOG. Due to the slowdown in the housing market and changes in State growth projection for the SACOG region, the RHNA was lowered by approximately 30% as a result of legislation (AB 1259). The 2006-2013 RHNA includes



an allocation for the City for both the Panhandle and the Greenbriar area since the City was in the process of annexing those areas at the time the new RHNA was prepared by SACOG. The City's total allocation is 17,649 housing units. Broken down by income level, the City's allocation is as follows:

<b>Income Level</b>	<b>Units</b>
Very Low (0-50% AMI)	2,472
Low (51-80% AMI)	2,582
Moderate (81-120% AMI)	3,603
Above Moderate (120%+ AMI)	8,991
Total*	17,649

AMI = Area Median Income  
\*Addition error due to rounding

In order to fulfill its obligations under State Housing Element law (Gov. Code Section 65580 et seq.), the City must demonstrate that it has sufficient sites that are appropriately zoned to accommodate this amount of development within the 2006-2013 period. Land zoned for higher-density development is considered by HCD to be suitable for housing for low and very low-income households. Sites zoned for higher density development have been included near the light rail station in the Greenbriar development in order to address the need for lower-income housing sites. Furthermore, on January 29, 2008, the City Council adopted Resolution 2006-057, which adopts an Inclusionary Housing Plan (IHP) for the Annexation Area. This IHP identifies the location of 449 affordable rental units at three high density residential sites within the Annexation Area.

m. Any information or comments from the landowner or owners, voters, or residents of the affected territory.

The area is uninhabited, and the landowner supports approval of the Proposal.

n. Any information relating to existing land use designations.

The City Council adopted Resolution 2008-058 on January 29, 2008, which established General Plan land use designations for the Greenbriar project area. The adoption of the General Plan land use designations relied upon the environmental document and the relevant environmental mitigations adopted in Resolution 2008-053.

o. The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

The City of Sacramento has several programs aimed at meeting the environmental justice needs of the community. The City Council adopted Resolution 2008-057, which adopts an Inclusionary Housing Plan (IHP) for the Greenbriar project. This IHP identifies the location of 449 affordable rental units at three high density residential sites.

The City has adopted a requirement (City Code Section 17.190) that residential projects in new growth areas contain a defined percentage of housing affordable to low income and very low income households, to provide for a program of incentives and local public subsidy to assist in this effort, and to implement the mixed income policies of the housing element of the city's general plan. The requirements states that not less than fifteen percent of a development project's residential units shall be inclusionary units developed for, offered to, and leased or sold at an affordable rent or housing price to very low and low income households as follows: ten percent of the dwelling units shall be affordable to and occupied by very low income households and five percent of the dwelling units shall be affordable to and occupied by low income households.

The City also has a low income Utility Users Tax ("UUT") exemption / refund program. For SMUD and PG&E, those customers identified as low income in the two utilities' rate structure and as City residents do not have the UUT applied to their bill. This is the tax exemption. For low income residents paying the tax on phone bills and cable television bills we still offer the rebate program. Those that can verify both low income status and payment of phone and cable UUT may obtain a tax rebate.

11. As required by Government Code section 56375, subdivision (a)(3), LAFCo finds that the City rezoned the territory to be annexed on January 29, 2008, through Ordinance 2008-004 on the date of January 29, 2008, which established General Plan zoning designations for the Greenbriar project area. (Gov. Code, § 56375, subd. (a)(3).)

12. As required by Government Code section 56375, subdivision (b), LAFCo finds that the Annexation Area is uninhabited.

13. As required by LAFCo Policy IV.B, LAFCo finds that the Proposal is consistent with the policies of the General Plan of the City of Sacramento, as discussed in the City's letter to LAFCo dated March 21, 2008, the Executive Officer's Report dated April 2, 2008, 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.

14. As required by LAFCo Policy IV.C, LAFCo finds that the Boundaries of the Annexation Area are definite, certain, and fully described as set forth in Exhibit A and Exhibit B attached hereto and incorporated herein.

15. As required by LAFCo Policy IV.D and Revenue and Tax Code section 99, LAFCo finds that the City and Sacramento County have entered into Memoranda of Understanding and Property Tax Exchange Agreements dated March 11, 2008, which comply with Commission Policies requiring that an annexation be revenue neutral to the public agencies affected.

16. As required by LAFCo Policy IV.E, LAFCo finds that the annexation will result in the conversion of some prime agricultural land in open space to other uses, but also finds that this conversion will lead to the planned, orderly, and efficient development of the annexation area as required under LAFCo polices and state law. The Annexation 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 Annexation Area are subject to Williamson Act Contracts. The Annexation Area is surrounded by urban uses or proposed urbanization on three sides and is the next logical step for development as determined by the City.

The City's draft General Plan currently anticipates that the City will grow by 200,000 people by 2030. Buildout of the large developable parcels within the City would only accommodate an additional estimated 114,000 people. Development of infill areas would accommodate some of the additional population, although only about 30% of the infill lands are anticipated to be absorbed within the next 20 years. The development of Greenbriar is anticipated in the draft General Plan as a way to accommodate an additional 6,000 people.

The City has indicated that if Greenbriar is not approved, then the growth is likely to be accommodated elsewhere in the region: e.g., Yuba City, Plumas Lakes. Accommodating this growth in the City rather than in outlying areas is more consistent with smart growth principles as it does not force the growth to sprawl out beyond Sacramento County's borders.

In accordance with LAFCo Policy number IV.E.1, the Commission finds that the Proposal will lead to the planned, orderly, and efficient development of the annexation area as follows:

a. LAFCo finds that the land in the Annexation Area is contiguous to either lands developed with an urban use or lands which have received all of the discretionary approvals for urban development.

New residential development in the North Natomas community exists to the east and south of the Annexation Area. The North Natomas Community Plan is located adjacent to the eastern and southern boundary of the Annexation Area across State Route 70/99, and I-5 which includes future development for residential and commercial land uses. The Metro Air Park development project is to the west of the Annexation Area and includes proposed commercial, hotel, and recreational land uses. (Letter from City, March 21, 2008; Executive Officer's Report.)

b. LAFCo finds that the proposed development of the subject lands is consistent with the Sphere of Influence and MSR of the City. The Sphere of Influence and MSR were updated by LAFCo in Resolution 1348 on September 19, 2007. The anticipated uses within the Annexation 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.

c. LAFCo finds that development of all or a substantial portion of the subject land is likely to occur within five years. As required by LAFCo's policies, a phased plan for annexation of the Amended SOI Area is included in the Application. This finding is based on the following:

i. Urbanization of the Annexation 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.

d. LAFCo finds that insufficient vacant non-prime lands exist within the City's Sphere of Influence that are planned, accessible, and developable for the same general type of use. This finding is based upon the following:

i. 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 Annexation 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 over the next 20 years 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. (Letter from City, March 21, 2008; Executive Officer's Report.)

ii. 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 Annexation Area is consistent with the Joint Vision MOU, which contemplates growth in this portion of Sacramento County to accommodate need and provides for the set aside of open space lands to protect habitat and agricultural uses. The Proposal is consistent with the Joint Vision MOU principals and sets aside acreage for open space uses consistent with the Joint Vision MOU. The City acknowledges that additional land may be set aside as may be required by the US Fish and Wildlife Services. (Mitigation and Monitoring Plan, adopted in Resolution 1355.) The Annexation Proposal 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 Annexation Area for varied density mixed-use residential and commercial land uses.

v. The Proposal 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 Annexation Area.

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

Program Environmental Impact Report for the Downtown-Natomas-Airport Corridor in the City and County of Sacramento, published December 2007.)

viii. Significant development already exists or is planned for areas to the south, east and west of the Annexation 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. Resolutions Nos. LAFC 1346 and LAFC 1347 and this Resolution impose conditions and mitigations to lessen the impacts of the loss of agricultural lands while promoting orderly growth.

e. LAFCo finds that the Proposal will have no significant adverse effect on the physical and economic integrity of other agricultural lands. To make this determination, LAFCo considered the following factors:

i The agricultural significance of the subject and adjacent areas relative to other agricultural lands in the region: As stated in this proposal, the Annexation will result in the loss of agricultural lands. However as noted, the area is surrounded by existing or planned urban development under the City's General Plan. (City Letter dated March 21, 2008; Final Environmental Impact Report.) It is the next logical step for urbanization.

Further, it is designated for urbanization consistent with the Smart Growth principles as adopted by SACOG. (SACOG Blueprint.) According to Sacramento Regional Transit and SACOG, the project will accomplish regional transit goals by providing right-of-way and station dedication for the planned DNA line to the airport. (SACOG Metropolitan Transportation Plan, adopted March 20, 2008; City Transmittal Letter to Sac LAFCo, March 21, 2008.)

ii. The use of the subject and the adjacent areas: Significant development already exists or is planned for areas to the south, east and west of the Annexation 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). (City Transmittal Letter to Sac LAFCo, March 21, 2008.)

iii. Whether public facilities related to the proposal would be sized or situated so as to facilitate the conversion of adjacent or nearby agricultural land, or will be extended through or adjacent to, any other agricultural lands which lie between the project site and existing facilities: The public facilities are not sized to allow for conversion of adjacent agricultural areas except to the extent already planned for urban use. (Plan For Services, February 11, 2008.)

iv Whether natural or manmade barriers serve to buffer adjacent or nearby agricultural land from the effects of the proposed development: Lands to the east and south are predominately developed for urban uses. Land to the west is planned for urban uses by the Sacramento Metropolitan Airport. 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; City Transmittal Letter to Sac LAFCo, March 21, 2008.)

v. The applicable provisions of the General Plan open space and land use elements, applicable growth management policies, or other statutory provisions designed to protect agriculture: As discussed herein, the Proposal is consistent with the General Plan and policies of the City. Further, the City has participated in negotiations with the United States Fish and Wildlife Service (“USFWS”) and California Department of Fish and Game to promote habitat conservation. (See Exhibit C.) The City approved additional parcels for open space and habitat conservation in its Resolution 2008-053.

The Annexation Area will be subject to a new USFWS Habitat Conservation Plan (“HCP”) with the concurrence of the California Department of Fish and Game. 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).

To address the HCP issue, the City adopted a finding in Resolution 2008-053 Certifying the EIR: “8. The entitlements for which the EIR was prepared are first stage legislative entitlements, and do not authorize any actual development. Before any actual development may occur, the following must be approved by Council: a development agreement, a tentative map, any subdivision modifications, and PUD development guidelines and any necessary changes to the PUD Schematic Plan and Guidelines, and any special permits or other entitlements required for development. Before the tentative map, development agreement and other entitlements are approved, and before a grading permit may be issued, a habitat conservation plan must be prepared and approved, and an incidental take permit issued, by U.S. Fish and Wildlife and California Department of Fish and Game.”

Additionally, the City, landowner, and USFWS have been meeting to establish a scope of services for preparation of an EIS, selection criteria for an EIS consultant, and funding agreement to contribute to supplementing USFWS staff resources available to prepare the Biological Opinion.

On March 13, 2008, USFWS sent a letter to LAFCo confirming that it agrees with the process being pursued by the parties to assure that the City will remain in compliance with the Natomas Basin HCP.

Further, the Proposal is consistent with the Natomas Joint Vision Memorandum of Understanding, approved by the City and County in December 2002, which set forth the master terms for annexation of land within the Natomas Joint Vision (Greenbriar is included within the Natomas Joint Vision Area). The City and County entered into a tax sharing agreement for Greenbriar on March 11, 2008. This agreement includes terms of revenue sharing and open space mitigation, consistent with the County Board of Supervisors action of November 27, 2007.

17. In accordance with LAFCo Policy IV.I.2, LAFCo finds that the annexation is consistent with the General Policies and General Standards in Chapters III and IV of its Policies.

18. In accordance with LAFCo Policy IV.I.3, LAFCo finds that the annexation is consistent with the City's Sphere of Influence boundary. The Sphere of Influence was amended on September 19, 2008, in Resolution 1348.

19. In accordance with LAFCo Policy IV.I.4, LAFCo finds that the annexation is consistent with the City's Master Services Element. The Master Services Element was updated and approved by LAFCo on September 19, 2007, in Resolution 1348.

20. In accordance with LAFCo Policy IV.I.5, the Commission finds that the Annexation provides the lowest cost and highest quality of urban services for the affected population. LAFCo determines that the City possesses the capability to provide the most efficient delivery of the applicable urban services for the affected population. This finding is based on the following:

a. The Commission finds that the Annexation 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 Annexation 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. (Executive Officer's Report; Letter from City, March 21, 2008; Record of Proceedings; Draft Finance Plan, adopted by City Resolution No. 2008-056.)

b. 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. (Draft Program Environmental Impact Report for the Downtown-Natomas-Airport Corridor in the City and County of Sacramento, published December 2007.) The proposed station is included in Sacramento Regional Transit Planning documents and is included in the Metropolitan Transportation Plan prepared by SACOG. (Sacramento Area Council of Governments Metropolitan Transportation Plan for 2035.) 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 through the project site at no cost. Finally, according to the City's plan for development of the Annexation Area, the development will provide \$1.65 million for improvements to the Elkhorn interchange. This finding is based on the Transmittal Letter from City to LAFCo, dated March 21, 2008, and the adopted Draft Finance Plan.

c. 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. (Resolution 1345 ,certifying the Final EIR.)

d. The Annexation is consistent with the policies of the General Plan of the City of Sacramento, as discussed in the letter from the City dated March 21, 2008, the Executive Officer's Report 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.

e. The Annexation 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.

f. The Annexation 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.

g. Under the Annexation, 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.

h. The Annexation results in orderly growth and is not "leap frog" development in relation to existing development. This finding is based upon the fact that urbanization has occurred to the south and east of the area and urban uses are planned to the north and west. (Transmittal Letter from City to LAFCo, March 21, 2008; Final EIR; Executive Officer's Report, Record of Proceedings; the Boundary Map; and MSR.

i. The Annexation 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.

j. The Annexation will not result in significant immitigable adverse effects upon other service recipients or other agencies serving the affected area. This finding is based on the Plan for Services, the MSR, the Joint Vision MOU, the SACOG Blueprint, and the comments of affected agencies.



k. Currently, the City has the capacity to provide public services to area residents and commercial/industrial customers. However, approval of the Annexation will necessitate that the City budget and plan for the expansion of facilities and services. This finding is based upon the Plan for Services and the adopted Draft Finance Plan.

l. 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). This finding is based upon the City's Water Supply Assessment, the letter from the City dated March 21, 2008, the Plan for Services, the MSR, and the Record of Proceedings.

m. 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 and treatment system would be available to accommodate the project's wastewater demand.

n. The responsibilities and jurisdiction of the service providers in the Annexation Area are outlined in detail in the previously reviewed MSR and the Plan for Services.

o. 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; and regional parks. The County General Fund primarily finances these services, with revenues from both incorporated and unincorporated areas.

21. In accordance with LAFCo Policy IV.I.7, LAFCo finds that there are no existing roads and rights of way within the Annexation Area. Regional access to the Annexation Area is provided from State Route 70/99 and Interstate 5. Local access to the Annexation Area is provided by Elkhorn Boulevard and the planned Meister Way.

22. Although the project site is located in the unincorporated area of Sacramento County, the project site is currently served by the City of Sacramento Fire Department via contract with County Board of Supervisors. Specifically, the project site is located within the North Natomas Fire Protection District, which contracted with the County of Sacramento since 1986. With implementation of the project, the project will detach from Natomas Fire Protection District. The City would provide fire protection and emergency response services to the project site. (DEIR, 6.5-1.)

In accordance with LAFCo Policy V.C. regarding detachment, LAFCo finds that according to the Natomas Fire Protection District, it has never provided services in the Annexation Area, there would be no impact on the services provided, and it has consented to the detachment. Therefore, the requirements of LAFCo Policy V.C. are met.

23. The Commission finds that the Proposal 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 Plan for Services dated March 25, 2008,
- c. The Draft Finance Plan dated January 29, 2008,
- d. The Transmittal Letter from the City to LAFCo dated March 21, 2008, and all of the attachments thereto,
- e. The Memorandum of Understanding Regarding the Delivery of Open Space from the Greenbriar Development dated March 11, 2008 for reference purposes, entered into by the County, the City and North Natomas 575 Investors, LLC, ("Developer,")
- f. The Plan for Services, which the Commission determines is consistent with LAFCo policies and is adequate;
- g. The MSR, which was previously accepted by LAFCo;
- h. The Draft and Final EIR;
- i. Responses to comments received after circulation of the Final EIR;
- j. All oral and written public comments;
- k. The MOU and the Joint Vision MOU; and
- l. Public agency comments, staff reports and other pertinent information in the Commission's Record of Proceedings.
- m. City Ordinance 2008-004 and City Resolutions 2008-053, 2008-054, 2008-055, 2008-056, 2008-057, 2008-058, 2008-059, 2008-060;
- n. LAFCo Resolutions 1345, 1346, 1347, and 1348.

24. The Commission may approve a proposal subject to conditions pursuant to Government Code 56375(a) and 56886. The Commission adopts and imposes the following conditions:

- a. The City shall comply with all mitigation measures stated in the Final EIR and Mitigation Monitoring and Reporting Plan as adopted concurrently in Resolution 1345 and Resolution 1355;
- b. The City shall amend its Bikeway Master Plan concurrent with approval of a tentative subdivision map which establishes street patterns, in accordance with mitigation measure 6.1-9a. The Bikeway Master Plan amendment will show, at a minimum, a bike

trail in the freeway buffer, and provision of on-street bike path on Elkhorn Blvd. The adopted Greenbriar PUD Guidelines provide that the project will include a varied network of both on- and off-street pedestrian pathways and trails, allowing for safe and convenient non-vehicular travel throughout and within the PUD.

25. The conducting authority shall be waived due to 100 percent landowner and subject agencies consent in accordance with Government Code 56663(c) and the Executive Officer is authorized and directed to take all necessary actions to complete the Annexation contemplated under this Resolution.

26. The Annexation shall take effect on the date the Executive Officer files the Certificate of Completion.

**ON A MOTION** made by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing Resolution No. LAFCo 1352 was adopted by the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**, on this \_\_\_\_\_ 2nd day of April 2008 , by the following vote, to wit:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

By:

\_\_\_\_\_  
**Steve Miklos, Chair**  
**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

**ATTEST:**

\_\_\_\_\_  
**Diane Thorpe**  
**Commission Clerk**

**EXHIBIT A**

**LEGAL DESCRIPTION OF AFFECTED TERRITORY**

To Be Included

**EXHIBIT B**

**MAP OF AFFECTED TERRITORY**

To Be Included

**EXHIBIT C**

**FINDINGS ON COMPLIANCE WITH CONDITIONS FROM SPHERE OF INFLUENCE**  
**AMENDMENT, RESOLUTION 1348**

On November 4, 2005, the City of Sacramento ("City") submitted an application to the Sacramento Local Agency Formation Commission ("Commission") for an amendment of its Sphere of Influence and amendment to the sphere of influence of the Sacramento Regional County Sanitation District and County Sanitation District #1 (the "SOI Amendment"). The Proposal includes requests for additional development entitlements subject to approval by other public agencies, including Rezoning, General Plan amendment, Master Tentative Parcel Map, Tentative Subdivision Map, Planned Unit Development, and Development Agreement. Of these entitlements, the City has approved the Rezoning, General Plan amendment, Inclusionary Housing Plan, and Planned Unit Development Guidelines. The Application also included a Request for Reorganization (Annexations and Detachment) should the SOI Amendment and development entitlements be approved.

On November 1, 2005, the City and the Commission entered into a Memorandum of Understanding (MOU) by which the two entities agreed to process a single Environmental Impact Report (EIR) to evaluate the environmental consequences of the entire development. Pursuant to this MOU, the Commission was the lead agency for the proposed Sphere of Influence Amendments, while the City is the lead agency on the requested Annexation and Detachments currently before the Commission. The Commission is a responsible agency on the Annexation and Detachments.

On September 19, 2007, the Sacramento Local Agency Formation Commission certified the Final EIR, and approved the Sphere of Influence Amendment. The Sphere of Influence Amendment was approved, subject to certain conditions to be satisfied before the Commission would consider a Request for Annexation and Detachments, should the City approve certain entitlements. On January 29, 2008, the City considered and approved the Rezoning, General Plan amendment, Inclusionary Housing Plan, and Planned Unit Development by Ordinance 2008-004, and Resolutions 2008-058, 2008-057, and 2008-069, respectively. As lead agency on these entitlements and the requested Annexation and Detachments, the City also certified the Final EIR.

The entitlements approved by the City are first stage legislative entitlements, and do not authorize any actual development. Before actual development may occur, the City Council will have to approve the remaining entitlements originally proposed, including a development agreement, a tentative map, any subdivision modifications, and any changes to the PUD Guidelines. Before the City may approve these entitlements, a habitat conservation plan (HCP) must be approved by U.S. Fish and Wildlife, and the California Department of Fish and Game.

The City now requests that the Commission consider its Request for Annexation and Detachment. Prior to considering the City's Request, the Commission must determine whether the City has satisfied the Conditions of Approval of the SOI Amendment.

NOW, THEREFORE, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION does hereby find, determine, resolve and order that the City has satisfied the Conditions of Approval of the SOI Amendment, as imposed by the Commission. These

Conditions of Approval, and the evidence supporting the Commission's finding that the Conditions have been satisfied, are set forth herein below. While these findings reference certain documents or facts, each finding is based on the whole of the administrative record.

1. Natomas Joint Vision MOU Consistency: As a Condition of Approval of the SOI Amendment, the City must, in consultation with the County of Sacramento ("County"), confirm that the habitat and open space conditions applied to the SOI Amended Area are consistent with the Joint Vision MOU. (Resolution No. LAFC 1348, ¶ 11, subd. (e).)

The City has submitted an Open Space Agreement between the City, County and Developer, dated March 11, 2008, confirming that the habitat and open space conditions applied to the Greenbriar Project Area are consistent with the Joint Vision MOU. The Open Space Agreement states that the Project, in its current form as of January 29, 2008, is consistent with the 1:1 open space mitigation ratio set forth in the Joint Vision MOU. (Memorandum of Understanding Between the City Of Sacramento, the County Of Sacramento and North Natomas 575 Investors Regarding the Delivery Of Open Space from the Greenbriar Development, dated March 11, 2008; The Open Space, Species and Agriculture: Project Impacts and Mitigation Table, City Resolution 2008-053, p.219-220.)

In addition, the City has agreed that any and all Project related subdivision maps shall satisfy the Joint Vision MOU prior to the issuance of a grading permit. The County acknowledged that the proposed mitigation acreage set forth in the Final EIR, and set forth in the Open Space Agreement, is consistent with the Joint Vision MOU. (Memorandum of Understanding Between the City Of Sacramento, the County Of Sacramento and North Natomas 575 Investors Regarding the Delivery Of Open Space from the Greenbriar Development, March 11, 2008; City Resolution 2008-219; LAFCo Executive Officer's Report; City Staff Report; City and County Tax Sharing Agreement, March 11, 2008; City Transmittal Letter to Sac LAFCo, March 21, 2008.)

2. Open Space Agreement: As a Condition of Approval of the SOI Amendment, the City must submit an open space agreement approved by the City and County. (Resolution No. LAFC 1348, ¶ 13, subd. (n).)

The City has submitted an open space agreement, dated March 11, 2008, as approved by the City and County. The open space agreement was adopted by the City Council on March 11, 2008, by Resolution CC2008-219, and by the County Board of Supervisors on March 12, 2008, by Resolution 208-0211. (City Transmittal Letter to Sac LAFCo, March 19, 2008.)

3. Tax Sharing Agreement: As a Condition of Approval of the SOI Amendment, the City must submit a final property tax sharing agreement approved by the City and County. (Resolution No. LAFC 1348, ¶ 13, subd. (n).)

The City has submitted a final property tax sharing agreement approved by the City and County, as required by Resolution No. 1348, ¶ 13, subd. (n). The City Council adopted the property tax sharing agreement by Resolution 2008-218 on March 11, 2008. The County adopted

the property tax sharing agreement by Resolution 2008-0212 on March 12, 2008. (City Transmittal Letter to Sac LAFCo, March 19, 2008.)

4. Flood-plain: As a Condition of Approval of the SOI Amendment, the City must provide up-to-date information on the status of its compliance with FEMA and DWR flood-plain development measures adopted. (Resolution No. 1348, ¶ 15, subd. (a).)

The City has provided up-to-date information on the status of its compliance with FEMA and DWR flood-plain development measures adopted, as required by Resolution No. 1348, ¶ 15, subd. (a). (City Transmittal Letter to Sac LAFCo, March 21, 2008.) On January 15, 2008, FEMA proposed remapping the Natomas Basin as an AE Zone. On January 23, 2008, City staff reported to the City Council that: “The EIR and mitigation measures for flooding require compliance with FEMA flood designations; the EIR contemplated the possibility that FEMA would designate the area as AE Flood Hazard Zone. FEMA regulations would impose building restrictions that result in a de facto moratorium on vertical construction until such time that 100-year flood protection is restored.” (City Staff Report, January 23, 2008; *see also* Final EIR, Mitigation Measure 6.10-3; LAFCo Executive Officer’s Report, April 2, 2008.)

In addition, the City Council found that “[i]n recognition of the pending remapping by FEMA of the area in which the project is located, the project has been conditioned to prohibit vertical construction unless and until the property has at least 100 year flood protection.” (City Resolution, 2008-053.) Furthermore, the Greenbriar developer submitted a letter, dated September 18, 2007, stating that the applicant agrees to no vertical construction prior to 100-year flood protection. (AKT Development, Letter to Sac LAFCo, Sept. 18, 2007; City Resolution, 2008-053; Final EIR, Mitigation Measure 6.10-3.)

5. Adjacency to Urban Lands: As a Condition of Approval of the SOI Amendment, the City must confirm that the SOI Amended Area is surrounded by or adjacent to lands planned for urban uses. (Resolution No. 1348, ¶ 15, subd. (b).)

The City has submitted a vicinity map confirming that the SOI Amended Area is surrounded by or adjacent to lands planned for urban uses, as required by Resolution No. 1348, ¶ 15, subd. (b). The map demonstrates that Sacramento International Airport and the Metro Air Park development (1,913 acres planned for 24M sq ft of development and approx. 38,000 jobs) are to the west of the SOI Area, and the North Natomas Community Plan Area – planned for 20 million sq ft of employment and 30,000 dwelling units (of which about 2/3 have already been constructed) is to the south and east. (Vicinity Map; City Transmittal Letter to Sac LAFCo, March 21, 2008.)

6. Valid Housing Element: As a Condition of Approval of the SOI Amendment, the City must submit 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. (Resolution No. 1348, ¶ 15, subd. (c).)



On March 17, 2008, the Department of Housing and Community Development (HCD) confirmed that the City's 2002-2007 Housing Element was adopted and certified by HCD. The City's next housing element update is due June 30, 2008. (City Transmittal Letter to Sac LAFCo, March 21, 2008.)

In addition, in anticipation of the City's annexation of the Greenbriar and Panhandle areas, the 2006-2013 RHNA allocates a portion of the Regional Housing Need to the City for both these planning areas. The City's total allocation for the 2006-2013 planning period is 17,649 housing units.

The final Regional Housing Needs Plan for the Sacramento area was adopted by the Sacramento Area Council of Governments (SACOG) on February 21, 2008.

In order to fulfill its obligations under State Housing Element law (Cal. Gov. Code, §§ 65580 et seq.), the City must prepare a revised housing element which demonstrates that it has appropriately zoned a sufficient number of sites to accommodate its portion of the Regional Housing Needs Allocation for the 2006-2013 period. In the Greenbriar Project Area, the City has zoned for higher-density development near the light rail station to address the need for affordable housing sites. (City Transmittal Letter to Sac LAFCo, March 21, 2008.) The City Council has also adopted an Inclusionary Housing Plan (IHP) which identifies 449 affordable rental units at three high-density residential sites within the Greenbriar Area. (Inclusionary Housing Plan for the Greenbriar Project, adopted by Resolution No. 2006-057, January 29, 2008.)

7. Land Use Designations: As a Condition of Approval of the SOI Amendment, the City must provide evidence that it has adopted 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 Final Environmental Impact Report and Resolution Number 1348. (Resolution No. 1348, ¶ 15, subd. (d).)

On January 29, 2008, the City established land use designations consistent with the City's General Plan for all property within the SOI Amended Area. These land use designations relied on the open space and habitat preservation mitigation measures set forth in the Final Environmental Impact Report and LAFCo Resolution Number 1348. (City Resolution 2008-058; City Staff Report, City Transmittal Letter to Sac LAFCo, March 21, 2008.)

8. Pre-zoning: As a Condition of Approval of the SOI Amendment, the City must evidence that it has pre-zoned the property consistent with the City of Sacramento General Plan, as amended. (Resolution No. 1348, ¶ 15, subd. (e).)

On January 29, 2008, the City adopted an Ordinance to provide that the zoning designations in the Greenbriar Project Area would be consistent with the City of Sacramento General Plan, as amended. (Ordinance 2008-004; City Staff Report, City Transmittal Letter to Sac LAFCo, March 21, 2008.)

9. Water Supply Assessment: As a Condition of Approval of the SOI Amendment, the City must evidence that when it pre-zoned the SOI Amendment Area, it updated its Water

Supply Assessment to allow the Commission to 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. (Resolution No. 1348, ¶ 15, subd. (e).)

No update to the City's Water Supply Assessment is necessary to allow the Commission to determine water availability. The City of Sacramento is a signatory to the Water Forum Agreement, and on May 29, 2007, the City Council adopted the Water Supply Assessment (WSA) for the Greenbriar Project Area. (City Resolution, 2007-323; City Transmittal Letter to Sac LAFCo, March 21, 2008.) The WSA was prepared consistent with the City of Sacramento Urban Water Management Plan (UWMP) (November 14, 2006) and the direction from the City of Sacramento Department of Utilities. Because the UWMP assumed the Greenbriar project as a baseline project, no amendment to the WSA was required. The Greenbriar WSA concludes that, based on the City's most recent Urban Water Management Plan, there are sufficient water supplies for the project during normal, single dry and multiple dry years over a 20 year period. (City Resolution, 2007-323; City Transmittal Letter to Sac LAFCo, March 21, 2008.)

10. Financing Plan: As a Condition of Approval of the SOI Amendment, the City must submit an approved 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. (Resolution No. 1348, ¶ 15, subd. (f).)

The City has submitted a draft financing plan, adopted on January 29, 2008. Because of the City's policy requiring preparation of a nexus study and annexation before a final finance plan can be adopted, the City has adopted the finance plan in draft form.. (City Transmittal Letter to Sac LAFCo, March 21, 2008.) The plan addresses the traffic/transportation measures necessary to mitigate the impacts from the development of the SOI Amended Area, including a fair-share contribution by the development, the funding of a transit station, and the dedication of land for the Downtown – Natomas- Airport light rail line. (Draft Finance Plan, adopted January 29, 2008; City Resolution 2008-056; Final EIR, Mitigation Measure 6.1-1a.)

11. General Plan Consistency: As a Condition of Approval of the SOI Amendment, the City must demonstrate that the SOI Amended Area is included in the General Plan in accordance with State law. (Resolution No. 1348, ¶ 16.)

Greenbriar is consistent with the City's existing General Plan. The adopted 1988 General Plan included a discussion of annexation issues, including:

- A pro-annexation policy for urbanized areas should be based on eliminating unincorporated pockets, providing public services more efficiently, and securing property and sales tax revenues.

- The annexation issue of the future should be to achieve a mixture of commercial, industrial and residential lands, and a balanced revenue expenditure program.
- Annexation of any land into the City must be consistent with General Plan policies, within the City's adopted Sphere of Influence and approved by LAFCo.

Resolution 2008-058, adopted by the City Council on January 29, 2008 amended the General Plan land use map to be consistent with the proposed Greenbriar project. This amendment is consistent with the City's draft General Plan Preferred Land Use & Urban Form Diagram which assumes Greenbriar as a pipeline project ("Planned Development").

Furthermore, the City's draft policies on growth and change include policy LU1.1.5 which states:

- "Annexation Prior to City Services. The City shall require that unincorporated properties be annexed into the City prior to the provision of any City services, or that a conditional service agreement be executed agreeing to annex when deemed appropriate by the City." (City Transmittal Letter to Sac LAFCo, March 21, 2008.)

12. Transit Master Plan: As a Condition of Approval of the SOI Amendment, the City must submit a Transit Master Plan for the SOI Amended Area consistent with the policies of the City's General Plan, identifying 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. (Resolution No. 1348, ¶ 17, subd. (a).)

The City has adopted a draft Finance Plan, which also serves as its Transit Master Plan as it contemplates the following elements:

- Dedication of rights-of-way necessary to accommodate light rail transit through the Greenbriar site
- Construction of a light rail station on the Greenbriar site (estimated at \$2.4 million construction cost).
- Contribution to the North Natomas Transportation Management Agency for shuttle services until such time that the light rail line is operational. (City Transmittal Letter to Sac LAFCo, March 21, 2008; *see also* Final EIR.)

Both the SACOG Metropolitan Transportation Plan and Regional Transit's Downtown-Natomas-Airport (DNA) Program EIR, demonstrate that the DNA project is moving toward construction. On March 20, 2008, SACOG adopted its 2035 Metropolitan Transportation Plan, which includes the DNA line for future funding.

Furthermore, in December, 2007, RT published a Notice of Availability (NOA) for its Draft Program EIR for the DNA Corridor. The NOA established a comment period on the Draft Program EIR (PEIR) from December 28, 2007, to February 26, 2008. During the comment

period, several public meetings were held, including two Public Open Houses on February 9, 2008, and February 11, 2008, as well as a Community Meeting on February 14, 2008. In addition, the RT Board of Directors received comments on the PEIR at a public hearing on February 25, 2008.

13. Bikeway Master Plan: As a Condition of Approval of the SOI Amendment, the City must submit 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. (Resolution No. 1348, ¶ 17, subd. (b).)

There is no need for an updated Bikeway Master Plan at this time, as the City has not adopted a tentative subdivision map at this time. As provided in the Final EIR, as adopted by the City on January 29, 2008, the City will coordinate with the City of Sacramento Development Engineering and Finance Division to identify the necessary on- and off-site pedestrian and bicycle facilities to serve the proposed development prior to recordation of the first map. These facilities shall be incorporated into the project and could include: sidewalks, stop signs, in-pavement lighted crosswalks, standard pedestrian and school crossing warning signs, lane striping to provide a bicycle lane, bicycle parking, signs to identify pedestrian and bicycle paths, marked and raised crosswalks, and pedestrian signal heads. This Bikeway Master Plan amendment will show, at a minimum, a bike trail in the freeway buffer, and provision of on-street bike path on Elkhorn Blvd. (City Resolution 2008-053, adopting Final EIR, Mitigation Measure 6.1-9a; Resolution Transmittal Letter to Sac LAFCo, March 21, 2008.)

The adopted Greenbriar PUD Guidelines also provide that the project will include a varied network of on- and off-street pedestrian pathways and trails, allowing for safe and convenient non-vehicular travel throughout the PUD. (PUD Guidelines, adopted January 29, 2008 by Resolution 2008-059; Transmittal Letter to Sac LAFCo, March 21, 2008.)

14. School Impact Mitigation: As a Condition of Approval of the SOI Amendment, the City must evidence the inclusion of any feasible school impact mitigation requirements in development agreements, if applicable. (Resolution No. 1348, ¶ 18.)

Because the City has not received or approved a development agreement at this time, this condition is not applicable.

The City has indicated, however, that the Greenbriar developer has reached a Memorandum of Agreement and a Mutual Benefit Agreement with the Twin River Unified School District (formerly Rio Linda Union School District) to provide for the construction of a new elementary school in the Greenbriar Project Area. These agreements provide supplemental mitigation payments to purchase land and construct a new elementary school in the Greenbriar neighborhood. Any future development agreement approved by the City shall include these school impact mitigation requirements and the Mutual Benefit Agreement. (Transmittal Letter to Sac LAFCo, March 21, 2008.)

15. Joint Vision MOU Compliance: As a Condition of Approval of the SOI Amendment, the City must confirm that it has fully complied with the Joint Vision MOU. (Resolution No. 1348, ¶ 19.)

As stated above, the City has submitted an Open Space Agreement between the City, County and Developer, dated March 11, 2008, confirming that the habitat and open space conditions applied to the Greenbriar Project Area are consistent with the Joint Vision MOU. The Open Space Agreement states that the Project, in its current form as of January 29, 2008, is consistent with the 1:1 open space mitigation ratio set forth in the Joint Vision MOU. In addition, the City has agreed that any and all Project related subdivision maps shall satisfy the Joint Vision MOU prior to the issuance of a grading permit. The County acknowledged that the proposed mitigation acreage set forth in the Final EIR, and set forth in the Open Space Agreement, is consistent with the Joint Vision MOU. (Memorandum of Understanding Between the City Of Sacramento, the County Of Sacramento and North Natomas 575 Investors Regarding the Delivery Of Open Space from the Greenbriar Development, March 11, 2008; City Resolution 2008-219; LAFCo Executive Officer's Report; City and County Tax Sharing Agreement, March 11, 2008; City Transmittal Letter to Sac LAFCo, March 21, 2008.)

16. Wildlife Agency Approval: As a Condition of Approval of the SOI Amendment, the City must confirm that the USFWS agrees with the process for preparing the new project-specific HCP in accordance with the City's letter of August 27, 2007. (Resolution No. 1348, ¶ 20.)

At its January 29, 2008, hearing, the City Council certified the Final EIR, and adopted a finding that before a tentative map, development agreement, or other entitlements are approved by the City, and before a grading permit may be issued, "a habitat conservation plan must be prepared and approved, and an incidental take permit issued, by U.S. Fish and Wildlife and California Department of Fish and Game." (City Resolution 2008-053; Final EIR, Mitigation Measure 6.12-1; City Transmittal Letter to Sac LAFCo, March 21, 2008.)

Further, on March 13, 2008, U.S. Fish and Wildlife Services (USFWS) submitted a letter to LAFCo reiterating its concern that the "Effects Analysis" for the Greenbriar Project Area does not adequately minimize and mitigate the effects of the project on the giant garter snake. However, USFWS stated that, based on the language included in the City's findings, above, and the City's further assurance that annexation of the Greenbriar site "does not constitute approval of the Greenbriar project or foreclose other options for the annexed land, USFWS believes that the City will remain in compliance with the Natomas Basin HCP, so long as the City does not take action to approve a tentative subdivision map until the project has obtained an incidental take permit from USFWS." (USFWS letter to Don Lockhart, March 13, 2008; *see also* Executive Officer's Report.)

Additionally, the City, applicant, and USFWS have been meeting periodically to establish a scope of services for preparation of an EIS, selection criteria for EIS consultant, and funding agreement to contribute to supplementing USFWS staff resources available to prepare the Biological Opinion. (City Transmittal Letter to Sac LAFCo, March 21, 2008.)

17. Air District Approval: As a Condition of Approval of the SOI Amendment, the City must confirm that it has coordinated with the Sacramento Metropolitan Air Quality Management District to fully address the District's concerns. If applicable, the City shall cite changes to the Mitigation Monitoring and Reporting Plan that reflect resolution of those concerns. (Resolution No. 1348, ¶ 21.)

As requested by the Sacramento Metropolitan Air Quality Management District, the City Council adopted a new mitigation measure (6.2-4c), pursuant to a request by the Sacramento Metropolitan Air Quality Management District, which requires that the project include in landscape plans, planting of fine-needled conifer trees in the buffer area between the I-5 and SR 70/99 freeways and proposed residential uses. Total numbers, exact species, box-size at planting, spacing and placement will be determined in consultation with SMAQMD prior to adoption of a Tentative Map. (City Resolution 2008-053; Final EIR, Mitigation Measure 6.2-4c; City Transmittal Letter to Sac LAFCo, March 21, 2008.)

18. No Construction in Flood-plain: As a Condition of Approval of the SOI Amendment, the City must confirm that 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 the US Department of Homeland Security, Federal Emergency Management Agency, for a minimum of 100-year flood protection. (Resolution No. 1348, ¶ 22.)

On January 15, 2008, FEMA proposed remapping the Natomas Basin as an AE Zone. On January 23, 2008, City staff reported to the City Council that: "The EIR and mitigation measures for flooding require compliance with FEMA flood designations; the EIR contemplated the possibility that FEMA would designate the area as AE Flood Hazard Zone. FEMA regulations would impose building restrictions that result a de facto moratorium on vertical construction until such time that 100-year flood protection is restored." (City Staff Report, January 23, 2008; *see also* City Transmittal Letter to Sac LAFCo, March 21, 2008; LAFCo Executive Officer's Report, April 2, 2008.) Mitigation Measure 6.10-3, as adopted by the City on January 29, 2008, states that "if the Greenbriar project site is remapped by FEMA into an AE, AR, or A99 zone, then: (1) the City will require development within the project site to comply with all applicable building and design regulations identified by FEMA and by the City of Sacramento's Floodplain Management Ordinance in existence at the date of issuance of building permits pertaining to the applicable remapped zone." (Final EIR, Mitigation Measure 6.10-3.)

In addition, the City Council found that "[i]n recognition of the pending remapping by FEMA of the area in which the project is located, the project has been conditioned to prohibit vertical construction unless and until the property has at least 100 year flood protection." (City Resolution, 2008-053.) Furthermore, the Greenbriar developer submitted a letter, dated September 18, 2007, stating that the applicant agrees to no vertical construction prior to 100-year flood protection. (AKT Development, Letter to Sac LAFCo, Sept. 18, 2007; City Resolution, 2008-053; Final EIR, Mitigation Measure 6.10-3.)

19. CLUP Consistency/Override: As a Condition of Approval of the SOI Amendment, the City must submit the consistency determination of the proposed land use with the Comprehensive Land Use Plan (CLUP) from Sacramento County Airport Land Use Commission

(ALUC). The consistency determination shall describe the specific land uses that would be allowable and consistent with the CLUP in accordance with ALUC standards. If the consistency determination by ALUC comes to the conclusion that certain proposed land uses would be inconsistent with the CLUP, the City shall review the decision of the ALUC and determine whether to override the ALUC's decision prior to annexation. The City shall submit its notice to override the consistency to the ALUC for review before approving the override. (Mitigation Monitoring and Reporting Plan adopted by Sacramento LAFCo, p. 31, Mitigation Measure 6.8-3.)

The ALUC determined that the Greenbriar project was consistent with the Sacramento International Airport CLUP, with the exception of the light rail station proposed in the middle of the Greenbriar site along the proposed Downtown – Natomas- Airport light rail line. (Airport Land Use Commission Letter to the City (December 7, 2005).) On January 29, 2008, the City Council overrode this determination, thereby allowing the construction of the light rail station within the overflight zone. (City Resolution 2008-060; *see also* City Transmittal Letter to Sac LAFCo (March 17, 2008); Executive Officer's Report.)

20. Plan for Services: As a Condition of Approval of the SOI Amendment, the City must submit its Plan for Services.

A Plan for Services was submitted to LAFCo staff on March 25, 2008, and circulated to all relevant service providers. As indicated in the Executive Officer's Report, the Plan for Services is adequate.

**ON A MOTION** made by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing Resolution No. LAFC 1352 was adopted by the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**, on this \_\_\_\_\_ 2nd day of April 2008 , by the following vote, to wit:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

By:

\_\_\_\_\_  
**Steve Miklos, Chair**  
**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

**ATTEST:**

\_\_\_\_\_

**Diane Thorpe**  
**Commission Clerk**



**EXHIBIT 'A'**

**LEGAL DESCRIPTION  
FOR THE  
GREENBRIAR REORGANIZATION  
(ANNEXATION & DETACHMENT)**

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



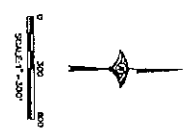
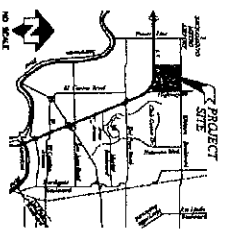
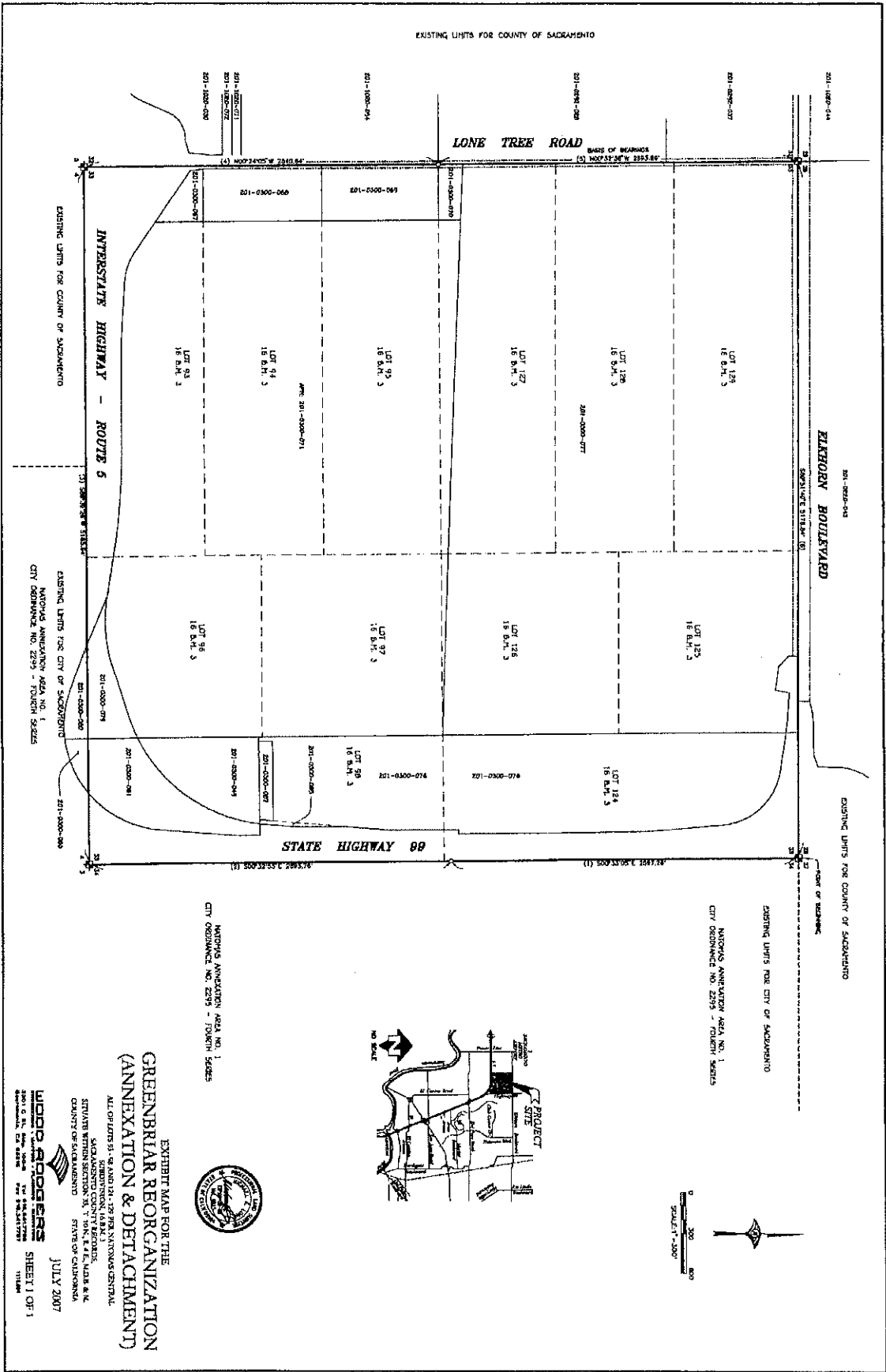


EXHIBIT MAP FOR THE  
**GREENBRIAR REORGANIZATION  
 (ANNEXATION & DETACHMENT)**

ALL OF LOTS 93 - 98 AND 116 - 127 FROM NATOPUS CENTRAL  
 SACRAMENTO COUNTY REGIONAL  
 SITUATED WITHIN SECTION 31, T10N, E12E, N48E & 4E  
 COUNTY OF SACRAMENTO STATE OF CALIFORNIA

**WOOD ROGERS**  
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 1115 K STREET, SUITE 200  
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 FAX: 916.441.1112

**JULY 2007**  
 SHEET 1 OF 1

NATOPUS ANNEXATION AREA NO. 1  
 CITY ORDINANCE NO. 2295 - FOURTH SERIES