Please note the change in meeting location

LAFCO MEETING AGENDA

Wednesday, April 4, 2007
1:30 p.m.

Isaac Newton Senter Auditorium
70 West Hedding Street, First Floor
San Jose, CA 95110

CHAIRPERSON: Blanca Alvarado • VICE-CHAIRPERSON: Pete Constant
COMMISSIONERS: Don Gage, John Howe, Susan Vicklund-Wilson
ALTERNATES: Pete McHugh, Sam Liccardo, Terry Trumbull, Roland Velasco

The items marked with an asterisk (*) are included on the Consent Agenda and will be taken in one motion. At the beginning of the meeting, anyone who wants to discuss a consent item should make a request to remove that item from the Consent Agenda.

Disclosure Requirements

1. If you wish to participate in the following proceedings, you are prohibited from making a campaign contribution of more than $250 to any commissioner or alternate. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until three months after a final decision is rendered by LAFCO. No commissioner or alternate may solicit or accept a campaign contribution of more than $250 from you or your agent during this period if the commissioner or alternate knows, or has reason to know, that you will participate in the proceedings. If you or your agent have made a contribution of more than $250 to any commissioner or alternate during the twelve (12) months preceding the decision, in the proceeding that commissioner or alternate must disqualify himself or herself from the decision. However, disqualification is not required if the commissioner or alternate returns the campaign contribution within thirty (30) days of learning both about the contribution and the fact that you are a participant in the proceedings.

2. Pursuant to Government Code Sections 56700.1 and 81000 et seq., any person or combination of persons who directly or indirectly contribute $1,000 or more in support of or in opposition to a change of organization or reorganization that has been submitted to Santa Clara County LAFCO and will require an election must comply with the disclosure requirements of the Political Reform Act of 1974 which apply to local initiative measures. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. Additional information about the requirements pertaining to the local initiative measures to be presented to the electorate can be obtained by calling the Fair Political Practices Commission at (916) 322-5660.

1. ROLL CALL

2. PUBLIC PRESENTATIONS

This portion of the meeting is reserved for persons desiring to address the Commission on any matter not on this agenda. Speakers are limited to THREE minutes. All statements that require a response will be referred to staff for reply in writing.

3. APPROVE MINUTES OF FEBRUARY 14, 2007 MEETING

PUBLIC HEARINGS

4. AGRICULTURAL MITIGATION POLICIES
(continued from February 14, 2007)

Possible Action: Consider staff report and adopt Agricultural Mitigation Policies.

5. MORGAN HILL URBAN SERVICE AREA (USA) AMENDMENT 2006
(continued from February 14, 2007)

A request by the City of Morgan Hill to amend its urban service area (USA) to include a property (APN 779-02-023) of approximately 18 acres, located at the intersection of Watsonville Road and Santa Teresa Boulevard outside of Morgan Hill.

Possible Action: Consider the request for USA amendment and staff recommendation.

6. PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2008

Possible Action:

a. Adopt the proposed LAFCO budget for Fiscal Year (FY) 2008.

b. Authorize staff to transmit the proposed budget adopted by the Commission, as well as the notice for public hearing scheduled for May 30, 2007 on the adoption of the Final Budget for FY 2008, to the County, the Cities Association and each of the cities.

ITEMS FOR COMMISSION DISCUSSION / ACTION

7. PROPOSED INCORPORATION OF TOWN OF SAN MARTIN

7.1 CONSULTANT TO DEVELOP INCORPORATION POLICIES, CONDUCT WORKSHOPS AND ASSIST LAFCO STAFF WITH INCORPORATION RELATED TASKS

Possible Action:

a. Ratify agreement between LAFCO and Roseanne Chamberlain in an amount not to exceed $20,000 for the purpose of developing incorporation policies/procedures, conducting incorporation workshops and providing assistance/advice to LAFCO staff on incorporation related tasks for a period starting from March 21, 2007 to December 30, 2007.

b. Delegate authority to the LAFCO Executive Officer to execute any necessary amendments including increasing the maximum compensation up to $30,000 subject to LAFCO Counsel review and approval.

7.2 OVERVIEW OF PROPOSED INCORPORATION OF TOWN OF SAN MARTIN

Possible Action: Accept staff report and provide direction as desired.

7.3 RFP FOR CONSULTANT TO PREPARE THE COMPREHENSIVE FISCAL ANALYSIS FOR THE PROPOSED INCORPORATION

Possible Action:

a. Authorize staff to issue a Request for Proposals (RFP) for a consultant to prepare a comprehensive fiscal analysis for the proposed incorporation of the Town of San Martin.

b. Advise whether LAFCO commissioner representation is desired on the consultant selection committee. If desired, appoint Commissioner to serve on the selection committee.

c. Delegate authority to the LAFCO Executive Officer to enter into an agreement with the most qualified consultant in an amount not to exceed $100,000 and to execute any necessary amendments subject to LAFCO Counsel review and approval.

8. CONSULTANT TO PREPARE SPHERE OF INFLUENCE RECOMMENDATIONS FOR SPECIAL DISTRICTS INCLUDED IN LAFCO'S COUNTYWIDE WATER SERVICE REVIEW

Possible Action: Delegate authority to the LAFCO Executive Officer to execute contract with Dudek and Associates in an amount not to exceed $10,280 for the purpose of preparing sphere of influence recommendations for the special districts included in LAFCO's Countywide Water Service Review.

9. APPOINTMENT OF PUBLIC MEMBER AND ALTERNATE PUBLIC MEMBER

Possible Action: Reappoint Susan Vicklund-Wilson as LAFCO public commissioner, and Terry Trumbull as LAFCO public alternate commissioner, to new four-year terms (May 2007 to May 2011).

10. UPDATE ON NORTH AND WEST VALLEY AREA SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY (held from February 14, 2007)

Possible Action: Accept Staff Report.

11. EXECUTIVE OFFICER'S REPORT

11.1 Revised 2007 Filing Deadlines

Possible Action: Approve correction to 2007 LAFCO filing deadlines.

11.2 CALAFCO Annual Conference on August 28-31, 2007 in Sacramento, California (held from February 14, 2007)

Information Only.

11.3 Report on CALAFCO Workshop on Government Code §56133: Service Extensions Outside Jurisdictional Boundaries (held from February 14, 2007)

Information Only.

11.4 Update on California Public Utilities Commission (CPUC) and Private Water Companies (held from February 14, 2007)

Information Only.

12. COMMISSIONERS' REPORTS

13. WRITTEN CORRESPONDENCE

14. NEWSPAPER ARTICLES

15. PENDING APPLICATIONS / UPCOMING PROJECTS

a. Cupertino Sanitary District Annexation, Prospect Road No. 6

b. City of Milpitas Out of Agency Contract for Services

16. ADJOURN

Adjourn to the next regular meeting on Wednesday, May 30, 2007.

NOTE TO COMMISSIONERS:
Upon receipt of this agenda, please contact Emmanuel Abello, LAFCO Clerk, at (408) 299-6415, if you are **unable** to attend the LAFCO meeting.

In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the LAFCO Clerk 24 hours prior to the meeting at (408) 299-6415, or at TDD (408) 993-8272, indicating that message is for the LAFCO Clerk.

LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY
MINUTES
WEDNESDAY, FEBRUARY 14, 2007

1. ROLL CALL

The Local Agency Formation Commission (LAFCO) of Santa Clara County convenes this 14th day of February 2007 at 1:15 p.m. in the Isaac Newton Senter Auditorium, County Government Center, 70 West Hedding Street, San Jose, California, with the following members present: Chairperson Blanca Alvarado, Commissioners Pete Constant, Don Gage, John Howe and Susan Vicklund-Wilson. Alternate Commissioners Terry Trumbull and Roland Velasco are also present.

The LAFCO staff in attendance includes Neelima Palacherla, LAFCO Executive Officer; Kathy Kretchmer, LAFCO Counsel; Dunia Noel, LAFCO Analyst; and, Ginny Millar, LAFCO Surveyor.

The meeting is called to order by Chairperson Alvarado and the following proceedings are had, to wit:

2. WELCOME NEW COMMISSIONER CONSTANT AND ALTERNATE COMMISSIONER SAM LICCARDO

Chairperson Alvarado introduces herself and other members of the Commission. She announces the appointment of San Jose Councilmember Pete Constant as Commissioner and Councilmember Sam Liccardo as Alternate Commissioner, both representing the City of San Jose. She likewise introduces the staff.

3. RESOLUTION OF COMMENDATION FOR FORMER COMMISSIONER LINDA J. LEZOTTE

On Commission consensus, there being no objection, it is unanimously ordered that the Resolution of Commendation for former Commissioner LeZotte be adopted.

Chairperson Alvarado acknowledges LAFCO Commissioner Linda J. LeZotte. Commissioner Wilson expresses appreciation for former Commissioner LeZotte's service to LAFCO, stating that while representing the City of San Jose, she was very clear about her role as a LAFCO Commissioner.

Chairperson Alvarado invites Commissioner Wilson and former Commissioner LeZotte to the podium, reads the Resolution and presents it former Commissioner LeZotte. Former Commissioner LeZotte accepts the Resolution, expressing appreciation to the Commission for taking the time to recognize her service to LAFCO.

4. PUBLIC PRESENTATIONS

There are no public presentations.

5. APPROVE MINUTES OF DECEMBER 13, 2006 MEETING

On motion of Commissioner Howe, seconded by Commissioner Wilson, it is ordered on a 3-0 vote, with Chairperson Alvarado and Commissioner Constant abstaining, that the minutes of December 13, 2006 meeting be approved, as submitted.

At this point, Chairperson Alvarado, indicating that she has to attend the Board of Supervisors' Health and Hospital Committee meeting at 2:30 p.m., inquires which items on the agenda could be deferred to April 4, 2007. Ms. Palacherla requests the Commission to act on agenda item numbers 7, 8, 10, 11, 12.1, 12.2 and 12.3. Chairperson Alvarado then requests Vice-Chairperson Constant to preside when she leaves and Mr. Constant expresses agreement.

6. REVISED DRAFT AGRICULTURAL MITIGATION POLICIES (CONTINUED FROM DECEMBER 13, 2006)

This being the time and place set to consider LAFCO's Revised Draft Agricultural Mitigation Policies, Chairperson Alvarado declares the public hearing open. Chairperson Alvarado requests the staff report and announces that Commissioners Gage and Wilson, as members of the Subcommittee, may also give their reports if they wish.

Ms. Palacherla directs attention to her staff report, dated February 14, 2007, stating that staff is seeking direction from the Commission to revise the draft policy to make it clear that the provisions in the policies are not requirements or conditions, and to include changes proposed at the Subcommittee meeting relating to the "plan for mitigation" and the "timing and fulfillment of mitigation." She informs the Commission that on December 13, 2006, the Commission formed a Subcommittee composed of

Commissioners Gage and Wilson to discuss and recommend to the full Commission, policies relating to the two sections, namely, the plan for mitigation, and timing and fulfillment of mitigation. On January 24, the Subcommittee met in Morgan Hill, discussed the two sections, took public comment, and directed staff to bring the revisions to the full Commission, including a summary of all the issues raised at that meeting. Ms. Palacherla requests Ms. Noel to discuss the proposed changes to the draft policies and the issues raised at the Subcommittee meeting.

Ms. Noel directs attention to Attachment C in the staff report, stating that the first flow chart illustrates the development process and the roles of LAFCO and the cities. The developer first requests the city council for USA expansion; the city council pre-zones the land and requests LAFCO to expand the USA. If LAFCO approves the USA expansion, the city will annex the land. LAFCO then records the city annexation and it becomes effective. She indicates that beyond this, citing a perforated line on the flow chart, LAFCO has no control over the rest of the development processes. She continues her report by directing attention to another chart (Attachment C) comparing the timing and fulfillment of mitigation being proposed in the current revision to that in the December 13, 2006 revision. Ms. Noel states that the previous version of policies required mitigation within four years of LAFCO approval, however, under the proposed system, the timeframe for the mitigation will be unknown and mitigation would only be fulfilled when the tentative map is approved, or when the grading permit or building permit is issued, whichever comes first.

Ms. Noel advises that since LAFCO has no jurisdiction over the development process, it is proposed that a city council ordinance or resolution be adopted to assure the Commission that the city would enforce the plan for mitigation at the specified time and provide annual status reports until the mitigation is fulfilled. The plan for mitigation would include an agreement among the property owner, the city and the conservation entity that commits the property owner to mitigate, specify the type of mitigation, indicate the agricultural conservation entity, if there is one, state how the land or in-lieu fees will be held; and, specify the acreage and location of the area to be preserved or the methodology for calculating the in-lieu fees; and, discuss the measures

to mitigate the impacts on adjacent lands. Upon approval of the USA application, the mitigation agreement would be recorded with the County Recorder's Office against the property to be developed. She informs that these potential elements of the draft policies are intended to be advisory and indicates that the language of the draft policies will be revised to reflect this intent.

Ms. Noel discusses the issues raised at the Subcommittee meeting and staff's response. On how LAFCO will ensure that agreed mitigation is enforced and whether audits would be conducted, she notes that under the draft policies the city would report annually to LAFCO until the mitigation requirements are fulfilled. On the choice between an ordinance or resolution to enforce the agreed mitigation, she advises that a city ordinance would be preferred, explaining that many cities currently have ordinances stipulating the timing of mitigation and impact fees for development approvals and permits. On whether or not LAFCO will be party to the agreement, Ms. Noel recommends that LAFCO, as the agency reviewing and approving the proposals, should not be a party to the agreement. On fulfillment of mitigation, she advises that mitigation should be fulfilled prior to the approval of the final map, or at the time of issuance of the building permit or grading permit, whichever comes first. On when mitigation should be required for projects involving multiple building permits, Ms. Noel advises that since USA approval is an expansion to an entire territory and not individual parcels, mitigation should be fulfilled prior to the approval of the final map, or at the issuance of the first building permit or the first grading permit, whichever occurs first. On how to ensure that in-lieu fees will be adequate even if mitigation occurs many years into the future, she advises that it is the intention of LAFCO that an equivalent amount and quality of farmland must be preserved regardless of whether it is preserved at the time the project was approved or in the future, and indicates that the revised policies would reflect this intent. She notes that the in-lieu fee calculation methodology should account for the changing land values. On how to ensure that future property owners provide the agreed mitigation, she advises that the mitigation agreement would be recorded against the property. On whether new USA applications would be discouraged because mitigation is pending for prior USA amendments, Ms.

Noel advises that the draft policies no longer stipulate that, however, the Commission would consider various factors as part of the review process, including the status of mitigation for the previous USA approvals.

Ms. Noel continues to report on issues raised at the Subcommittee meeting that were previously discussed and addressed. She requests Ms. Kretchmer to discuss the issue relating to LAFCO's authority to establish the draft policies. Ms. Kretchmer advises that the intent of the draft policies is not to regulate land use nor to impose land use conditions or mandatory requirements. Instead, the draft policies guide applicants in demonstrating how the loss of, or impact to, agricultural lands will be mitigated and provide a standard to the applicants and the Commission on how proposals will be evaluated. She advises that staff will issue a complete set of the draft policies to clearly indicate this. Chairperson Alvarado comments that the draft policies rely on the goodwill of the cities to enforce the agreed mitigation. Ms. Kretchmer explains that the draft policies encourage cities to adopt ordinances and resolutions to assure LAFCO that they will enforce the mitigation. She explains that when an application is received, the Commission should look for assurances by the cities that agricultural lands will be protected. Chairperson Alvarado comments that the policies would now be open-ended. Ms. Noel continues her report by stating that the use of Land Evaluation and Site Assessment (LESA) Model was again suggested. She advises that in the beginning of the process, staff indicated that LESA is an optional model which favors traditional, large-scale agriculture and is unlikely to protect smaller, urban-edge agriculture in Santa Clara County. She indicates that there are 200 different versions of LESA throughout the United States. Ms. Noel reports that the third issue discussed at the Subcommittee meeting is whether or not the draft policies would induce urban development in the unincorporated County. She advises that it is unlikely to happen because of the current lot sizes in the unincorporated areas and because LAFCO, the County and the cities have a long-standing policy to allow urban development and services only within the cities. She reports that it was again suggested to increase the mitigation ratio higher than 1:1. Ms. Noel advises that the draft policies provide for a minimum 1:1 ratio and would allow variations to be considered on a case-by-case basis.

Ms. Palacherla continues the report by discussing the new issues raised and the staff responses. On the issue that the draft policy would drive up housing prices, she advises that any mitigation, such as park fees and school fees among others, would negatively affect pricing; however, the effect of mitigation on housing prices is very difficult to calculate. She adds that there are studies indicating that homebuyers are willing to pay more for homes near preserved areas, and therefore, housing prices and mitigation could offset each other. On the inquiry of whether these draft policies are mandatory or advisory, she indicates that the draft policies are advisory and reiterates that the purpose of these policies is to clarify LAFCO's expectations for mitigation to enable property owners and cities to address them. Ms. Palacherla advises that these policies would serve as a framework for processing LAFCO applications involving agricultural lands. It would be an important factor, in the context of all the other factors that LAFCO has to consider, such as, the efficient service delivery, availability of vacant lands, water availability, regional housing needs, growth inducement, impacts to other agencies and environmental considerations, among others.

Ms. Palacherla then outlines the next steps in the process. She indicates that staff will revise the draft policies to include the elements of the proposed changes. Staff will post the revised draft policies and the CEQA analysis on the LAFCO website for public review and comment, and will notify the affected agencies and stakeholders when it becomes available. A second Subcommittee meeting will be held to discuss the revised draft policies and obtain stakeholders' input. A public hearing will be held on April 4, 2007 to consider the adoption of the draft policies.

In response to an inquiry by Commissioner Howe, Commissioner Gage notes that the revisions may be acceptable to stakeholders in the South County. In response to the inquiry by the Chairperson, Commissioner Gage notes that the staff report reflects his input at the Subcommittee meeting, stating that the most important issue on LAFCO's authority has been resolved by making the draft policies advisory. He expresses the opinion that most issues would be known and addressed before the April 4, 2007 hearing. Commissioner Wilson, expresses concurrence with Commissioner Gage, stating that the Subcommittee meeting was productive and dynamic even if some

comments raised had been discussed before. She notes that the fact that everybody agrees that agricultural lands must be preserved provides a starting point, and everyone should work together to enable the adoption of the policies at the April 2007 meeting. She commends the staff for their efforts in formulating and revising these policies, meeting with stakeholders, and keeping the Commission very aware of all comments, both verbal and written. She assures the stakeholders that the staff acted and performed with the utmost integrity and neutrality, and in accordance with the Commission's direction.

Chairperson Alvarado directs attention to Attachment C of the staff report, a diagram illustrating the process for timing and fulfillment of mitigation. She expresses concern that there is no assurance that cities would fulfill the mitigation and indicates that the Commission will look at this again very closely at the April 4, 2007 hearing. In response to this, Commissioner Howe comments that because the agreement will be recorded against the land, the mitigation would have to be fulfilled. Commissioner Alvarado notes that mitigation becomes a requirement if it is recorded with the land. In response to an inquiry by Commissioner Howe, Ms. Kretchmer advises that when LAFCO receives an application from the city, the Commission evaluates the application as outlined in the draft policies to determine whether the agricultural lands are adequately protected. Chairperson Alvarado notes that the there will be further discussion on this matter at the Subcommittee meeting and at the April 4, 2007 hearing.

Commissioner Gage recommends that LAFCO encourage each of the cities to adopt their own agricultural mitigation policies based on the draft policies because County-level policies may not be applicable to them. Chairperson Alvarado notes that LAFCO's mandate comes from the State and recalls the difficulties in the establishment of the County's Habitat Conservation Plan (HCP) because one jurisdiction wanted to formulate its own HCP. Chairperson Alvarado notes that there is a long way to get everyone to recognize the importance of preserving agricultural land, not only because it is a State mandate, but because it is important to the viability and the quality of life in the County.

Chairperson Alvarado opens the public comment period for this item.

Melissa Hippard, Director, Sierra Club-Loma Prieta Chapter, commends the Commission and staff for all their hard work to establish the agricultural mitigation policies, stating that staff have been very responsive to stakeholders' input. She expresses opposition to the use of LESA model and suggests bringing back the Department of Conservation's Important Farmland map. She proposes a moratorium on all USA expansions until three to four months after adoption of the draft policies. She expresses support for the 1:1 minimum ratio because special lands require higher mitigation. She expresses concern on the "advisory" nature of the draft policies, stating that the County's estimated 39,000 acres of remaining agricultural lands must be preserved. Finally, she enjoins the Commissioners to be strong in their commitment to preserve agricultural lands and resolve all issues to enable the adoption of the policies at the April 4, 2007 hearing.

Michelle Beasley, Greenbelt Alliance, commends the Commission for pursuing the draft policies and requests them to be vigilant in protecting the remaining farmlands because these are irreplaceable resources that their loss will have enormous impact to the County and the nation. She expresses support for a minimum of 1:1 mitigation ratio and even higher ratio for unique lands. She adds that the LESA model should not be used because it repeatedly failed to protect farmlands in the South County and advises the Commission to require cities to adopt ordinances to assure LAFCO that mitigation will be fulfilled, and suggests that the mitigation requirements be recorded against the property. She proposes placing new USA amendments on hold until mitigation for previous approvals has been fulfilled, and recommends that a moratorium on USA expansions be put in place, including Morgan Hill's USA amendment for 2006, until the draft policies have been adopted. She advises that cities should use lands more efficiently by encouraging infill and revitalizing their downtowns and transit hubs.

Brian Schmidt, Committee for Green Foothills, expresses agreement with the two previous speakers. He states that there has been no mention on the "advisory" nature of the draft policies in the previous meetings, and suggests that these policies should be made mandatory and provide exemptions when necessary. He talks about the

importance of the 1:1 minimum ratio and requests that LAFCO should be a party to the mitigation agreement in order to solve the enforcement problem.

Bill Faus, Planning Division Manager, City of Gilroy, recommends that the draft policies should be consistent with Gilroy's mitigation policies, particularly regarding the use of the LESA model to define agricultural lands and in allowing certain exemptions from mitigation. He disagrees with the staff report, stating that LESA is the premier land valuation model established by the State Department of Conservation based on CEQA.

Daniel Erhler, Chief Executive Officer and President, Morgan Hill Chamber of Commerce, compliments staff for being responsive to input from stakeholders. He expresses appreciation to the Commission for making the draft policies advisory and states support for the February 12, 2007 letter to the Commission from the City of Morgan Hill.

Kathy Molloy-Previsich, Community Development Director, City of Morgan Hill, expresses appreciation to the Commission for making the draft policies advisory and requests that the policies recognize the development processes timelines, local policies, programs and regulations. She notes that there are tools other than ordinances to implement the mitigation agreement and informs that Morgan Hill is developing financing strategies and implementation mechanisms to preserve greenbelts and open space. She expresses concern that the draft policies, which may be adopted in April, may not benefit from Morgan Hill's strategies and mechanisms because discussions may extend through the Summer.

Jenny Nusbaum, Planning Division staff, City of San Jose, states support for making the policies advisory and requests for the CEQA document to enable her to complete her analysis. She indicates that one of the unintended consequences of the draft policies would be inducing urban sprawl on five-acre lots in the unincorporated County which could challenge the viability of the remaining agricultural lands. She also calls the Commission to allow for exemptions from mitigation.

Annie Mudge, Coyote Housing Group and the Homebuilders Association of Northern California (HBANC), expresses support for making the draft policies

advisory. She informs that agricultural mitigation policies of Sacramento and Ventura LAFCOs avoided debates on their authority to impose mandatory conditions and resolved many CEQA obligations by making their policies advisory. She proposes that instead of recording the mitigation agreement with the land, cities could include the agreed mitigation as part of the Mitigation Monitoring and Reporting Program (MMRP) on the CEQA document which would be enforceable condition for approving the development projects. She agrees with the proposal to require mitigation at the approval of the final map, or at the issuance of building permit or grading permit, whichever comes first. She likewise requests that there be flexibility on the mitigation ratio because the minimum 1:1 ratio may not be appropriate for large-scale projects.

Beverly Bryant, Executive Director, HBANC Southern Division, informs that staff have been receptive and willing to talk to stakeholders throughout the process. She recommends the final policies continue to be advisory. She advises that like the school fees, it is easier to administer mitigation at the issuance of the grading or building permits, and requests that there be no moratorium imposed on USA expansions while the policies are being developed.

Chairperson Alvarado determines that there are no other members of the public who wish to speak on the item and orders that the public hearing be closed.

Chairperson Alvarado informs that she is encouraged to hear about the other ways to mitigate even if the draft policies would be advisory and expresses hope that cities would come forward with ideas or mechanisms to implement mitigation. She maintains that the draft policies may not be ready for adoption in April 2007 because of issues like the use of LESA model and calculation of in-lieu fees that have been repeatedly raised. Commissioner Wilson comments that under the CKH Act, LAFCO has the authority to consider the loss of, and impact on prime agricultural lands in USA applications, in addition to the other factors it is required to consider. The draft policies are, in part, response to requests by some applicants to be informed on what LAFCO is going to look for in the USA applications. She notes that throughout this process, the Commission has granted stakeholder requests. She states because the process has come a long way, it is now time for the Commission to make a decision on the issues that

have repeatedly been raised and addressed. Rather than continuing discussions on these issues, she proposes that the Commission adopt the final policies in April 2007 and continue to review and revise these policies as they are implemented over the years.

Commissioner Wilson moves to direct staff to revise the draft policies to include changes as set forth in the staff report; circulate and make the revised policies available on the LAFCO website for public review, together with the CEQA analysis; hold a second Subcommittee meeting to discuss the revised policies and to obtain input from stakeholders; and, hold a public hearing on April 4, 2007 to consider adoption of the draft policies.

Commissioner Howe offers to amend the motion with direction to staff to provide Commissioners and Alternate Commissioners with a hardcopy of the draft revised policies. Commissioner Gage requests an amendment to the motion to state that the second Subcommittee meeting will be held in the South County. Commissioners Wilson accepts the amendments. Commissioner Howe seconds the motion.

It is unanimously ordered on 5-0 vote that the motion, as amended, be approved.

Alternate Commissioner Velasco leaves at 2:32 p.m.

7. PUBLIC AND ALTERNATE PUBLIC MEMBER APPOINTMENT PROCESS *(ITEM TAKEN OUT OF ORDER)*

On the request of Commissioner Howe, there being no objection, it is unanimously ordered on Commission consensus that this item be taken out of order. Chairperson Alvarado requests the staff report.

Ms. Palacherla requests direction from the Commission to determine the process for appointing the public and alternate public member because the terms of these positions will expire in May 2007. She indicates that both the incumbent public member and alternate public member have expressed interest to serve another four-year term, from May 2007 to May 2011.

On motion of Commissioner Howe, seconded by Commissioner Gage, it is unanimously ordered on 4-0 vote, with Commissioner Wilson abstaining, that the April 4, 2007 agenda include the reappointment of Susan Vicklund-Wilson as Public Member

and Terry Trumbull as Alternate Public Member for a four-year term, from May 2007 to May 2011.

Chairperson Alvarado leaves at 2:34 p.m. Vice-Chairperson Constant presides at the meeting.

8. MORGAN HILL URBAN SERVICE ARA (USA) AMENDMENT 2006 (BLACK ROCK)

This being the time and place set to consider Morgan Hill's application for a USA expansion in 2006, Acting Chairperson Constant declares the public hearing open and requests the staff report.

Ms. Palacherla reports that the City of Morgan Hill proposes to expand its USA boundary to include an 18-acre parcel located at the intersection of Watsonville Road and Santa Teresa Boulevard and directs attention to the map shown on the screen. She informs that the proposed expansion of the USA is to eventually annex and develop residential uses of the property. She advises that the project is currently unincorporated and designated in the County General Plan as Agriculture-Medium Scale. After annexation, the City will change the designation to Residential Estate for 15 homes. The property is surrounded on three sides by unincorporated rural-residential lands and on one side by a residential subdivision within Morgan Hill. Morgan Hill's own policies restrict USA expansion if the City has a five-year supply of residential lands, except when it is a "desirable infill." The City Council Resolution requesting LAFCO approval states that this area meets all the criteria for "desirable infill" and proposed expansion is located within the City's amended Urban Growth Boundary (UBG).

Ms. Palacherla advises that, in terms of consistency with LAFCO policies, the project site, which was a Christmas tree farm until 2001, has Class 1 soil and is prime agricultural land as per the definition of the CKH Act. Since the proposed expansion will result in the conversion of prime agricultural land, LAFCO's policies require explanation from the City why it is necessary to annex prime agricultural land and how the loss will be mitigated. However, the City using the LESA model, has determined that the loss of agricultural land is less than significant.

With regard to LAFCO criteria on logical, orderly and efficient boundary, Ms. Palacherla advises that the proposed expansion is on the extreme southwest of the

current City boundary and adjacent to the rural lands in the County on three sides. Therefore, it is not consistent with compact, concentric urban growth and would result in inefficient delivery of services. She adds that provision of sewer and water lines and potential road improvements to the proposed expansion would put development pressures and induce premature growth on adjacent unincorporated agricultural and rural residential lands.

She advises that the City has indicated that there are vacant residential lands within Morgan Hill's boundaries worth over nine years. However, the recently completed Service Review indicates the availability of over 32 years of vacant residential lands. LAFCO policies require an explanation from the City as to why the expansion is required. The City explained that the site meets the "desirable infill" criteria and expansion will benefit the City because of the well site on the property and asphalt-paving of a portion of Watsonville Road fronting the property. The City has stated that it is able to provide fire protection, police and sewer services without the need for additional facilities or staffing. Based on the fiscal impact analysis there will be a very small impact on both the City and the County. She reports that the issue of adequate school facilities is still unresolved as of the writing of the staff report.

In conclusion, Ms. Palacherla recommends that the project be denied at this time because the City has at least nine years worth of vacant residential lands; and the site consists of prime agricultural lands, surrounded on three sides by unincorporated agricultural and rural-residential lands, which would result in inefficient provision of services, premature conversion of agricultural lands, and induce development of adjacent agricultural and rural residential lands.

In response to an inquiry by Commissioner Howe, Ms. Kretchmer advises that staff will bring back the item with the CEQA analysis at the April 4, 2007 meeting.

Acting Chairperson Constant opens the public hearing period for this item.

David Bishoff, City of Morgan Hill, states that the City is requesting approval of this application because it is "desirable infill" and because soil tests indicates that only 7 acres of the 18-acre property is prime agricultural land. He adds that the 32 years supply of vacant agricultural lands within the City boundary may have either predated

the GIS maps or have been confused with the UGB data. Citing a letter opposed to the expansion, he notes that the environmental analysis includes mitigation for potential impacts on blue herons and a possible native American occupation site.

Rocke Garcia, landowner, directing attention to the map displayed onscreen, states that the project is "desirable infill" because the lands on the west and south of the project site have already been developed, and the project is a transition between the projects in the County area along Watsonville Road and those within Morgan Hill on Santa Teresa Boulevard. He adds that based on LESA Model, there is no need to mitigate for this property because it is under-utilized and is not suitable for farming. The high-end housing that will be built would balance the need for high-income houses in the area. Regarding whether the school district is able to absorb 11 new students to be generated by the proposed development, he notes that $240,000 in construction fees will be paid to the school district.

Brian Schmidt, Committee for Green Foothills, expresses support for the staff recommendation to deny this project because of the amount of infill residential lands available within the City. Approval of the application should be deferred until the dispute over the amount of available vacant residential lands within the City is resolved. He notes that this proposal is the recipe for urban sprawl because every time there is a development on agricultural edge, the adjoining property would always want to subdivide next. He adds that building high-end, low-density housing should be discouraged because there are other ways to create high-income, high-value housing. He likewise requests that this project be put on hold until the draft agricultural mitigation policies have been put in place. He notes that since staff has already advised the Commission relating to the use of LESA Model, the Commission should review this project using the CKH Act definition of agricultural lands and the draft policies.

Acting Chairperson Constant determines that there no other members of the public who wish to speak on the item and orders that the public hearing be closed. He discloses for public record that he has met with the property owners.

Commissioner Howe moves that this item, along with its CEQA documents, be brought back to the Commission on April 4, 2007. Commissioner Gage seconds the motion.

Commissioner Wilson expresses concern on the motion, stating she would support bringing back the item at that time only if there is new information about the application and if it would be reviewed under the draft policies. In this regard, Commissioner Howe amends the motion to allow Commissioners Gage and Wilson, members of the Subcommittee on the draft agricultural mitigation policies, to include a letter or a written supplement relating to this proposal's agricultural mitigation. Commissioner Wilson indicates that she continues to be concerned that this application defines agricultural lands using LESA Model instead of the CHK Act. Commissioner Gage accepts the amendment.

In response to the inquiry of Acting Chairperson Constant, Ms. Palacherla explains that economic viability is not a factor that LAFCO considers in a USA expansion. Commissioner Wilson advises that Commissioners should refrain from fiscalizing land use because prime agricultural lands are being left fallow for many years with the intention of eventually developing them. She notes that under the CKH Act, LAFCO's mandate, the fact that the property is left to fallow and not economically viable is not a factor that the Commission takes into account when evaluating proposals.

It is unanimously ordered on 4-0 vote, with Chairperson Alvarado absent, that the motion, as amended, be approved.

At this point, in response to the inquiry of Acting Chairperson Constant, Ms. Palacherla requests the Commission to act on agenda items 8, 10, 12.1, 12.2, 12.3 and 16, and to defer the other items to April 4, 2007.

8. ISLAND ANNEXATIONS: EXTENSION OF LAFCO FEE WAIVER

Acting Chairperson Constant requests the staff report.

Ms. Noel reports that the adoption of island annexation policies included a two-year LAFCO fee waiver for annexations eliminating entire unincorporated islands. The

fee waiver expired on January 1, 2007, the sunset date for island annexation law. However, since the island annexation law was extended to January 1, 2014 the Commission has discussed at its December 13, 2006 meeting the extension of the fee waiver. Ms. Noel estimates that the number of island annexations in 2007 would be no more than those completed in 2006 and advises that a one-year fee waiver extension would not significantly affect the LAFCO budget.

Commissioner Gage moves to accept the staff report and to extend the fee waiver for island annexations for one year, direct staff to notify the cities that the fee waiver has been extended, and remove the fee waiver provision from the Island Annexation Policies. Commissioner Howe seconds the motion.

In response to an inquiry by Commissioner Howe, Ms. Kretchmer advises that the Commission may implement the fee waiver retroactive to January 1, 2007. In response to an inquiry by Commissioner Wilson, Ms. Kretchmer advises that the Commission can act on the item at this meeting. In response to an inquiry by Ms. Kretchmer, Mr. Gage indicates that the extension will be for one year and be reviewed annually based on the LAFCO budget. Commissioner Howe proposes to amend the motion to extend the fee waiver for one year and be implemented retroactive to January 1, 2007. Commissioner Gage accepts amendment to the motion.

It is unanimously ordered on 4-0 vote, with Chairperson Alvarado absent, that the motion, as amended, be approved.

9. UPDATE ON NORTH AND WEST VALLEY AREA SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY

On Commission consensus, there being no objection, it is unanimously ordered that this item be deferred to April 4, 2007.

10. LAFCO BUDGET SUBCOMMITTEE FOR FISCAL YEAR (FY) 2007-2008

Acting Chairperson Constant requests the staff report. Ms. Palacherla recommends that a Budget Subcommittee, composed of two commissioners, be established to provide direction to staff and recommend to full Commission the LAFCO budget for FY 2007-2008.

On motion of Commissioner Wilson, seconded by Commissioner Gage, it is unanimously ordered on 4-0 vote, with Chairperson Alvarado absent, that the Budget Subcommittee be established composed of Commissioners Gage and Howe.

12. EXECUTIVE OFFICER'S REPORT

12.1 CALAFCO ANNUAL STAFF WORKSHOP ON APRIL 11-13, 2007 IN NEWPORT BEACH

Acting-Chairperson Constant requests the staff report. Ms. Palacherla requests Commission approval for staff to attend the 2007 CALAFCO Staff Workshop from April 11 to 13, 2007 and to authorize expenses from the LAFCO budget.

Commissioner Wilson proposes that staff likewise be authorized to attend the CALAFCO Workshop on Incorporations on February 22 to 23, 2007. In response to the inquiry of Commissioner Howe, Ms. Palacherla indicates that there are funds in the LAFCO budget for these expenses.

On motion of Commissioner Gage, seconded by Commissioner Howe, it is unanimously ordered on a 4-0 vote, with Chairperson Alvarado absent, that staff be authorized to attend the CALAFCO Workshop from April 11 to April 13, 2007 in Newport Beach, California, and expenses be authorized from the LAFCO budget.

12.2 CALAFCO WORKSHOP ON INCORPORATIONS ON FEBRUARY 22-23, 2007 IN SACRAMENTO, CALIFORNIA

On motion of Commissioner Gage, seconded by Commissioner Howe, it is unanimously ordered on 4-0 vote, with Chairperson Alvarado absent, that staff be authorized to attend the CALAFCO Workshop on Incorporations in Sacramento and that expenses be authorized from the LAFCO budget.

12.3 REVISIONS TO 2007 SCHEDULE OF LAFCO MEETINGS

Ms. Palacherla recommends that the Commission adopt the revised 2007 schedule of meetings and filing deadlines. The revision of meeting dates will allow the use of the Board of Supervisors' Chambers. In response to an inquiry by Acting Chairperson Constant, Ms. Palacherla indicates that the time for all the 2007 meetings have been changed from 1:15 p.m. to 1:30 p.m.

On motion of Commissioner Gage, seconded by Acting Chairperson Constant, it is unanimously ordered on 4-0 vote, with Chairperson Alvarado absent, that the revised 2007 LAFCO schedule of meetings be approved, as submitted.

12.4 CALAFCO ANNUAL CONFERENCE ON AUGUST 28-31, 2007 IN SACRAMENTO, CALIFORNIA

On Commission consensus, there being no objection, it is unanimously ordered that this item be deferred to April 4, 2007.

12.5 REPORT ON CALAFCO WORKSHOP ON GOVERNMENT CODE §56133: SERVICE EXTENSIONS OUTSIDE JURISDICTIONAL BOUNDARIES

On Commission consensus, there being no objection, it is unanimously ordered that this item be deferred to April 4, 2007.

12.6 UPDATE ON CALIFORNIA PUBLIC UTLITIES COMMISSION (CPUC) AND PRIVATE WATER COMPANIES

On Commission consensus, there being no objection, it is unanimously ordered that this item be deferred to April 4, 2007.

13. COMMISSIONERS' REPORTS

There is no report by Commissioners.

14. WRITTEN CORRESPONDENCE

There is correspondence.

15. NEWSPAPER ARTICLES

There are no newspaper articles.

16. PENDING APPLICATIONS/UPCOMING PROJECTS

Ms. Palacherla informs that at the December 2006 meeting, staff reported that the San Martin Neighborhood Association (SMNA) submitted a Notice of Intent to Circulate a Petition for the incorporation of San Martin and had started collecting signatures for the petition. She informs that staff has now received the petition, along with the application and the fee deposit. The signed petition is composed of 1,003 signatures. 706 signatures are required for the petition to be valid. Staff will meet with

SMNA representatives on February 15, 2007 to discuss issues relating to the application. SMNA has proposed that they choose the consultant, however, the process for consultant selection should be unbiased to ensure that the results of the studies would be credible and reliable. She informs that staff will submit to the Commission on April 4, 2007 the draft RFP, scope of work and other information relating to consultant selection.

Commissioner Gage proposes that LAFCO choose the consultant and SMNA pay for the cost because that is the practice among cities to ensure that there will be no question on the validity of the consultant reports. Commissioner Wilson requests staff to prepare the draft incorporation policies, taking into consideration the information from the CALAFCO Incorporation Workshop, and in consultation with other LAFCOs experienced in processing incorporations.

17. ADJOURN

On order of Acting Chairperson Constant, there being no objection, the meeting is adjourned at 3:09 p.m.

The next regular LAFCO meeting is scheduled to be held on Wednesday, April 4, 2007 at 1:30 p.m. in the Isaac Newton Senter Auditorium, County Government Center, 70 West Hedding Street, San Jose, California.

_____
Pete Constant, Acting Chairperson
Local Agency Formation Commission

ATTEST:

_____
Emmanuel Abello, LAFCO Clerk

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 4

LAFCO Meeting Date: April 4, 2007

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst

SUBJECT: **LAFCO'S AGRICULTURAL MITIGATION POLICIES**
Agenda Item # 4

STAFF RECOMMENDATION

1. CEQA Action

a. As Lead Agency, adopt Negative Declaration based on findings that the Negative Declaration was prepared in accordance with law and reflects the Local Agency Formation Commission of Santa Clara County 's independent judgment and analysis; that LAFCO has considered the Negative Declaration and all comments received during the comment period; and that there is no substantial evidence in the record that the Project will have a significant impact on the environment. (see Attachment B for Negative Declaration and Initial Study)

b. Designate the LAFCO Executive Officer as the location and custodian of the documents and other materials that constitute the record of proceedings on which this decision is based.

2. Project

a. Adopt Agricultural Mitigation Policies (see Attachment A) to be effective immediately

DEVELOPMENT OF REVISED DRAFT AGRICULTURAL MITIGATION POLICIES

Background

In February 2006, LAFCO held a planning workshop that included a presentation by the Deputy County Agricultural Commissioner on Agriculture in Santa Clara County and LAFCO discussed its role in preserving agricultural lands. LAFCO, at its April 2006 meeting, directed staff to draft agricultural mitigation policies for LAFCO proposals that would result in the conversion of

prime agricultural lands to urban uses in order to ensure that LAFCO's agricultural mitigation expectations and requirements are clear to applicants, cities, special districts and affected property owners. Staff was directed to prepare the policies for the Commission's consideration and approval in the fall of 2006.

Public Review, Comment and Revision of the Draft Policies

August 2006 through October 2006

The Draft Agricultural Mitigation Policies were first circulated on August 14, 2006, for review and comment and scheduled for a public hearing for October 11, 2006. A workshop was held on August 28th to discuss the Draft Policies and take comment. To allow affected agencies and stakeholders additional time to provide comments and to allow LAFCO staff additional time to consider and address stakeholder concerns, the October Public hearing was postponed to December 13th. At the October 11, 2006 LAFCO meeting, staff discussed the October 2006 LAFCO staff report, provided an update and discussed the draft policies. The commission took public testimony and discussed the issues. LAFCO staff then revised the Draft Policies and released the Revised Draft Policies for public review and comment on October 26th with comments due on November 28th.

November 2006

Staff then held a workshop to discuss the policies on November 13, 2006 and another workshop in South County (as requested by the City of Gilroy) on November 27th. In addition, staff met with individual and stakeholder groups and made a presentation to the Gilroy Chamber of Commerce on November 17th.

December 2006

On December 6, 2006, the Revised Draft Policies were released for public review and comment. The majority of the revisions found in the October 26, 2006 and December 6, 2006 Revised Draft Policies were based directly on recommendations or suggestions made by stakeholders. Even with the revisions to the Draft Policies relating to "Timing and Fulfillment of Mitigation," many stakeholders remained concerned about these policies as mentioned in the December LAFCO staff report.

LAFCO, at its December 13, 2006 Meeting, formed a Subcommittee (consisting of Commissioners Don Gage and Susan Vicklund-Wilson) to recommend policies relating to two sections of the Revised Draft Policies namely: "Plan for Mitigation" and "Timing and Fulfillment of Mitigation" to the full Commission for final action. LAFCO limited the scope of the Subcommittee meeting to those two issues, but indicated that if additional issues were to arise at the

Subcommittee meeting, the Subcommittee could seek the full Commission's approval to widen the scope of its review.

January 24, 2007 Subcommittee Meeting

The Subcommittee met on January 24, 2007 in Morgan Hill and discussed revisions to the two sections and accepted input from stakeholders. The subcommittee directed staff to bring the proposed revisions to the two sections to the full commission in February and provide the full commission with a summary of issues raised at the subcommittee meeting.

February 2007

LAFCO, at its February 14, 2007 Meeting directed staff to revise the Draft Policies to:

- Include the proposed revisions to the two sections ("Timing and Fulfillment" and "Plan for Mitigation"),
- Clarify that the policies are not requirements, and
- Include statements that the in-lieu fees should include provisions for adjustment of the fees in order to reflect potential changes in land values at the time of actual payment.

LAFCO directed staff to circulate and make the Revised Draft Policies available on the LAFCO website for public review, together with the CEQA analysis. LAFCO also directed staff to hold a second Subcommittee meeting in South County to discuss the Revised Draft Policies and to obtain input from stakeholders, and to hold a public hearing on April 4, 2007 to consider adoption of the Policies.

March 13, 2007 Subcommittee Meeting

The Subcommittee met on March 13, 2007 in Morgan Hill and discussed the Revised Draft Policies and accepted input from stakeholders. Please see **Attachment C** for list of Subcommittee meeting attendees. The Subcommittee directed staff to bring the Revised Draft Policies to the full commission in April and to provide the full commission with a summary of issues raised at the subcommittee meeting.

Confirmation of LAFCO's Authority And Clarification on Use of LAFCO's Agricultural Mitigation Policies

At the March 13, 2007 Subcommittee Meeting, the issues of LAFCO's authority relating to agricultural mitigation and LAFCO's use of its Agricultural Mitigation Policies were raised by some stakeholders.

Following the March 13th subcommittee meeting, LAFCO staff discussed the issues raised at the meeting regarding how the policies would be implemented with LAFCO Counsel. Counsel confirmed that LAFCO has the authority to adopt the proposed policies. These policies will provide guidance to applicants on how agricultural mitigation should be provided. LAFCO will not require or condition the application on specific mitigation for a proposal impacting agricultural lands.

LAFCO looks at many factors in its evaluation of a proposal and makes its decision on whether to approve a boundary change based on balancing all the factors. LAFCO will consider impacts to agricultural lands along with the many other factors identified in LAFCO policies such as infill opportunities, adequate water supply, efficient services, logical boundaries etc. Existing USA policies discourage premature conversion of agricultural lands, guide development away from existing agricultural lands and require the development of existing vacant lands within city boundaries prior to the conversion of agricultural lands. In approving or denying a project, LAFCO will weigh and balance these multiple considerations. While agricultural mitigation will be a very important consideration in LAFCO's review of proposals, LAFCO will consider the issue of impacts to agricultural lands and mitigation based on the totality of all the factors. LAFCO's decision on the proposal will not be based solely on the issue of impacts to agriculture or consistency with LAFCO's agricultural mitigation policies.

LAFCO Counsel has confirmed that LAFCO has the ability to deny a proposal if the application will not result in orderly growth and development based on LAFCO's policies. So, even if an application involving agricultural lands provides mitigation (regardless of whether the mitigation is consistent with the agricultural mitigation policies), other LAFCO policies need to be considered, and LAFCO's decision will be made based on the whole picture and consideration of all the policies.

Final Proposed Revisions Are Minor and of a Non-Controversial Nature

The following minor revisions were made to the Revised Draft Policies in order to provide greater clarity.

1. Background section was revised. The phrase "encourage orderly growth and development" was added to the sentence regarding LAFCO's mission.

2. Policy 7 was revised. The word "promotion" was replaced with the word "maintenance."

3. Policy 7(c)(2) was revised. The word "promoting" was replaced with the word "maintaining."

4. Policy 9(b) was revised to state that the mitigation lands should be located within "cities' spheres of influence."

5. Policy 10 was revised to state that LAFCO encourages cities with LAFCO proposals impacting agricultural lands to adopt measures to "protect" adjoining agricultural lands, to prevent their premature conversion to other uses, and to minimize potential conflicts between the proposed urban development and adjacent agricultural uses. The previous version of the Draft Policies used the word "preserve" rather than "protect." Some stakeholders read this to mean that LAFCO was encouraging the use of permanent agricultural buffers. Buffers are listed as one example of such types of measures in the policies. The policies do not recommend a specific type of buffer. The concern for LAFCO is that the buffers or other measures be effective.

6. Draft Policies 17 and 18 were consolidated into Policy 16a and 16b.

Issues Raised at the March 13, 2007 Subcommittee Meeting

The following is a list of issues raised by stakeholders at the subcommittee meeting.

1. ***Are grazing lands in Santa Clara County considered prime agricultural lands under the Cortese Knox Hertzberg Act?***

   The Revised Draft Policies include a definition for prime agricultural lands as defined by the Cortese Knox Hertzberg Act (CKH Act). The definition does include land where an acre of grazing land can produce sufficient forage to sustain one mature cow of approximately 1, 000 pounds and a calf as old as six months, or their equivalent, for an entire year (see Policy 6c). LAFCO staff anticipates that the applicability of this Policy will be extremely limited in Santa Clara County because the typical annual carrying capacity of rangeland in Santa Clara County varies from 12 acres per animal unit on productive grasslands to 30 acres or more per animal unit in areas with dense trees and brush.

   However, it is possible that grazing lands may qualify as prime agricultural lands under the CKH Act's definition, based on their soil class and Storie Index (see Policies 6a and 6b) or productivity (see Policies 6d and 6e).

2. ***Should agricultural mitigation be a one-time payment or multiple payments over time?***

   The Revised Draft Policies do not indicate a specific payment process for fulfilling agricultural mitigation. It is expected that the city and the agricultural conservation entity will negotiate an acceptable payment

amount and/or process that will allow them to meet the intent of LAFCO's Agricultural Mitigation Policies.

3. ***Why don't the policies acknowledge that agricultural mitigation may not be warranted under certain situations?***

   The Revised Draft Policies recommend the provision of agricultural mitigation, as specified in the Draft Policies, for all LAFCO applications that impact or result in a loss of prime agricultural lands as defined in Policies 6a through 6e. If a city believes that agricultural mitigation is not warranted for a specific project, the city should provide information supporting this conclusion when it submits a proposal to LAFCO for LAFCO's consideration.

4. ***Should agricultural mitigation be provided for Out of Agency Contracts for Services?***

   If an out of agency contract for services proposal does not result in the conversion of agricultural lands or does not impact adjacent agricultural lands, LAFCO's Agricultural Mitigation Policies would not apply.

5. ***Should agricultural mitigation be provided for lands that are already developed or for areas that include some lands that are already developed?***

   If a proposal does not result in the conversion of agricultural lands or does not impact adjacent agricultural lands, LAFCO's Agricultural Mitigation Policies would not apply.

6. ***Can agricultural mitigation lands be located outside of a City's Sphere of Influence Boundary (SOI)?***

   The vast majority of prime agricultural lands are located within a city's sphere of influence boundary. Therefore, LAFCO's Revised Draft Policies state that agricultural mitigation should result in the preservation of land that would be located within cities spheres of influence boundaries. However, the Revised Draft Policies also state that variations from the Policies should be accompanied by information explaining the adequacy of the proposed mitigation. The concern for LAFCO is that the mitigation is effective.

7. ***Can agricultural buffers be temporary?***

   LAFCO's Revised Draft Policies encourage cities with LAFCO proposals impacting agricultural lands to adopt measures to protect adjoining agricultural lands, to prevent their premature conversion to other uses and to minimize potential conflicts between the proposed urban development

and adjacent agricultural uses. Buffers are listed as one example of such types of measures in the policies. The policies do not recommend a specific type of buffer. The concern for LAFCO is that the buffers or other measures be effective.

8. ***Why is LAFCO not a party to the agricultural mitigation agreement?***

   LAFCO's role is to evaluate proposals for boundary changes against its established policies and to approve and deny proposals. Therefore, entering into such an agreement is not recommended.

9. ***Should agricultural lands intended for easements, right-of-ways, and roads be deducted from the agricultural mitigation amount?***

   In general, agricultural lands intended for easements, right-of ways, and roads to support a proposed urban development should not be deducted from the area to be mitigated. However, this question can best be considered and answered on a case-by-case basis and may require site specific information.

10. ***Why is the California Department of Conservation's Important Farmland Map not included in the policies?***

    The CKH Act's definition of prime agricultural land does not refer to the Important Farmland Map, therefore LAFCO's Revised Draft Policies do not refer to this map.

11. ***Can a private conservation agency qualify as an agricultural conservation entity under LAFCO's Draft Agricultural Mitigation Policies?***

    Some stakeholders have expressed that a public agency should exclusively handle agricultural mitigation in order to assure public accountability and permanence of the agricultural conservation entity. The Revised Draft Policies do not prohibit using a private conservation agency as an agricultural conservation entity. LAFCO's Policies encourage the consideration of agricultural conservation entities that meet certain recommended criteria (see Policies 11a - 11c). Cities may require and/or encourage the use of a specific conservation entity or type of entity.

12. ***How should agricultural mitigation costs be determined for large-scale project?***

    LAFCO's Revised Draft Policies do not specify a methodology for determining the cost of program administration, land management, monitoring, enforcement and promotion of agriculture on the mitigation

lands. It is expected that the city and/or agricultural conservation will determine the costs through a transparent and legal process.

13. ***Can agricultural mitigation be provided through purchasing credits in a mitigation bank?***

    Mitigation banking is commonly used for wetlands and other habitat restoration and preservation in many counties. The use and effectiveness of mitigation banks for fulfilling agricultural mitigation is unknown in Santa Clara County. LAFCO's Revised Draft Policies do not prohibit the use of mitigation banks. Again, LAFCO's Policies encourage the consideration of agricultural conservation entities that meet certain recommended criteria (see Policies 11a - 11c). Cities may require and/or encourage the use of a specific conservation entity or type of entity.

14. ***Since the payment of in-lieu fees may not occur for some time after LAFCO approval, LAFCO is recommending that the fees be adjusted to reflect the land values at the time of actual payment. Some stakeholders have commented that the fees should instead reflect the land values at time of actual acquisition of land / easements by the agricultural conservation entity.***

    Staff acknowledges that the actual acquisition of agricultural land may not occur immediately after payment of in-lieu fees to an agricultural conservation entity. However, the actual acquisition of agricultural land may be a complicated process with many factors affecting its timing. Therefore, staff suggests that the agricultural entity take this issue into consideration when developing a methodology for setting the in-lieu fees. The agricultural entity may analyze if there is a difference between the rise in land costs and the value of interest earned over the period of time it takes to acquire the agricultural land and factor that difference into the in-lieu fees.

ENVIRONMENTAL ANALYSIS

LAFCO, as Lead Agency, conducted an Initial Study (see Attachment B) in order to determine if the project would have a significant impact on the environment. The Initial Study outlines the project's impacts with respect to aesthetics, agricultural resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, transportation/traffic and utilities and service systems. In each of these areas, the Initial Study classified the project as having "No Impact" or having a "Less Than Significant Impact." Therefore, LAFCO staff is recommending that the Commission adopt a Negative

Declaration for the project, prior to adopting LAFCO's Agricultural Mitigation Policies.

A Notice of Intent to Adopt a Negative Declaration was circulated by LAFCO to affected agencies, stakeholders, transportation planning agencies and public agencies with transportation facilities within Santa Clara County for their public comment. The Negative Declaration was also submitted to the State Clearinghouse for review by state agencies. The Notice of Intent was also published in the Post Record and posted in the County Clerk-Recorder's Office. The 30-day public review period for the Negative Declaration began on March 2, 2007 and will end on March 31, 2007.

To date, LAFCO has received only one comment letter regarding the Proposed Negative Declaration. The letter from the Santa Clara Valley Transportation Authority (see Attachment D) states that the agency has no comments on the proposed project at this time. Any additional comment letters that LAFCO staff receives during the public comment period will be provided to LAFCO at the April 4, 2007 LAFCO hearing.

CORRESPONDENCE

Please see Attachment D for all the correspondence received on this issue since the February 14, 2007 LAFCO meeting.

EFFECTIVE DATE FOR THE NEW POLICIES

Staff is proposing that the policies become effective immediately.

NEXT STEPS

After Commission adoption of the policies:

- The policies will be mailed to the County, cities and special districts in the county and other interested persons or parties.
- The policies will be posted on the LAFCO web site.

ATTACHMENTS

Attachment A:	LAFCO's Final Revised Draft Agricultural Mitigation Policies (March 28, 2007)
Attachment B:	Negative Declaration and Initial Study
Attachment C:	March 13, 2007 Subcommittee Meeting Attendees List
Attachment D:	Comments received after February 14, 2007

AGRICULTURAL MITIGATION POLICIES

ITEM NO. 4
ATTACHMENT A

Background

LAFCO's mission is to encourage orderly growth and development, discourage urban sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies. LAFCO will consider impacts to agricultural lands along with other factors in its evaluation of proposals. LAFCO's Urban Service Area (USA) Amendment Policies discourage premature conversion of agricultural lands, guide development away from existing agricultural lands and require the development of existing vacant lands within city boundaries prior to conversion of additional agricultural lands. In those cases where LAFCO proposals involve conversion of agricultural lands, LAFCO's USA Amendment Policies require an explanation of why the inclusion of agricultural lands is necessary and how such loss will be mitigated.

Purpose of Policies

The purpose of these policies is to provide guidance to property owners, potential applicants and cities on how to address agricultural mitigation for LAFCO proposals and to provide a framework for LAFCO to evaluate and process in a consistent manner, LAFCO proposals that involve or impact agricultural lands.

General Policies

1. LAFCO recommends provision of agricultural mitigation as specified herein for all LAFCO applications that impact or result in a loss of prime agricultural lands as defined in Policy #6. Variation from these policies should be accompanied by information explaining the adequacy of the proposed mitigation.
2. LAFCO encourages cities with potential LAFCO applications involving or impacting agricultural lands to adopt citywide agricultural mitigation policies and programs that are consistent with these policies.
3. When a LAFCO proposal impacts or involves a loss of prime agricultural lands, LAFCO encourages property owners, cities and agricultural conservation agencies to work together as early in the process as possible to initiate and execute agricultural mitigation plans, in a manner that is consistent with these policies.
4. LAFCO will work with agricultural entities, the County, cities and other stakeholders to develop a program and public education materials to improve the community's understanding of the importance of agriculture in creating sustainable communities within Santa Clara County.

5. LAFCO will review and revise these policies as necessary.

Definition of Prime Agricultural Lands

6. Prime agricultural land as defined in the Cortese Knox Hertzberg Act means agricultural land that meets **any** of the following qualifications:

   a. Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.

   b. Land that qualifies for rating 80 through 100 Storie Index Rating.

   c. Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Handbook on Range and Related Grazing Lands, July, 1967, developed pursuant to Public Law 46, December 1935.

   d. Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars ($400) per acre.

   e. Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars ($400) per acre for three of the previous five calendar years.

Mitigation Recommendations

7. Proposals involving the conversion of prime agricultural lands should provide one of the following mitigations at a not less than 1:1 ratio (1 acre preserved for every acre converted) along with the payment of funds as determined by the city / agricultural conservation entity (whichever applies) to cover the costs of program administration, land management, monitoring, enforcement and maintenance of agriculture on the mitigation lands:

   a. The acquisition and transfer of ownership of agricultural land to an agricultural conservation entity for permanent protection of the agricultural land.

   b. The acquisition and transfer of agricultural conservation easements to an agricultural conservation entity for permanent protection of the agricultural land.

   c. The payment of in-lieu fees to an agricultural conservation entity that are sufficient to fully fund*:

1. The cost of acquisition of agricultural lands or agricultural conservation easements for permanent protection, and
2. The cost of administering, managing, monitoring and enforcing the agricultural lands or agricultural conservation easements, as well as the costs of maintaining agriculture on the mitigation lands.

* with provisions for adjustment of in-lieu fees to reflect potential changes in land values at the time of actual payment

8. Agricultural lands or conservation easements acquired and transferred to an agricultural conservation entity should be located in Santa Clara County and be lands deemed acceptable to the city and entity.
9. The agricultural mitigation should result in preservation of land that would be:
   a. Prime agricultural land of substantially similar quality and character as measured by the Average Storie Index rating and the Land Capability Classification rating, and
   b. Located within cities' spheres of influence in an area planned/envisioned for agriculture, and
   c. That would preferably promote the definition and creation of a permanent urban/agricultural edge.
10. Because urban/non-agricultural uses affect adjacent agricultural practices and introduce development pressures on adjacent agricultural lands, LAFCO encourages cities with LAFCO proposals impacting agricultural lands to adopt measures to protect adjoining agricultural lands, to prevent their premature conversion to other uses, and to minimize potential conflicts between the proposed urban development and adjacent agricultural uses. Examples of such measures include, but are not limited to:
    a. Establishment of an agricultural buffer on the land proposed for development. The buffer's size, location and allowed uses must be sufficient to minimize conflicts between the adjacent urban and agricultural uses.
    b. Adoption of protections such as a Right to Farm Ordinance, to ensure that the new urban residents shall recognize the rights of adjacent property owners conducting agricultural operations and practices in compliance with established standards.
    c. Development of programs to promote the continued viability of surrounding agricultural land.

Agricultural Conservation Entity Qualifications

11. The agricultural conservation entity should be a city or a public or non-profit agency. LAFCO encourages consideration of agricultural conservation entities that:

    a. Are committed to preserving local agriculture and have a clear mission along with strategic goals or programs for promoting agriculture in the areas that would be preserved through mitigation,

    b. Have the legal and technical ability to hold and administer agricultural lands and agricultural conservation easements and in-lieu fees for the purposes of conserving and maintaining lands in agricultural production and preferably have an established record for doing so, and

    c. Have adopted written standards, policies and practices (such as the Land Trust Alliance's "Standards and Practices") for holding and administering agricultural lands, agricultural conservation easements and in-lieu fees and are operating in compliance with those standards.

Timing and Fulfillment of Mitigation

12. LAFCO prefers that agricultural mitigation be in place at the time of LAFCO approval or as soon as possible after LAFCO approval. The mitigation (as detailed in the Plan for Mitigation) should be fulfilled no later than at the time of city's approval of the final map, or issuance of a grading permit or building permit, whichever occurs first.

13. Cities should provide LAFCO with information on how the city will ensure that the agricultural mitigation is provided at the appropriate time.

14. Cities should provide LAFCO with a report on the status of agricultural mitigation fulfillment every year following LAFCO approval of the proposal until the agricultural mitigation commitments are fulfilled.

15. The agricultural conservation entity should report annually to LAFCO on the use of the in-lieu fees until the fees have been fully expended.

Plan for Mitigation

16. A plan for agricultural mitigation that is consistent with these policies should be submitted at the time that a proposal impacting agricultural lands is filed with LAFCO. The plan for mitigation should include all of the following:

    a. An agreement between the property owner, city and agricultural conservation entity (if such an entity is involved) that commits the property owner(s) to provide the mitigation for the loss of prime agricultural lands and establishes the specifics of the mitigation. Upon LAFCO approval of the proposal, the agreement should be recorded with the County Recorder's office against the property to be developed. The agreement should specify:

1. The type of mitigation that will be provided in order to mitigate for conversion of agricultural lands. (purchase of fee title or easement or payment of in-lieu fees)
2. The agricultural conservation entity that will be involved in holding the lands, easements, or in-lieu fees.
3. The acreage that would be preserved through mitigation and /or the amount of in-lieu fees that would be paid (with provisions to adjust fees to reflect land values at time of payment) along with the methodology adopted by the entity for calculating the in-lieu fees.
4. The location of the mitigation lands, when possible.
5. Information on the specific measures adopted by the city as encouraged in Policy #10 (mitigation for impacts to adjacent agricultural lands)
6. The time-frame within which the mitigation will be fulfilled, which should be no later than at the time of city's approval of the final map, or issuance of the grading permit or building permit, whichever occurs first.
7. The mitigation agreement is to be contingent on LAFCO approval of the proposal.

b. Applicant should provide all other supporting documents and information to demonstrate compliance with these policies.

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 4
ATTACHMENT B

Notice of Intent to Adopt a Negative Declaration

Per the California Environmental Quality Act (CEQA), this notice has been prepared to inform you that the following project will not have a significant effect on the environment.

Project Name	**Applicant**
Adoption of LAFCO's Agricultural Mitigation Policies	Local Agency Formation Commission of Santa Clara County (LAFCO)

Project Location

Unincorporated properties in Santa Clara County

Project Description

The project is the adoption of LAFCO's Agricultural Mitigation Policies.

LAFCO's mission is to discourage urban sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies. LAFCO will consider impacts to agricultural lands along with other factors in its evaluation of proposals. LAFCO's Urban Service Area (USA) Amendment Policies discourage premature conversion of agricultural lands, guide development away from existing agricultural lands and require the development of existing vacant lands within city boundaries prior to conversion of additional agricultural lands. In those cases where LAFCO proposals involve conversion of agricultural lands, LAFCO's USA Amendment Policies require an explanation of why the inclusion of the agricultural lands is necessary and how such loss will be mitigated.

The purpose of these policies is to provide guidance to property owners, potential applicants and cities on how to address agricultural mitigation for LAFCO proposals and to provide a framework to LAFCO for evaluating and processing LAFCO proposals that involve or impact agricultural lands in a consistent manner. The policies include LAFCO's recommendation on how mitigation should be provided; variations from these policies should be accompanied by information explaining the adequacy of the proposed mitigation.

Purpose of Notice

The purpose of this notice is to inform you that the LAFCO staff has recommended that a Negative Declaration be approved for this project. LAFCO staff has prepared the Initial Study for the project, and based upon substantial evidence in the record, **finds that the proposed project could not have a significant effect on the environment.**

A public hearing for consideration and adoption of LAFCO's Agricultural Mitigation Policies is tentatively scheduled for the **Local Agency Formation Commission of Santa Clara County on April 4, 2007, 1:30 PM** in the County Government Center, Isaac Newton Senter, 70 W. Hedding Street, San Jose, CA 95110.

Public Review Period:	**Begins:** March 2, 2007	**Ends:** March 31, 2007

Public Comments regarding the correctness, completeness, or adequacy of this negative declaration are invited and must be received on or before the end of the review period listed above. Such comments should be based on specific environmental concerns. Written comments should be addressed to the **LAFCO of Santa Clara County, 70 W. Hedding Street, 11th Floor, East Wing, San Jose, CA 95110.** Oral comments may be made at the hearing. A file containing additional information on this project may be reviewed at the LAFCO Office. For additional information regarding this project and the Negative Declaration, please contact **Dunia Noel** at (408) 299-5148.

The Negative Declaration and Initial Study may be viewed at the following locations:

(1) LAFCO of Santa Clara County, 70 West Hedding Street, 11th Floor, East Wing, San Jose, CA 95110
(2) LAFCO Office Website http://www.santaclara.lafco.ca.gov/ (under "What's New")

Approved by:
Neelima Palacherla, Executive Officer npalacherla 2/28/07
Signature **Date**

Responsible Agencies sent a copy of this document:

- California State Clearinghouse
- Cities in Santa Clara County
- LAFCO Special Districts
- County of Santa Clara Planning Office
- County of Santa Clara Agricultural Commissioner
- County of Santa Clara Environmental Health Department
- County of Santa Clara Roads and Airports Department
- County of Santa Clara Parks Department
- Santa Clara Valley Water District
- Santa Clara Valley Transportation Agency
- Bay Area Air Quality Management District
- California Department of Fish and Game
- Environmental Protection Agency
- U.S. Fish and Wildlife Service
- U.S.D.A. Soil Conservation
- U.S. Army Corp of Engineers

LAFCO
Local Agency Formation Commission of Santa Clara County

Negative Declaration / Initial Environmental Study

1. **Project Title:** LAFCO's Agricultural Mitigation Policies

2. **Lead Agency Name and Address:**

   Local Agency Formation Commission of Santa Clara County
   70 West Hedding Street
   11th Floor, East Wing
   San Jose, CA 95110

3. **Contact Person, Phone Number, E-Mail:** Dunia Noel, Analyst at (408) 299-5148 or dunia.noel@ceo.sccgov.org.

4. **Property Location:** The project would apply to all unincorporated properties in Santa Clara County

5. **Project Sponsor's Name and Address:**

   Local Agency Formation Commission of Santa Clara County
   70 West Hedding Street
   11th Floor, East Wing
   San Jose, CA 95110

6. **General Plan Designation(s):** All designations in unincorporated Santa Clara County

7. **Zoning:** All zoning districts in unincorporated Santa Clara County

8. **Description of the Project:** Adoption of LAFCO's Agricultural Mitigation Policies (see attached "Project Description" below)

9. **Surrounding Land Uses and Setting:** not applicable (applies to all unincorporated properties in Santa Clara County)

10. **Other public agencies whose approval is required:** none

11. **Other Project Assumptions:** The Initial Study assumes compliance with all applicable State, Federal, and Local Codes and Regulations including, but not limited to, County of Santa Clara Standards, the California Building Code, the State Health and Safety Code, and the State Public Resources Code.

Project Description:

The Project is the adoption of LAFCO's Agricultural Mitigation Policies.

LAFCO's mission is to discourage urban sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies. LAFCO will consider impacts to agricultural lands along with several other factors in its evaluation of proposals. LAFCO's existing Urban Service Area (USA) Amendment Policies discourage premature conversion of agricultural lands, guide development away from existing agricultural lands and require the development of existing vacant lands within city boundaries prior to conversion of additional agricultural lands. In those cases where LAFCO proposals involve conversion of agricultural lands, LAFCO's existing USA Amendment Policies require an explanation for why the inclusion of agricultural lands is necessary and how such loss will be mitigated.

The proposed Agricultural Mitigation Policies are intended to provide guidance to property owners, potential applicants and cities on how to address agricultural mitigation for LAFCO proposals and to provide a framework for LAFCO to evaluate and process in a consistent manner, LAFCO proposals that involve or impact agricultural lands. The policies include LAFCO's recommendations on how mitigation should be provided; variations from these policies should be accompanied by information explaining the adequacy of the proposed mitigation.

The proposed policies use the Cortese Knox Hertzberg Act's definition of prime agricultural land which is defined as agricultural land that meets any of the following qualifications:

- Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.
- Land that qualifies for rating 80 through 100 Storie Index Rating.
- Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Handbook on Range and Related Grazing Lands, July, 1967, developed pursuant to Public Law 46, December 1935.
- Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars ($400) per acre.
- Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars ($400) per acre for three of the previous five calendar years.

The proposed policies recommend that proposals involving the conversion of prime agricultural lands should provide mitigation at a not less than 1:1 ratio (1 acre preserved for every acre converted), along with the payment of the necessary funds as determined by the city/agricultural conservation entity (whichever applies) to cover the costs of program administration, land management, monitoring, enforcement and promotion of agriculture on the mitigation lands. The proposed policies provide three options including acquisition and transfer of agricultural land or acquisition and transfer of agricultural conservation easements to an agricultural conservation entity for permanent protection of the agricultural land or payment of in-lieu fees to an agricultural conservation entity sufficient to fully fund the acquisition of agricultural lands or agricultural conservation easements for permanent protection and cost of administering, managing, monitoring and enforcing the agricultural use of the lands or agricultural conservation easements, as well as the costs of promoting agriculture on the mitigation lands.

Under the proposed policies, agricultural mitigation should result in the preservation of land that would be prime agricultural land of substantially similar quality and character as measured by the Average Storie Index rating and the Land Capability Classification rating, located within the city's sphere of influence boundary in an area planned/envisioned for agriculture and would preferably promote the definition or creation of a permanent urban/agricultural edge. Therefore, agricultural mitigation lands will likely be located on unincorporated lands where agriculture is an existing use and/or where agriculture is an allowed use pursuant to local zoning and land use regulations.

The proposed policies also encourage cities with LAFCO proposals impacting adjacent agricultural lands to adopt measures to preserve adjoining agricultural lands, to prevent their premature conversion to other uses, and to minimize potential conflicts between the proposed urban development and adjacent agricultural uses.

The proposed policies provide guidance on the timing and fulfillment of agricultural mitigation as well as for the type of information and assurances in the plan for mitigation that should be submitted to LAFCO with proposals involving agricultural lands.

Lastly, LAFCO's approval of a boundary change is subject to a separate environmental review process. This separate environmental review process will occur prior to and as part of LAFCO's application review process for LAFCO proposals.

ATTACHMENT:

A. Proposed Agricultural Mitigation Policies (February 2007)

ENVIRONMENTAL FACTORS PONTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is still a "Potentially Significant Impact"(after any proposed mitigation measures have been adopted) as indicated by the checklist on the following pages.

☐ Aesthetics	☐ Agriculture Resources	☐ Air Quality
☐ Biological Resources	☐ Cultural Resources	☐ Geology / Soils
☐ Hazards & Hazardous Materials	☐ Hydrology / Water Quality	☐ Land Use
☐ Noise	☐ Population / Housing	☐ Public Services
☐ Resources / Recreation	☐ Transportation / Traffic	☐ Utilities / Service Systems
☐ Mandatory Findings of Significance		☒ None

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

☒ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

☐ I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

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

Signature _____ Date 2/28/07

NEELIMA PALACHERLA
Printed name

For _____

ENVIRONMENTAL CHECKLIST AND DISCUSSION OF IMPACTS

A. AESTHETICS					
	IMPACT				
WOULD THE PROJECT:	YES			NO	SOURCES
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Have a substantial adverse effect on a scenic vista?	☐	☐	☐	☒	2,3,4, 6a,17f
b) Substantially damage scenic resources along a designated scenic highway?	☐	☐	☐	☒	3, 6a, 17f
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	☐	☐	☐	☒	2,3
d) Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?	☐	☐	☐	☒	3,4
e) If subject to ASA, be generally in non-compliance with the Guidelines for Architecture and Site Approval?	☐	☐	☐	☒	11
f) If subject to Design Review, be generally in non-compliance with the Guidelines for Design Review Approval?	☐	☐	☐	☒	3,4,12
g) Be located on or near a ridgeline visible from the valley floor?	☐	☐	☐	☒	2,17n

DISCUSSION:
The proposed project is LAFCO's adoption of Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. No development is being proposed. The project would not damage scenic resources along a designated scenic highway since there is no proposed development. Implementation of the Policies would result in the preservation of agricultural land that is either already in agricultural production or capable of producing agricultural commodities and upon which the applicable zoning and land use regulations allow an agricultural use. All mitigation lands would be in the rural unincorporated areas of Santa Clara County where agricultural and other low-intensity uses prevail. Therefore, use of such lands for agricultural purposes would not cause any significant visual impacts compared to the existing environment.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have no visual impacts.

B. AGRICULTURE RESOURCES

WOULD THE PROJECT:	IMPACT YES: Potentially Significant Impact	IMPACT YES: Less Than Significant With Mitigation Incorporated	IMPACT YES: Less Than Significant Impact	IMPACT NO: No Impact	SOURCE
a) Convert 10 or more acres of farmland classified as prime in the report *Soils of Santa Clara County* to non-agricultural use?	☐	☐	☐	☒	3,23,24,26
b) Conflict with existing zoning for agricultural use?	☐	☐	☐	☒	9,21a
c) Conflict with an existing Williamson Act Contract?	☐	☐	☐	☒	1
d) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	☐	☐	☐	☒	3,4,26

DISCUSSION:
The project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. The proposed policies are intended to reduce the impacts to or loss of agricultural lands. No development is being proposed. The proposed project would not convert any prime farmland to a non-agricultural use. The proposed project would not conflict with existing zoning for agricultural use and would not conflict with an existing Williamson Act contract.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have no adverse impact to agricultural resources.

C. AIR QUALITY

Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations.

WOULD THE PROJECT:	IMPACT YES: Potentially Significant Impact	IMPACT YES: Less Than Significant With Mitigation Incorporated	IMPACT YES: Less Than Significant Impact	IMPACT NO: No Impact	SOURCE
a) Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☒	☐	5,28
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	☒	☐	5,29
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?	☐	☐	☒	☐	5,29

d)	Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	☒	☐	5,29
e)	Create objectionable odors or dust affecting a substantial number of people?	☐	☐	☒	☐	5,21, 29, 47

DISCUSSION:

The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. No development is being considered at this time. The mitigation lands would consist of lands that are either already in agricultural production or capable of producing agricultural commodities and upon which agricultural use is allowed under the applicable zoning and land use regulations. While it is expected that some of the mitigation lands will already be in agricultural production, adoption of the Policies could result in the commencement of agricultural production on lands that are not currently used for agricultural production. Any use of mitigation lands for agricultural purposes would be done in compliance with all applicable air quality regulations. All mitigation lands would be in the rural, unincorporated areas of Santa Clara County where agricultural and other low-intensity uses prevail; thus, any odors or dusts associated with farming the mitigation lands would not affect a substantial number of people.

FINDING:

The adoption LAFCO's Agricultural Mitigation Policies would not cause any significant air quality impacts.

D. BIOLOGICAL RESOURCES						
		IMPACT				
WOULD THE PROJECT:		**YES**			**NO**	
*Questions relating to the California Department of Fish & Game "no effect determination" for the CEQA Filing Fee Exemption are listed in italics.		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	**SOURCES**
a)	*Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?*	☐	☐	☒	☐	1, 7, 17b, 17o
b)	*Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or US Fish and Wildlife Service?*	☐	☐	☒	☐	3,7, 8a, 17b, 17e, 33
c)	*Have a substantial adverse effect on federally protected wetlands as defined by section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) or tributary to an already impaired water body, as defined by section 303(d) of the Clean Water Act through direct removal, filling, hydrological interruption, or other means?*	☐	☐	☐	☒	3, 7, 17n, 32
d)	*Have a substantial adverse effect on oak woodland habitat as defined by Oak Woodlands Conservation Law – (conversion/loss of oak woodlands)?*	☐	☐	☒	☐	

e)	*Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?*	☐	☐	☐	☒	1,7, 17b, 17o
f)	*Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan?*	☐	☐	☐	☒	3,4
g)	Conflict with any local policies or ordinances protecting biological resources:					
	i) *Tree Preservation Ordinance [Section C16]?*	☐	☐	☐	☒	1,3,31
	ii) *Wetland Habitat [GP Policy, R-RC 25-30]?*	☐	☐	☐	☒	3, 8a
	iii) *Riparian Habitat [GP Policy, R-RC 31-41]?*	☐	☐	☐	☒	3, 8a,

DISCUSSION:

The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. The mitigation lands would consist of lands that are either already in agricultural production or capable of producing agricultural commodities and upon which agricultural use is allowed under the applicable zoning and land use regulations. While it is expected that some of the mitigation lands are likely to already be in agricultural production, adoption of the Policies could result in the commencement of agricultural production on lands that are not currently used for agriculture.

The mitigation lands would be located in unincorporated Santa Clara County, which is subject to the land use/development jurisdiction of the County of Santa Clara. Pursuant to the County's grading ordinance, grading associated with converting land from non-agricultural to agricultural use that entails at least 150 cubic yards requires a grading permit. The County's grading permit process is a discretionary permit process that is subject to CEQA. Therefore, any potentially significant impacts associated with commencing agricultural use on mitigation lands would be subject to further review and, if necessary, mitigation under CEQA before the use would be allowed. This process would also ensure that any new agricultural use that entails more than modest soil disturbance would be evaluated for potential impacts to biological resources.

Furthermore, The County of Santa Clara, Santa Clara County Valley Water District, and the cities of Gilroy, Morgan Hill, and San Jose have initiated a collaborative process to prepare and implement a joint Habitat Conservation Plan (HCP/NCCP) to promote the recover of endangered species while accommodating planned development and infrastructure. These agencies, in association with regulatory wildlife agencies including the U.S. Fish and Wildlife Service, California Department of Fish and Game, and NOAA-National Marine Fisheries Service, are developing a long-range plan to protect and enhance ecological diversity and function with more than 500,000 acres of Santa Clara County. If the Santa Clara HCP/NCCP is approved by participating Wildlife Agencies, incidental take permits will be issued for a list of projects and activities identified within the Plan as likely to occur during the permit term. These activities are expected to include urban and rural development activities that are consistent with current city and County land use plans; maintenance and development of public infrastructure (water, transportation, etc.); activities within streams; and management and monitoring activities within habitat reserve lands. The Plan and any permits issued as a result of the Plan approval will ensure that there are adequate mitigations for impacts to biological resources associated with the various activities.

With the passing of the Oak Woodlands Conservation Law, local government agencies must now determine whether or not a project may result in a conversion of oak woodlands that will have a significant effect. If there may be a significant effect, they must employ one or more of the following mitigation measures: conserving oaks through the use of conservation easements; planting and maintaining an appropriate number of trees either onsite or in restoration of a former oak woodlands

(tree planting is limited to half the mitigation requirement); contributing funds to the Oak Woodlands Conservation Fund for the purpose of purchasing conservation easements; or other mitigation measures developed by the county.

However, this requirement does not apply to conversion of oak woodlands on agricultural land "that includes land that is used to produce or process plant and animal products for commercial purposes" (this would include grazing lands). As explained above, some of the mitigation lands are expected to already be in agricultural production. Any conversion of land to agricultural uses that involves grading of at least 150 cubic yards requires a grading permit. The County's grading permit process is a discretionary permit process that is subject to CEQA. Therefore, any potentially significant impacts associated with commencing agricultural use on mitigation lands would be subject to further review and, if necessary, mitigation under CEQA before the use would be allowed. Therefore, adoption of the Policies is expected to have a less-than-significant impact on oak woodlands.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have less-than-significant impacts to biological resources or to oak woodland resources.

E. CULTURAL RESOURCES					
	IMPACT				
WOULD THE PROJECT	YES			NO	SOURCE
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5 of the CEQA Guidelines?	☐	☐	☒	☐	3, 16, 19, 40, 41
b) Cause a substantial adverse change in the significance of an archaeological resource as defined in §15064.5 of the CEQA Guidelines?	☐	☐	☒	☐	3, 19, 40, 41,
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☒	☐	2,3,4,,40,41
d) Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☒	☐	2, 40,41
e) Change or affect any resource listed in the County Historic Resources Database?	☐	☐	☒	☐	16

DISCUSSION:
The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. It is expected that some of the mitigation lands will already be in agricultural production and that the nature of the agricultural use(s) on these lands would not change so there would be no potential impacts to cultural resources. For the remaining mitigation lands that are not currently in agricultural production, there could be additional soil disturbance associated with commencing agricultural activities on these lands. The majority of agriculture in Santa Clara County involves very shallow soil disturbance (e.g., vegetable crops). A small percentage of agricultural production in the County involves uses that cause significant soil disturbance (e.g., grape vines).

The mitigation lands would be located in unincorporated Santa Clara County, which is subject to the land use/development jurisdiction of the County of Santa Clara. Pursuant to the County's grading ordinance, grading associated with the conversion of land to agricultural purposes that exceeds 150 cubic yards requires a grading permit. The County's grading permit process is a discretionary permit

process that is subject to CEQA. Therefore, any potentially significant impacts associated with commencing agricultural use on mitigation lands would be subject to further review and, if necessary, mitigation under CEQA before the use would be allowed. Therefore, adoption of the Policies is expected to have a less-than-significant impact on cultural or historic resources.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have less-than-significant impacts to cultural resources.

F. GEOLOGY AND SOILS					
	IMPACT				
WOULD THE PROJECT:	YES			NO	SOURCE
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:					
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	☐	☐	☐	☒	6, 17L, 43
ii) Strong seismic ground shaking?	☐	☐	☐	☒	6, 17c,18b
iii) Seismic-related ground failure, including liquefaction?	☐	☐	☐	☒	6, 17c, 17n, 18b
iv) Landslides?	☐	☐	☐	☒	6, 17L, 118b
b) Result in substantial soil erosion or the loss of topsoil?	☐	☐	☒	☐	6, 2, 3
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	☐	☐	☐	☒	2, 3, 17c, 23, 24, 42
d) Be located on expansive soil, as defined in the report, *Soils of Santa Clara County*, creating substantial risks to life or property?	☐	☐	☐	☒	14,23, 24,
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of waste water?	☐	☐	☐	☒	3,6, 23,24,
f) Cause substantial compaction or over-covering of soil either on-site or off-site?	☐	☐	☒	☐	3, 6
g) Cause substantial change in topography or unstable soil conditions from excavation, grading, or fill?	☐	☐	☒	☐	2, 3, 6, 42

DISCUSSION:
The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. No review of erosion impacts is required at this time. No development is being proposed.

It is expected that some of the mitigation lands will already be in agricultural production. For the remaining mitigation lands that are not currently in agricultural production, there could be additional soil disturbance associated with commencing agricultural activities on these lands.

The mitigation lands would be located in unincorporated Santa Clara County, which is subject to the land use/development jurisdiction of the County of Santa Clara. Pursuant to the County's grading ordinance, grading associated with converting land from non-agricultural to agricultural use that entails at least 150 cubic yards requires a grading permit. The County's grading permit process is a discretionary permit process that is subject to CEQA. Therefore, any potentially significant impacts associated with commencing agricultural use on mitigation lands would be subject to further review and, if necessary, mitigation under CEQA before the use would be allowed. This process would also ensure that any new agricultural use that entails more than modest soil disturbance would be evaluated for potential impacts to geology/soils resources and those impacts would be appropriately mitigated.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have less-than-significant impacts related to geology, erosion, or soils.

G. HAZARDS & HAZARDOUS MATERIALS					
	IMPACT				
WOULD THE PROJECT	YES			NO	SOURCE
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☒	☐	1, 3, 4, 5
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☒	☐	2, 3, 5
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within 1/4 mile of an existing or proposed school?	☐	☐	☒	☐	46
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	☐	☐	☐	☒	47
e) For a project located within an airport land use plan referral area or, where such a plan has not been adopted, within two miles of a public airport or public use airport, or in the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒	3, 22a
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒	5, 48
g) Expose people or structures to a significant risk of loss, injury or death involving wildland fires including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	☐	☒	4

h)	Provide breeding grounds for vectors?	☐	☐	☐	☒	1, 3, 5
i)	Proposed site plan result in a safety hazard (i.e., parking layout, access, closed community, etc.)?	☐	☐	☐	☒	3
j)	Involve construction of a building, road or septic system on a slope of 30% or greater?	☐	☐	☐	☒	1, 3, 17n
k)	Involve construction of a roadway greater than 20% slope for a distance of 300' or more?	☐	☐	☐	☒	1, 3, 17n

DISCUSSION:

The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. Any use of hazardous materials on mitigation lands would be subject to numerous state and local laws and regulations. Compliance with these regulatory requirements will ensure that any impacts will be mitigated to less-than-significant levels.

FINDING:

The adoption of LAFCO's Agricultural Mitigation Policies would have less than significant impacts to public health and safety.

H. HYDROLOGY AND WATER QUALITY						
		IMPACT				
WOULD THE PROJECT:		YES			NO	SOURCE
		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a)	Violate any water quality standards or waste discharge requirements?	☐	☐	☒	☐	34, 36
b)	Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	☐	☐	☒	☐	3, 4
c)	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?	☐	☐	☒	☐	3, 17n
d)	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site? (Note policy regarding flood retention in watercourse and restoration of riparian vegetation for West Branch of the Llagas.)	☐	☐	☒	☐	3
e)	Create or contribute increased impervious surfaces and associated runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of	☐	☐	☐	☒	1, 3, 5, 36, 21a

	polluted runoff?					
f)	Otherwise substantially degrade water quality?	☐	☐	☒	☐	1, 3, 5
g)	Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	☐	☒	3, 18b, 18d
h)	Place within a 100-year flood hazard area structures that would impede or redirect flood flows?	☐	☐	☐	☒	3, 18b, 18d
i)	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	☐	☐	☐	☒	2, 3, 4
j)	Be located in an area of special water quality concern (e.g., Los Gatos or Guadalupe Watershed)?	☐	☐	☐	☒	4, 6a,
k)	Be located in an area known to have high levels of nitrates in well water?	☐	☐	☒	☐	4
l)	Result in a septic field being constructed on soil where a high water table extends close to the natural land surface?	☐	☐	☐	☒	3
m)	Result in a septic field being located within 50 feet of a drainage swale; 100 feet of any well, water course or water body or 200 feet of a reservoir at capacity?	☐	☐	☐	☒	1, 3

DISCUSSION:
The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands.

It is expected that some of the mitigation lands will already be in agricultural production and that the nature of the agricultural use(s) on these lands would not change so there would be no increase in the use of water resources for these lands or any other new impacts to hydrology and water resources related to the continued use of these lands for agricultural purposes. For the remaining mitigation lands that are not currently in agricultural production, there could be additional water use and water quality impacts associated with commencing agricultural activities on these lands.

The mitigation lands would be located in unincorporated Santa Clara County, which is subject to the land use/development jurisdiction of the County of Santa Clara. Pursuant to the County's grading ordinance, grading associated with converting land from non-agricultural to agricultural use that entails at least 150 cubic yards requires a grading permit. The County's grading permit process is a discretionary permit process that is subject to CEQA. Therefore, any potentially significant impacts to hydrology and water quality associated with commencing agricultural use on mitigation lands would be subject to further review and, if necessary, mitigation under CEQA before the use would be allowed. This process would also ensure that any new agricultural use would be evaluated for potential impacts to hydrology/water resources and that those impacts would be appropriately mitigated.

With regard to potential water quality impacts, there are a variety of state and local laws and regulations related to the protection of water quality. Compliance with these regulatory requirements will ensure that any impacts will be mitigated to a less-than-significant level.

With respect to items (c), (d) and (e), these issues would be addressed through the County's grading permit process described above in the "Geology and Soils" section.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have a less-than-significant impact on hydrology and water quality.

I. LAND USE					
	IMPACT				
WOULD THE PROJECT:	YES			NO	SOURCE
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Physically divide an established community?	☐	☐	☐	☒	2, 4
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☐	☒	8a, 9, 18a

DISCUSSION:
The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on the timing and fulfillment of agricultural mitigation as well as for the type of information and assurances in the plan for mitigation that should be submitted to LAFCO with proposals involving agricultural lands.

Under the proposed Policies, agricultural mitigation should result in preservation of land that would be:

- Prime agricultural land of equivalent quality and character as measured by the Average Storie Index rating and the Land Capability Classification rating, and
- Located within the city's sphere of influence in an area planned/envisioned for agriculture, and
- Would preferably promote the definition or creation of a permanent urban/agricultural edge.

Therefore, agricultural mitigation lands will be located on unincorporated County lands where agriculture is already an existing use and/or where agriculture is allowed under the County's existing General Plan and zoning/land use regulations. The proposed project will not divide an established community or conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect.

No specific development is proposed at this time. If grading, or any other types of development applications are considered, the agency with land use planning and permitting authority shall conduct further environmental review and shall cover evaluation of impacts to land use at that time.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have no impact on land use or zoning regulations.

J. NOISE					
	IMPACTS				
WOULD THE PROJECT:	YES			NO	SOURCE
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☐	☐	☒	8a, 13, 22a, 45
b) Result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	☐	☐	☒	☐	13
c) Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☒	☐	1, 2, 5
d) Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☒	☐	1, 2, 5
e) For a project located within an airport land use plan referral area or, where such a plan has not been adopted, within two miles of a public airport or public use airport, or private airstrip would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☒	☐	1, 5, 22a

DISCUSSION:

The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. While it is expected that some of the mitigation lands will already be in agricultural production, adoption of the Policies could result in the commencement of agricultural production on lands that are not currently used for agricultural production. All mitigation lands would be in the rural, unincorporated areas of Santa Clara County where agricultural and other low-intensity uses prevail; thus, any noise associated with farming the mitigation lands would not affect a substantial number of people. Compliance with the County noise ordinance will also ensure that any new agricultural uses that are undertaken will not have a significant noise impact.

FINDING:

The adoption of LAFCO's Agricultural Mitigation Policies would have less than significant noise impacts.

K. POPULATION AND HOUSING					
	IMPACT				
WOULD THE PROJECT:	YES			NO	SOURCE
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Induce substantial growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☐	☒	1, 3, 4, 6
b) Displace substantial numbers of existing housing or people, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒	1, 2, 3, 4

DISCUSSION:

The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. No development is being proposed. No new infrastructure or services are being proposed. The proposed project would not alter or increase growth in the area. No housing would be displaced either. If grading, or any other types of development applications are considered, the agency with land use planning and permitting authority shall conduct further environmental review and shall cover evaluation of impacts to population and housing at that time.

Adoption of LAFCO's Agricultural Mitigation Policies will not induce growth in the unincorporated County. One city has asserted that, because the County of Santa Clara does not have agricultural mitigation policies, and individuals could develop within the unincorporated County without having to provide agricultural mitigation, rather than annexing to and developing in the City and potentially having to provide mitigation for their project's impact to prime agricultural land. The city has asserted that adoption of the Policies will result in additional sprawling development in the unincorporated area and concurrent reduction of land inventory eligible for agricultural mitigation purposes. The city has also asserted that a 20-unit subdivision, with 5-acre lots would have no land mitigation requirements if built in the County. However, if this same development were proposed to be annexed to the City of San Jose, for example, with a request to expand the City's USA to provide sewer connections and other City services to the development; that development would be subject to LAFCO's proposed Policies.

These concerns are very speculative because under the County, Cities, and LAFCO Joint Urban Development Policies, the County does not allow urban development or provide urban services in the unincorporated area. The County's existing General Plan and zoning/land development regulations also protect and preserve agricultural lands from incompatible development. The minimum lot sizes in the County are 5 to 20 acres in the Rural Residential Zone, 20 acres in the Agricultural Medium Scale Zone and 40 acres in the Agricultural Large Scale Zone. Developers would evaluate whether the type of project that they want to develop can be completed in the unincorporated County and then they would have to weigh the cost of purchasing that much acreage in the unincorporated County against the cost of acquiring agricultural mitigation land through an agricultural easement or in fee title. In light of the County's density restrictions, it is highly unlikely that a developer would determine that it is more economically advantageous to develop the same number of dwelling units in the unincorporated area (without access to urban services and relying on on-site sewer and water services) as it would be to develop within a city.

The highest-density rural General Plan and Zoning designation in the County General Plan for rural unincorporated areas (outside of existing Urban Service Areas) is "Rural Residential," which has a

density of 5-20 acres per dwelling depending on average slope. For example, where average slope of a parcel is 10% or less, 5 acres would be the allowed density per dwelling and the minimum lot size. According to the County General Plan Land Use map and Planning Office staff, within the City of San Jose's Sphere of Influence, the only notable Rural Residential Land Use designated lands are in the East foothills of the Diablo Range and portions of the South Almaden Valley Urban Reserve (SAVUR). The unincorporated New Almaden Community also has a Rural Residential Land Use designation, but there is little or no subdivision potential there. County Planning Office staff know of no developable lots under the Rural Residential designation within the East foothills or SAVUR that are of the necessary size (100 to 150+ acres) or minimum slope (10-15%) to allow a 20-unit subdivision that would conform with the General Plan and Zoning Ordinance. Furthermore, most of the unincorporated Rural Residential lands are already so substantially divided that the potential for new subdivisions is extremely limited, except for portions of San Martin. The other major base General Plan designations for rural unincorporated areas, Agriculture-Medium Scale, Agriculture-Large Scale, Ranchlands, and Hillsides, have allowable densities of at least 20 acres per dwelling or more. The potential for such rural residential development on existing lots currently exists and is driven by existing economics; therefore, it is not an impact of the proposed project.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would not impact population and housing.

L. PUBLIC SERVICES					
	IMPACT				
WOULD THE PROJECT:	YES			NO	
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:					
i) Fire Protection?	☐	☐	☐	☒	1, 3, 5
ii) Police Protection?	☐	☐	☐	☒	1, 3, 5
iii) School facilities?	☐	☐	☐	☒	1, 3, 5
iv) Parks?	☐	☐	☐	☒	1, 3, 5
v) Other public facilities?	☐	☐	☐	☒	1, 3, 5

DISCUSSION:
The project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. No development is being proposed. The proposed project would neither require any expansion of nor substantially alter government facilities, and the provision of public services.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would not impact the provision of or result in the need for new public services (i.e. fire, police, schools, parks, etc,).

M. RECREATION AND MINERAL RESOURCES					
	IMPACT				
WOULD THE PROJECT:	YES			NO	SOURCE
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Result in the loss of availability of a known mineral resource that would be of future value to the region and the residents of the state?	☐	☐	☐	☒	1, 2, 3, 6, 44
b) Result in the loss of availability of a locally-important mineral resource recovery site as delineated on a local general plan, specific plan, or other land use plan?	☐	☐	☐	☒	1, 2, 3, 6,8a
c) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☒	1, 2, 4, 5
d) Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	☐	☐	☐	☒	1, 3, 4, 5
e) Be on, within or near a public or private park, wildlife reserve, or trail or affect existing or future recreational opportunities?	☐	☐	☒	☐	17h, 21a
f) Result in loss of open space rated as high priority for acquisition in the "Preservation 20/20" report?	☐	☐	☐	☒	27

DISCUSSION:
The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. The proposed project would not require the construction of additional recreational facilities nor substantially increase the use of existing recreational facilities. No development is being proposed.

The mitigation lands would be located in unincorporated Santa Clara County, which is subject to the land use/development jurisdiction of the County of Santa Clara. Pursuant to the County's grading ordinance, grading associated with the conversion of land to agricultural purposes that exceeds 150 cubic yards requires a grading permit. The County's grading permit process is a discretionary permit process that is subject to CEQA. Therefore, any potentially significant impacts associated with commencing agricultural use on mitigation lands would be subject to further review and, if necessary, mitigation under CEQA before the use would be allowed. This process would also ensure that any new agricultural use would be evaluated for potential impacts to recreation and mineral resources and that those impacts would be appropriately mitigated.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have less-than-significant impacts to recreation and mineral resources.

N. TRANSPORTATION / TRAFFIC					
	IMPACT				SOURCE
WOULD THE PROJECT:	YES			NO	
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio, or congestion at intersections)?	☐	☐	☒	☐	1, 4, 5, 6, 7, 49, 53
b) Exceed, either individually or cumulatively, a level of service standard established by the County congestion management agency for designated roads or highways?	☐	☐	☐	☒	6, 49, 50, 53
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	☐	☐	☐	☒	5, 6, 7, 53
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☐	☒	3, 5, 6,7, 53
e) Result in inadequate emergency access?	☐	☐	☐	☒	1, 3, 5, 48, 53
f) Result in inadequate parking capacity?	☐	☐	☐	☒	52, 53
g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?	☐	☐	☐	☒	8a, 21a
h) Not provide safe access, obstruct access to nearby uses or fail to provide for future street right of way?	☐	☐	☐	☒	3, 6, 7, 53

DISCUSSION:
The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. No development is proposed at this time. The mitigation lands would consist of lands that are either already in agricultural production or capable of producing agricultural commodities and upon which agricultural use is allowed under the applicable zoning and land use regulations. While it is expected that some of the mitigation lands will already be in agricultural production, adoption of the Policies could result in the commencement of agricultural production on lands that are not currently used for agricultural production. The commencement of agricultural production on lands that are not currently used for agricultural production would likely increase farm related traffic. This impact would be less-than-significant.

Pursuant to the County's grading ordinance, grading associated with the conversion of land to agricultural purposes that exceeds 150 cubic yards requires a grading permit. The County's grading permit process is a discretionary permit process that is subject to CEQA. Therefore, any potentially significant impacts associated with commencing agricultural use on mitigation lands would be subject to further review and, if necessary, mitigation under CEQA before the use would be allowed. This process would also ensure that any new agricultural use would be evaluated for potential impacts to transportation/traffic resources and that those impacts would be appropriately mitigated. This would include an evaluation of adequate site access to and from the property, generation of traffic, and parking requirements for the proposed land uses.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have less-than-significant impacts to transportation/traffic.

O. UTILITIES AND SERVICE SYSTEMS					
	IMPACT				
WOULD THE PROJECT:	YES			NO	SOURCE
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	☐	☐	☐	☒	1, 3, 5,
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	☒	☐	1, 3, 5, 21a, 38
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	☒	☐	1, 3, 5
d) Require new or expanded entitlements in order to have sufficient water supplies available to serve the project?	☐	☐	☐	☒	1, 3, 5, 21,
e) Result in a determination by the wastewater treatment provider that serves or may serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☐	☒	1, 3, 5
f) Not be able to be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	☐	☐	☐	☒	1, 3, 5
g) Be in non-compliance with federal, state, and local statutes and regulations related to solid waste?	☐	☐	☐	☒	5, 6

DISCUSSION:
The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. No development is proposed at this time and therefore there will be no need for new or additional utilities and there will be no impacts to existing capacity of service systems.

The mitigation lands would be located in unincorporated Santa Clara County, which is subject to the land use/development jurisdiction of the County of Santa Clara. Pursuant to the County's grading ordinance, grading associated with the conversion of land to agricultural purposes that exceeds 150 cubic yards requires a grading permit. The County's grading permit process is a discretionary permit process that is subject to CEQA. Therefore, any potentially significant impacts associated with commencing agricultural use on mitigation lands would be subject to further review and, if necessary, mitigation under CEQA before the use would be allowed. This process would also ensure that any new agricultural use would be evaluated for potential impacts to utilities and service systems and that those impacts would be appropriately mitigated.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have less-than-significant impacts to utilities and service systems.

P. MANDATORY FINDING OF SIGNIFICANCE					
	IMPACT				
WOULD THE PROJECT:	YES			NO	SOURCE
*Questions relating to the California Department of Fish & Game "no effect determination" for the CEQA Filing Fee Exemption are listed in italics.	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) *Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?*	☐	☐	☒	☐	1 to 53
b) Does the project have impacts that are individually limited, but cumulatively considerable ("Cumulatively considerable" means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	☐	☐	☒	☐	1 to 53
c) Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☐	☐	☒	1 to 53

DISCUSSION:
The proposed project is the adoption of LAFCO's Agricultural Mitigation Policies. The proposed policies provide guidance on how to address agricultural mitigation for LAFCO proposals that involve or impact agricultural lands. No development is proposed at this time. The mitigation lands would consist of lands that are either already in agricultural production or capable of producing agricultural commodities and upon which agricultural use is allowed under the applicable zoning and land use regulations. While it is expected that some of the mitigation lands are likely to already be in agricultural production, adoption of the Policies could result in the commencement of agricultural production on lands that are not currently used for agriculture.

The mitigation lands would be located in unincorporated Santa Clara County, which is subject to the land use/development jurisdiction of the County of Santa Clara. Pursuant to the County's grading ordinance, grading associated with converting land from non-agricultural to agricultural use that entails at least 150 cubic yards requires a grading permit. The County's grading permit process is a discretionary permit process that is subject to CEQA. Therefore, any potentially significant impacts associated with commencing agricultural use on mitigation lands would be subject to further review and, if necessary, mitigation under CEQA before the use would be allowed. This process would also ensure that any new agricultural use that entails more than modest soil disturbance would be evaluated for potential impacts to biological resources.

This project would have a less than significant potential to substantially reduce the habitat of a fish or wildlife species, to cause a fish or wildlife population to drop below self sustaining levels, to threaten to eliminate a plant or animal community, and to reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. As previously discussed in the biological resources section and the cultural resources section, the adoption of LAFCO's Agricultural Mitigation Policies would have less-than-significant impacts to biological resources and cultural resources.

FINDING:
The adoption of LAFCO's Agricultural Mitigation Policies would have less-than-significant impacts to any environmental resource. The project will not significantly degrade the quality of the environment, or have substantial adverse effects on human beings directly or indirectly. The proposed project would not have any potentially significant cumulatively considerable impacts. On the basis of this Initial Study, a Negative Declaration shall be prepared for this project.

Initial Study Source List*

1. **Environmental Information Form**
2. **Field Inspection**
3. **Project Plans**
4. **Analyst's Knowledge of Area**
5. **Experience With Other Projects of This Size and Nature**
6. **County Expert Sources: Geologist, Fire Marshal, Roads & Airports, Environmental Health, Land Development Engineering, Parks & Recreation, Zoning Administration, Comprehensive Planning, Architectural & Site Approval Committee Secretary**
7. **Agency Sources: Santa Clara Valley Water District, Santa Clara Valley Transportation Authority, Midpeninsula Openspace Regional District, U.S. Fish & Wildlife Service, CA Dept. of Fish & Game, Caltrans, U.S. Army Core of Engineers, Regional Water Quality Control Board, Public Works Depts. of individual cities, Planning Depts. of individual cities,**

8a. **Santa Clara County (SCC) General Plan**

8b. **The South County Joint Area Plan**

9. **SCC Zoning Regulations (Ordinance)**
10. County Grading Ordinance
11. **SCC Guidelines for Architecture and Site Approval**
12. **SCC Development Guidelines for Design Review**
13. County Standards and Policies Manual (Vol. I - Land Development)
14. Table 18-1-B of the Uniform Building Code [1994 version]
15. Land Use Database
16. **Santa Clara County Heritage Resource (including Trees) Inventory [computer database]**
17. **GIS Database**
    a. **SCC General Plan Land Use, and Zoning**
    b. **Natural Habitat Areas & Riparian Plants**
    c. **Relative Seismic Stability**
    d. **Archaeological Resources**
    e. **Water Resources & Water Problems**
    f. **Viewshed and Scenic Roads**
    g. **Fire Hazard**
    h. **Parks, Public Open Space, and Trails**
    i. **Heritage Resources**
    j. **Slope Constraint**
    k. **Serpentine soils**
    l. **State of California, Alquist-Priolo Earthquake Fault Zones, and County landslide & fault zones**
    m. **Water Problem/Resource**
    n. **USGS Topo Quad, and Liquefaction**
    o. **Dept. of Fish & Game, Natural Diversity Data**
    p. **FEMA Flood Zones**

    Base Map Overlays & Textual Reports (GIS)

18. **Paper Maps**
    a. **SCC Zoning**
    b. **Barclay's Santa Clara County Locaide Street Atlas**
    c, **Color Air Photos (MPSI)**
    d. Santa Clara Valley Water District - Maps of Flood Control Facilities & Limits of 1% Flooding
    e. **Soils Overlay Air Photos**
    f. **"Future Width Line" map set**
19. **CEQA Guidelines [Current Edition]**

Area Specific: San Martin, Stanford, and Other Areas

San Martin

20a.San Martin Integrated Design Guidelines

20b.San Martin Water Quality Study

20c.Memorandum of Understanding (MOU) between Santa Clara County & Santa Clara Valley Water District

Stanford

21a. Stanford University General Use Permit (GUP), Community Plan (CP), Mitigation and Monitoring Reporting Program (MMRP) and Environmental Impact Report (EIR)

21b. Stanford Protocol and Land Use Policy Agreement

Other Areas

22a.ALUC Land Use Plan for Areas Surrounding Airports [1992 version]

22b.Los Gatos Hillsides Specific Area Plan

22c.County Lexington Basin Ordinance Relating to Sewage Disposal

Soils

23. **USDA, SCS, "Soils of Santa Clara County**
24. USDA, SCS, "Soil Survey of Eastern Santa Clara County"

Agricultural Resources/Open Space

25. **Right to Farm Ordinance**
26. **State Dept. of Conservation, "CA Agricultural Land Evaluation and Site Assessment Model"**
27. Open Space Preservation, Report of the Preservation 2020 Task Force, April 1987 [Chapter IV]

Air Quality

28. BAAQMD Clean Air Plan (1997)
29. **BAAQMD Annual Summary of Contaminant Excesses & BAAQMD, "Air Quality & Urban Development - Guidelines for Assessing Impacts of Projects & Plans" [1999]**

Biological Resources/
Water Quality & Hydrological Resources/
Utilities & Service Systems"

30. **Site-Specific Biological Report**
31. **Santa Clara County Tree Preservation Ordinance Section C16**
32. Clean Water Act, Section 404
33. Riparian Inventory of Santa Clara County, Greenbelt Coalition, November 1988
34. CA Regional Water Quality Control Board, Water Quality Control Plan, San Francisco Bay Region [1995]
35. Santa Clara Valley Water District, Private Well Water Testing Program [12-98]
36. SCC Nonpoint Source Pollution Control Program, Urban Runoff Management Plan [1997]
37. County Environmental Health / Septic Tank Sewage Disposal System - Bulletin "A"
38. **County Environmental Health Department Tests and Reports**
39. Calphotos website: http://www.elib.cs.berkeley.edu/photos

Initial Study Source List*

Archaeological Resources

40.State Archaeological Clearinghouse, Sonoma State University

41. Site Specific Archaeological Reconnaissance Report

Geological Resources

42. Site Specific Geologic Report

43.State Department of Mines and Geology, Special Report #42

44. State Department of Mines and Geology, Special Report #146

Noise

45. County Noise Ordinance

Hazards & Hazardous Materials

46.Section 21151.4 of California Public Resources Code

47. State Department of Toxic Substances, Hazardous Waste and Substances Sites List

48. County Office of Emergency Services Emergency Response Plan [1994 version]

Transportation/Traffic

49. Transportation Research Board, "Highway Capacity Manual", Special Report 209, 1995.

50. SCC Congestion Management Agency, "2000 Monitoring and Conformance report"

51. Official County Road Book

52. County Off-Street Parking Standards

53. Site-specific Traffic Impact Analysis Report

***Items listed in bold are the most important sources and should be referred to during the first review of the project, when they are available. The Analyst should refer to the other sources for a particular environmental factor if the former indicate a potential environmental impact.**

LAFCO Subcommittee Meeting
on Revised Draft Agricultural Mitigation Policies
March 13, 2007
Morgan Hill City Council Chambers, Morgan Hill, California

LIST OF ATTENDEES

1. Javier Aguirre	Supervisorial District 2
2. Jim Apland	Country News
3. Michele Beasley	Greenbelt Alliance
4. Douglas Blackwell	Black Rock, LLC
5. Erwin Boggs	Gilroy Chamber of Commerce
6. Tony Burchyns	Morgan Hill Times
7. David Collier	Save Open Space Gilroy
8. William Faus	City of Gilroy
9. Jared Hart	City of San Jose
10. Melissa Hippard	Sierra Club
11. Kevin O'Day	Santa Clara County Agriculture & Environmental Mgt.
12. Rob Oneto	Gilroy Chamber of Commerce
13. Annie Mudge	Coyote Housing Group, LLC
14. Kathy M. Previsich	City of Morgan Hill
15. Marc Rauser	SMPAC
16. Connie Rogers	Save Open Space Gilroy
17. Brian Schmidt	Committee for Green Foothills
18. Vera Todorov	City of San Jose
19. Carolyn Tognetti	Save Open Space Gilroy
20. Colleen Valles	Supervisorial District 1
21. Don Weden	Santa Clara County resident
22. Kerry Williams	Coyote Housing Group, LLC
23. Kristina Wyatt	Armanasco Public Relations Inc.

COX CASTLE NICHOLSON

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555 Montgomery Street, Suite 1500
San Francisco, California 94111-2545
P 415.392.4200 F 415.392.4250

Anne E. Mudge
415.262.5107
amudge@coxcastle.com

March 27, 2007

Commissioners of the Santa Clara LAFCo
LAFCO of Santa Clara County
70 West Hedding Street
11th Floor, East Wing
San Jose, CA 95110

Re: Proposed Agricultural Mitigation Policies

Dear Commissioners:

Thank you for the opportunity to comment on the draft Agricultural Mitigation Policies that will be before you for consideration on April 4, 2007. We are writing on behalf of the Coyote Housing Group and the Home Builders' Association of Northern California. Our comments on the February 2007 version of the revised draft policies are attached as Exhibit A.

As we have stated in the past, we believe that imposing mitigation for the conversion of agricultural land is a function of a lead land use agency, primarily cities, pursuant to CEQA, the California Environmental Quality Act. With respect to whether such mitigation should be imposed and if so, how much and in what form, LAFCOs play the role of responsible agencies, which may consult with a lead agency and provide advice and recommendations. As now drafted, staff's revised policies recognize this consultative role.

Sincerely,

Cox, Castle & Nicholson LLP

Anne E. Mudge

Anne E. Mudge
Partner

Coyote Housing Group, LLC

Kerry Williams

Kerry Williams
President

cc: Beverley Bryant, HBANC
Paul Campos, HBANC
Vera Toderov, City of San Jose, City Attorney's Office
Laurel Prevetti, City of San Jose, Deputy Director, Planning, Building and Code Enforcement
Joseph Horwedel, City of San Jose, Director of Planning, Building and Code Enforcement

Exhibit A

This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the differences between -
original document : C:\Documents and Settings\rachang\Application Data\Hummingbird\DM\Temp\DOCS_SF-#94138-v1-Agricultural_Mitigation_Policies.DOC and revised document: C:\Documents and Settings\rachang\Application Data\Hummingbird\DM\Temp\DOCS_SF-#94138-v3-Agricultural_Mitigation_Policies.DOC

CompareRite found 41 change(s) in the text
CompareRite found 2 change(s) in the notes

Deletions appear as Overstrike text
Additions appear as Bold+Dbl Underline text

AGRICULTURAL MITIGATION POLICIES

Background

LAFCO's mission is to encourage orderly growth and development, discourage urban sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies. LAFCO will consider impacts to agricultural lands along with other factors in its evaluation proposals. LAFCO's Urban Service Area (USA) Amendment Policies discourage premature conversion of agricultural lands, guide development away from existing agricultural lands and require the development of existing vacant lands within city boundaries prior to conversion of additional agricultural lands. In those cases where LAFCO proposals involve conversion of agricultural lands, LAFCO's USA Amendment Policies require an explanation of why the inclusion of agricultural lands is necessary and how such loss will be mitigated.

Purpose of Policies

The purpose of these policies is to provide ~~guidance~~ advice to property owners, potential applicants and cities on how to address agricultural migration for LAFCO proposals and to provide a framework for LAFCO to evaluate and process in a consistent manner, LAFCO proposals that involve ~~or impact~~ conversion of agricultural lands.

General Policies

1. LAFCO recommends provision of feasible agricultural mitigation as specified herein for all LAFCO applications that impact or result in a loss of prime agricultural lands as defined in Policy #6. Variation from these ~~policies~~ recommendations should be accompanied by information examining the ~~adequancy~~ adequacy of the proposed mitigation.
2. LAFCO encourages cities with potential LAFCO applications involving ~~or impacting~~ conversion of prime agricultural lands to adopt citywide agricultural mitigation policies and programs that are consistent with these ~~policies~~ recommendations.
3. When a LAFCO proposal ~~impacts or~~ involves a loss of prime agricultural lands, LAFCO encourages property owners, cities and agricultural conservation agencies to work together as early in the process as possible to initiate and execute agricultural mitigation plans, in a manner that is consistent with these ~~policies~~ recommendations.
4. LAFCO will work with agricultural entities, the County, cities and other stakeholders to develop a program and public education materials to improve

the community's understanding of the importance of agriculture in creating sustainable communities within Santa Clara County.

5. LAFCO will review and revise these ~~policies~~ recommendations as necessary.

Definition of Prime Agricultural Lands

6. ~~Prime~~"Prime agricultural ~~land~~ land" as defined in the Cortese Knox Hertzberg Act and as used in these recommendations means agricultural land that has not been developed for other uses and meets any of the following qualifications:

   a. Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification whether or not land is actually irrigated, provided that irrigation is feasible.

   b. Land that qualifies for rating 80 through 100 Storie Index Rating.

   c. Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Handbook on Range and Related Grazing Lands, July, 1967, developed pursuant to Public Law 46, December 1935.

   d. Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars ($400) per acre.

   e. Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars ($400) per acre for three of the previous five calendar years.

Mitigation Recommendations

7. Proposals involving the conversion of prime agricultural lands should provide one of the following mitigations at a not less than 1:1 ratio (1 acre preserved for every acre converted) along with the payment of funds as determined by the city ~~/~~in consultation with an agricultural conversion entity ~~(whichever applies)~~ if one is involved, to cover the costs of program administration, land management, monitoring ~~,~~ and enforcement ~~and promotion~~ of agriculture uses on the mitigation lands:

   a. The acquisition and transfer of fee ownership of agricultural land to a city or an agricultural conservation entity for permanent protection of the agricultural land.

b. The acquisition and transfer of agricultural conservation easements to an agricultural conservation entity for permanent protection of the agricultural land.

c. The payment of in-lieu fees to an agricultural conservation entity that are sufficient to fully fnd*:

1. The cost of acquisition of ~~agricultural lands~~ fee ownership or ~~agricultural~~ conservation easements over agricultural land for permanent protection, and

2. The cost of administering, managing, monitoring and enforcing the ~~agricultural lands or agricultural conservation easements, as well as the costs of promoting agriculture on the mitigation lands~~ use of the agricultural lands for agricultural purposes.

* with provisions for adjustment of in-lieu fees to reflect potential changes in land values at the time of actual ~~payment.~~acquisition.

d. The purchase of agricultural mitigation credits from an agricultural mitigation bank approved by the city.

e. Variations from these recommendations should be accompanied by information explaining the basis for the variation and why the alternative mitigation is both adequate and feasible.

8. Agricultural lands or conservation easements ~~acquired and~~ transferred to an agricultural conservation entity should be located in Santa Clara County and be lands deemed acceptable to the city and entity.

9. The agricultural mitigation should result in preservation of land that would be:

a. Prime agricultural land of substantially similar quality and character as measured by the Average Storie Index rating and the Land Capability Classification rating, and

b. located within ~~a city's sphere of influence in an area planned/envisioned for~~ an area planned for long term agriculture, and

c. That would preferably promote the definition and creation of a permanent urban/agricultural edge.

10. Because urban/non-agricultural uses affect adjacent agricultural practices and introduce development pressures on adjacent agricultural lands, LAFCO encourages cities with LAFCO proposals ~~impacting~~ converting agricultural lands to adopt measures to preserve adjoining agricultural lands, to prevent their premature conversion to other uses, and to minimize potential conflicts between the proposed urban development and adjacent agricultural uses. Examples of such measures include, but are not limited to:

a. Establishment of an agricultural buffer ~~on~~ between the land proposed for development and the land to be maintained in agriculture. The buffer's size, location and allowed uses must be sufficient to minimize conflicts between the adjacent urban and agricultural uses.

b, Adoption if protections such as a Right to Farm Ordinance, to ensure that the new urban residents shall recognize the rights of adjacent property owners conducting agricultural operations and practices in compliance with established standards.

c, Development of programs to promote the continued economic viability of surrounding agricultural land.

Agricultural Conservation Entity Qualifications

11. The agricultural conservation entity should be a city or a public or non-profit agency. LAFCO encourages consideration of agricultural conservation entities that:

    a. ~~Are committed to preserving local agriculture and have~~ Have a clear mission along with strategic goals or programs for promoting agriculture in the areas that would be preserved through mitigation,

    b. Have the legal and technical ability to hold and administer agricultural lands and agricultural conservation easements and in-lieu fees for the purposes of conserving and maintaining lands in agricultural production and preferably have an established record for doing so, and

    c. Have adopted written standards, policies and practices (such as the Land Trust Aliances's "Standards and Practices") for holding and administering agricultural lands, agricultural conservation easements and in-lieu fees and are operating in compliance with those standards.

Timing and Fulfillment of Mitigation

12. LAFCO prefers that agricultural mitigation be in place at the time of LAFCO approval or as soon as possible after LAFCO approval. The mitigation (as detailed in the Plan for Mitigation) should be fulfilled no later than at the time of city's approval of ~~the~~ a final map, or issuance of a grading permit or building permit, whichever occurs first.

13. Cities should provide LAFCO with information on how the city will ensure that the agricultural mitigation is provided at the appropriate time.

14. Cities should provide LAFCO with a report on the status of agricultural mitigation fulfillment every year folloing LAFCO approval of the proposal until the agricultural mitigation commitments are fulfilled.

15. The agricultural conservation entity should report annually to LAFCO on the use of the in-lieu fees until the fees have been fully expanded.

Plan for Mitigation

16. A plan for agricultural mitigation that is consistent with these policies should be submitted at the time that a proposal impacting agricultural lands is filed with LAFCO. The plan for mitigation should include all of the following:

    a. ~~An~~ **A draft** Agreement between the property owner, city and agricultural conservation entity (if such an entity is involved) that **when executed** commits the property owner(s) to provide the mitigation for the loss of prime agricultural lands and establishes the specifics of mitigation. The agreement should specify:

        1. The type of mitigation that will be provided in order to mitigate for conversion of agricultural lands. (purchase of fee title or easement or payment of in-lieu fees **or purchase of mitigation credits)**~~)~~

        ~~2. The~~ **2. The city or** agricultural conservation entity that will be involved in holding the lands, easements, or in-lieu fees.

        3. The acreage that would be preserved through mitigation and /or the amount of in-lieu fees that would be paid (with provisions to adjust fees to reflect land values at time of ~~payment)~~ **acquisition)** along with the methodology adopted by the entity for calculating the in-lieu fees.

        4. The location of the mitigation lands, when possible.

        5. Information on the specific measures adopted by the city as encouraged in Policy #10 (mitigation for impacts to adjacent agricultural lands)

        6. The time-frame within which the mitigation will be fulfilled, which should be no later than at the time of city's approval of the final map, or issuance of the grading permit or building permit, whichever occurs first.

        7. The **effectiveness of the** mitigation agreement is to be contingent on LAFCO approval of the proposal.

17. Upon LAFCO approval of the proposal, the agreement should be recorded with the County Recorder's office against the property to be developed.

18. Applicant should provide all other supporting documents and information to demonstrate compliance with these policies.

---------- COMPARISON OF HEADERS ----------

-HEADER 1-

The City believes that this additional flexibility is warranted. For example, it is very possible that an annexation proposal could include 25 acres of prime agricultural land. The annexation could include two 10-acre vacant parcels and one 5-acre hobby farm that includes a house. Mitigation for the development of the two 10-acre vacant parcels may be appropriate. However, mitigation for the hobby farm may not seem warranted. This policy should be amended to allow for possibility that no mitigation may be warranted.

Policy 3:
Similar to comments provided for Policy 1, this policy should be amended to provide the possibility that if mitigation is not involved, plans for mitigation would also not be necessary.

Policy 7:
This Policy would require mitigation for loss of all prime agricultural lands at a ratio of 1:1 or greater. Policy 1, however, allows for the possibility of variation from the policies and, presumably, the 1:1 mitigation minimum. Morgan Hill supports this flexibility as we do not believe the "one size fits all" approach is appropriate. There may be instances in which the prime agricultural portion of a site is small and/or surrounded by residentially developed properties. Mitigation for the loss of such agricultural land should not be of same magnitude as the loss of large agricultural parcels at the fringe of the community and adjacent to agricultural uses. Also, there is a difference between the quality of an area that may have prime soils but has not been farmed in decades and areas that are presently used for agricultural purposes.

The State Department of Conservation encourages use of the Land Evaluation and Site Assessment (LESA) model to evaluate the significance of agricultural land conversion. This model uses six different quantitative factors to evaluate the significance of the potential loss of agricultural land. LAFCo should recognize the use of this and/or other models for evaluation of the significance of the loss of agricultural lands and the appropriate level of mitigation to be provided.

Morgan Hill is also concerned that the feasibility of the draft policies has not been adequately analyzed. The California Environmental Quality Act defines feasible as being "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors." From a legal standpoint, the City is concerned that the cost of mitigation may not meet the legal test of "rough proportionality." Much of the unincorporated agricultural land in the City's sphere of influence has been subdivided into parcels of 10 acres or less in size. Current County policy would allow for construction of a house on each of these properties. Given these parcel sizes and potential for house construction on each, the value of this vacant agricultural land to be between $60,000 and $100,000 per acre. These land values may make the cost of acquisition of conservation easements or fee title higher than can be legally justified.

From a practical standpoint, the City is concerned that implementation of the policies may not result in the successful preservation of agricultural lands within a reasonable period of time. The draft policies assume that one-half of existing vacant lands in Santa

Clara County that meet the definition of "prime agricultural lands" will be placed into permanent agricultural use. We are unaware of any analysis to determine if that amount of land would be available over any period of time for mitigation purposes. It would seem prudent to evaluate the practical feasibility of implementing the draft policies prior to their adoption.

Policies 8 and 9:
Policy 8 indicates that mitigation lands should be located in Santa Clara County. Policy 9 suggests that mitigation lands be located within the City's sphere of influence. We would like mitigation land to be provided within our sphere, but as indicated above, are concerned that the cost of mitigation in that area may be prohibitive. The option of buying credits from a bank, under a program that preserves the most viable agricultural lands in the County should be explored.

Policy 10:
Subsection "a." of Policy 10 recommends establishment of buffers on land proposed for development where such land is adjacent to agricultural uses. Morgan Hill's experience is that such buffers are appropriate and effective if the adjacent agricultural uses are permanent. In instances where the adjacent agricultural uses may convert to urban uses in the future, permanent buffers are an inefficient use of land and counterproductive. In these situations, temporary buffers or phasing of development to delay development on land adjacent agricultural uses is a more appropriate approach. We recommend this policy be amended to recognize that in some cases temporary buffers may be appropriate.

Policies 14 and 15:
These policies recommend annual reporting to LAFCo on the progress being made to fulfill the mitigation requirements. Policy 17 recommends that agreements between cities, property owners and agricultural conservation be recorded upon LAFCo approval of applications. Morgan Hill believes that recordation of the mitigation requirements provides adequate assurance to LAFCo that the mitigation will be implemented. As a result, we do not believe that annual reporting is necessary.

Thank you for the opportunity to comment on the draft policies. We believe that these changes will improve the policies and result in a workable strategy for agricultural land preservation in the County.

Sincerely,

Steve Tate
Mayor

C: Council Members
Ed Tewes, City Manager

Friends of the Coyote Valley Greenbelt (FROG)

March 12, 2007

To: Santa Clara County Local Agency Formation Commission (LAFCO)

From: Trixie Johnson, Friends of Coyote Valley Greenbelt (FROG)

RE: LAFCO's DRAFT AGRICULTURAL MITIGATION POLICIES (February 2007)

FROG Supports Latest Draft of LAFCO Agricultural Mitigation Policies

I am writing on behalf of the Friends of the Coyote Valley Greenbelt (FROG) to express our support for LAFCO adoption of the February 2007 version of LAFCO's draft agricultural mitigation policies.

FROG believes that the LAFCO staff has been responsive in making revisions that address, in reasonable and effective ways, the major issues that have been raised by various stakeholders during the public review and outreach process.

We encourage LAFCO to proceed with adoption of these policies at its April meeting.

Some Issues May Need to be Addressed at Later Date

The current draft policies are written in a way that makes them primarily applicable to proposed urban service area expansions that involve only one property owner. We understand that this is how most urban service area expansions are brought to LAFCO.

While that may now be the norm, we anticipate that eventual proposals to expand San Jose's urban service area boundary to include the portions of Coyote Valley currently being planned for urban development are likely to involve numerous property owners. That is a situation that the draft policies currently being considered by LAFCO may not adequately address, due to the potential complexities of creating multi-party, contractual agreements.

But, since it appears that LAFCO may need to review some of its other policies when the issue of bringing additional areas of Coyote Valley into San Jose's urban service area comes before it, FROG believes that would also be the appropriate time to review LAFCO's agricultural mitigation policies as they may apply to proposed urban service area expansions involving multiple owners.

Effectiveness Will Still Depend on LAFCO's Commitment and Resolve

The Friends of the Coyote Valley Greenbelt (FROG) commends LAFCO and its staff for addressing the important and timely topic of mitigation for the loss of agricultural lands to urban development. We are proud of the leadership that the Santa Clara County LAFCO is providing.

We also wish to remind you, however, that the ultimate success of these policies will depend not just on their adoption, but also upon LAFCO's commitment and resolve to implement them effectively when specific urban service area expansion proposals come before it.

SANTA CLARA
Valley Transportation Authority

March 8, 2007

LAFCO
County of Santa Clara
70 West Hedding Street, 11th floor
San Jose, CA 95110

Attention: Dunia Noel

Subject: LAFCO's Agricultural Mitigation Policies

Dear Ms. Noel:

Santa Clara Valley Transportation Authority (VTA) staff have reviewed the Negative Declaration for LAFCO's Agricultural Mitigation Policies. We have no comments on the proposed project at this time.

Thank you for the opportunity to review this project. If you have any questions, please call me at (408) 321-5784.

Sincerely,

Roy Molseed
Senior Environmental Planner

RM:kh

ITEM NO. 5

MORGAN HILL URBAN SERVICE AREA (USA) AMENDMENT 2006

THIS ITEM WAS CONTINUED FROM THE FEBRUARY 14, 2007 LAFCO MEETING.

ATTACHED IS THE LAFCO ANALYST'S REPORT. PLEASE REFER TO THE FEBRUARY 14, 2007 AGENDA PACKET (ITEM NO. 7) FOR THE EXECUTIVE OFFICER'S REPORT.

IF YOU WOULD LIKE TO HAVE A COPY OF THAT REPORT, PLEASE CONTACT THE LAFCO CLERK AT (408) 299-6415.

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 5

Hearing date: April 4, 2007

To: Neelima Palacherla, Executive Officer

From: Dunia Noel, Analyst

Subject: Morgan Hill Urban Service Area (USA) Amendment (2006) Black Rock

Recommended CEQA Action:

As a Responsible Agency under CEQA, LAFCO must take the following action regarding the Negative Declaration for any project approved by the Commission:

> Find that [a] the *Initial Study and Mitigated Negative Declaration* approved by the City of Morgan Hill was completed in compliance with CEQA and is an adequate discussion of the environmental impacts of the project, [b] prior to making a decision on this project, LAFCO reviewed and considered the environmental effects of the project as shown in the *Initial Study and Mitigated Negative Declaration.*

ENVIRONMENTAL ASSESSMENT:

Mitigated Negative Declaration

A Mitigated Negative Declaration was prepared for the project and adopted by the City of Morgan Hill on April 19, 2006. The City determined that "although the project, as proposed, could have had a significant effect on the environment, there will not be a significant effect in this case because mitigation measures have been added to the project." The City of Morgan Hill has adopted mitigation measures that address the following potentially significant impacts: agricultural resources, air quality, biology, cultural resources, noise, and transportation/circulation.

The City adopted the following mitigation measure in order to address potentially significant impacts to agricultural resources:

> Mitigation Measure B.1. The impacts to the agricultural lands within the Black Rock subarea shall be assessed according to the California Agricultural Land Evaluation and Site Assessment Model (1997) to confirm the extent of Prime Farmland. The City of Morgan Hill, will then make a determination whether the portion mapped as Prime Farmland has long-term economic viability for agriculture, and if it meets these criteria, shall require establishment of a conservation easement or agricultural preserve for that portion of the property consistent with its Open Space and Conservation Element Policies. The City may also elect to implement a Transfer of Development Rights (TDR) to allow for the increased net density of housing units on the remainder of the parcel in order to retain the proposed general plan designation and the gross density for this portion of the GPA.

Concerns about the City of Morgan Hill's Process For Assessing Impacts to Agricultural Resources and Considering Mitigation Measures

Based on the above mitigation measure adopted by the City on April 19, 2006, the City appears to have deferred final analysis of agricultural resource impacts and consideration of potential

mitigation measures to sometime after the adoption of the Mitigated Negative Declaration. Specifically, the City deferred their analysis until November 2006 and LAFCO did not receive a copy of that analysis until receiving the City's recent application for an Urban Service Area amendment.

The City's deferral process seems inconsistent with the basic purposes of CEQA (Government Code Section 15002(a)), which are to:

- Inform governmental decision makers and the public about the potential, significant environmental effects of proposed activities.
- Identify ways that environmental damage can be avoided or significantly reduced.
- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the government agency finds the changes to feasible.
- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

Furthermore, this deferral process did not allow LAFCO, other Responsible Agencies, or the public the opportunity to comment on whether the City's analysis of agricultural impacts and mitigation measures was adequate or consistent with their respective agency's policies. LAFCO staff believes that all analysis of impacts to agricultural resources and mitigation measures should have been included within the Mitigated Negative Declaration adopted by the City in April 2006.

The project site consists of Class I soils and is considered prime agricultural land based on the definition of prime agricultural lands in the Cortese Knox Hertzberg Act. However, the City, using the LESA model, determined that the conversion of the agricultural land at the project site is less than significant. LAFCO staff and other stakeholders have expressed many concerns, over the last few months, about the use of the Land Evaluation Site Assessment Model (LESA) in determining impacts to agricultural resources in Santa Clara County. Some of the concerns expressed include that the Model:

- Appears to favor "traditional," large-scale agriculture (something that Santa Clara County has little of) and as a consequence smaller parcels close to urban areas receive lower scores, without consideration for the current trend toward urban edge agriculture,
- Is not transparent and that there is much potential for scorer error and manipulation of a score in order to achieve a desired result, and
- May lower LESA scores on nearby sites, thereby justifying more land conversion decisions.

Other Concerns about the City of Morgan Hill's CEQA Process

Lastly, LAFCO requests that the City of Morgan Hill follow the process established in CEQA for notification of Responsible Agencies, such as LAFCO. This concern was relayed to the City of Morgan Hill in LAFCO's two letters (see Attachments 1 and 2).

ATTACHMENTS

1. LAFCO staff"s March 15, 2006 Comment Letter to the City of Morgan Hill
2. LAFCO staff's March 28, 2006 Comment Letter to the City of Morgan Hill
3. April 12, 2006 Memo from EIP Associates to City of Morgan Hill Regarding LAFCO's March 28, 2006 Comment Letter

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 5
ATTACHMENT 1

March 15, 2006

Mr. David Bischoff, Project Manager
Planning Division
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, CA 95037

RE: Draft Mitigated Negative Declaration for ULL/General Plan Amendment and Related Actions

Dear Mr. David Bischoff:

I wish to bring to your attention the fact that LAFCO did not receive a "Notice of Availability" from the City of Morgan Hill concerning the City's **Proposed Negative Declaration** for the **Urban Limit Line/Greenbelt Study General Plan Amendment and Related Actions**. According to the project description, the General Plan Amendment (GPA) is composed of two primary parts, namely A and B. Part B of the GPA addresses related actions including the annexation of two specific sub-areas of the Urban Limit Line, extension of the Urban Service Area (USA) and UGB, and General Plan designations and pre-zoning for the sub-areas. The sub-areas and actions include:

- Oaks Meadows Plaza – Twenty acres are proposed to be included within the City's UGB and USA and would be annexed into the City.

- Black Rock Property – This 18-acre parcel is proposed for a General Plan designation of "Residential Estate", (one dwelling unit per acre), extending the UGB and USA to incorporate it, and annexing and pre-zoning the property as "RE-40,000 Residential Planned Development"(RPD).

- West Hills Church – A 23 acre area proposed for inclusion within the UGB and designation as Residential Estate in the General Plan, allowing up to one residential unit per acre.

Both the Oak Meadows Plaza and Black Rock Property projects, as described in the Neg. Dec., are projects that require LAFCO review and approval of an USA expansion. Furthermore, the City cannot annex the West Hills Church sub-area unless LAFCO also approves an USA expansion. Therefore, the City should have identified LAFCO as a Responsible Agency under CEQA and LAFCO should have received notice from the City concerning the availability of the Draft Mitigated Negative Declaration.

Unfortunately, we learned of this document only because LAFCO recently received a copy of the County of Santa Clara's Planning Office's most recent comment letter on the Mitigated Negative Declaration as well as a copy of the document. According to the "Notice", the public review period began on February 22, 2006 and will end on March 24, 2006.

Given that we only recently learned of this document and that LAFCO is a Responsible Agency for some of the actions (i.e. USA expansions) analyzed in the Mitigated Neg. Dec., we request that LAFCO be given additional time to review the document and if necessary provide the City with our comments.

Thank you for your time and consideration of this matter.

Sincerely,

N Palacherla /BSN

Neelima Palacherla, LAFCO Executive Officer

CC: Santa Clara County LAFCO Commissioners
Kathy Molloy Previsich, Community Development Director, City of Morgan Hill
Bill Shoe, Principal Planner/Zoning Administrator, County of Santa Clara

March 28, 2006

Mr. David Bischoff, Project Manager
Planning Division
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, CA 95037

RE: Draft Mitigated Negative Declaration for ULL/General Plan Amendment and Related Actions

Dear Mr. David Bischoff:

Thank you for giving the Santa Clara County Local Agency Formation Commission (LAFCO) additional time to comment on the **Morgan Hill's Proposed Mitigated Negative Declaration** for the **Urban Limit Line/Greenbelt Study General Plan Amendment and Related Actions.** The additional time was requested due to LAFCO not receiving a "Notice of the Availability" from the City of Morgan for the environmental document. LAFCO is a Responsible Agency for portions of this Project and CEQA requires Responsible Agencies to receive notice.

According to the project description, the General Plan Amendment (GPA) is composed of two primary parts, namely A and B. Part B of the GPA addresses related actions including the annexation of two specific sub-areas of the Urban Limit Line, extension of the Urban Service Area (USA) and UGB, and General Plan designations and pre-zoning for the sub-areas. The sub-areas and actions include:

- Oaks Meadows Plaza – Twenty acres are proposed to be included within the City's UGB and USA and would be annexed into the City.
- Black Rock Property – This 18 acre parcel is proposed for a General Plan designation of "Residential Estate", (one dwelling unit per acre), extending the UGB and USA to incorporate it, and annexing and pre-zoning the property as "RE-40,000 Residential Planned Development"(RPD).

- West Hills Church – A 23 acre area proposed for inclusion within the UGB and designation as Residential Estate in the General Plan, allowing up to one residential unit per acre.

LAFCO is a Responsible Agency and the Mitigated Neg. Dec. Should Address Whether Each Proposal is Consistent with LAFCO's Urban Service Area Policies

Both the Oak Meadows Plaza and Black Rock Property projects, as described in the Mitigated Negative Declaration, are projects that require LAFCO review and approval of an USA expansion. Furthermore, the City cannot annex the West Hills Church sub-area unless LAFCO also approves an USA expansion. Therefore, LAFCO staff requests that the Draft Mitigated Negative Declaration include a more detailed discussion of whether each proposal is consistent with LAFCO's Urban Service Area Policies #1 through #11 (where relevant). Staff believes that LAFCO Policies #3 through #8 are particularly relevant to each proposal and that they should be discussed in greater detail. The aforementioned changes will result in a more complete environmental document and provide LAFCO with the information necessary for future LAFCO decisions.

City Should Clarify the Intent of the Urban Limit Line and Greenbelt Areas

Based on the information included in the document, the purpose of establishing a new growth boundary, namely an Urban Limit Line (ULL), is not entirely clear. Given that there are many acres of vacant land currently within the City's existing Urban Service Area Boundary and Urban Growth Boundary, it seems premature to create a boundary that would include additional lands before the current vacant lands have been used or developed. It also appears that the Greenbelt Areas identified are currently existing county parks and or ranchlands. Please clarify the intent of the ULL and Greenbelt Areas.

Environmental Document Should Fully Disclose Any Agreements or Memorandums of Understanding That Exist Between the City and the Applicants of these Proposals

Bill Shoe, Principal Planner for the County of Santa Clara, in his comment letter dated March 9, 2006, makes reference to a possible negotiated agreement between the City and property owners of the Oak Meadow's Plaza site. Moreover, it appears that the City Council at its February 1, 2006 Council meeting approved a non-binding Memorandum of Understanding between the City and American Anchorpoint and others under contract to purchase parts of the Anchorpoint 118-acre property. The MOU sets forth in detail the expectations and responsibilities of Anchorpoint and the City for defining and submitting an application that would result in the implementation of the recommendations of the Final Report of the Urban Limit Line/Greenbelt Study.

We wish to note that LAFCO is not bound by any such negotiated agreements or MOUs. Furthermore, we believe that it is premature for the City to enter into any such agreements given that the environmental review process, which identifies environmental impacts, mitigation measures, and evaluates the proposal's consistency with relevant policies of local agencies, has not been completed yet. Until the environmental review process is complete, the City would be entering into an agreement without the benefit of knowing the Project's environmental impacts or considering comments from Responsible Agencies or the public on both Part A and Part B of the Project. Given that such an agreement does appear to exist, it only seems appropriate to fully disclose the details of the MOU and evaluate it as part of the environmental review process.

Please Keep LAFCO Informed about the City's Future Considerations and Decisions Regarding the Southeast Quadrant

The environmental document notes that the City Council deferred making a decision on possible urban uses in the Southeast Quadrant (SEQ) until after the completion of the Industrial Market Study (ILMS). According to the Mitigated Negative Declaration, the southeast quadrant consists of primarily "Prime Farmland" and "Farmland of Statewide Importance." LAFCO's state mandate and local policies call for the protection of agricultural lands and for LAFCO to guide development away from prime agricultural lands to non-prime agricultural lands. LAFCO requests to be notified about the City's considerations and decisions regarding the southeast quadrant, specifically any information concerning the City's plans for the area and the City's schedule for implementing those plans including completing the necessary environmental review process.

Thank you for the opportunity to review and comment on the Draft Mitigated Negative Declaration. If you have questions regarding these comments, you can reach me at (408) 299-5148.

Sincerely,

/s/

N Palacherla

Neelima Palacherla, LAFCO Executive Officer

CC: Santa Clara County LAFCO Commissioners
Kathy Molloy Previsich, Community Development Director, City of Morgan Hill
Bill Shoe, Principal Planner/Zoning Administrator, County of Santa Clara

EIP ASSOCIATES

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MEMORANDUM

Date: April 12, 2006

To: David Bischoff, Project Manager, City of Morgan Hill

From: John Steere, Sr. Project Manager

Subject: **Responses to Comments on *Morgan Hill Urban Limit Line/Greenbelt Study GPA Draft MND***

Per your request we are furnishing you with an additional set of responses to comments to the Morgan Hill Urban Limit Line/Greenbelt Study GPA Initial Study/Draft Mitigated Negative Declaration (IS/MND). We have reviewed four more comment letters and one oral communication received since our first, March 24, response letter. These additional communications were received from Greenbelt Alliance (both orally and written), Committee for a Green Foothills, LAFCo of Santa Clara County and Bart Hechtman, representing the Black Rock property owners. Our responses address only those items from each correspondence that are relevant to the IS/MND.

1. Conversion of 'Prime Farmland' and 'Farmland of Statewide Importance' within the ULL could result in a significant environmental impact. The commenter, Greenbelt Alliance, makes the point that City is determining with the establishment of an ULL where development will be allowed to go in future years, and contends that conversion of farmland to residential or commercial uses is reasonably foreseeable. Therefore, the commenter believes that the loss of farmland associated with implementation of Part A should be assessed and mitigated at the programmatic phase of the environmental and planning process. We contend that the reasonably foreseeable potential for conversion of ULL lands to urbanization is presented by the three ULL sub areas in Part B of the GPA, but not Part A. One of them, the Black Rock Property, contains about 7.75 acres of Prime Farmland, which is proposed to be protected at 1:1 basis via "Mitigation Measure B.1 -- Establish a Conservation Easement for Prime Farmlands on Black Rock if they are deemed economically viable." (page 28 of the Draft IS/MND). Neither of the other two sub areas contains 'Prime Farmland' or 'Farmland of Statewide Importance' but rather represent lands suitable for grazing, which is not deemed a significant impact under

CEQA. The rest of the ULL has no reasonably foreseen development – where "reasonably foreseen" is defined (via CEQA Guidelines) as a proposal for a change in zoning or general plan designation. That is, CEQA does not require impact analysis or mitigation of unforeseen or speculative development – i.e. where individual projects have not been identified or proposed. The remainder, or the ULL in Part A, fits this category, as no projects have been identified or proposals made for development. In addition, only the northeast corner of the ULL meets the Prime Farmland/Farmland of Statewide importance criteria. Existing City of Morgan Hill policies in its Open Space and Conservation Element that seek to protect agricultural lands adequately protects these areas. In light of all of these factors and existing policies, we do not believe that additional mitigation measures are needed or warranted.

2. Issue of whether Development if Reasonably Foreseeable in the ULL: While we can appreciate the Committee of Green Foothills' (Committee) concern over the potential loss of farmland around Morgan Hill and its consequent belief that development is reasonably foreseeable throughout the ULL– from a CEQA standpoint, this is not the case. As discussed in Response to Comment #1 above, "reasonably foreseeable" development from a CEQA perspective cannot be speculative but rather associated with proposed or identified projects. Up to three potential projects that are reasonably foreseeable are identified in Part B of the GPA for the ULL and mitigation has been adequately identified for the potentially significant impact where Prime Farmland is present. For Part A, no development is reasonably foreseen as no projects have been proposed for areas within these portions of the ULL.

3. Cumulative Impacts of Designation of the ULL: There are no identified projects beyond the three described in Part B of the ULL GPA which are appropriately addressed in the Draft IS/MND. However, there is no basis within CEQA to evaluate additional cumulative impacts for Part A of the ULL designation in the absence of other projects upon which to base such an analysis. Just as the individual projects have not been identified or proposed within Part A of the ULL, and are thus not reasonably foreseeable, therefore cumulative impact analysis is also not foreseeable. See also the definition of "reasonably foreseeable" addressed in Response to Comment 1 above.

4. Relationship of Project to LAFCo USA Amendment Policies #3 to 8: Per LAFCo's request, the following addresses the relevance of said policies to the proposed inclusion of two sub-areas of Part B into the Urban Service Area.

   #3. *Local and Regional Impact Factors*: A number of the noted factors are evaluated in the Initial Study, particularly in the Land Use, Utilities and Public Services sub-sections. Regarding the provision of public facilities and services, the City's Desirable Infill Policy

only allows for expansions of the Urban Service Area that do not unduly burden the provision of services to areas currently within the USA. Specifically, all areas proposed for addition must be eligible to receive a passing score under Part 1 of the City's Residential Development Control System. That system evaluates the City's and other agencies' ability to provide schools, parks, streets, water service, sewer service, drainage and police and fire services to the area proposed to be added to the USA. A minimum of 7.5 out of a possible 12 points are required for a passing score in this evaluation. The Oak Meadow Plaza and Black Rock properties scored 9 and 8 points, respectively, in this evaluation.

#4. *Consider applicable service reviews.* The designation of the ULL will not undermine adopted urban service area review determinations, as it does not conflict with them. City service providers did not identify any conflicts or potential USA undermining.

#5. *USA expansion and infill.* The two sub-areas of Part B of the ULL GPA meet the City's policy for Desirable Infill. The Oak Meadow Plaza property is adjacent to the city limits on one side and within a quarter mile of the city limits on two other sides. It is within a half mile of major shopping areas, parks and an elementary school.

The Black Rock property is located at the intersection of two arterial streets. It is adjacent to the city limits on two sides. It is bounded by urban residential subdivisions on the east and rural residential development on the south and west.

#6. *Discourage USA expansions that include agricultural land or other open space land:* Part B of the ULL GPA includes 7.5 acres of Prime Farmland for which a conservation easement is proposed as mitigation (Mitigation Measure B.1). Further, expansion of the Urban Service Area to include 20 acres of the Oak Meadow Plaza property (which is not Prime Farmland) will result in the permanent preservation of approximately 84 acres of open space that has significant scenic value.

#7. *Consideration of whether USA conversion will affect agricultural resources of the County.* As discussed in the Agricultural Resources Subsection on pages 43 to 44 of the Draft

IS/MND, the Oak Meadow Plaza property is not Prime Farmland and is used for grazing. It is adjacent to two residential subdivisions on the east. The permanent open space easements proposed for this area would ensure no additional conversion of grazing land would occur.

The Black Rock property is a defunct Christmas tree farm and is not under not active cultivation or agricultural production. Adjoining lands are urban and rural residential on three sides.

Given the types of current uses for these properties, their size and adjacent land uses, their conversion will not have a significant effect on the agricultural resources of the County.

#8. Conversion of agricultural and open space lands and provision of mitigation. To reiterate what was previously discussed under Comment 1: An adequate mitigation is proposed for the one area of Prime Farmlands in Part B of the ULL GPA: "Mitigation Measure B.1 -- Establish a Conservation Easement for Prime Farmlands on the Black Rock property if it is deemed economically viable." (page 28 of the Draft IS/MND). The other sub-area proposed to be included within the USA does not contain 'Prime Farmland' or 'Farmland of Statewide Importance' but rather represent lands used for light grazing. Eighty-four acres of this property are proposed to be permanently protected by recordation of conservation easements over them.

5. Requested Revision of Mitigation Measure D.2, regarding establishment of a riparian buffer zone. The commenter requested deletion of references to the conservation easement for the buffer zone not being part of the residential parcel and that 50 feet be the minimum width. We have revised, in consultation with the City, the measure to read as follows (Deletions shown): "As part of the subdivision application process for Black Rock and pursuant to Policy 5b of the Morgan Hill General Plan, and Sections 1600 to 1616 of the Fish and Game Code of California, development on this property shall be designed such that effects to the riparian community along Llagas Creek are avoided. This shall include the establishment of an appropriate buffer zone between the creek and the nearest development. This buffer zone shall be designated as a

conservation easement. No hardscape development shall be allowed within this buffer zone. The width of this buffer zone shall be determined in consultation with the City and the CDFG.

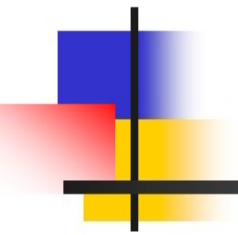
6. Agricultural Resources: Prime Farmland. The commenter requested additional information to bolster the case for the designation of a portion of the Black Rock Property as Prime Farmland. We contacted the State's Department of Conservation (DOC), which is the responsible agency for designation of farmland. The DOC prepares detailed Prime Farmland maps on a bi-annual basis based on aerial photograph interpretation, soils maps and soil characteristics supplemented by the presence of irrigation. The identification of a 7.75 acre portion of the site as Prime Farmland was based on the 2002-2004 "Farmland Mapping and Monitoring Program" of the DOC, which is the most current period. We confirmed with Larelle Burkham, staff to DOC that this area within Morgan Hill is, in fact, still deemed Prime Farmland even if it may not have been irrigated recently.

   We did pose to Molly Penberth, Manager of the DOC, the commenter's questions of what constitutes tree production, and whether it includes maintaining trees or just planting them in the ground (i.e., by what "facts did the DOC conclude that this use constitutes irrigated agricultural production). She replied in an email communication from March 30, 2006: "The land use mapping is conducted primarily through (digital) air photo interpretation, in conjunction with ancillary data sets such as the Department of Water Resources surveys, comments from local agencies, and site inspection in questionable situations. Pattern/color recognition is what differentiates various land use types. Orchard/tree crops need to have reached a certain size to be visible in the imagery, which implies some sort of management. While it is not possible for us to inspect every grove, the vast majority of tree crops in CA are irrigated. Without additional information on irrigation status, we assume water is applied to perennial crops in order to maintain the uniformity in pattern/color expected for that crop. In regard to the question about sales records, this is not a component of the Important Farmland mapping criteria. Depending on market conditions, crops can be grown and not harvested or not sold in any given year. Because the program's focus is on the land resource/use, economics are not considered. If the land in question has not been maintained for some time, the imagery would start to indicate that. We do start a 'flagging' process once we see indicators of decline." However, the area has not been flagged within the most recent mapping period (2002-2004), according to Ms. Burkham.

7. Jurisdictional wetlands, wetlands under the Army Corps of Engineers' (USACE) jurisdiction, are subject to the Clean Water Act, Section 404, regarding wetland fill. Thus, jurisdictional wetlands are federally regulated and mitigation requiring adherence to these federal regulations is required.

   Wetlands which do not meet USACE requirements may qualify as waters of the state, in which case these wetlands would be subject to state policies regarding wetlands. However, these state policies are not regulations and were thus not included as mitigation.

   However, it has been EIP's practice to include language recognizing these state policies through mitigation measures. As such, Mitigation Measures D.3.a and D.3.b have been revised to include language regarding state wetland policies.



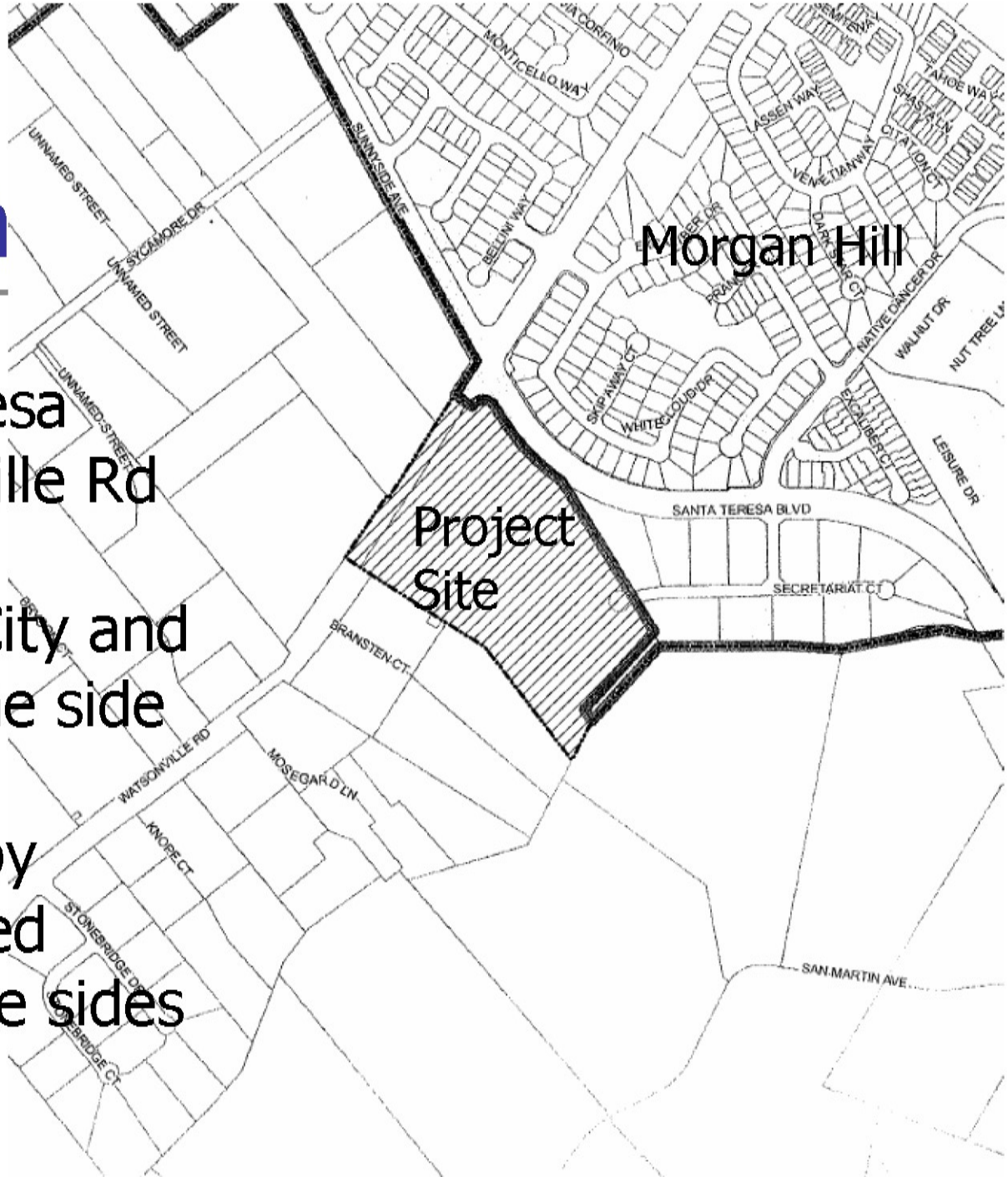
Morgan Hill USA Amendment (2006) Black Rock

Proposal

- Urban Service Area (USA) expansion request for proposed residential development in Morgan Hill:
  - 18 acre parcel
  - County General Plan: Agriculture- Med. Scale
  - City General Plan: Residential Estate. Allow 15 homes max. after annexation

Location

- @ Santa Teresa and Watsonville Rd
- Adjacent to City and its USA on one side
- Surrounded by unincorporated lands on three sides



Surrounding Land Use

Contributes to Sprawl and Inefficient Boundaries

- Located on southwestern fringe of the city
- Surrounded by unincorporated lands on three sides
- Inconsistent with compact, concentric urban growth
- Could result in service inefficiencies

Could Have Growth Inducing Impacts

- Potential road improvements and sewer/water extensions could put development pressures on adjacent rural residential and agricultural lands

Consistency with Morgan Hill General Plan

- Area included within City's UGB in 2006
- City resolution states that project site meets its desirable infill standard by:
  - Meeting its location criteria
  - Receiving passing score on city's service abilities to the project site
  - Providing beneficial element to City by dedicating well site and installing asphalt overlay on road fronting property

Results in Conversion of Prime Agricultural Lands

- Project site is prime agricultural land per CKH Act definition:
  - Contains Class I soils
- City used LESA to conclude that impacts to agricultural lands are less than significant
- City did not provide any explanation of how the loss of agricultural land will be mitigated

City has More than Five –Year Supply of Vacant Lands

- City has 9 years of vacant residential land within current city limits (not counting the land that has received a Measure C allocation through 2010, i.e, land that will likely be developed in the next 3 years)

City has Ability to Provide Urban Services

- City has stated that it is able to provide sewer, water, policies and fire services without impacting current levels of service

Recommendation: Deny USA Expansion

- City has more than 5 years (9 years) of vacant land within its current boundaries
- Results in premature conversion of agricultural land to urban uses
- Encourages urban sprawl and inefficient boundaries
- Could put development pressures on adjacent rural lands

Concerns re. City's CEQA Process

- Inadequate notification to LAFCO as a responsible agency
- Not fully analyzing agricultural impacts prior to adoption of Mitigated Negative Declaration

CEQA Action

- No CEQA action required for denial of project
- If LAFCO chooses to approve the project, LAFCO must adopt Mitigated Negative Declaration

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 7

LAFCO Meeting: February 14, 2007

Date: February 7, 2007

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer

SUBJECT: **Morgan Hill Urban Service Area (USA) Amendment (2006) Black Rock**

Agenda Item # 7

RECOMMENDATION

1. Project Action

Deny the inclusion of the project site containing 18 acres, into Morgan Hill's Urban Service Area.

Should the Commission wish to consider approval of the USA amendment, staff recommends that the item be continued to the April meeting to allow staff to prepare the CEQA action and appropriate recommendation.

PROJECT DESCRIPTION

The City of Morgan Hill proposes to expand its Urban Service Area (USA) boundary to include one 18-acre parcel (APN: 779-02-023) located at the intersection of Watsonville Road and Santa Teresa Boulevard. See Attachment A for map of the project site and surrounding area. The project site is being proposed for inclusion in the City's USA to allow for residential development within the City of Morgan Hill.

BACKGROUND

Existing and Proposed Land use and designations for Project Site and Surrounding Areas

The project site currently has a County General Plan designation of "Agriculture-Medium Scale", with a zoning designation of A-20Ac-d1-sr. A Christmas tree farm exists on the property, and was actively farmed until 2001. In addition to the Christmas trees, a single family home is also located on the property.

The City has applied a General Plan designation of "Residential Estate" and a pre-zoning designation of "RE-40,000 RPD" with a condition that the density of the development on the parcel will transition from minimum one-acre parcels on the eastern side of the site to

two and a half acres on the western side of the site. This would allow a potential development of a maximum of 15 houses on the property after annexation.

The project site is surrounded on three sides by unincorporated lands used for rural residential or large lot (20 acre) residential development. Lands to the east of the project site are within the city and are developed with a residential subdivision.

Table: Land Use Designations for Project Site and Surrounding Areas

	General Plan Designation		Zoning Designation		Existing Land Use	
Project Site	**Current County**	Agriculture-Medium Scale	**Current County**	A-20Ac-d1-Sr	**Current use**	Christmas tree farm
	Proposed City	Residential Estate	**Proposed City**	RE-40,000 RPD	**Proposed use**	Low density residential
Properties to north	County: Agriculture Medium Scale		A-20Ac-sr		Flower stand	
Properties to south	County: Hillsides		HS-d1		Hayes Valley Estate	
Properties to west	County: Rural Residential		RR-d1		Rural residential	
Properties to east	City: Single Family Medium		R-1 7,000 RPD		Residential subdivision	

Morgan Hill's Policies on Seeking USA Expansion

Section 18.78.070 (A) of the Morgan Hill Municipal Code establishes restrictions on when the City may request USA expansions and states that the City shall neither apply to LAFCO, nor otherwise request or support, the addition of any land to its USA, until such time as the City Council finds that the amount of undeveloped residentially developable land within the existing USA is insufficient to accommodate five years' worth of residential growth beyond that required to accommodate the number of development allotment available in the next competition. The projected rate of growth for the purposes of this determination shall be the rate of growth provided for by the general plan and the Residential Development Control System. After making such a finding of land

insufficiency, the City may support the addition of land to the USA only to the extent necessary to support five or fewer years of growth.

However, the City's code provides for minor exceptions from the above USA requirements for desirable infill. Desirable Infill (codified into section 18.78.070(B) of the City's Municipal Code) is defined as a tract of land not exceeding twenty acres in size and abutted on two sides by the city limits or on one side by the city limits and having two other sides within a quarter mile of a city limit, as determined by a perpendicular line drawn from the side of the parcel to the city boundary, and whose inclusion into the USA would not unduly burden city services and would beneficially affect the general welfare of the citizens of the City. The Morgan Hill City Council adopted a policy setting forth criteria for "Desirable Infill Standards". In December 1992, LAFCO agreed to consider minor urban service area amendments submitted by the City of Morgan Hill which meets the City's Desirable Infill standards.

ENVIRONMENTAL CONSIDERATIONS

Initial Study and Negative Declaration

Staff has reviewed the Initial Study and Negative Declaration prepared for the proposal by the City of Morgan Hill. See Attachment E for a copy. However, staff is recommending denial of the project and therefore is not including a recommendation for a CEQA action. If the Commission wishes to consider approval, staff will prepare a CEQA recommendation for commission action.

CONSISTENCY WITH MORGAN HILL GENERAL PLAN

Urban Growth Boundary

Morgan Hill's urban growth boundary is intended to differentiate lands within the sphere of influence intended for urbanization over the next 20 to 25years from land that would remain rural and unincorporated over that period. The project site was included in the city's UGB on April 5, 2006.

Desirable Infill Standard

Since the project site has a residential land use designation, pursuant to the City's Municipal Code, it may be included in the USA if it is consistent with the city's Desirable Infill Standard.

According to the City Council resolution (See Attachment B), the area meets all of the criteria for the desirable infill standard by:

1. Meeting the physical / locational requirement,

2. Receiving a passing score under Part 1 of RDCS which evaluates the city's ability to provide services to the area and,

3. Being considered orderly and contiguous to the current USA and providing a beneficial element to the city. The City Council resolution states that including this area in its USA would benefit the City by obtaining dedication of a well site and by installation of an asphalt overlay on Watsonville Road along the property frontage.

CONSISTENCY WITH COUNTY GENERAL PLAN

The proposal area is partially consistent with Policy C-GD 3, which states that urban service areas should include only those areas suitable for urban development by being: reasonably serviceable with public services, relatively free from risks associated with natural hazards, that do not create substantial adverse environmental impacts, and that are not likely to create severe off-site impacts on the surrounding areas or to any natural resource.

The proposal is also only partially consistent with policy C-GD 8. Although the area is contiguous to the existing urbanized area, and all needed public services and facilities can be provided within 5 years without lessening existing levels of service, it is inconsistent with the policy because the city already has more than a 5 year supply of vacant residential land within its USA. Please see detailed discussion below.

CONSISTENCY WITH LAFCO POLICIES

Conversion of Prime Agricultural Lands and Open Space

The project site consists of Class I soils and is considered prime agricultural land based on the definition of prime agricultural lands in the CKH Act. Until 2001, the property was a Christmas tree farm. Currently, although Christmas trees remain on the project site, it is not actively farmed. Inclusion of the area in the city's urban service area will result in the conversion of prime agricultural lands. LAFCO's USA policies require an explanation for why the inclusion of the agricultural lands is necessary and how the loss of agricultural lands will be mitigated. The City did not provide any explanation of how the loss of these agricultural lands will be mitigated. Instead, the City, using the Agricultural Land Evaluation and Site Assessment (LESA) model, determined that the conversion of the agricultural land at the project site is less than significant. It missed being considered a significant impact by a 0.5 point. See Attachment C for the City's LESA analysis.

Logical, Orderly and Efficient Boundaries

The proposed expansion is adjacent to the current city boundary and USA on one side (to the east). The project site is located at the southwestern limits of the city adjacent to rural development in the county on three sides and extends beyond Santa Teresa Boulevard, which generally separates the city from the unincorporated lands to its west. Due to its location on the fringe of the city, the proposed expansion is not

consistent with compact, concentric urban growth and would result in service inefficiencies.

Growth Inducing Impact

Inclusion of the property in the City's USA and its future development would put development pressures on adjacent unincorporated lands that are designated for agricultural or rural residential uses. Extension of services such as sewer and water lines and potential road improvements could generate growth prematurely on the surrounding unincorporated lands and contribute to sprawl.

Five-Year supply of Vacant Land

According to the information provided by the city, there is 9 years worth of vacant residential land within the city limits, with some additional vacant lands available outside the city limits but within the current USA. However, based on the information in the recently adopted South and Central County Service Review report, there is about 32 years worth of vacant residential lands within the city's urban service area.

In any case, when there is more than 5 years worth of vacant land within the existing boundaries, LAFCO policies require the City to explain why the additional land is necessary to be included at this time. The City states that the project site meets the desirable infill criteria, which allows the city to add lands to its USA even if there is more than 5 years worth of vacant land. Additionally, the property owner has committed to installing an asphalt overlay on Watsonville Road fronting the property and will dedicate a new well site to the city.

Ability of City to Provide Urban Services

Fire Protection Services

The City of Morgan Hill contracts with the Santa Clara County Fire Protection District for fire protection services. The fire district does not anticipate that the proposed development would significantly reduce the current level of service that the district provides the city. However, the district notes that this development along with other future growth could increase the demand for fire protection services in the area.

Police Services

Morgan Hill Police Department does not anticipate the need for additional staff to serve potential development of the site. Although future cumulative development may result in a need for additional officers, there is currently capacity at the existing police station to accommodate additional officers.

Sewer Service

A 8-inch sewer line is stubbed to the property line of the project site on the southeastern side from the residential subdivision located within the city. South

County Regional Wastewater Authority (SCRWA) treats the wastewater for the City of Morgan Hill. SCRWA has stated that there is currently sufficient wastewater capacity available to serve the proposed homes and the proposed development would not require the construction of any new wastewater treatment facilities or expansion of existing facilities.

Water Service

A 8-inch water line is stubbed to the property line of the project site on the southeastern side from the residential subdivision located within the city. The City's Public Works Department states that there is currently sufficient water quantity available to serve the proposed homes and that there is no need for additional facilities.

Ability of School District to Provide School Facilities

Annexation and development of the area would result in a maximum of 15 new housing units. Based on an estimate of about 0.72 students per housing unit, a total of 11 new students would be generated as a result of the new development.

The City's General Plan includes actions that direct the City to approve residential projects only if adequate school facilities are available or will be available upon project completion. The Initial Study indicates that schools are at or over capacity. Staff is verifying this information with the City and Morgan Hill Unified School District.

Fiscal Impacts Analysis

It is estimated that the new development (15 new homes) would generate about 45 new residents at the rate of 3 persons per housing unit.

Fiscal Impact to City

The city will experience a positive fiscal impact with the development of the project site. The proposed development of the site will generate $22,200 in property tax in year 2011 and $36,000 in year 2016. In addition, other revenues will be generated through sales taxes, and motor vehicle in-lieu fees among others.

Fiscal Impact to County of Santa Clara

It is estimated that the development of the project site would result in a County deficit of about $4,600 annually in year 2011 and $8,600 annually in year 2016.

Fiscal Impact to Morgan Hill Unified School District (MHUSD)

Each year, the State Department of Education establishes a revenue limit for the school district that is adjusted according to changes in districts' average daily

attendance. The state provides the district with operating revenues so that the district's local property tax revenue plus the state provided funding equals the revenue limit. So, as the public school attendance rises (addition of 15 new students), MHUSD should expect school revenues and expenditures to increase.

Fiscal Impact to the South Santa Clara County Fire Protection District

The project site is currently within the boundaries of the South Santa Clara County Fire Protection District. Upon inclusion in the urban service area and annexation to the city, the area will be detached from the district and the city will be responsible for fire protection services. The share of property tax that the District currently receives will be transferred to the city.

CORRESPONDENCE

Staff has received two letters expressing opposition to the inclusion of the property in the USA. See Attachment D.

CONCLUSION

Staff recommends that the project site be denied for inclusion in the urban service area at this time as there currently exists at least 9 years and possibly up to 32 years worth of vacant residential land within the city limits. The project site consists of prime agricultural land and is located on the southwestern fringes of the City surrounded on three sides by unincorporated rural lands designated for agriculture and rural residential uses. To insure more compact development and to discourage premature conversion of agricultural and open space lands, it is important that the City use up the vacant land within its boundaries before seeking to add more land for development.

ATTACHMENTS

Attachment A: Map of the Area

Attachment B: Morgan Hill City Council Resolution requesting USA expansion

Attachment C: LESA analysis

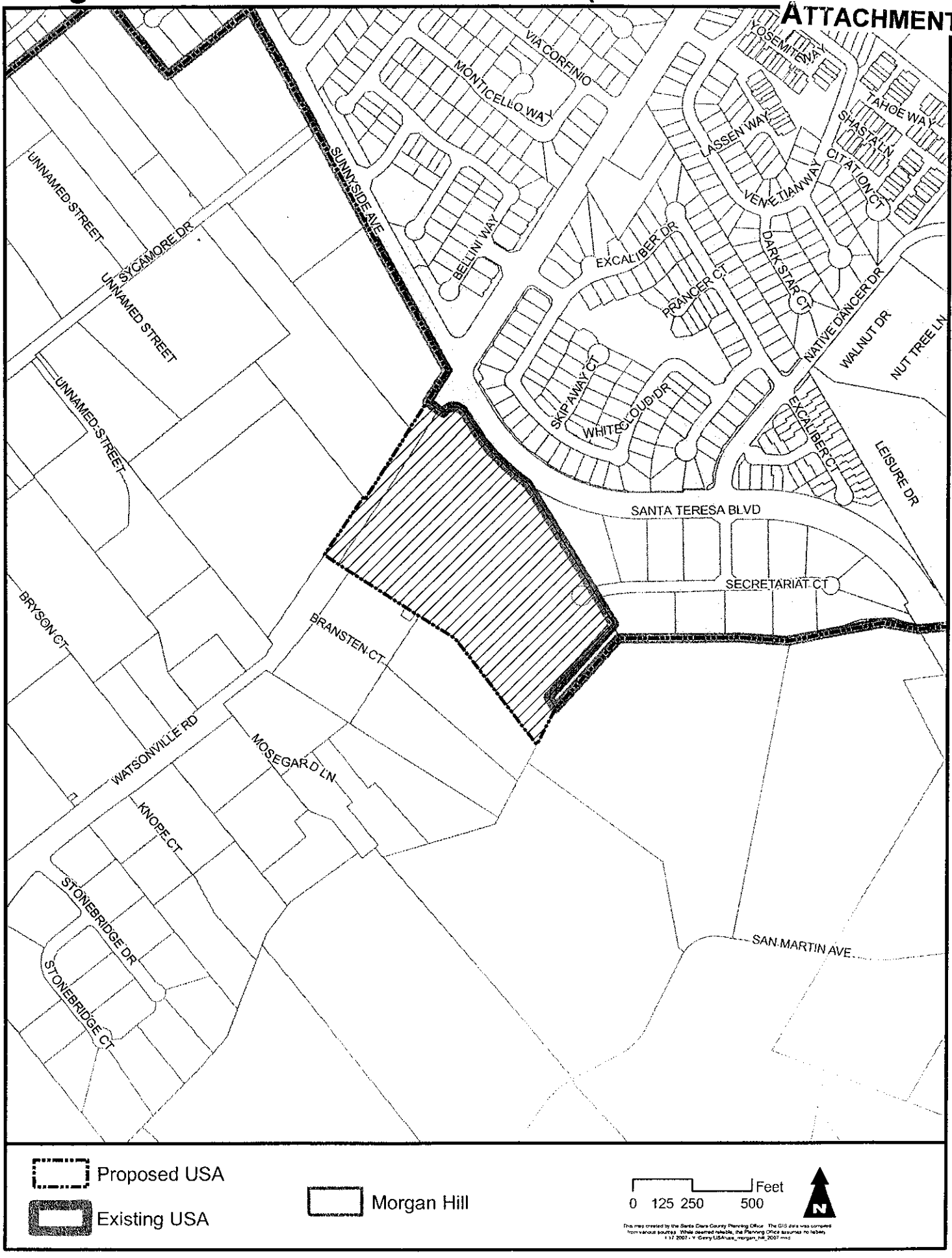
Attachment D: Comment letters on the proposed expansion of the USA

Attachment E: Initial Study and Negative Declaration

Morgan Hill 2006 USA Amendment (Black Rock

ITEM No. 7

ATTACHMENT A



ITEM NO. 7
Attachment B

RESOLUTION NO. 5998

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING URBAN SERVICE AREA APPLICATION USA-05-01: SANTA TERESA – BLACK ROCK LLC

WHEREAS, such request was considered by the City Council at their regular meetings of April 5 and April 19, 2006, at which time the City Council approved Urban Service Area Application USA-05-01: Santa Teresa – Black Rock; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed expansion of the Urban Service Area is consistent with the Zoning Ordinance and the General Plan. The proposed expansion is consistent with the City Council policy titled Criteria for Adjustment of the Urban Service Boundary (Desirable Infill Policy).

SECTION 2. The proposed expansion of the Urban Service Area would not unduly burden city services as it would qualify for a passing score of eight points under Part 1 of the RDCS. That section of the RDCS evaluates the impact that development of property would have upon local public facilities and services.

SECTION 3. Obtaining dedication of a well site in a location approved by the Public Works Director, and installation of an asphalt overlay on Watsonville Rd. along the property frontage would help to improve water service within the City and improve traffic safety in the area and thereby beneficially affect the general welfare of the citizens of the City.

SECTION 4. An environmental initial study has been prepared for this application in conjunction with GPA 05-05. That study has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. Mitigation measures have been developed for all potentially significant impacts that will reduce their effect to a less than significant level. A Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program were adopted for this application as part of GPA 05-05.

SECTION 5. The subject 18 acres shown in attached Exhibit "A" is hereby included within the Urban Service Area, subject to the following conditions:

1. Prior to LAFCO approval of expansion of the Urban Service Area, the applicant must enter and record against the property a legally binding agreement with the City committing the applicant to the provision of a well site and asphalt overlay on Watsonville Rd. along the property frontage.
2. The well site must be dedicated to the City and asphalt overlay of Watsonville Rd. along the property frontage must be installed within five years of LAFCO's action including the subject property within the Urban Service Area or upon the property's award of allocation, whichever occurs first.
3. Should the legally binding agreement not be completed or the well site not be dedicated to the City or asphalt overlay of Watsonville Rd. along the property frontage not be installed within the time periods specified above, the City Council will schedule a hearing to consider removal of the subject 20 acres from the Urban Service Area and city limits.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 19th Day of April, 2006 by the following vote.

AYES:	**COUNCIL MEMBERS:**	**Larry Carr, Dennis Kennedy, Greg Sellers**
NOES:	**COUNCIL MEMBERS:**	**Mark Grzan, Steve Tate**
ABSTAIN:	**COUNCIL MEMBERS:**	**None**
ABSENT:	**COUNCIL MEMBERS:**	**None**

❦ CERTIFICATION ❦

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5998, adopted by the City Council at a Regular Meeting held on April 19, 2006.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: May 11, 2006

IRMA TORREZ, City Clerk

PMC

November 15, 2006

David Bischoff
Project Manager
CITY OF MORGAN HILL
COMMUNITY DEVELOPMENT DEPARTMENT
17555 Peak Avenue
Morgan Hill, CA 95037-4128

RE: AGRICULTURAL LAND EVALUATION AND SITE ASSESSMENT MODEL – BLACK ROCK PROPERTY

Dear David:

The City prepared a Mitigated Negative Declaration and Initial Study for the *City of Morgan Hill Urban Limit Line and Greenbelt Study General Plan Amendment and Related Actions* in February 2006. Mitigation Measure B.1 in the Mitigated Negative Declaration and Initial Study required that the impacts to the agricultural lands on Assessors Parcel Number 779-02-002 (otherwise known as the Black Rock property) be assessed according to the California Agricultural Land Evaluation and Site Assessment (LESA) Model to confirm the extent of Prime Farmland at the project site. Therefore, the LESA model was used to determine the quality of the agricultural land at the Black Rock property.

Setting

The project site is located at 14905 Santa Teresa Boulevard in the City of Morgan Hill and consists of approximately 17.5 acres of rural residential uses, including approximately 7.65 acres of inactive agricultural land that was in production as a Christmas tree farm until around 2001. According to the California Department of Conservation, Division of Land Resource Protection (DOC) *Important Farmlands Map for Santa Clara County*, the project site includes up to 7.75 acres of 'Prime Farmland' along Santa Teresa Boulevard. The LESA model evaluates a project site's agricultural productivity as a whole. Therefore, the entire 17.5-acre Black Rock property was evaluated using the LESA model, not just the Prime Farmland area.

www.pacificmunicipal.com

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140 Independence Circle
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Chico, CA 95973
(530) 894-3469 Phone
(530) 894-6459 Fax

DAVIS
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Davis, CA 95616
(530) 750-7076 Phone
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LOS ANGELES
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Torrance, CA 90503
(310) 224-4500 Phone
(310) 320-5772 Fax

MONTEREY
585 Cannery Row
Suite 304
Monterey, CA 93940
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MT. SHASTA
508 Chestnut Street
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Mt. Shasta, CA 96067
(530) 926-4059 Phone
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Oakland, CA 94612
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RANCHO CORDOVA
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(916) 361-8384 Phone
(916) 361-1574 Fax

SAN DIEGO
10951 Sorrento Valley Road
Suite 1-A
San Diego, CA 92121
(858) 453-3602 Phone
(858) 453-3528 Fax

1-866-828-6762

Methodology

The California Department of Conservation, Division of Land Resource Protection recommends using the LESA model, a point-based approach, to rate the relative value of agricultural land resources. The LESA model defines and measures two separate sets of factors: 1) a 'Land Evaluation' factor, which measures the inherent soil-based qualities of land as they relate to agricultural suitability, and 2) a 'Site Assessment' factor, which measures social, economic, and geographic attributes that also contribute to the overall value of the agricultural land. This evaluation is based on information contained within the following documents, as well as information provided by the City of Morgan Hill, Santa Clara Valley Water District, Santa Clara County Assessor's Office and the project applicant:

- Department of Conservation, Office of Land Conservation. *California Agricultural Land Evaluation and Site Assessment Model.* 1997.
- Department of Conservation, Office of Land Conservation. *Important Farmlands Map for Santa Clara County.* 2003.
- Morgan Hill, City of. *Draft Mitigated Negative Declaration and Initial Study for the City of Morgan Hill Urban Limit Line and Greenbelt Study General Plan Amendment and Related Actions.* EIP Associates. February 2006.
- Natural Resources Conservation Service (NRCS). *Soil Survey of Eastern Santa Clara County* via the National Cooperative Soil Survey, Web Soil Survey. 1974, accessed 2006.

Results

The project site has a total LESA score of **69.00** points. The 'Land Evaluation' factor score is **49.50** and the 'Site Assessment' score is **19.50.** According to the Department of Conservation, LESA scores between 60 and 79 points are considered significant only if the 'Land Evaluation' and 'Site Assessment' sub-scores each are greater than or equal to 20 points. Since the 'Site Assessment' sub-score for the proposed project is less than 20 points, conversion of the agricultural land at the project site is considered to be **less than significant** under the LESA model.

The following section provides an overview of the LESA model and the LESA model results.

Land Evaluation. The 'Land Evaluation' portion of the LESA model includes two separate factors: 1) The Land Capability Classification (LCC) rating, and 2) the Storie Index rating. According to the *Soil Survey of Eastern Santa Clara County* approximately 40.1 percent of the project site, or 7.2 acres, is comprised of the Pleasanton loam, 0 to 2 percent slopes (PoA) soil series and approximately 59.8 percent of the project site, or approximately 10.3 acres, is comprised of Zamora clay loam, 0 to 2 percent slopes (ZbA) soil series, as shown

in **Figure 1, Soil Map.** Both the Pleasanton loam and the Zamora clay loam soil series have a LCC rating of I and a Storie Index rating of 98. Using the numerical conversion of LCC provided in the *California Agricultural LESA Model Instruction Manual* (DOC 1997) and the Storie Index rating, the LCC score and the Storie Index rating score were calculated for the project site based on the percentage of each soil series at the project site. As shown in **Table 1, Land Evaluation Worksheet**, the project site has an overall LCC score of 100 and a 'Storie Index' score of 98. Using the weighting factors in the *California Agricultural LESA Model Instruction Manual*, the land evaluation score would be **49.50.**

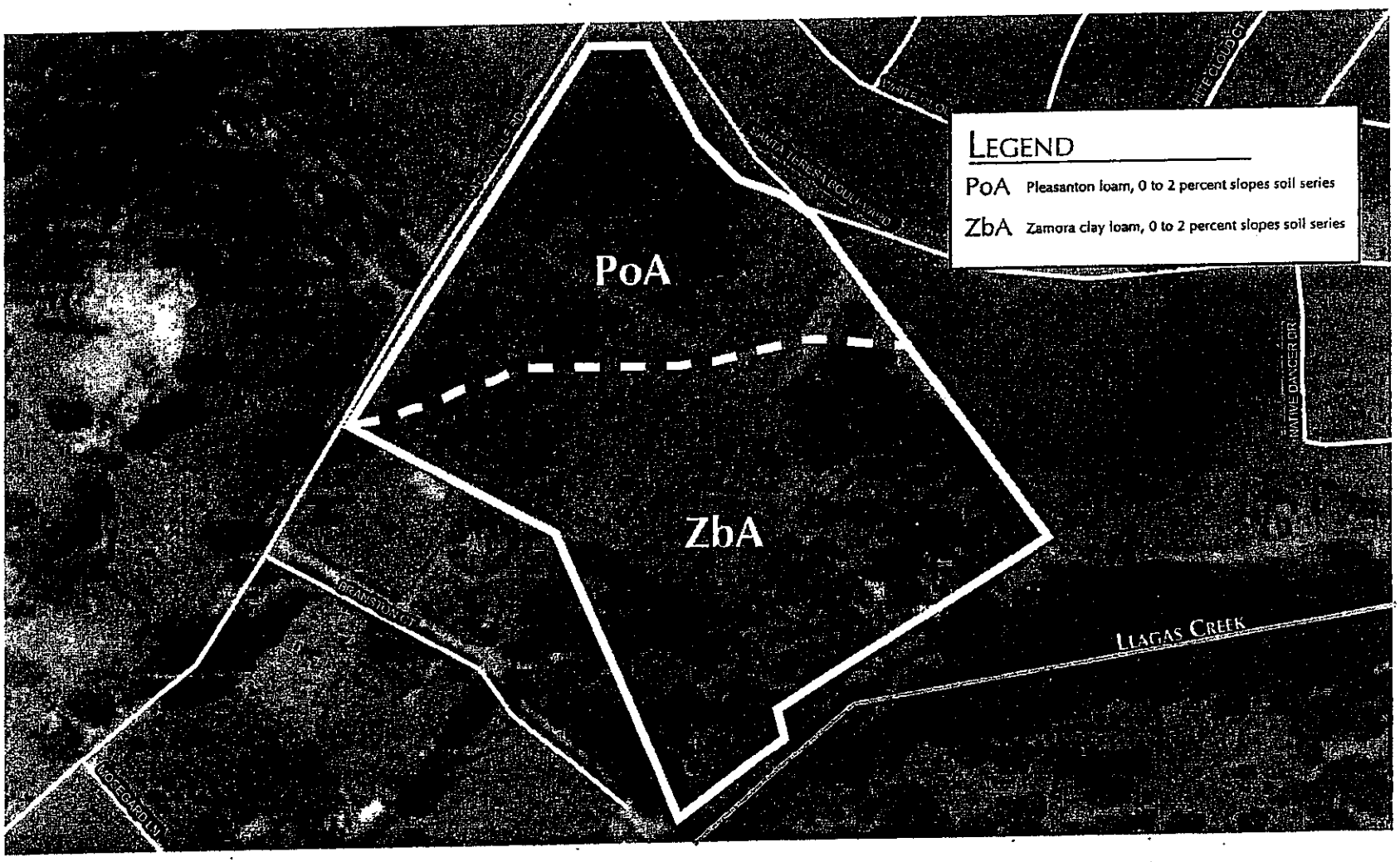
Table 1
Land Evaluation Worksheet

Land Capability Classification (LCC) and Storie Index Scores							
A	B	C	D	E	F	G	H
Soil Map Unit	**Project Acres**	**Proportion of Project Area**	**LCC**	**LCC Rating**	**LCC Score (C x E)**	**Storie Index**	**Storie Index Score (F x G)**
Pleasanton loam, 0 to 2 percent slopes (PoA)	7.2	0.411	I	100	41.1	0.98	40.28
Zamora clay loam, 0 to 2 percent slopes (ZbA)	10.3	0.589	1	100	58.9	0.98	57.72
Totals	**17.5**	**(Must Sum to 1.0)**		**LCC Total**	**100**	**Storie Index Total**	**98**

Source: Department of Conservation and PMC

Site Assessment. The 'Site Assessment' portion of the LESA model rates four factors separately, including the following: 1) project size, 2) availability of irrigation water, 3) surrounding agricultural land, and 4) surrounding protected agricultural land (e.g. under a Williamson Act contract or conservation easement).

1. Project Size. The project size component relies upon the LCC rating and the acreage of each soil type at the project site. As discussed above, the Pleasanton loam, 0 to 2 percent slopes (PoA) soil series, which has a LCC rating of I, comprises approximately 7.2 acres of the project site. The Zamora clay loam soil series, 0 to 2 percent slopes (ZbA), which has a LCC rating of I, comprises approximately 10.3 acres of the project site. According to the *California Agricultural LESA Model Instruction Manual* (DOC 1997), a project site that consists of 10 to 19 acres of soils with a LCC rating of I or II receives a 'Project Size' score of 30. Since the 17.5 acre project site consists of soils that have a LCC rating of I, the highest 'Project Size' score would be 30, as shown in **Table 2, Project Size Score Worksheet.**



SOURCE: USDA NATURAL RESOURCES CONSERVATION SERVICE, NATIONAL COOPERATIVE SOIL SURVEY 2006

FIGURE 1
SOIL MAP

PMC

TABLE 2
PROJECT SIZE SCORE WORKSHEET

A	I	J	K
Soil Map Unit	**LCC Class I-II**	**LCC Class III**	**LCC Class IV - VIII**
Pleasanton loam, 0 to 2 percent slopes (PoA)	7.2	0	0
Zamora clay loam, 0 to 2 percent slopes (ZbA)	10.3	0	0
Total Acres	17.5	0	0
Project Size Score	30	0	0
Highest Project Size Score	**30**		

Source: Department of Conservation and PMC

2. Water Resource Availability. The water resources availability component is based upon identifying the various water sources that would supply water to the project site and determining whether restrictions in supply are likely to take place in years characterized as being periods of drought and non-drought. The project site is served by two private wells that are under the jurisdiction of Santa Clara Valley Water District (SCVWD). One well serves the residential uses and the second well formerly served the agricultural uses on the project site. The project site has irrigation in place but is not currently irrigating the former Christmas tree lot. According to the SCVWD, there are no regulations restricting water production or implementing rate increases during either the drought or non-drought periods (Personal Communication between Pamela Lapham, PMC and Darren Taylor, SCVWD on November 6, 2006). Thus, agricultural production is feasible at the project site during non-drought and drought years with no physical or economic restrictions. Therefore, the project site was given a 'Water Resource Availability' score of 100, as shown in **Table 3, Water Resources Availability Worksheet.**

TABLE 3
WATER RESOURCES AVAILABILITY WORKSHEET

A	B	C	D	E
Project Portion	**Water Source**	**Proportion of Project Area**	**Water Availability Score**	**Weighted Availability Score (C x D)**
1	Groundwater	1.0	100	100

Source: Department of Conservation and PMC

3. Surrounding Agricultural Land. Surrounding agricultural land or Zone of Influence (ZOI) is defined as the land near a given project, both directly adjoining and within a quarter mile that is likely to influence, and be influenced by the agricultural land use of the project site. Points are given for the percentage of agricultural land in the ZOI.

The ZOI for the proposed project consists of approximately 366.39 acres, as shown in **Figure 2, Zone of Influence.** Within the ZOI, only three parcels (Assessor Parcel Numbers: 773-24-002, 773-24-068, and 773-24-050) consisting of 17.11 acres are currently producing agricultural crops. Only portions of these parcels are in agricultural production. Due to the surrounding existing development and agricultural land, the percentage of surrounding agricultural land is approximately 4.67 percent of the ZOI, conservatively. Since the area of surrounding agricultural land is less than 40 percent of the ZOI, it receives a 'Surrounding Agricultural Land' score of zero, as noted in the *California Agricultural LESA Model Instruction Manual* (DOC 1997).

4. Surrounding Protected Resource Land. Protected resource lands are those lands with long-term use restrictions that are compatible with or supportive of agricultural uses. Protected resource lands include Williamson Act Lands, publicly owned lands such as park, forest or watershed resources, and lands with agricultural, wildlife habitat, open space, or other natural resource easements that restrict the conversion of such land to urban or industrial uses. The ZOI was used to determine the percentage of surrounding properties that are considered protected resource land. According to the Santa Clara County Assessor's Office, none of the assessor parcel numbers within the ZOI are under Williamson Act contracts (Personal Communication between Pamela Lapham, PMC and Frank Giordiario, Santa Clara County Assessor's Office on November 7, 2006). There is an open space easement along the creek adjacent to the project site that encompasses 0.493 acres. In addition, there are other open space parcels located in the subdivisions east of the project site. However, these open space parcels appear to be part of the subdivision and would not be considered compatible with or supportive of agricultural uses. As with the 'Surrounding Agricultural Land' score, if the surrounding protected resource land located within the ZOI is less than 40 percent, the 'Surrounding Protected Resource Land' score is zero (DOC 1997). Since the protected resource land consists of 0.13 percent of the ZOI, the 'Surrounding Protected Resource Land' score is zero.

LESA Score. A single LESA score is generated for a given project after all the individual 'Land Evaluation' and 'Site Assessment' factors have been scored and weighted as described above. The LESA Model is weighted so that 50 percent of the total LESA score is derived from the 'Land Evaluation' factors and 50 percent from the 'Site' Assessment' factors. Scoring thresholds for projects are based upon both the total LESA score as well as the 'Land Evaluation' and 'Site Assessment' sub-scores, as shown in **Table 4, LESA Model Scoring Thresholds.**

200 0 200

FEET

N

FIGURE 2
ZONE OF INFLUENCE

PMC

TABLE 4
LESA MODEL SCORING THRESHOLDS

Total LESA Score	Scoring Decision
0 – 39 Points	Not Considered Significant
40 – 59 Points	Considered Significant only if LE and SA sub-scores are each greater than or equal to 20 points
60 – 79 Points	Considered Significant unless either LE or SA sub-scores is less than 20 points
80 – 100 Points	Considered Significant

Source: Department of Conservation and PMC.

The LESA model score for the proposed project site is **69.0**, as shown in **Table 5, Final LESA Score Worksheet.** The overall score is greater than 60 points; however, the 'Site Assessment' sub-score for the proposed project is less than 20 points. According to the Department of Conservation, LESA scores between 60 and 79 points are considered significant only if the 'Land Evaluation' and 'Site Assessment' sub-scores are each greater than or equal to 20 points. Since the 'Site Assessment' sub-score for the proposed project is less than 20 points, conversion of the agricultural land at the project site is considered **less than significant** under the LESA model.

TABLE 5
FINAL LESA SCORE WORKSHEET

A		B		C		D
Factor Name		Factor Rating (0-100 points)	X	Factor Weighting (Total = 1.00)	=	Weighted Factor Rating
Land Evaluation			X			
1. Land Capability Classification		100	X	0.25	=	25.00
2. Storie Index Rating		98	X	0.25	=	24.50
				Subtotal		**49.50**
Site Assessment			X			
1. Project Size		30	X	0.15	=	4.50
2. Water Resource Availability		100	X	0.15	=	15.00
3. Surrounding Agricultural Lands		0	X	0.15	=	0
4. Protected Resource Lands		0	X	0.05	=	0.00
				Subtotal		**19.50**
Source: Department of Conservation and PMC				**Total LESA Score**		**69.00**

Please contact me if you have any questions at (831) 644-9174, Extension #209.

Sincerely,

PACIFIC MUNICIPAL CONSULTANTS

Erika Spencer
Senior Planner/Soil Scientist

Pamela Lapham
Assistant Planner/Soil Scientist

ITEM NO. 6
ATTACHMENT D

"mark wiselogel" <wizakrmw@hotmail.com>
02/05/2007 02:31 PM

To: dunia.noel@ceo.sccgov.org
cc: wizakr1tree@hotmail.com
Subject: morgan hill urban service area -- apn 779-02-023

Dunia,

would you please include the following in the package for the hearing on wed. feb 14th 2007 on parcel apn 779-02-023 watsonville rd and santa teresa blvd. As I will not be able to attend the meeting.

I believe the amount of development ready land in the current morgan hill urban service area is sufficient for current development plans and many years into the future.

I am concerned that the addition of this parcel to the available morgan hill land base is not driven by need, but rather by the desire of the owner / developer/ member of the urban limit line commitee to profit from this change.

I have lived adjacent to the property for over 11 years. It that time it has gone from a pristine well maintained christmas tree farm, to recently, due to minimize maintenance an overgrown field. After calling weed control several times in the past years it now sees what I would call minimize maintenance. The parcel lives in this state waiting for this addition to the urban service area.

I attended the urban limit meeting held on this parcels addition to the urban limit line. Changes were made in the wording of the development of the property. I want to insure these changes that include 'feathering' the lot sizes from 2.5 acres to 1 acre going from watsonville rd and moving south are still included in the future when the zoning of this parcel takes place. The intent of this wording was to keep larger parcels near the branston ct properties and watsonville rd while allowing one acre parcels towards the south of the parcel.

I believe the city of morgan hill has sufficient land available for development for many years to come.
In time this property should be considered for addition to the city under the urban limit comittee zoning description. I propose delaying the addition of this property to the morgan hill urban service area for a minimum of 5 years.

Mark Wiselogel

February 5, 2007

To: Local Agency Formation Commission of Santa Clara County (LAFCO)

From: Bruce and Carol Schlegel

Thank you for the opportunity to comment on the proposed request for expanding Morgan Hill's Urban Service Area as it pertains to parcel APN 779-02-023.

We respectfully oppose such an expansion.

The reasons we have are several and are a product of our having resided in a nearby parcel on Branston Court since approximately 1984.

The current line separating the county from the City at Santa Theresa Road seems to make sense. Arbitrarily extending the line across the street destroys the obvious boundary and makes further creep of county land the likely result. This is all the more important when one considers that the existing City boundary has open area to fill in and build homes before extending outward.

The four residents on Branston Court have their own shared well and holding tank for their drinking water. The boundary of the well is less than 50 feet from the property in question. Currently since the parcel is not developed this is fine but with residential housing abutting the boundary the portability of our drinking water is potentially sacrificed. When the well was developed it was never contemplated for housing to be this dense.

There is potential traffic issues not only with more residents but it would be unsafe to allow motorists from this parcel to enter and exit onto Watsonville Road. There would not be enough space to allow this safely.

As was explained to us during the time that we have lived on this property, Llagas Creek which is immediately south of the parcel is a protected rookery for nesting Blue Herons. These beautiful birds are compromised with the congestion that would occur both during construction and following. If it is true that this is a protected area, we hope that the necessary studies are conducted and validated before approval to annex and develop is provided.

Similar to the anecdotal information on the Blue Herons, is that the area in question might have been an important Native American occupation area including possible burial

grounds. Our property has uncovered lots of artifacts form such people and again the information passed down from people who have lived in this area for longer than we have described this possibility.

I am sorry that my job does not allow me to be present during this hearing to present this information personally. Thank you again for letting us express our strong feelings of opposition to this proposal.

Respectfully,

Bruce and Carol Schlegel

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 6

LAFCO Meeting: April 4, 2007

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer

SUBJECT: **Proposed Draft LAFCO Budget FY 2007-2008**
Agenda Item # 6

STAFF RECOMMENDATION

1. Adopt the Draft LAFCO Budget for fiscal year 2007-2008.
2. Find that the Draft FY-08 Budget is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the draft budget adopted by the Commission including the estimated agency costs as well as a notice for public hearing on the adoption of the Fiscal Year 2008 Final Budget to each of the cities, the County and the Cities Association.

BACKGROUND

LAFCO Budget and Adoption Process

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) which became effective on January 1, 2001, requires LAFCO to annually adopt a draft budget by May 1 and a final budget by June 15 at noticed public hearings. Both the draft and the final budgets are required to be transmitted to the cities and the County. The CKH Act establishes that at a minimum, the budget must be equal to that of the previous year unless the Commission finds that reduced staffing or program costs will nevertheless allow it to fulfill its statutory responsibilities. Any unspent funds at the end of the year may be rolled into next fiscal year budget. After the adoption of the final budget, the County Auditor is required to apportion the net operating expenses of the Commission to the agencies represented on LAFCO.

Apportionment of LAFCO Costs

The CKH Act requires LAFCO costs to be split in proportion to the percentage of an agency's representation (excluding the public member) on the Commission. Since the City of San Jose has a permanent membership on LAFCO, state law

requires costs to be split between the County, the City of San Jose and the remaining cities. Hence the County pays half the LAFCO cost, the City of San Jose a quarter and the remaining cities the other quarter.

The cities' share (other than San Jose's) is apportioned in proportion to each city's total revenue as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county.

The CKH Act requires the County Auditor to request payment from the cities and the County no later than July 1 of each year for the amount each agency owes based on the net operating expenses of the Commission and the actual administrative costs incurred by the Auditor in apportioning costs and requesting payment.

FY 2007-2008 BUDGET TIMELINE

Dates	Staff Tasks / LAFCO Action
March 14 - April 4	Notice period, draft budget posted on LAFCO web site and available for review and comment on March 29
April 4	Public Hearing and adoption of draft budget
April 4- May 9	Draft budget along with draft apportionment amounts transmitted to agencies (cities and County) together with notice of public hearing for the final budget hearing
May 30	Public hearing and adoption of final budget
May 30- July 1	Final budget along with final agency apportionments transmitted to agencies; Auditor requests payment from agencies

WORK PLAN FOR FY 2007-2008

Conducting service reviews and preparing sphere of influence updates, processing San Martin incorporation and hosting the 2008 CALAFCO staff workshop will be the top priority work items in the Fiscal Year 2008. The Draft North West County Service Review and Sphere of Influence recommendations will be available soon for public review. LAFCO staff will continue work on the

sphere of influence updates for the fire and water districts in the county. State law requires LAFCO to complete the service review and sphere of influence updates by January 2008. The proposed incorporation of the Town of San Martin will be the main focus of staff time in the next year. Due to the timing constraints imposed by state law, LAFCO's goal will be to aim for an incorporation election to occur in November 2008. Therefore the bulk of the incorporation work will take place in fiscal year 2008.

Application processing activities are expected to continue at existing levels for all types of applications. We expect to receive island annexations for processing from San Jose.

LAFCO's public information/communication aspect of the work load includes among other things, upgrading/revision of the LAFCO web site, conducting workshops, making presentations if requested by agencies, communities or other groups, maintaining and updating digital boundary maps for cities and special districts, and actively participating in CALAFCO conferences and workshops. Santa Clara LAFCO will be hosting the 2008 CALAFCO Staff Workshop in spring of 2008.

Other general work areas of LAFCO staff include administration of the LAFCO program, managing LAFCO records, reviewing and updating LAFCO procedures when necessary, updating and maintaining the LAFCO database, participating in training activities, tracking LAFCO related legislation and preparing budgets and fee schedule revisions.

The LAFCO Annual Report which will be published at the end of the current fiscal year will detail the types of applications processed and various activities / projects that LAFCO has completed in the current year.

STATUS OF CURRENT YEAR BUDGET (FY 2007)

The approved budget for the current year is $689,388. It is projected that there will be a savings of about $152,454 at the end of this fiscal year.

Projected Year End Savings = Projected Year End Revenue - Projected Year End Expenses

Projected Year End Savings = $697,603 - $545,149

Projected Year End Savings = $152,454

This savings amount will largely be due to the following:

1. Not having spent the amount ($90,000) allocated as reserves
2. Not having spent all of the funds allocated for Consultant Services

The estimated savings of $152,454, at the end of the current fiscal year of 2007, would be carried over to reduce the proposed FY 08 budget's costs for the cities and the County.

PROPOSED FY 2007-2008 BUDGET

At its February 2006 LAFCO meeting, the Commission appointed a Budget Sub-Committee composed of Commissioners Don Gage and John Howe. The Commission directed the budget sub-committee to develop a draft budget for Commission consideration. The budget sub-committee held one meeting on March 6th to discuss issues related to the budget and formulate the budget for FY 08. The sub-committee discussed the use of funds allocated in the current year for consultants and directed staff to use funds in the current year budget for hiring consultants to develop incorporation policies and procedures and help complete the sphere of influence updates for the water districts. The funds were originally allocated for hiring consultants to update the LAFCO web site and to develop a records archival system for LAFCO. The proposed budget has been developed by the budget sub-committee.

The proposed budget for FY 2007-2008 is $758,137. The proposed budget is slightly higher (about 10%) than the budget for the current year. A detailed itemization of the budget is provided below.

Object 1. SALARIES AND BENEFITS $331,889

All three LAFCO staff positions will be staffed through the County Executive's Office. The proposed salary and benefits amount includes cost of living expenses and increase in benefits costs.

LAFCO Executive Officer $113,696

The Executive Officer position is proposed to be increased from a 0.75 FTE level to 0.8 FTE, which is about two additional hours per week. The proposed salary and benefits for the Executive Officer position at the 0.8 FTE is $113,696.

LAFCO Analyst $130,742

The LAFCO Analyst position would remain full time. The proposed salary and benefits for the LAFCO Analyst position is $130,742.

LAFCO Clerk $87,451

The County has created a unique classification for the LAFCO Clerk position titled "LAFCO Office Specialist". The LAFCO Clerk position

would remain full time and the proposed salary and benefits for the position is $87,451.

Object 2. SERVICES AND SUPPLIES

5258200 INTRA-COUNTY PROFESSIONAL $134,200

LAFCO Counsel $79,200

LAFCO would continue to contract with the Office of the County Counsel for this position on an as needed basis at an hourly rate of $198 (for FY 08) for an estimated 400 hours annually.

LAFCO Surveyor $50,000

The County Surveyor will continue to assist with map review and approval. It is estimated that about 400 hours of service will be required in the next fiscal year. The County Surveyor's Office charges at the rate of about $125 per hour.

Miscellaneous Staffing $5,000

This amount allows LAFCO to seek technical assistance from the County Planning Office on CEQA or other planning issues. LAFCO accesses data in the County Planning Office's GIS server. This item includes maintenance and technical assistance for GIS, if necessary.

5255500 CONTRACT SERVICES $100,000

This item is allocated for hiring consultants to assist LAFCO with special projects. This year, the amount is allocated for hiring consultants to upgrade the LAFCO web site and to develop and implement an archival system for LAFCO records.

5210100 FOOD $750

This item is being maintained at $750.

5220200 INSURANCE $447

This item is based on an estimate provided by the County to cover general liability, auto liability and other miscellaneous coverages. Worker's Compensation is part of the payroll charge.

5250100 OFFICE EXPENSES $2,000

This item is being maintained at $2,000 and provides for the purchase of books, periodicals, small equipment and supplies throughout the year.

5255650 DATA PROCESSING SERVICES $13,459

This item includes funds for web site maintenance (100 hours @ $66.79/hour), LAN services (64 hours @$100/hour) and three licenses for MS Outlook ($384).

5225500 COMMISSIONER'S FEES $5,400

This item includes a $100 per diem amount for LAFCO Commissioners and alternate Commissioners in the Fiscal Year 2008.

5260100 PUBLICATIONS AND LEGAL NOTICES $1,000

The budget for this item is being maintained at $1,000. This amount is for publication of hearing notices as required by state law for LAFCO applications and other projects/ studies.

5245100 MEMBERSHIP DUES $5,500

This amount provides for the membership dues to the statewide association, CALAFCO -- the California Association of LAFCOs. CALAFCO. In recent years, CALAFCO has expanded its services with the CALAFCO web site, newsletter, CALAFCO Sacramento Office, legislative representation and member publications such as directories to name a few. In addition to these, CALAFCO is implementing other new programs such as the CALAFCO University, insurance and employee benefit options and research resources.

5250750 PRINTING AND REPRODUCTION $1,500

An amount of $1,500 is being budgeted for printing expenses for reports such as service review reports or other studies.

5285800 BUSINESS TRAVEL $8,500

This item is for both staff and commissioners to attend conferences and workshops. It would cover air travel, accommodation, conference registration and other expenses at the conferences. CALAFCO annually holds a Staff Workshop and an Annual Conference that is attended by commissioners as well as staff. In addition, this item

covers the travel expenses for commissioner's travel to the CALAFCO Board meetings. Commissioner Wilson is serving a second term on the CALAFCO Executive Board. The amount in this item is slightly less than last year's allocation as Santa Clara LAFCO will host the 2008 staff workshop in San Jose and therefore will not incur travel expenses.

5285300 PRIVATE AUTOMOBILE MILEAGE $1,500

This item provides for travel to conduct site visits, attend meetings, training sessions etc.

5285200 TRANSPORTATION AND TRAVEL (for use of County car) $1,500

This item would allow for the use of a County vehicle for travel to conferences, workshops and meetings.

5281600 OVERHEAD $42,492

This is an amount established by the County Controller's Office, for service rendered by various County departments that do not directly bill LAFCO for service. The FY 2008 costs include three elements:

First, the overhead includes the LAFCO share of the County's FY 2008 Cost Allocation Plan which is based on actual overhead costs from FY 2006 – the most recent year for which actual costs are available and include the following charges for LAFCO.

County Executive's Office:	$12,235
Office of Budget and Analysis:	$3,520
Controller-Treasurer:	$3,970
Employee Services Agency:	$2,533
General Services Agency:	$3,036
Procurement:	$92
Other Central Services:	$86
ISD:	$4,576
County Counsel	$274

Secondly, a "roll forward" of $12,212 is applied which is calculated by comparing FY 2006 Cost Plan with FY 2006 actuals. Since actuals exceeded the Plan by $12,212, this amount is added to the FY 2007 Plan. This is a State requirement.

And lastly, an additional adjustment of $2,994 is being made in the FY 2008 Cost Plan and is meant to reflect the increase in actual PERS costs

in FY 2008. By making the adjustment at this time, the County is hoping to "flatten out" the roll-forward that would be charged in 2 years, when comparing the FY 2008 Plan to the FY 2008 actuals.

5275200 COMPUTER HARDWARE $2,000

This item is being maintained at $2,000 and will be used for hardware upgrades / purchases.

5250800 COMPUTER SOFTWARE $2,000

This item is for purchases of computer software that would be required for the program and is also being maintained at $2,000.

5250250 POSTAGE $2,000

This amount is budgeted for the cost of mailing notices, agendas, agenda packets and other correspondence and is being maintained at $2,000.

5252100 TRAINING PROGRAMS $2,000

This item provides for staff development courses and seminars.

5701000 RESERVES $100,000

This item includes reserves for two purposes: litigation reserve – for use if LAFCO is involved with any litigation and contingency reserve - to be used to deal with any unexpected expenses. This item is being increased from $90,000 to $100,000 and is at about 13% of the proposed budget for Fiscal Year 2008. If used during the year, this account will be replenished in the following year. In the past years, LAFCO has not had to use the reserves and the amount has been rolled over to the following year to offset the costs.

3. REVENUES

4103400 Application Fees $50,000

It is anticipated that LAFCO will earn about $50,000 in fees from processing applications. This amount is higher than that in previous year because of the incorporation application. LAFCO has extended the fee waiver for island annexations, resulting in reduced revenues.

The actual amount earned from fees is not within LAFCO control and would depend entirely on the actual level of application activity.

4301100 Interest $7,000

It is estimated that LAFCO will receive an amount of about $7,000 from interest earned on LAFCO funds.

COST APPORTIONMENT TO CITIES AND COUNTY

Calculation of Net Operating Expenses

FY 2008 Net Operating Expenses = Proposed FY 2008 Expenditures – Proposed FY2008 Fee Revenues – Projected Year End Savings

FY 2008 Net Operating Expenses = $758,137 - $57,000- $152,454

FY 2008 Net Operating Expenses = $548,683

The proposed net operating expenses for FY 08 is higher (by about $118,233) than the current year net operating expenses. This cost increase is mostly due to a lower fund balance expected at the end of the current year. There is no significant increase in the proposed FY 08 budget other than the cost of living expenses increase for staff and slight increase in hours for the Executive Officer, increase in estimated hours for legal counsel, the $10,000 increase in reserves and the increase in county's overhead.

This would result in a corresponding increased cost to the cities and the County from the previous year. The projected operating expenses for FY 2008 are based on projected savings and expenses for the current year and are not actual figures. It is therefore to be expected that there will be revisions to the budget as we get a better indication of current year expenses towards the end of this fiscal year. This could result in changes to the proposed net operating expenses for FY 2008 which could in turn impact the costs for each of the agencies.

Provided below is the draft apportionment to the agencies based on the proposed net operating expenses for FY 2008 ($548,683).

Cost to Agencies

County of Santa Clara	$274,342
City of San Jose	$137,171
Remaining 14 cities in the County	$137,171

Apportionment of the costs among the 14 cities will be based on percentage of the cities' total revenues and will be calculated by the County Controller's Office

after LAFCO adopts the final budget at the end of May. A draft of the estimated apportionment to the cities is included as Attachment B to provide the cities a general indication of the LAFCO costs.

ATTACHMENTS

Attachment A: Proposed Draft Budget for FY 2007-2008

Attachment B: Estimated Costs to Agencies Based on the Draft Budget

PROPOSED LAFCO BUDGET FISCAL YEAR 2007-2008

ITEM #	TITLE	APPROVED FY 06-07 BUDGET	Year to Date 2/28/2007	END OF FY 2007 PROJECTIONS	PROPOSED FY 07-08 BUDGET
EXPENDITURES					
Object 1:	Salary and Benefits	$307,637	$194,635	$307,637	$331,889
Object 2:	Services and Supplies				
5258200	Intra-County Professional	$112,400	$43,915	$112,400	$134,200
5255500	Consultant Services	$100,000	$0	$60,000	$100,000
5210100	Food	$750	$317	$600	$750
5220200	Insurance	$281	$191	$281	$447
5250100	Office Expenses	$2,000	$255	$1,000	$2,000
5255650	Data Processing Services	$15,689	$681	$5,000	$13,459
5225500	Commissioners' Fee	$5,400	$2,000	$4,500	$5,400
5260100	Publications and Legal Notices	$1,000	$223	$1,000	$1,000
5245100	Membership Dues	$4,000	$4,000	$4,000	$5,500
5250750	Printing and Reproduction	$1,500	$8	$1,500	$1,500
5285800	Business Travel	$10,500	$5,219	$10,500	$8,500
5285300	Private Automobile Mileage	$1,200	$426	$1,200	$1,500
5285200	Transportation&Travel (County Car Usage	$1,500	$171	$1,000	$1,500
5281600	Overhead	$27,531	$13,765	$27,531	$42,492
5275200	Computer Hardware	$2,000	$0	$2,000	$2,000
5250800	Computer Software	$2,000	$95	$2,000	$2,000
5250250	Postage	$2,000	$705	$2,000	$2,000
5252100	Staff Training Programs	$2,000	$0	$1,000	$2,000
5701000	Reserves	$90,000	$0	$0	$100,000
TOTAL EXPENDITURES		**$689,388**	**$266,606**	**$545,149**	**$758,137**
REVENUES					
4103400	Application Fees	$30,000	$22,993	$40,000	$50,000
4301100	Interest: Deposits and Investments	$5,000	$6,830	$14,000	$7,000
	Total Interest / Application Fee Revenue	$35,000	$29,823	$54,000	$57,000
4600100	Cities (Revenue from other Agencies)	$215,205	$215,205	$215,205	
5440200	County	$215,205	$215,205	$215,205	
	Savings/Fund Balance from previous FY	$223,978	$213,193	$213,193	$152,454
TOTAL REVENUE		**$689,388**	**$673,426**	**$697,603**	
NET LAFCO OPERATING EXPENSES		**$430,410**			**$548,683**
COSTS TO AGENCIES					
	County	$215,205			$274,342
	City of San Jose	$107,603			$137,171
	Other Cities	$107,603			$137,171

2007/2008 LAFCO COST APPORTIONMENT

Estimated Costs to Agencies Based on the DRAFT Budget

LAFCO Net Operating Expenses for 2007/2008 **$548,683**

Jurisdictions	Revenue per 2003/2004 Report*	Percentage of Total Revenue	Allocation Percentages	Allocated Costs
County	N/A	N/A	50.0000000%	$274,341.50
San Jose	N/A	N/A	25.0000000%	$137,170.75
Campbell	$31,059,790	2.1100228%	0.5870311%	$3,220.94
Cupertino	$40,764,533	2.7693070%	0.9693838%	$5,318.84
Gilroy	$63,957,978	4.3449358%	1.1592125%	$6,360.40
Los Altos	$28,388,546	1.9285539%	0.4316606%	$2,368.45
Los Altos Hills	$7,513,106	0.5103970%	0.1245091%	$683.16
Los Gatos	$25,818,737	1.7539759%	0.4679825%	$2,567.74
Milpitas	$70,224,780	4.7706661%	1.3022155%	$7,145.04
Monte Sereno	$1,820,539	0.1236769%	0.0302347%	$165.89
Morgan Hill	$48,177,209	3.2728814%	0.6486306%	$3,558.93
Mountain View	$140,490,920	9.5441420%	2.3458081%	$12,871.05
Palo Alto	$285,626,006	19.4037818%	5.4461968%	$29,882.36
Santa Clara	$515,473,296	35.0182797%	7.4023435%	$40,615.40
Saratoga	$15,638,149	1.0623656%	0.3233783%	$1,774.32
Sunnyvale	$197,058,459	13.3870140%	3.7614128%	$20,638.23
Total	$1,472,012,048	100%	100.0000000%	$548,683.00

Total Cities **$137,172.75**

* The 2003-2004 Report is the most current available to date. The 2004-2005 Report is expected to be published soon. The cities' cost estimates will be revised according to the 2004-2005 Report in the Final Budget.

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 7.1

LAFCO Meeting Date: April 4, 2007

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer

SUBJECT: **Consultant for Developing Incorporation Policies, Conducting Workshops and Assisting LAFCO staff with Incorporation related Tasks**
Agenda Item # 7.1

STAFF RECOMMENDATION

1. Ratify agreement between LAFCO and Roseanne Chamberlain in an amount not to exceed $20,000 for the purpose of developing incorporation policies/procedures, conducting incorporation workshops and providing assistance/advice to LAFCO staff on incorporation related tasks for a period starting from March 21, 2007 to December 30, 2007. (See attachment A for service agreement)

2. Delegate authority to the LAFCO Executive Officer to execute any necessary amendments including increasing the maximum compensation up to $30,000 subject to LAFCO Counsel review and approval.

BACKGROUND

San Martin Incorporation Proposal

An application by petition of registered voters has been submitted to LAFCO for the incorporation of San Martin. LAFCO had the petition verified by the registrar of voters and has issued a certificate of sufficiency stating that the petition includes the requisite number of signatures. LAFCO is now ready to process the application. Please see staff report for Agenda Item 7.2 for more information on the incorporation work involved and the process. One of the first steps is to adopt policies regarding the timing and processing of incorporation application.

The current budget (FY 06-07) has $100,000 allocated for the purpose of hiring consultants. The allocation was intended for the purpose of hiring consultants to update the LAFCO website and to develop a record management system for LAFCO. However, due to unanticipated workload this year, LAFCO staff will not be able to work on those projects in the current year. Staff brought this issue to the Budget Subcommittee, which met on March 6, 2007. The Budget Subcommittee agreed that the work on incorporation policies should start as

soon as possible and that a consultant should be selected immediately. The Subcommittee directed staff to seek ratification of the service agreement from the full commission at its April 4th meeting. The LAFCO staff and consultant costs involved in developing the incorporation policies and conducting the workshops will be funded by the LAFCO budget and not by the proponents of the incorporation proposal.

Staff went through an informal selection process to select a consultant for developing LAFCO policies and procedures, for conducting incorporation workshops for the community and for LAFCO and for assisting and providing advise to LAFCO staff on other incorporation related tasks.

LAFCO staff contacted three consultants including Graichen Consulting, Burr Consulting and Roseanne Chamberlain. The table below summarizes the three consultants:

Name	Contact	Quoted Price	Comments on Vendor Selection
Graichen Consulting	Barbara Graichen	NA	Not available in needed time frame
Burr Consulting	Beverly Burr	About $100/hour	Specializes in fiscal /economic analysis
Roseanne Chamberlain	Roseanne Chamberlain	$120/hour	Relevant Experience and Availability

We met with the consultants and based on the discussion with the consultants, we determined that Ms Chamberlain would be most qualified for the project due to her experience and availability.

Roseanne Chamberlain is currently the Executive Officer of Amador LAFCO with 22 years of experience with LAFCO work, including 10 years as Executive Officer of El Dorado LAFCO, where she prepared detailed incorporation policies. She managed the El Dorado Hills Incorporation proceedings through two applications and a successful lawsuit, although that incorporation ultimately failed at election in 2004. She was actively involved in the Citrus Heights incorporation as the Public Member of Sacramento LAFCO and worked to develop local policies and to add revenue neutrality to the law.

ATTACHMENTS

Attachment A: Services Agreement with Roseanne Chamberlain

AGREEMENT BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY AND ROSEANNE CHAMBERLAIN FOR CONSULTING SERVICES

This Agreement ("Agreement") is made effective March 21, 2007, by and between the Local Agency Formation Commission of Santa Clara County ("LAFCO") and Roseanne Chamberlain ("Contractor") to provide consulting services for development of incorporation policies, conducting workshops on the incorporation policies and process, and providing advice to LAFCO staff on other incorporation related tasks.

WHEREAS, pursuant to the Cortese-Knox-Hertzberg Act, Government Code section 56000 et seq., LAFCO is an independent body; and

WHEREAS, LAFCO needs assistance with the development of incorporation policies, conducting workshops on the incorporation policies and process and advise on other incorporation related tasks; and

WHEREAS, Contractor has experience and expertise necessary to provide such services;

THEREFORE, the parties agree as follows:

1. Nature of Services.

Contractor will provide to LAFCO the services described in Exhibit A, Scope of Work, which is attached hereto and incorporated herein by this reference.

2. Term of Agreement.

This Agreement is effective from March 21, 2007, to and including December 30, 2007, unless terminated earlier in accordance with Section 4.

3. Compensation.

A. Contractor will be compensated for services provided under this Agreement in accordance with the Rate Schedule included in Exhibit A.

B. Contractor will provide LAFCO with monthly invoices which shall be accompanied by a detailed summary of activities undertaken over the course of the preceding month.

C. Compensation paid under this agreement shall not exceed $20,000. The contractor shall be paid based on actual hours worked and additional reimbursable expenses as indicated in the Rate Schedule included in Exhibit A.

4. Termination.

A. Termination Without Cause. Either party may terminate this Agreement without cause by giving the other party thirty (30) days written notice.

B. Termination for Cause. LAFCO may terminate this Agreement for cause upon written notice to Contractor. For purposes of this Agreement, cause includes, but is not limited to, any of the following: (1) material breach of this Agreement by Contractor, (b) violation by Contractor of any applicable laws, (c) assignment by Contractor of this Agreement without the written consent of LAFCO pursuant to Section 13, (d) failure to provide services in a satisfactory manner, or (e) a decision by LAFCO to reduce or delete the funding for these services. Such notice shall specify the reason for termination and shall indicate the effective date of such termination.

C. In the event of termination, Contractor will deliver to LAFCO copies of all reports and other work performed by Contractor under this Agreement whether complete or incomplete, and upon receipt thereof, Contractor will be compensated based on the completion of services provided, as solely and reasonably determined by LAFCO.

5. Project Managers; Assessment of Performance.

A. Contractor designates Roseanne Chamberlain as Contractor's Project Manager for the purpose of performing the services under this Agreement. LAFCO designates the LAFCO Executive Officer as its Project Manager for the purpose of managing the services performed under this Agreement.

6. Conflicts of Interest.

In accepting this Agreement, Contractor covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services. Contractor further covenants that, in the performance of this Agreement, it will not employ any contractor or person having such an interest.

7. Indemnification/Insurance.

Contractor's indemnification and insurance obligations with respect to this Agreement are set forth in Exhibit B, attached hereto and incorporated herein by this reference.

8. Compliance with all Laws.

Contractor shall, during the term of this contract, comply with all applicable federal, state, and local rules, regulations, and laws.

9. Maintenance of Records.

Contractor shall maintain financial records adequate to show that LAFCO funds paid under the contract were used for purposes consistent with the terms of the contract. These records shall be maintained during the term of this contract and for a period of three (3) years from termination of this contract or until all claims, if any, have been resolved, whichever period is longer, or longer if otherwise required under other provisions of this contract.

10. Nondiscrimination.

Contractor will comply with all applicable Federal, State, and local laws and regulations including Santa Clara County's equal opportunity requirements. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101 and 1102. Contractor will not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor will Contractor discriminate in provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

11. Notices.

All notices required by this Agreement will be deemed given when in writing and delivered personally or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or at such other address as the party may designate in writing in accordance with this section:

To Contractor: Roseanne Chamberlain
P.O. Box 22-1292
Sacramento, CA 95822

To LAFCO: LAFCO Executive Officer
70 West Hedding Street, 11th Floor
San Jose, CA 95110

12. Governing Law.

This Agreement has been executed and delivered in, and will be construed and enforced in accordance with, the laws of the State of California.

13. Assignment.

Contractor has been selected to perform services under this Agreement based upon

the qualifications and experience of Contractor's personnel. Contractor may not assign this Agreement or the rights and obligations hereunder without the specific written consent of LAFCO.

14. Relationships of Parties; Independent Contractor.

Contractor will perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of LAFCO. None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for purpose of effecting the provisions of this Agreement. The parties are not, and will not be construed to be in a relationship of joint venture, partnership or employer-employee. Neither party has the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as is explicitly provided herein. Contractor will be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any.

15. Entire Agreement.

This document represents the entire Agreement between the parties with respect to the subject matter hereof. All prior negotiations and written and/or oral agreements between the parties with respect to the subject matter of this Agreement are merged into this Agreement.

16. Amendments.

This Agreement may be amended only by an instrument signed by the parties.

17. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

18. Severability.

If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

19. Waiver.

No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party must be in writing, and shall apply to the specific instance expressly stated.

IN WITNESS WHEREOF, LAFCO and Contractor have executed this Agreement as follows:

LAFCO of Santa Clara County

Neelima Palacherla
Executive Officer

Date: 3/21/07

ROSEANNE CHAMBERLAIN

Roseanne Chamberlain

Date: 3/23/07

APPROVED AS TO FORM AND LEGALITY:

Kathy Kretchmer, LAFCO Counsel

Exhibits to this Agreement:

Exhibit A – Scope of Work/Rate Schedule
Exhibit B –Insurance Requirements

EXHIBIT A: SCOPE OF WORK AND RATE SCHEDULE

SAN MARTIN INCORPORATION

1. DEVELOPMENT OF INCORPORATION POLICIES AND PROCEDURES

Total: 60 Hours

Contractor will prepare Incorporation Policies and Procedures, consistent with OPR Guidelines for Incorporation and the CKH Act. Documents will be provided in digital form. (Microsoft Office Software including Word, Excel, PowerPoint)

- Preparation of Administrative Draft Policies for review by LAFCO staff
- Amendments and changes as directed by LAFCO staff
- Meeting with stakeholders including county and incorporation proponents to review proposed policies
- Preparation of final draft policies for hearing before the Commission
- Presentation of the policies at the commission hearing
- Inclusion of changes as directed by the Commission
- Preparation of final adopted policies

Note: LAFCO staff will be responsible for any accompanying cover documents desired for the Commission meeting packet. Contractor will assist with these documents as requested.

2. TWO WORKSHOPS: ONE FOR LAFCO AND ONE FOR THE COMMUNITY

Total: 34 Hours

Contractor will provide a general study session (workshop) on incorporation in the format of a community meeting, including the following topics: incorporation process, required elements of incorporation, role and responsibilities of LAFCO, sequence of actions and timing. Additional topics may also be included.

- Prepare draft PowerPoint presentation for LAFCO staff review
- Prepare and present descriptive PowerPoint presentation at one community meeting
- Prepare and present descriptive PowerPoint presentation at one LAFCO meeting
- Contractor will review and respond to comments from the two meetings as directed by LAFCO staff
- Provide accompanying digital notes and handouts for duplication as desired

Note: Meeting logistics, publicity and arrangements to be coordinated by LAFCO staff. Mapping and preparation of descriptive exhibits to be provided by LAFCO staff.

3. ADVISE LAFCO STAFF AS NEEDED ON INCORPORATION ISSUES

Total: Not to exceed 50 Hours

On an as needed basis, contractor will review or contribute to staff reports, assist with development of timeline for incorporation process and provide advice to LAFCO staff on other incorporation issues and alternatives.

Hourly Rate: $120/ hour
Travel Time: $60/hour
Direct Reimbursement Charges

Mileage	Santa Clara County travel policies
Postage	USPS rates
Telephone Long Distance	Direct Charges
Duplication/Printing	Direct Charges

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 7.2

LAFCO Meeting Date: April 4, 2007

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer
Dunia Noel, LAFCO Analyst

SUBJECT: **Overview of Proposed Incorporation of Town of San Martin**
Agenda Item # 7.2

STAFF RECOMMENDATION

1. Accept report and provide additional direction if desired.

This report provides preliminary information on the key steps involved, the tentative timeline and estimated costs for processing the San Martin incorporation application.

A workshop will be scheduled in May to provide more detailed information on the incorporation process.

BACKGROUND

LAFCO received a petition and application for the incorporation of the Town of San Martin in February of 2007. The proposed new town includes lands generally bounded by the northern sphere of influence boundary of Gilroy to south, the southern sphere of influence boundary of Morgan Hill to the North, Watsonville Road to the west and New Avenue to the east. Attachment A shows the proposed boundaries. The population of the area is estimated at about 5,000 persons, including 2,824 registered voters.

The reasons presented for the incorporation of San Martin are to have local control of land use and growth, to create a locally accountable governing body that is more visible and accessible to the local residents and to legally recognize San Martin as a community with the attributes of a town.

This report provides preliminary information on the key steps, the timeline and costs involved in processing the San Martin incorporation application.

KEY STEPS IN PROCESSING THE INCORPORATION APPLICATION

APPLICATION AND PETITION SUBMITTED

LAFCO received a petition and application for the incorporation of the Town of San Martin in February of 2007. The Registry of Voters has verified the petition and has determined that it includes valid signatures from about 31% (892) of the registered voters within the proposed boundaries of San Martin. The petition qualifies as a sufficient petition. Pursuant to the CKH Act, a sufficient petition must include signatures from a minimum of 25% of the registered voters within the proposed boundaries. LAFCO has notified all affected agencies about the proposed incorporation of San Martin. A copy of the application and petition is available for review in the LAFCO Office.

GETTING READY TO PROCESS THE INCORPORATION APPLICATION

There are several tasks that LAFCO has to undertake in preparation for processing the incorporation proposal including:

1. **Provide information to proponents, community, affected agencies, LAFCO and other stakeholders on the incorporation process**

   Incorporation is a complex process with very specific legal requirements. The last incorporation to take place in Santa Clara County was the incorporation of Monte Sereno in 1958, prior to LAFCO's existence. It is very important that all the involved parties have correct and up to date information on the process and understand what is involved. LAFCO will hold two workshops, one in the community of San Martin and one at the next LAFCO meeting to provide information on the incorporation process.

2. **Adopt policies and procedures for processing the incorporation**

   In 2002, the State Office of Planning and Research (OPR) published the "Incorporation Guidelines" which provides detailed information on the incorporation process / requirements. This document is available on the OPR web site at www.opr.ca.gov. The Incorporation Guidelines are advisory. In addition to using these guidelines, LAFCO will also review its existing policies and adopt new written policies and procedures specific to processing incorporations in Santa Clara County.

3. **Establish fees and provide cost estimates for processing the incorporation**

   The costs of processing the incorporation application, including staff and consultant costs will be borne by the proponents of the incorporation. Some of the preliminary costs, not specific to this proposal, such as the LAFCO staff and consultant costs for developing the incorporation policies and conducting the initial informational workshops will be funded by the LAFCO

budget and not by the proponents of the incorporation proposal. See section below on cost estimates.

4. **Establish a timeline for processing the incorporation**

   See section below for tentative timeline.

5. **Select and hire consultants**

   LAFCO has hired Roseanne Chamberlain to conduct information workshops and develop incorporation policies and procedures. She will also be assisting LAFCO staff on other incorporation related issues. See Agenda Item # 7.1 for scope of work and more information.

   LAFCO staff will soon release a Request for Proposal (RFP) to solicit proposals from consultants who are qualified to conduct the Comprehensive Fiscal Analysis (CFA). See Agenda Item # 7.3 for the draft RFP and more information on this issue.

   In addition, LAFCO will hire a consultant to prepare the CEQA analysis.

SERVICES AND BOUNDARIES FOR PROPOSED INCORPORATION AREA

1. **Develop alternative boundaries for incorporation**

   LAFCO staff will meet with the proponents and affected agencies to discuss options for alternative incorporation boundaries.

2. **Develop a complete Service Plan, conduct a Municipal Services Review, if needed and consider Sphere of Influence for the proposed incorporation area**

   The proponents have provided a proposed municipal service plan for San Martin, outlining their preliminary plan for future city services. See Attachment B for the proposed plan. LAFCO has completed a service review for the South central regions of the county, which includes the San Martin area as well as service reviews for the water and fire services in the county. It is anticipated that the majority of the information needed to prepare a service review for San Martin will be available from these reports.

ENVIRONMENTAL ANALYSIS

Consultant will prepare an Environmental Information Study and / or an Initial Study, for the Environmental Coordinator (Executive Officer) pursuant to CEQA and local CEQA implementation policies. Based on the information from these studies on the potential impacts of the incorporation, the consultant will recommend an environmental document, i.e. preparation of either a Categorical Exemption or a Negative Declaration or an Environmental Impact Report. The consultant will then prepare the applicable documents for consultation, public review, comment and public hearing before LAFCO.

COMPREHENSIVE FISCAL ANALYSIS (CFA)

Preparation of a CFA is a legal responsibility of LAFCO and is a very important analytical document (for the public, affected agencies and LAFCO) in the evaluation of an incorporation proposal. An incorporation should result in similar exchange of both revenue and responsibility for service delivery between the County and the proposed city. The CFA will contain information and analysis relating to the financial feasibility of the proposed incorporation, financial impacts of the incorporation on other affected agencies including the county and other districts and, and will serve as the basis for Revenue Neutrality negotiations between the County and the applicants. Please see Agenda Item 7.3 for the proposed scope of work for preparing a CFA. LAFCO will also have a role in facilitating the revenue neutrality negotiations between the County and the proponents of the incorporation.

LAFCO STAFF ANALYSIS AND EXECUTIVE OFFICER REPORT

LAFCO staff will review and augment all the reports, studies and materials required for the Commission's review of the incorporation proposal. The Executive Officer's report integrates all of the work on the various aspects of the incorporation proposal to provide for an informed Commission decision and complete the analysis for the Executive Officer's recommendations. Draft determinations, terms and conditions and required findings are included in the Executive Officer's report.

LAFCO PUBLIC HEARING

LAFCO will hold the required public hearing(s) to consider the incorporation and the environmental documentation for the project. If incorporation is approved, one or more resolutions are adopted by LAFCO. The resolutions will make determinations and findings and will set the terms and conditions of incorporation Then LAFCO will formally request the County Board of Supervisors to set an election on the incorporation. If incorporation proposal is disapproved by LAFCO, the Commission will adopt a resolution reflecting its decision.

INCORPORATION ELECTION

A successful incorporation requires affirmative votes of a majority of registered voters within the incorporation boundaries.

TENTATIVE TIMELINE FOR PROCESSING THE INCORPORATION APPLICATION

The incorporation timeline is dictated by the desire to have the incorporation effective by the June 30, 2009, when the VLF benefits allowed in State law for new incorporations will expire. The cities that incorporate after that date will not

receive the special VLF allocations. In order to meet that deadline, a tentative timeline has been established so that the incorporation election would occur in November 2008.

Please see Attachment C for a tentative timeline for processing the incorporation application.

PRELIMINARY COST ESTIMATES FOR PROCESSING THE INCORPORATION APPLICATION

Incorporation proposals are charged on an actual cost basis with a deposit required when the proposal is submitted. The incorporation proponents submitted a check for $9,968. The actual costs for processing the application will be charged to the incorporation proponents. The costs of the incorporation proceedings will be much higher than the initial deposit. The following is a preliminary rough estimate for the costs, based on information from other LAFCOs. More accurate cost projections will be known when consultant contracts are approved:

Petition Verification Costs:	$3,600 actual cost of Registrar of Voters
Comprehensive Fiscal Analysis:	$90,000 approx.
LAFCO Staff/Project Mgr./Counsel:	$100,000 approx.
Initial Study/ Negative Declaration:	$15,000 - $25,000 approx.
Environmental Impact Report:	$100,000 - $$150,000 approx.
Miscellaneous (noticing, maps etc)	$3,000 approx.

The proponents will not be responsible for the costs involved in developing LAFCO policies and procedures for incorporations or for conducting the two informational workshops on incorporation. These work items will be funded by the LAFCO budget.

The payment of incorporation application fees will be linked to the processing of the application and LAFCO staff will develop a payment schedule working with the proponents. If payments fall behind, work on the project will be suspended until the payments are brought up to date. LAFCO staff is preparing language for indemnification by the applicants in the event that there is litigation.

ATTACHMENTS

Attachment A:	Map showing proposed boundaries for Town of San Martin
Attachment B:	Proposed Service Plan for Town of San Martin
Attachment C:	Tentative Timeline for Processing Proposed Incorporation

Table 1
MUNICIPAL SERVICES PLAN

MUNICIPAL SERVICE	CURRENT PROVIDER	POST-INCORPORATION PROVIDER	LEVEL OF SERVICE	FUNDING SOURCE
Administrative[1]	County	New Town	Likely Increase	General Fund
Animal Control	County	New Town (contract)	No Change	General Fund
Building Inspection	County	New Town (contract)	Likely Increase	General Fund
Fire Protection and Parametics	Cal Fire	New Town (contract)	No Change	General Fund
Flood Control Service	Santa Clara Valley Water District	Santa Clara Valley Water District	No Change	County
Land Use and Planning Environmental	County	New Town (contract)	Likely Increase	General Fund
Law Enforcement	County	New Town (contract)	Likely Increase	General Fund
Library	County	County	No Change	County
Mosquito and Vector Control	County	County	No Change	County
Parks and Recreation	County	County	No Change	County
Public Works, Road Maintenance, Engineering, Drainage and Street Lighting	County	New Town (contract)	Likely Increase	General Fund
Schools	Morgan Hill Unified School District and Gilroy United School District	Morgan Hill Unified School District and Gilroy United School District	No Change	County
Sewer Service[2]	Private/South County Regional Wastewater Authority/Lion's Gate Community Services District	Private/South County Regional Wastewater Authority/Lion's Gate Community Services District	No Change	User Fees
Solid Waste Trash Collection and Disposal	South Valley Disposal and Recycling, Inc.	South Valley Disposal and Recycling, Inc.	No Change	User Fees
Transit and Paratransit	Valley Transportation Authority	Valley Transportation Authority	No Change	User Fees
Water Service[3]	Water Districts	Water Districts	No Change	User Fees

NOTE: Contract assumes the new City (Town) will contract with existing or similar service providers.

1. Administrative includes General Government and City Manager.
2. Most users are on private septic systems. Only two County facilities are connected to the South County Regional Wastewater Authority system. The private Lion's Gate Community Services District serves a part of West San Martin.
3. San Martin County Water and West San Martin Water Works provide municipal water services. Santa Clara Valley Water District provides well water.

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 7.3

LAFCO Meeting Date: April 4, 2007

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer

SUBJECT: **Request for Proposals (RFP) for preparing the Comprehensive Fiscal Analysis for Proposed Incorporation of Town of San Martin**
Agenda Item # 7.3

STAFF RECOMMENDATION

1. Authorize staff to issue a Request for Proposals (RFP) for a consultant to prepare a comprehensive fiscal analysis for the proposed incorporation of the Town of San Martin. (See attachment A for RFP)

2. Advise whether LAFCO commissioner representation is desired on the consultant selection committee. If desired, appoint Commissioner to serve on the selection committee.

3. Delegate authority to the LAFCO Executive Officer to enter into an agreement with the most qualified consultant in an amount not to exceed $100,000 and to execute any necessary amendments subject to LAFCO Counsel review and approval.

BACKGROUND

San Martin Incorporation Proposal

LAFCO received a petition and application for the incorporation of the Town of San Martin in February of 2007. The petition was signed by about 31% of the registered voters in the area. The population of the area is estimated at about 5,000 persons, with 2,824 registered voters. The proposed new town includes lands bounded by the sphere of influence of Gilroy to south, the sphere of influence of Morgan Hill to the North, Watsonville Road to the west and New Avenue to the east.

A Comprehensive Fiscal Analysis (CFA) must be completed prior to LAFCO's consideration of the incorporation proposal. The CFA must conform to the requirements in the Cortese Knox Hertzberg Act (CKH Act) and be consistent with the Incorporation Guidelines prepared by the State Office of Planning and

Research. Santa Clara LAFCO will also be adopting policies and procedures for processing incorporations (consistent with state law and guidelines).

Santa Clara LAFCO desires to contract with a qualified consultant to prepare an independent and impartial comprehensive fiscal analysis for the proposed incorporation of San Martin and assist with other related tasks necessary for incorporation proceedings.

Request for Proposals

Attached is the Draft RFP for preparing the CFA for the proposed incorporation of San Martin. At this stage the Draft RFP is for review and comment only by interested parties. Staff will develop a final RFP after considering the comments received on this draft.

Staff will compile a list of consultants to whom the RFP will be mailed. The RFP will also be posted on the Santa Clara LAFCO website and on the CALAFCO website for other interested firms.

The RFP will be mailed out following the LAFCO meeting with a deadline for proposals set for the last week in April. Interviews will be held in the first week of May and the consultant selected soon after. It is expected that the service agreement will be executed in mid May.

Evaluation Criteria and Selection Process

Firms will be selected for further consideration and follow-up interviews based on the following criteria:

- Relevant work experience
- Completeness of the responses
- Overall project approaches identified
- Proposed project budget

An interview/selection committee will conduct interviews and the most qualified firm will be selected based on the above evaluation criteria. Following the selection of the most qualified firm, a final services agreement including budget, schedule, and final scope of services statement will be negotiated before executing the contract.

The delegation of authority to the LAFCO Executive Officer to negotiate and execute the agreement with the consultant subject to review and approval of LAFCO Counsel will expedite the process.

ATTACHMENTS

Attachment A: Draft RFP for Comprehensive Fiscal Analysis of Proposed Incorporation of San Martin.

ATTACHMENT A

ITEM NO. 7.3

REQUEST FOR PROPOSALS
Comprehensive Fiscal Analysis for Proposed Incorporation of San Martin

I. Objective

The Local Agency Formation Commission (LAFCO) of Santa Clara County is seeking proposals from professional service firms to prepare a Comprehensive Fiscal Analysis (CFA) for the proposed incorporation of the community of San Martin.

II. Background

LAFCO received a petition and application for the incorporation of the Town of San Martin in February of 2007. The petition was signed by about 31% of the registered voters in the area. The population of the area is estimated at about 5,000 persons, with 2,824 registered voters. The proposed new town includes lands bounded by the sphere of influence of Gilroy to south, the sphere of influence of Morgan Hill to the North, Watsonville Road to the west and New Avenue to the east. Attachment A shows the proposed boundaries.

The reasons for the incorporation of San Martin are to have local control of land use and growth, to create a locally accountable governing body that is more visible and accessible to the local residents and to legally recognize San Martin as a community with the attributes of a town. The proponents had an initial fiscal feasibility study completed in July 2003 by Economic and Planning Systems. A copy of the document is available for review in the LAFCO office.

A Comprehensive Fiscal Analysis (CFA) must be completed prior to LAFCO's consideration of the incorporation proposal. The CFA must conform to the requirements in the Cortese Knox Hertzberg Act (CKH Act) and be consistent with the Incorporation Guidelines prepared by the State Office of Planning and Research. Santa Clara LAFCO will also be adopting policies and procedures for processing incorporations (consistent with state law and guidelines)

Santa Clara LAFCO desires to contract with a qualified consultant to prepare an independent and impartial comprehensive fiscal analysis for the proposed incorporation of San Martin and assist with other related tasks necessary for incorporation proceedings. The final report will become the property of LAFCO and will be the subject of LAFCO review and public hearings and will form the basis for fiscal determinations and findings related to the proposed incorporation.

III. Scope of Services

Under the direction of LAFCO, the consultant will develop a CFA for the proposed San Martin incorporation that reflects the Consultant's unique approach to the project and includes, but is not limited to, the following tasks:

- Prepare an inventory of existing agencies and public service providers in the proposed incorporation area
- Request and gather financial and service level data from all agencies and current service providers in the area
- Prepare a service plan and collect data and analyze costs associated with providing the services
- Establish base year costs and revenues and develop a base year budget for the proposed city
- Identify cities appropriate for cost comparison and include their information
- Establish population estimates and projections and document all assumptions and data sources
- Establish land use and development estimates and document all assumptions and data sources
- Working with LAFCO, document and analyze boundary alternatives and the fiscal effects of such alternatives, for the proposed new town
- Calculate estimated transfer of property tax from county to the new city
- Develop budget projections; including 10 year projected costs and revenues for the new town and the financial effect on any affected agencies
- Develop a transition period budget for the initial (partial) year following incorporation
- Analyze financial feasibility for incorporation of San Martin
- Prepare requests for financial information from all affected agencies, County departments and other entities, necessary to calculate service costs and revenue transfers for the proposal. Provide technical assistance to responders, as needed, to ensure adequate responses
- Determine costs and review financial effects of revenue changes on all affected agencies, the County and other entities
- Identify options for revenue neutrality and /assist LAFCO staff, as needed in the facilitation of revenue neutrality negotiations between the incorporation proponents and agencies affected by incorporation
- Review, develop and prepare proposed determinations, terms and conditions for revenue neutrality and other financial matters, for inclusion in the Executive Officer's report and recommendation, LAFCO resolutions, consideration by LAFCO; provide related technical assistance to LAFCO staff and the Commission
- Provide up to four public workshops and /or public hearings to ensure public and commission understanding of the CFA, its assumptions, methodologies and conclusions
- Prepare an administrative draft CFA for staff and counsel review consistent with the overall time line for incorporation proceedings. Prepare a public review draft

CFA for public review and hearing consistent with the overall time line for incorporation proceedings. Respond to comments as directed by the Executive Officer

- Prepare final CFA report
- Develop a detailed timeline for each step of the fiscal analysis process, consistent with LAFCO's overall schedule for the proposal
- Provide 10 copies of the administrative draft CFA for internal review, including one copy in digital format. Provide 50 hard copies of the public review draft CFA for LAFCO to distribute. Provide 50 copies of the final CFA. All documents shall also be provided in digital format.

The final scope of services will be based on Consultant's approach to the project and will be negotiated with the firm selected and will be included in the services agreement.

IV. Budget

Consulting firms should include a detailed project budget for the scope of services. The anticipated project cost of the proposal should not exceed $100,000.

The preparation of the CFA will be managed by LAFCO and the funding will be provided by the proponents of the San Martin incorporation. Subject to negotiation of a final agreement, it is anticipated that payments will be tied to task completion increments or other milestones. Work will not be authorized beyond what the proponents have deposited with LAFCO at any given time. LAFCO will not be liable for payment beyond the balance of the proponent's deposits.

V. Schedule

It is anticipated that the firm will start work in **May 2007**.Timing is a concern to LAFCO because of the June 2009 sunset date in the state legislation for the VLF benefits for new incorporations and also because of the provisions in the CKH Act relative to the time sensitivity of the fiscal data. It is desired that the LAFCO hearings on the San Martin incorporation occur as early as possible in 2008. The detailed schedule for this project must be consistent with the overall schedule for project processing and will be negotiated with the firm selected for the work prior to reaching an agreement.

VI. Proposal Requirements

Response to this RFP must include all of the following:

1. A statement about the firm that describes its experience as well as the competencies and resumes of the principal and all professionals who will be involved in the work. This statement should describe the firm's level of expertise in the following areas:
    - Familiarity with CKH Act, the role and functions of LAFCO, and the incorporation process
    - Experience in local government fiscal analysis, preferably involving incorporations

- Experience in governmental organization analysis
- Management level understanding of how the full range of municipal services are financed and delivered
- Ability to analyze and present information in an organized format
- Familiarity with public input processes and experience in handling the presentation and dissemination of public information for review and comment
- Ability to provide flexible and creative alternatives where necessary to resolve service, fiscal and policy issues

2. Identification of the lead professional responsible for the project and identification of each professional(s) who will be performing various aspects of the day-to-day work.
3. A list of similar projects completed by the firm with references for each such project, including the contact name, address and telephone number. Also, provide a sample report for one project.
4. A statement regarding the anticipated approach for this project, and a scope of work outlining and describing the main tasks and work products.
5. Identification of any information, materials and/or work assistance required from LAFCO and / or involved agencies or proponents to complete the project.
6. An overall project schedule, including the timing of each work task.
7. Information about the availability of all professionals who will be involved.
8. The anticipated project cost, including:
   a. A not-to-exceed total budget amount.
   b. The cost for each major sub-task identified in the scope of work.
   c. The hourly rates for each person who will be involved in the work.
9. A statement regarding the firm's ability to comply with the standard provisions of the Agreement including insurance requirements. See Attachment B.

VII. Submission Requirements

DUE DATE AND TIME: **Friday April 27, 2007 at 5:00 PM**

Proposals received after this time and date may be returned unopened.

NUMBER OF COPIES: 7 original copies and 1 fully reproducible copy

DELIVER TO: Neelima Palacherla
LAFCO of Santa Clara County
70 West Hedding Street, 11th Floor
San Jose, CA 95110

Note: If delivery is to be in person, please first call the LAFCO office (408-299-6415 or 5127 or 5148) to arrange delivery time.

VIII. Evaluation Criteria and Selection Process

Firms will be selected for further consideration and follow-up interviews based on the following criteria:

- Relevant work experience
- Completeness of the responses
- Overall project approaches identified
- Qualification of key project team members
- Reference checks
- Proposed project budget

An interview/selection committee will conduct interviews and the most qualified firm will be selected based on the above evaluation criteria. Interviews will be held **between May 7th and May 11th**. The selection committee is expected to make a decision soon after. Following the selection of the most qualified firm, a final services agreement including budget, schedule, and final Scope of Services statement will be negotiated before executing the contract.

LAFCO reserves the right to reject any or all proposals, to issue addenda to the RFP, to modify the RFP or to cancel the RFP.

IX. LAFCO Contact

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County
Voice: (408) 299-5127
Fax: (408) 295-1613
Email: neelima.palacherla@ceo.sccgov.org

X. Attachments

Attachment A: Map of proposed boundaries for San Martin

Attachment B: Draft Professional Services Agreement and insurance obligations

XI. Reference Information

For general information about LAFCO of Santa Clara County, refer to its website: www.santaclara.lafco.ca.gov

For the State Office of Planning and Research's Incorporation Guidelines, visit the website: www.opr.ca.gov

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 8

LAFCO Meeting Date: April 4, 2007

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst

SUBJECT: **Consultant to Prepare Sphere of Influence Recommendations for Special Districts Included in LAFCO's Countywide Water Service Review**

Agenda Item # 8

STAFF RECOMMENDATION

1. Delegate authority to the LAFCO Executive Officer to execute contract with Dudek and Associates in an amount not to exceed $10,280 for the purpose of preparing sphere of influence recommendations for the special districts included in LAFCO's Countywide Water Service Review. (see Attachment A for Scope of Work)

BACKGROUND

State Law Requirements

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §56000 et seq.) requires that each LAFCO conduct service reviews prior to or in conjunction with the 5-year mandated sphere of influence updates. Therefore, State law requires LAFCO to complete the service review and sphere of influence updates by January 1, 2008.

In April 2004, LAFCO retained Dudek and Associates to conduct LAFCO's countywide water service review. In June 2005, LAFCO adopted the Countywide Water Service Review Final Report, which included service review determinations for agencies that provide water services in Santa Clara County. LAFCO also authorized staff to begin the sphere of influence review and update process for the following special districts:

- Santa Clara Valley Water District
- Aldercroft Heights County Water District
- Purissima Hills County Water District
- San Martin County Water District
- Pacheco Pass Water District
- Guadalupe-Coyote Resource Conservation District
- Loma Prieta Resource Conservation District

Status of Sphere of Influence Updates for Special Districts That Provide Water Services in Santa Clara County

LAFCO staff had originally planned to conduct sphere of influence updates for these aforementioned special districts in-house. However, due to a continued heavy workload, staff has not been able to conduct these sphere of influence updates yet. LAFCO staff's current and future workload includes:

- Completing the North West County Service Review and Sphere of Influence Update.
- Preparing sphere of influence updates for fire districts in Santa Clara County by the January 1, 2008 deadline.
- Processing the incorporation of the Town of San Martin (Due to the timing constraints imposed by state law, it is the goal to aim for holding an incorporation election in November 2008. Therefore the bulk of the incorporation work will occur in fiscal year 2008.)
- Processing various types of applications, including many San Jose island annexations.
- Providing public information, etc.

Given the current and anticipated workload and the impending deadline (January 1, 2008) for completing service review and sphere of influence updates, LAFCO staff is recommending that LAFCO contract with Dudek and Associates to assist LAFCO staff with the preparation of sphere of influence updates for the seven special districts that were included in LAFCO's Countywide Water Service Review. Dudek and Associates is very knowledgeable about water service agencies and issues in Santa Clara County and their assistance will allow staff to efficiently complete the required sphere of influence updates prior to the January 1, 2008 legislative deadline.

ATTACHMENTS

Attachment A: March 26, 2007 letter from Dudek and Associates including Proposed Scope of Work and Budget

ITEM NO. 8
ATTACHMENT A

111 PACIFICA SUITE 230
IRVINE, CALIFORNIA 92618
T 949.450.2525 F 949.450.2626

March 26, 2007

Ms. Neelima Palacherla
LAFCO of Santa Clara County
70 West Hedding Street, 11th Floor East Wing
San Jose, California 95110

Re: Proposal to Assist with Sphere of Influence Studies for Independent Special Districts Included in the Countywide Water Service Review

Dear Ms. Palacherla:

Dudek is pleased to present our proposal to assist LAFCO in preparing the Sphere of Influence studies and required CEQA documentation for six independent special districts reviewed in the Countywide Water Service Review. Based on our discussion, we propose the following scope, schedule and budget for this effort:

Scope

Dudek will prepare the Sphere of Influence studies for the following special districts:

- Santa Clara Valley Water District
- Aldercroft Heights County Water District
- Purissima Hills County Water District
- San Martin County Water District
- Guadalupe-Coyote Resource Conservation District
- Loma Prieta Resource Conservation District

The studies will be prepared according to LAFCO's adopted policies and guidelines for SOIs, urban growth boundaries, and other long term boundaries. The 2005 Countywide Water Service Review will serve as the primary source document. LAFCO staff will prepare the necessary maps for each district.

Dudek will prepare a draft of each SOI study for LAFCO review and comment. Dudek will incorporate any requested changes and provide a digital copy of each final version to LAFCO for further use.

The proposed scope includes up to two (2) meetings: the first to discuss potential issues with SOI changes for the San Martin County Water District and the second to provide a presentation for the public hearing for the San Martin CWD SOI if requested. No other meetings are anticipated.

Two of the districts, Purissima Hills and San Martin County Water District, are anticipated to have sphere changes which will require environmental analysis under CEQA. Dudek will prepare the draft Initial Study for these SOI updates as well as the Negative Declaration or Mitigated Negative Declaration as directed by LAFCO.

Budget

Work will be billed monthly on a time and materials basis. Dudek estimates the following hours and costs for this project:

Carolyn Schaffer, Project Manager	$130/hr	74 hrs	$9,620
Direct Costs			$660
Total Budget, Not to Exceed			$10,280

Schedule

Dudek will submit the draft SOI studies to LAFCO as they are completed. Based on receipt of Notice to Proceed in April 2007, we anticipate that five of the studies will be completed by June 30, 2007. The San Martin County Water District may take longer to complete; we project that LAFCO would have an initial draft by July 15, 2007 with completion by August 15, 2007.

It was a pleasure to work with LAFCO on the Countywide Water Service Review and we appreciate this opportunity to assist you further.

Sincerely,

Carolyn Schaffer

Carolyn Schaffer
Project Manager

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 9

LAFCO MEETING : April 4, 2007

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer

SUBJECT: **Appointment of LAFCO Public Member and Alternate Public Member**

Agenda Item # 9

RECOMMENDED ACTION

1. Reappoint Susan Vicklund-Wilson as Public Member and Terry Trumbull as Alternate Public Member to new four-year terms, for the period from May 2007 to May 2011.

BACKGROUND

LAFCO public member, Susan Wilson's and alternate public member, Terry Trumbull's terms expire in May 2007. Both the commissioners have expressed interest in being reappointed to LAFCO for 4-year terms starting in May 2007.

Government Code Section 56327 requires that the public member be appointed by the four members of the commission. The statute leaves the public member selection process to the discretion of the four commission members except to provide (applicable to Santa Clara County only) that the public member must not be a resident of a city which is already represented on the commission.

At the February 14, 2007 LAFCO Meeting, LAFCO staff presented the following two possible options for appointing the public member and alternate member:

Option 1. Reappoint Public Member Susan Wilson and Alternate Public Member Terry Trumbull to another 4-year term.

Option 2. Use a formal recruitment process to fill the public member and alternate public member positions

LAFCO (with Commissioner Vicklund-Wilson abstaining), at it February 14, 2007 Meeting, indicated that they would like to reappoint Susan Vicklund-Wilson as Public Member and Terry Trumbull as Alternate Public Member for a four-year term, from May 2007 to May 2011. LAFCO directed staff to place this item on the April 4, 2007 LAFCO agenda for their action.

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 10

LAFCO Meeting: **April 4, 2007**

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst

SUBJECT: **Update on North County and West Valley Area Service Review and Sphere of Influence Update**

Agenda Item # 10

For Information Only

Staff will meet with the North and West County Service Review Technical Advisory Committee (TAC) and consultants in April (date not yet determined). The purpose of this meeting will be to provide the TAC with a status report on the Service Review Project, and to discuss the upcoming city and special district review of the data collected and their review of the draft service review determinations for cities and special districts. Agency specific data and draft service review determinations will be available for the respective agency's technical review beginning in late April.

LAFCO staff will also update the TAC on LAFCO staff's and the consultant's current process for reviewing and updating each city's Sphere of Influence Boundary (SOI). As part of this review process, LAFCO staff held a meeting on March 22, 2007 to discuss the various known issues relating to each affected city's sphere of influence boundary. To date, LAFCO has received two letters (see attached) regarding potential SOI issues. The meeting was also an opportunity for each city to recommend any changes to their Sphere of Influence Boundary. Staff from the Cities of Campbell, Cupertino, Los Altos, Los Altos Hills, Palo Alto, Saratoga, and Sunnyvale attended the meeting. Additional meetings with some cities may be necessary.

LAFCO staff will update the TAC on the results of those meetings. Since Sphere of Influence Boundaries for cities in Santa Clara County serve multiple purposes, LAFCO staff and the TAC will also discuss these purposes at the April TAC meeting. The consultants and LAFCO staff will then develop a draft sphere of influence boundary recommendation for each of the cities and special districts.

Lastly, LAFCO staff and the Consultant will also review the revised project timeline with the TAC. The revised timeline tentatively includes releasing a public draft of the report in late June for a 30 day review and comment period, holding a public hearing in August on the draft document, and adopting the Service Review and Sphere of Influence Recommendations at a final public hearing in early October.

Staff will continue to provide the Commission with status reports as this project progresses.

CITY OF CAMPBELL

City Manager's Office

March 12, 2007

The Honorable Blanca Alvarado
Chair, Local Area Formation Commission
70 West Hedding Street – 11th Floor, East Wing
San Jose, CA 95110

Dear Supervisor Alvarado,

I am writing to provide comments on behalf of the City of Campbell regarding the current Service Review and Sphere of Influence Update. In general, the City does not believe many of the current Sphere of Influence (SOI) boundaries, created decades ago, make sense.

Specifically, I would like to point out the unincorporated pocket on our border known as "Cambrian No. 36." Last fall, the City of Campbell was presented with a petition signed by 204 residents of the area. A large contingent of residents attended a Council meeting and several residents spoke, asking that Campbell annex the area if it is no longer going to be governed by the County. It is clear from the petition and sentiments expressed by the residents at our meeting, that many of them identify with Campbell (which is their mailing address), not San Jose, in whose SOI they reside.

The City Council was supportive of their comments and directed staff to communicate that view to the City of San Jose. San Jose Councilmember Judy Chirco responded that "the City of San Jose is not interested at this time in pursuing modifications to our Sphere of Influence and Urban Service Area to accommodate the annexation of the subject area by the City of Campbell."

Despite San Jose's position, Campbell believes it is appropriate for LAFCO to relook at old SOI boundaries and make appropriate adjustments to reflect today's reality and ability to serve.

Thank you for your consideration of our views on this issue.

Sincerely,

Daniel Rich
City Manager

70 North First Street • Campbell, California 95008-1039 • TEL 408.866.2125 • FAX 408.374.6889 • TDD 408.866.2790

cc: Campbell City Council
Supervisor Yeager
Councilmember Pete Constant, LAFCO Vice Chair
Councilmember Judy Chirco
LAFCO Executive Director Neelima Palacherla ✓
Campbell Senior Planner Jackie Young Lind

Richard A. Clarke
699 Whispering Pines Drive
Scotts Valley, California 95066
(831) 438-5906

February 17, 2006

Neelima Palacherla
Director of Santa Clara County LAFCO
70 W. Hedding Street, 11th Floor
San Jose, California 95110

Subject: Island Annexation, Altamont Circle

Dear Ms. Palacherla:
Recently, I became aware of your Island Annexation program which has received coverage in local newspapers and is discussed in the report on your website. In reading the report I am impressed by the intent and reasons for the program. I am greatly in favor of anything that will make government more efficient and responsive to the people. As such, I commend you for your work to promote annexation of Islands, noting that this will greatly increase government efficiency and was the original intention of the local agencies and the State government as your report states. However, I would like to point out an oversight in your program – that being the case of the Altamont Circle subdivision along Page Mill Road in North Santa Clara County. This property is not included in your list of Islands and so I called your office to find out why. I was informed that because Altamont Circle is not in any Urban Service Area, it is not considered an Island. This letter is to request that you add Altamont Circle to your list of Islands and pursue the annexation of Altamont Circle to either Los Altos Hills or Palo Alto as part of your Island Annexation effort.

The Altamont Circle subdivision contains 22 homes on 25 acres along Page Mill Road, bordering on Los Altos Hills on 2 sides and Palo Alto on two sides. Altamont Circle is provided with numerous City services primarily from the City of Los Altos Hills including police, fire, schools, and road access to the entrance of Altamont Circle. In fact, it is necessary to drive thru part of Los Altos Hills to reach Altamont Circle. Altamont Circle residents have a Los Altos Hills mailing address, receive Los Altos Hills town flyers, have close neighbors in Los Altos Hills right across the street, and consider themselves to be Los Altos Hill residents. As such, Altamont Circle qualifies in everyway as an Island and is a model example of why this Annexation program exists.

As I understand from Ms. Noel, of your office, the reason Altamont Circle is not now on the list of Islands is because it is not in a Urban Service Area, and although it qualifies as a "pocket" according State Law, the County redefined this to mean that the "pocket" must also belong to a Urban Service Area.

I believe that Altamont Circle is not part of an Urban Service district simply because of an oversight. Until recently, Altamont was not part of any City's Sphere of Influence either and the determination to assign it to Palo Alto's sphere came about when inquiries were made by local property owners in 2001-2002 pursuant to connecting to a sewer line. Your office explained that Altamont is on the boundary of two scoping maps and was mistakenly left out when the Spheres were originally drawn. Probably, this is the same reason why Altamont Circle was not assigned to an Urban Service Area, it was simply overlooked. It was not noticed for many years because the urban services provided to Altamont were already in place and no expansion was anticipated. So, failure to assign Altamont to an urban service area is understandable. Never-the-less, Altamont does receive City services and is a model example of why such a program to encourage annexation exists.

As such, I urge you to add Altamont Circle to your program and make every effort to move forward the annexation of this property to either Los Altos Hills or Palo Alto as is best appropriate.

Sincerely,

R. N. Clarke

Richard Clarke

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 11.1

REVISED
2007 SCHEDULE OF LAFCO MEETINGS AND APPLICATION FILING DEADLINES

FILING DEADLINE	LAFCO MEETING	LOCATION*
Wednesday December 20, 2006	Wednesday February 14, 2007	Isaac Newton Senter Auditorium
Wednesday February 21, 2007	Wednesday April 4, 2007	Isaac Newton Senter Auditorium
Wednesday April 5, 2007	Wednesday May 30, 2007	Board of Supervisors Chambers
Wednesday June 6, 2007	Wednesday August 1, 2007	Board of Supervisors Chambers
Wednesday August 15, 2007	Wednesday October 3, 2007	Board of Supervisors Chambers
Wednesday October 10, 2007	Wednesday December 5, 2007	Board of Supervisors Chambers

TIME OF MEETINGS: 1:30 PM

*LOCATION OF MEETINGS: County Government Center
70 West Hedding Street, 1st Floor
San Jose, CA 95110

FILING LOCATION: LAFCO Office
70 West Hedding Street, 11th Floor
San Jose, CA 95110
(408) 299-6415

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