

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

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August 6, 2008

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer
RE: Elk Grove Sphere of Influence Amendment Process
Request for Proposal Selection Process **(LAFC 04-08)**

RECOMMENDATION:

Receive and File Status Report and Request for Proposal Selection Process for the Elk Grove Sphere of Influence Amendment Application.

DISCUSSION:

This report is to update the Commission and interested parties on the LAFCo process and procedures related to the proposed Elk Grove Sphere of Influence Amendment request. The application is under review and we are beginning to conduct outreach and gather information pursuant to LAFCo Statutes and Sacramento LAFCo Policies.

The scope of the evaluation will be methodical, comprehensive, and thorough. It will evaluate the following factors in detail.

- Environmental Issues
- Municipal Service Reviews for all municipal service providers
- Land use inventory (supply) and demand analysis, and
- Public and Affected Agency Outreach and Comments

There are a number of studies that need to be completed before Public Hearings can commence on this proposal. Attachment “A” describes the type of information that will be evaluated, analyzed, and reviewed. The purpose of this report is simply to inform the Commission and public about the LAFCo statutes, process, procedures, and timeline in advance so that all are able to participate at all stages of this process.

Environmental Review Process

The City of Elk Grove submitted an Initial Study/Negative Declaration with their application. LAFCo requested that this document not be publicly distributed by the City, since LAFCo is the Lead Agency for Sphere of Influence proposals. We have had meetings with the City Attorney, landowner attorney, Commission Counsel, city staff, and LAFCo staff regarding what constitutes an adequate environmental document for Sphere of Influence Amendments. There appear to be differences of opinion. (Note: recently this same issue has been raised on several other Sphere of Influence Amendment proposals. Potentially, there may be certain situations where a Mitigated Negative Declaration might be appropriate. Therefore, each project will be evaluated in a similar fashion).

In this case, based on past practice and experience, we believe that it will be necessary to prepare a Program Environmental Impact Report. However, in order not to predetermine the outcome, we have issued an “early consultation” letter to affected agencies and interested parties to assist LAFCo and its consultants in making this determination.

As Lead Agency, LAFCo will prepare a Request for Proposals (RFP) to select an environmental consultant. We will attempt to complete the RFP selection process for the October Meeting. Once, the EIR Consultant has been approved by the Commission, we will evaluate responses to the “early consultation” letter, as well as any other comments received. Based on this information we will conduct an Initial Study to assist staff in determining the appropriate Environmental Document that should be prepared.

Public Participation

The public may contact us for current information and status of this project. Our contact information is provided below. In addition, we will maintain a link on our Web site (www.saclafco.org) with studies, reports and information related to this project.

The goal is to provide complete disclosure throughout this process and encourage public participation to provide comments and raise issues before the commencement of Public Hearings on this proposal.

LAFCo staff is available to meet with all interested parties and community groups during this process to discuss any aspect of the process and studies that will be conducted.

Staff Contact Information

Any interested party having questions or comments may contact LAFCo staff.

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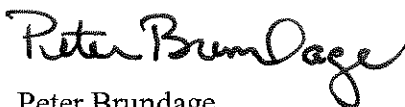
Next Steps

Continue environmental review by issuing a Request for Proposal for qualified environmental consultants to prepare the required Initial Study and environmental review. Proceed with the Municipal Service Review and land use inventory data collection.

At the October meeting, we intend to make a recommendation and request Commission authority to enter into a contract for an environmental consultant to commence work on the environmental review.

Respectfully Submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION



Peter Brundage
Executive Officer

Attachments

- Project Description
- Maps
- Municipal Service Review

PB/DL: Pb

(File: Elk Grove SOI Amendment August 6, 2008 Status Report)

Attachment “A”

LAFCo Process and Procedures for Evaluation a Sphere of Influence Proposal

This attachment outlines the process and issues that will be evaluated prior to the commencement of Public Hearings. A project timeline will be prepared after we conclude our initial review and have the opportunity to discuss this project with an environmental consultant based on their work plan.

Public outreach will be an important component of this process. There will be a number of opportunities for public and agency comment and input on the data, analysis, and findings that will be made available and presented throughout the entire proceedings. In addition, there will be Public Hearings on the draft studies prior to Public Hearings on the Executive Officer’s report and recommendations.

Legislative Policy Objectives

The Legislature has charged LAFCo with the following policy direction:

The Legislature finds and declares that it is the policy of the State to encourage orderly growth and development which are essential to the social, fiscal, and economic well being of the State. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing development with sometimes competing interests of discouraging urban sprawl, preserving open space and prime agricultural lands, and efficiently extending government services (Government Code Section 56001).

Thus, the Commission is charged with attempting to find a reasonable balance between these competing Legislative policy goals: preserve Agricultural and Open Space lands and yet promote orderly and efficient development.

Project Description

Cortese Knox Hertzberg defines a Sphere of Influence as *“a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission”*.

A Sphere of Influence is a significant policy decision to be considered by the Commission. A Sphere of Influence is used by cities, special districts and interested parties to plan for future growth of an area. Therefore, it is an important regional planning tool. While the SOI Amendment does not result in any land use or jurisdictional changes, it may influence expectations related to future growth of an area. Note: a city cannot annex territory that is not located within its Sphere of Influence.

Land use regulation and service delivery within the Sphere of Influence area will remain the responsibility of Sacramento County and the current Special District service providers

until such time as the area, or portions thereof, are annexed to the City. (Note: as a “contract” city, many municipal services are provided by Special Districts. These various municipal service providers will also be evaluated as part of this application based on LAFCo Legislative requirements).

Currently the City of Elk Grove Sphere of Influence is coterminous with its city limits. The City of Elk Grove contains approximately 27,000 acres. The proposed project (project description attached) consists of a request by the City of Elk Grove to LAFCo to expand the City’s Sphere of Influence by approximately 10,500 acres south of Kammerer Road and southeasterly of Grant Line Road. The attached maps illustrate the proposed area requested by the City of Elk Grove. *In addition, the application indicates that development should be not located in flood plain areas within the proposed Sphere of Influence Amendment area. The flood plain areas are illustrated on the attached maps.*

A city is permitted to plan for the potential urbanization of all or a portion of the area within its Sphere as well as area outside of its Sphere (Government Code Section 65303). There are a number of steps that would be required prior to a city submitting an annexation application. The area proposed to be annexed must be within the city’s sphere of Influence. The city is required to prezone the area to be annexed (the City becomes the Lead Agency and LAFCo is a Responsible Agency), enter into a property tax exchange agreement with the County of Sacramento, and address any terms and conditions imposed by the Commission in the event of a Sphere of Influence approval.

The City’s subsequent land use planning process will likely take several years because of the increasing complexity and variety of issues that must be addressed by local agencies. Thus, a city typically initiates the Sphere of Influence Amendment process well in advance of its rezoning planning process to provide adequate lead time.

South Sacramento Habitat Conservation Planning Process

Currently, the City of Elk Grove is working with the County of Sacramento, and other local agencies in the preparation of the South Sacramento Habitat Conservation Plan. Scoping for the preparation of an Environmental Impact Statement and Environmental Impact Report (EIS/EIR) is underway. It is estimated that this EIS/EIR will be complete by January-March 2011.

This document would be used by the participating local agencies to develop a habitat conservation plan to be used to obtain an Incidental Take Permit to mitigate for endangered species and wetland areas. The purpose of this document is to accommodate growth while maintaining and protecting the environment and designated species.

The SSHCP Steering Committee includes multiple federal, state and local agencies as well as environmental and development interests in order to reach a consensus on the final habitat conservation plan.

LAFCo Sphere of Influence Process

The required LAFCo analysis will include and not be limited to reviewing the following factors pursuant to Government Code Section 56435:

1. The present and planned land uses in the area including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the areas if the Commission determines that they are relevant to the agency.

Basic Components of the Evaluation Process

LAFCo will conduct the following data collection and studies in conjunction with this application:

- Environmental Review (LAFCo is the CEQA lead agency)

The following list identifies the required elements that must be examined under CEQA. If significant impacts are identified in the Initial Study that cannot be mitigated to less than significant, the Lead Agency is required to prepare an Environmental Impact Report. LAFCo will conduct its own Initial Study as described in this report.

- Aesthetics
- Biological Resources
- Hazards and Hazardous Materials
- Mineral Resources
- Public Services
- Utilities and Service Delivery Systems
- Agricultural Resources
- Cultural Resources
- Noise
- Recreation
- Air Quality
- Geology/Soils
- Land Use/Planning
- Transportation/Traffic
- Climate Change/Global Warming

- Municipal Services Review Evaluation
 - The Municipal Service Review will evaluate the following factors and criteria per Government Code Section 56430. LAFCo must be able to demonstrate that adequate municipal services be provided to both existing residents and for the proposed SOI Amendment area:
 - Growth and Population Projections
 - Present and planned capacity and adequacy of public facilities including infrastructure needs or deficiencies
 - Financial ability of agencies to provide services
 - Status and opportunities for shared facilities
 - Accountability for community service needs, including governmental structure and operational efficiencies
 - Any other matter related to effective or efficient service delivery, as required by Commission Policy
- Conformity with LAFCo Statutes and Sacramento LAFCo Policies, Procedures and Standards
- Compliance with the required City and County Meet and Confer process on boundary, zoning, and development standards
- Evaluate possible boundary alternatives, for example, the feasibility of a Sphere of Influence area lying north of Calvine Road currently within the unincorporated area of Sacramento County known as the “Vineyard Community Planning Area”. (Note: Much of the area located in the Vineyard Community Planning Area is currently under review for urbanization by the County of Sacramento and much of the land north of Calvine Road has already been urbanized)
- Evaluate land use inventory (supply) and demand based on growth projections and absorption rates within the existing city limits and proposed SOI Amendment area
- Potential Impacts of pending legislation, including, Senate Bill 303 and Senate Bill 375. These Bills impose new standards related to sustainable communities and regional transportation planning. These Bills attempt to develop a number of different strategies and standards to address climate change reduction requirements established when AB 32 was adopted in 2006.

Summary of Major Policy Issues to be Evaluated for the SOI

In addition to the environmental and Municipal Service Reviews, a number of policy issues will be comprehensively evaluated. Additional issues may be added based on agency and public comments.

- Evaluate Social and Economic Community of Interest Concerns
- Jobs/Housing Balance
- Economic Development and Financial Issues for City Sustainability
- Sustainable Water Supply
- Logical Boundary Issues
- Habitat Conservation Strategies
- Williamson Act Contracts
- Agricultural and Open Space Preservation Strategies
- Infill and Redevelopment Strategies
- Regional Housing Needs Allocation
- Impacts to Special Districts and Other Service Providers
- Resource/Cultural Opportunities and Constraints
- Environmental Justice Considerations
- Regional Growth Issues and SMART Growth Strategies
- Floodplain Encroachment
- Evaluate consistency with Sacramento Area Council of Government “Blueprint” principles
- Community Input
- Public Comments
- Agency Comments

Summary of Significant Project Milestones

The significant project components primarily relate to the environmental review, the Municipal Services Review, and the land use inventory (supply) and demand analysis (projected population growth and absorption rates). Whenever possible, these tasks will be processed concurrently.

LAFCo Policy Objectives

The primary questions that need to be evaluated for any SOI Amendment are as follows:

How much undeveloped land is available within the existing city limits to accommodate future growth, i.e. the inventory (supply) of developable area that can currently be urbanized for jobs and housing?

The estimated number of years before the undeveloped land within the current City General Plan will be built out based on projected absorption rates.

Based on the above information, determine if an extraterritorial Sphere of Influence Amendment is necessary, and if yes, determine what is a reasonable area that should be included in the proposed Sphere. The SOIA area would accommodate projected growth for a city based on both the City of Elk Grove and regional growth projections and local and regional absorption rates.

Generally, City General Plans cover a 20-year planning horizon. For example, if a city has approximately a 10-year supply of undeveloped land, it may be appropriate to approve a Sphere to accommodate an additional 10-year supply based on projected absorption rates in order to maintain a 20-year planning horizon. This is one of several policy questions to be considered by the Commission.

This will require LAFCo to make reasonable assumptions regarding employment and population growth, absorption rates as well as density and intensity of land use alternatives. Note: LAFCo does not have land use authority. Cities are responsible for the ultimate land use decisions within their city limits. Nonetheless, the LAFCo analysis will evaluate a range of land use assumptions such as low, medium and high density uses to evaluate the potential impacts.

In addition, LAFCo will evaluate the proximity to existing development, growth trends and patterns, and infrastructure needed to provide municipal services.

The SOI evaluation should attempt to protect natural resources and avoid environmentally sensitive areas whenever possible. However, Government Code Section 56377 provides the following guidance to LAFCo:

In reviewing and approving or disapproving proposal which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open space lands to uses other than open space uses, the Commission shall consider all of the following policies:

Development or use of land for other than open space uses shall be guided away from existing prime agricultural lands in open space use toward areas containing non-prime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

Objective of LAFCo Analysis

The LAFCo analysis is intended to provide an objective, thorough and comprehensive review in order for the Commission to render a decision for the proposed City of Elk Grove Sphere of Influence Amendment.

Commission Authority and Powers

Based on the foregoing studies together with verbal and written comments from all parties, the Commission may approve or disapprove with or without amendment, wholly, partially, or conditionally the proposed Sphere of Influence Amendment.

Protest Provisions for Sphere of Influence Amendments

The Sphere of Influence Amendment process is solely a discretionary action by the Commission. There are no formal Conducting Authority Protest proceedings for a Sphere of Influence Amendment similar to the annexation process. Generally, the annexation process allows either property owners or registered voters residing or owning land within the affected area to submit formal protest after an annexation is approved by the Commission. However, landowners with active Williamson Act contracts may request in writing to be removed or excluded from the SOIA area.

In determining any Sphere of Influence, government reorganization, or district formation, the Commission must consider comments from all interested parties before rendering a decision.

After the Commission renders a decision, there is a 30-day reconsideration period in which the Commission's decision may be challenged. The Commission has the ability to revoke or repeal its decision based on information not available prior to Public Hearings during which the Commission reached its original decision.

Projected Time Line

At this time, it is difficult to determine with any certainty how long it will take to process this application based on the number of tasks and studies that need to be reviewed and completed. A project time line will be prepared as soon as we have opportunity to evaluate data collection efforts.

Draft studies will be made available to the public once they are completed for review and comment. The following section describes current progress of actions taken and the next steps to be undertaken.

Actions Initiated

LAFCo has begun the comprehensive review of the proposed Sphere of Influence Amendment application as outlined below.

Affected Agency Comments

On July 1, 2008, we sent letters to all affected agencies requesting that they provide us with any additional information on how this proposal may impact their agency or district. Comments are due back on August 15, 2008. This information will be used to evaluate the scope of the environmental document and Municipal Services Review.

Environmental Review

The Commission has the sole discretion to act on an SOI Amendment request. Thus, LAFCo is the lead agency for CEQA review. The city prepared a Draft Initial Study/Negative Declaration with their submittal. However, we will conduct our own Initial Study and will make a recommendation to the Commission. We anticipate that this review will be concluded for the October meeting.

On Friday, July 25, 2008, we sent an early consultation letter (copy attached) to affected agencies and interested parties to obtain information to assist us with the preparation of LAFCo's Initial Study in order to determine what type of environmental document should be prepared. Once this phase is complete, we will issue a Request For Proposals from qualified environmental consultants. After evaluating the environmental consultants, we will make a recommendation to the Commission to enter into a contract in order to proceed with the preparation of the environmental document.

Municipal Service Review

The City submitted a Municipal Services Review (attached) as part of their application. We are in the process of reviewing this document. The MSR has been circulated to service providers for agency review and comment. In addition, we will be meeting with the various service providers to obtain their input and comments on the MSR. This document is available for review subject to possible amendments based on comments received from the service providers and affected agencies.

Outreach and Public Participation

We have attended community meetings in Wilton and initiated outreach with Sacramento County and SACOG. In addition, we will conduct workshops throughout this process to ensure that the public and interested parties have an opportunity to fully participate in the process prior to the commencement of Public Hearings. We will also keep the Commission informed as necessary with periodic updates and status reports.

We have been developing an interested party's mailing list, as an on going part of this process.

Web Site Access for Project Information and Status

We will be setting up a folder on our Web page to provide all available information to the public. The Web page address is www.saclafco.org.

Staff Contact Information

Any interested party may contact LAFCo staff.

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