



LAFCO MEETING AGENDA

Board Meeting Chambers, 70 West Hedding Street, First Floor

San Jose, CA 95110

June 7, 2017

1:15 PM

CHAIRPERSON: Sequoia Hall • VICE-CHAIRPERSON: Ken Yeager

COMMISSIONERS: Sergio Jimenez, Rob Rennie, John L. Varela, Mike Wasserman, Susan Vicklund Wilson

ALTERNATES: Sylvia Arenas, Cindy Chavez, Yoriko Kishimoto, Russ Melton, Terry Trumbull

NOTICE TO THE PUBLIC

1. Pursuant to Government Code §84308, no LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party, or his/her agent; or any participant or his /or her agent, while a LAFCO proceeding is pending, and for three months following the date a final decision is rendered by LAFCO. Prior to rendering a decision on a LAFCO proceeding, any LAFCO commissioner who received a contribution of more than \$250 within the preceding 12 months from a party or participant shall disclose that fact on the record of the proceeding. If a commissioner receives a contribution which would otherwise require disqualification returns the contribution within 30 days of knowing about the contribution and the proceeding, the commissioner shall be permitted to participate in the proceeding. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 within the preceding 12 months by the party, or his or her agent, to a LAFCO commissioner. For forms, visit the LAFCO website at www.santaclaralafco.org. No party, or his or her agent and no participant, or his or her agent, shall make a contribution of more than \$250 to any LAFCO commissioner during the proceeding or for 3 months following the date a final decision is rendered by LAFCO.
2. Pursuant to Government Code Sections 56100.1, 56300, 56700.1, 57009 and 81000 et seq., any person or combination of persons who directly or indirectly contribute(s) a total of \$1,000 or more or expend(s) a total of \$1,000 or more in support of or in opposition to specified LAFCO proposals or proceedings, which generally include proposed reorganizations or changes of organization, may be required to comply with the disclosure requirements of the Political Reform Act (See also, Section 84250 et seq.). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. More information on the scope of the required disclosures is available at the web site of the FPPC: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).
3. Pursuant to Government Code §56300(c), LAFCO adopted lobbying disclosure requirements which require that any person or entity lobbying the Commission or Executive Officer in regard to an application before LAFCO must file a declaration prior to the hearing on the LAFCO application or at the time of the hearing if that is the initial contact. In addition to submitting a declaration, any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them. Additionally every applicant shall file a declaration under penalty of perjury listing all lobbyists that they have hired to influence the action taken by LAFCO on their application. For forms, visit the LAFCO website at www.santaclaralafco.org.
4. Any disclosable public records related to an open session item on the agenda and distributed to all or a majority of the Commissioners less than 72 hours prior to that meeting are available for public inspection at the LAFCO Office, 777 North First Street, Suite 410, San Jose, California, during normal business hours. (Government Code §54957.5.)
5. 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) 993-4705.

777 North First Street, Suite 410 ▪ San Jose, CA 95110 ▪ (408) 993-4713 ▪ www.santaclaralafco.org

COMMISSIONERS: Sequoia Hall, Sergio Jimenez, Rob Rennie, John L. Varela, Mike Wasserman, Susan Vicklund Wilson, Ken Yeager

ALTERNATE COMMISSIONERS: Sylvia Arenas, Cindy Chavez, Yoriko Kishimoto, Russ Melton, Terry Trumbull

EXECUTIVE OFFICER: Neelima Palacherla

1. ROLL CALL

2. PUBLIC COMMENTS

This portion of the meeting provides an opportunity for members of the public to address the Commission on matters not on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No action may be taken on off-agenda items unless authorized by law. Speakers are limited to THREE minutes. All statements that require a response will be referred to staff for reply in writing.

3. RESOLUTION OF COMMENDATION FOR LINDA J. LEZOTTE

4. APPROVE MINUTES OF APRIL 12, 2017 LAFCO MEETING

PUBLIC HEARING

5. Continued from October 5, 2016, December 7, 2016, February 1, 2017 and April 12, 2017 meetings: MONTE SERENO URBAN SERVICE AREA AND SPHERE OF INFLUENCE AMENDMENT 2016 (LUCKY ROAD)

Proposal to expand Monte Sereno's Urban Service Area (USA) and Sphere of Influence (SOI) boundaries to include approximately 7.4 acres of land, located along Lucky Road.

POSSIBLE ACTIONS

Staff Recommended Project Action:

1. Deny the proposed Monte Sereno USA/SOI amendment.

Other Possible Project Actions:

2. Approve the USA/SOI amendment.
3. Approve the USA/SOI amendment conditioned on the City annexing its three remaining unincorporated islands

CEQA Action

1. Denial of the project does not require a CEQA action.

In order to approve the project, LAFCO as a Responsible Agency under CEQA, must take the following actions regarding the Mitigated Negative Declaration for this project:

- a. Find that the Initial Study and Mitigated Negative Declaration approved by the City of Monte Sereno on September 3, 2013 were completed in compliance with CEQA and are an adequate discussion of the environmental impacts of the project.

- b. Find that prior to making a decision on this project, LAFCO reviewed and considered the environmental effects of the project as outlined in the Initial Study and Mitigated Negative Declaration.

6. FINAL LAFCO BUDGET FOR FISCAL YEAR 2018

Recommended Action:

1. Adopt the Final Budget for Fiscal Year 2017-2018.
2. Find that the Final LAFCO Budget for Fiscal Year 2018 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final LAFCO Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association and the Special Districts Association.
4. Direct the County Auditor–Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

ITEMS FOR ACTION / INFORMATION

7. STRATEGIC COMMUNICATIONS AND PUBLIC OUTREACH PLAN/IMPLEMENTATION

Recommended Action:

1. Authorize staff to issue a Request for Proposals (RFP) for a professional service firm to prepare and implement a Strategic Communications and Public Outreach Plan for LAFCO.
2. Delegate authority to the LAFCO Executive Officer to enter into an agreement with the most qualified consultant in an amount not to exceed \$75,000 and to execute any necessary amendments subject to LAFCO Counsel’s review and approval.
3. Appoint a LAFCO Commissioner to serve on the consultant interview panel.

8. SECOND AMENDMENT TO AGREEMENT FOR LEGAL SERVICES

Recommended Action: Approve the second amendment to the agreement for legal services between LAFCO and the law firm of Best Best & Krieger LLP.

9. EXECUTIVE OFFICER'S REPORT

**9.1 INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE MEETING:
MAY 16, 2017**

For information only.

**9.2 INQUIRY FROM SAN MARTIN NEIGHBORHOOD ALLIANCE CONCERNING
SEWAGE SPILL AND SEWER LINE IN SAN MARTIN COMMUNITY**

For information only.

9.3 MEETING WITH MIDPENINSULA REGIONAL OPEN SPACE DISTRICT STAFF

For information only.

9.4 UPDATE ON RECRUITMENT FOR NEW LAFCO ANALYST POSITION

For information only.

9.5 SAN JOSE FOOD WORKS IMPLEMENTATION KICK-OFF MEETING

For information only.

**9.6 UPDATE ON THE SANTA CLARA VALLEY CLIMATE & AGRICULTURE
PROTECTION PROGRAM**

For information only.

**9.7 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS
MEETING**

For information only.

9.8 INTER-JURISDICTIONAL GIS WORKING GROUP MEETINGS

For information only.

10. PENDING APPLICATIONS / UPCOMING PROJECTS

- West Valley Sanitation District 2017-01 (Shannon Road)

11. COMMISSIONER REPORTS

12. NEWSPAPER ARTICLES / NEWSLETTERS

13. WRITTEN CORRESPONDENCE

- Letter dated May 24, 2017, from Robert Armendariz, Commander of American Legion Post 217, regarding the South Santa Clara Valley Memorial District

CLOSED SESSION

14. PERFORMANCE EVALUATION

Public Employee Performance Evaluation (Government Code §54957)

Title: LAFCO Executive Officer

15. ADJOURN

Adjourn to the regular LAFCO meeting on August 2, 2017 at 1:15 PM in the Board Meeting Chambers, 70 West Hedding Street, San Jose.

**LAFCO MEETING MINUTES
WEDNESDAY, APRIL 12, 2017**

CALL TO ORDER

The meeting was called to order at 10:00 a.m.

1. ROLL CALL

The following commissioners were present:

- **Chairperson Sequoia Hall**
- **Commissioner Sergio Jimenez**
- **Commissioner Rob Rennie**
- **Commissioner John L. Varela** (left at 11:35 a.m.)
- **Commissioner Mike Wasserman** (left at 11:39 a.m.)
- **Commissioner Wilson Vicklund Wilson**
- **Alternate Commissioner Russ Melton**
- **Alternate Commissioner Yoriko Kishimoto** (left at 11:00 a.m.)

The following staff members were present:

- **LAFCO Executive Officer Neelima Palacherla**
- **LAFCO Assistant Executive Officer Dunia Noel**
- **LAFCO Counsel Malathy Subramanian**

2. WELCOME NEW LAFCO COMMISSIONERS

Chairperson Hall welcomed LAFCO Commissioners Rennie and Varela, and Alternate Commissioner Melton.

3. PUBLIC COMMENTS

There were no public comments.

4. MINUTES OF FEBRUARY 1, 2017 LAFCO MEETING

The Commission approved the minutes of the February 1, 2017 LAFCO meeting.

Motion: Wasserman Second: Jimenez

AYES: Hall, Jimenez, Rennie, Varela, Wasserman, Wilson

NOES: None ABSTAIN: None ABSENT: Yeager

MOTION PASSED

5. **Continued from October 5, 2016, December 7, 2016 and February 1, 2017 meetings:
MONTE SERENO URBAN SERVICE AREA AND SPHERE OF INFLUENCE
AMENDMENT 2016 (LUCKY ROAD)**

This being the time and place for the public hearing, **Chairperson Hall** declared the public hearing open.

Ms. Palacherla presented the staff report.

Nick Petredis stated that he is counsel to the property owners and also represented them in 2013. He stated that the expansion request is consistent with LAFCO policies, will not promote urban sprawl, and will make the city boundary more orderly. He informed that the annexation would have an environmental benefit because the property would be able to connect to sewer along with five or six homes that are now on septic. He also stated that the city is supportive of anyone who wants to annex and that this annexation can be used as a positive example.

Commissioner Rennie informed that he visited the proposal area. In response to an inquiry by **Commissioner Rennie**, Alex Rubashevsky, property owner, informed that he already purchased the sewer line easement, and that the parcel is three quarters of an acre and that it is a legal lot. He indicated that he plans to build a house on the property either on septic or sewer, and that sewer is more environmentally friendly. In response to **Commissioner Rennie**, Mr. Petredis informed that the zoning allows for one unit/acre based on slope density.

Chairperson Hall determined that there are no more speakers from the public and declared the public hearing closed.

Commissioner Wilson informed that LAFCO policies for orderly growth require jurisdictions to annex their urban pockets before they expand their boundaries, and that state law has a streamlined annexation process to facilitate that. She informed that this application by Monte Sereno to expand its boundary without annexing its urban pockets has not changed since LAFCO heard it in 2013. She suggested that LAFCO consider a policy regarding applications brought back repeatedly without any change even after LAFCO denied them once. She indicated that while sewer connection maybe beneficial to the environment, this particular boundary expansion could be growth inducing. In response to her inquiry, Ms. Palacherla advised that there is no development proposal associated with the application but there is potential for two or three additional lots under the city's zoning designation for the area.

Commissioner Wilson noted that this is an example of leapfrog expansion that promotes urban sprawl. She also noted that there has been no change in any facts or circumstances since LAFCO considered it in 2013, and moved for denial of the expansion request.

Commissioner Jimenez seconded the motion.

In response to an inquiry by **Commissioner Rennie**, Ms. Palacherla informed that staff has no topographic map illustrating the elevation and buildable area, and that LAFCO cannot regulate zoning or density.

Commissioner Wasserman indicated that while he acknowledges LAFCO policies and preference for internal infill before expansion, he respects the decision of the residents to remain unincorporated. He directed attention to the map in the staff report and stated

that the expansion area is adjacent to the city and is orderly growth. He stated that the annexation would benefit the area as the neighboring properties can also connect to the sewer line. He expressed interest to move for approval if the motion for denial fails.

Commissioner Rennie requested more discussion on the application before voting and stated that he was not on the Commission in 2013 when this was discussed. He stated that the city attempted to annex the islands twice since 2013 but the residents opposed it. He suggested that LAFCO consider a less onerous condition such as annexation of only some pockets rather than all.

Commissioner Varela inquired about the frequency of Monte Sereno's expansion requests, concurred with Commissioner Wasserman, and stated that the sewer connection has an environmental advantage. He stated that the application would not induce growth since it is the only expansion proposal from the city.

Commissioner Jimenez inquired about the city's position on this application and if there were city representatives who could respond to this question. Perry Woodward stated that he represents the applicant. He indicated that the City supports the application and that by having no city representative present he believed the discussion could focus on this specific project rather on policy that is out of the applicant's control.

Chairperson Hall stated that the city's intent is unknown because it has withdrawn from an agreement with the County relating to preservation of the West Valley hillsides. He stated that there is no city staff present to answer questions about the city's plans for this area.

In response to an inquiry by **Commissioner Jimenez**, Ms. Palacherla advised that a major General Plan amendment must occur in order to allow subdivision in the County and even then, the properties would not be able to receive sewer services. In response to his follow-up inquiry, Ms. Palacherla advised that the West Valley Sanitation District could serve or is already serving the three Monte Sereno pockets since they are located within the city's USA. **Commissioner Jimenez** inquired if the residents who wrote in opposition to the expansion remain opposed and Mr. Petredis indicated that those opposed live to the north towards Lucky Road while those who are in support are those who could connect to sewer line when the expansion is approved. In response to his follow-up inquiry, Mr. Petredis indicated that based on his years of land use experience, he is certain that there is no interest from properties further up the hill to connect to sewer. **Commissioner Wasserman**, in reference to a prior inquiry by Commissioner Jimenez, stated that LAFCO should approve the expansion request since the landowners themselves are asking for annexation, unlike those property owners in the pockets who are opposed to annexation. In response to the inquiry by **Commissioner Jimenez**, Commissioner Wasserman indicated that the benefit of the application is sewer service to the area. In response to another inquiry by **Commissioner Jimenez**, Ms. Palacherla advised that LAFCO could not rescind approval of USA expansion unless the city comes back to request for USA retraction.

Citing the example of supporting affordable housing, **Commissioner Jimenez** stated that elected officials must sometimes take unpopular actions for the common good even if that impacts their reelection. He expressed understanding of the political dynamics that prevented Monte Sereno from annexing its pockets despite the streamlined annexation

process available in state law. Stating that it is in the City's best interest to annex islands, he urged Monte Sereno to annex urban pockets for the residents' good even if some of them are opposed. He informed that LAFCO policies are in place for a reason and he observed that the City's application appears to be contrary to those policies. He stated that he would not like LAFCO to create a precedent through this application that may play out differently in Gilroy, Morgan Hill or other cities that are continuing to sprawl.

Commissioner Wilson indicated that land use is not within LAFCO's authority and that LAFCO has no purview over zoning once a parcel is included into a city's USA. She brought the Commission's attention to the LAFCO 101 class which taught commissioners to wear a LAFCO hat when sitting on LAFCO even if they were appointed by a city, county or special district. She stated that while she understands the concerns of the city and its constituents, she considers boundary expansion requests from the perspective of LAFCO and its policies.

Commissioner Rennie informed that he would have asked city staff questions about their zoning ordinance if they were present. In response to his inquiry, Ms. Palacherla advised that if USA expansion is approved the area would be able to connect to the sewer line. **Commissioner Rennie** offered a compromise that would allow USA expansion to facilitate sewer connection but without annexation. Ms. Palacherla advised that city could annex the area anytime once it is within its USA boundary. In response to another inquiry by **Commissioner Rennie**, Ms. Palacherla advised that urban pocket residents currently use city services and infrastructure without contributing in taxes but when the pockets are annexed, residents can help pay for city services, run for public office and serve on the city committees. In response to another inquiry by **Commissioner Rennie**, Ms. Palacherla stated that the map depicts the SOI boundary as the blue line, and the USA boundary, the more relevant boundary, as the red line that is currently straight and clean.

Chairperson Hall again expressed concern that the city has no representative to answer questions. He discussed the importance of pocket annexations and described how difficult and inefficient it is for the County to provide services to those areas. He stated that other jurisdictions have annexed pockets in recognition of greater government efficiency even without support from all residents.

Commissioner Wasserman informed that the County encourages pocket annexation so it will not have to maintain roads or provide services, and that LAFCO promotes it for the purpose of logical boundaries and efficient delivery of services; however, the cities do not want to annex pockets because they must then assume responsibilities for infrastructure and services that the County currently provides. He informed that a Los Gatos study found that providing service to pockets costs more money. He stated that LAFCO, the County and Monte Sereno are all public agencies with their own preferences regarding urban pockets. He indicated that he supports what is before LAFCO which is the request for expansion to enable infill and sewer service provision.

Chairperson Hall granted Mr. Woodward's request to address the Commission.

Mr. Woodward informed that the applicant has requested the continuation of the item since Fall 2016 in order to have all seven members present as a full hearing body. He

requested that the Commission continue the item if it comes to 3-3 vote so that a full Commission could be present and city representatives could attend.

In response to an inquiry by **Commissioner Wilson**, Ms. Subramanian clarified that at the December meeting, five members and two alternates were present, and offered to check the previous records. Ms. Palacherla clarified that Monte Sereno has not made any new efforts to annex its pockets since 2013. Upon the request of **Chairperson Hall**, she informed that Saratoga had numerous islands when it brought an USA application to LAFCO, and through discussions the City decided to remove certain islands from its USA and annex others. She noted that even though the City initiated annexation, it could not complete the annexation of one of the larger islands due to protest from the residents. She noted that Monte Sereno pockets are smaller than 150 acres. **Chairperson Hall** stated that unlike the Saratoga case where the city made progress on island annexations, it does not appear that Monte Sereno has made any efforts and he stated that LAFCO should require consistency with its policies. He further stated that the Saratoga application provided a good example and that Monte Sereno should move forward in a similar way. He again questioned why Monte Sereno withdrew from the agreement with the County to protect the West Valley hillsides. He expressed support for the motion to deny the expansion request.

Commissioner Rennie stated that sewer connection is generally beneficial and he expressed agreement with the Chairperson about annexing some of the pockets. **Chairperson Hall** noted that LAFCO has not heard back from the city after the 2013 approval. He informed that it is easier to make decisions that are consistent with LAFCO policies as considering individual parcels could create precedent that plays differently in other parts of the county.

In response to an inquiry by **Commissioner Jimenez**, Ms. Palacherla informed that Saratoga had several pockets when it came to LAFCO to seek boundary expansion and that Saratoga came up with a plan to annex some pockets and a request to remove from its USA those it did not intend to annex. In response to his follow-up inquiry, Ms. Palacherla indicated that she would review and provide information on the Saratoga application since it involved multiple actions on different dates. In response to his other inquiry, Ms. Palacherla informed that if LAFCO denies the application, Monte Sereno can request for a reconsideration within 30 days if there are new facts that could not be presented previously.

In response to an inquiry by **Commissioner Jimenez**, Mr. Woodward indicated that they would have to discuss annexation of pockets with the City. He stated that there may be interest but the city council believes that all pocket residents are opposed.

Commissioner Jimenez indicated that while he seconded the motion for denial, he could support a motion for continuance to allow city representatives to be present at the next meeting.

Mr. Petredis stated that if LAFCO enforced its policies unwaveringly they become regulations and statutes. He indicated that policies guide decision-making and LAFCO has the discretion to apply them.

In response to an inquiry by **Commissioner Wasserman**, Ms. Subramanian advised that a 3-3 vote would be a no action. **Commissioner Wasserman** expressed his support for the continuance.

Commissioner Wilson stated that annexation of pockets by jurisdictions would make the delivery of services more efficient. She noted that the map is deceptive since previous speakers have referred to the blue SOI boundary line in arguing that the expansion will make the boundary orderly. She clarified that, in fact, the red USA boundary line that is presently straight and orderly would have a little thumb stick out if this expansion is approved, making the boundary disorderly regardless of whether or not Monte Sereno annexes its pockets. She informed that exceptions to policies create precedents. She expressed agreement with the Chairperson's comment that LAFCO must enforce its policies consistently.

Commissioner Jimenez requested Commissioner Wilson to amend the motion to continue the public hearing so that city representatives could be present at the next meeting and to allow staff to provide more information on the Saratoga application. Acknowledging the likelihood of a 3-3 vote, **Commissioner Wilson** amended the motion to continue the public hearing to June 7, 2017 with a seven-member Commission and requested staff to provide information on the Saratoga application. She clarified that a seven-member commission could include alternates voting in place of the regular members. **Commissioner Jimenez** concurred.

The Commission continued the public hearing to June 7, 2017, and directed staff to provide a report on the Saratoga pocket annexations.

Motion: Wilson

Second: Jimenez

AYES: Hall, Jimenez, Rennie, Varela, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: Yeager

MOTION PASSED

6. PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2018

This being the time and place for the public hearing, **Chairperson Hall** declared the public hearing open.

Ms. Palacherla presented the staff report.

Doug Muirhead, a resident of Morgan Hill, expressed his support for the proposed budget for the development of the communications plan and for staff training. He stated that the communications plan would provide a new approach in promoting public support for LAFCO's positions on certain issues. He stated that the office move derailed the development of the communications plan and described the need for LAFCO to develop such a plan in order to gain public understanding and support in the face of confusion and speculation.

Chairperson Hall determined that there are no speakers from the public, and closed the public hearing.

In response to the inquiries by **Commissioner Wasserman**, Ms. Palacherla informed that the \$100,000 for consultant services are in the proposed FY 2018 budget since the projects

that were planned for FY 2017 could not be implemented. She advised that office expenses in the amount of \$52,000 includes rent. She informed that in FY 2017, rent and office furniture expenses came out of the reserve. She advised that the proposed FY 2018 budget includes \$42,000 to restore the reserve to \$150,000.

Upon the request of **Commissioner Wasserman**, Ms. Palacherla stated that she would work with County staff to determine how the budget will show rent without deviating from the County budget format. She indicated that the \$28,437 in overhead cost was determined by the County's cost allocation plan. She informed that the overhead charges vary from year to year.

The Commission:

1. Adopted the Proposed Budget for Fiscal Year 2017-2018.
2. Found that the Proposed Budget for Fiscal Year 2018 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorized staff to transmit the Proposed Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice on the adoption of the Fiscal Year 2018 Final Budget to the cities, the special districts, the County, the Cities Association and the Special Districts Association.

Motion: Jimenez

Second: Wasserman

AYES: Hall, Jimenez, Rennie, Varela, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: Yeager

MOTION PASSED

The Commission has determined on consensus, there being no objection, to take Agenda Item No. 8 out of order in order to ensure Commission quorum.

8. OUT OF ORDER: LEGISLATIVE REPORT*

Dunia Noel, LAFCO analyst, presented the staff report.

The Commission accepted the report, took a support position on AB 1725 and AB 464, and authorized staff to send letters of support.

Motion: Wilson

Second: Rennie

AYES: Hall, Jimenez, Rennie, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: Yeager, Varela

MOTION PASSED

7. EXECUTIVE OFFICER'S REPORT

7.1 RELOCATION AND SET-UP OF LAFCO OFFICE

The Commission noted the report.

7.2 MEETING WITH COUNTY COUNSEL ON POTENTIAL DISSOLUTION OF RECLAMATION DISTRICT NO. 1663 AND SANTA CLARA COUNTY LIBRARY SERVICE AREA SITES AND FACILITIES

The Commission noted the report.

7.3 UPDATE ON REQUEST TO ANNEX 3343 ALPINE ROAD TO WEST BAY SANITARY DISTRICT

The Commission noted the report.

7.4 REQUEST FROM 12475 LLAGAS AVENUE TO RECEIVE WATER SERVICE FROM SAN MARTIN COUNTY WATER DISTRICT

The Commission noted the report.

7.5 MEETINGS WITH OTHER APPLICANTS ON POTENTIAL LAFCO APPLICATIONS

The Commission noted the report.

7.6 UPDATE ON PUBLIC AGENCY PURCHASES OF LANDS WITHIN THE SOUTHEAST QUADRANT

In response to an inquiry by **Commissioner Jimenez**, Ms. Noel informed that staff has received an increased number of inquiries from realtors and developers about plans in Morgan Hill's Southeast Quadrant in view of recent acquisitions in the area and a school site being considered by the Morgan Hill Unified School District (MHUSD). She expressed concern that there is a continuing confusion and speculation while the County and the Santa Clara Valley Open Space Authority are working on a strategy to protect agricultural lands in the area. In response to his follow-up inquiry, Ms. Noel informed that staff provides information to the public when inquiries are received and, in the case of school site, LAFCO sent a letter to MHUSD expressing concern.

Commissioner Rennie informed that the Morgan Hill has bought properties adjacent to its sports field, and its General Plan includes more sports fields near the high school that would wipe out a big piece of land. On his inquiry on what stops the city from building sports fields in the County, Ms. Noel informed that the County does not provide sewer, water and other urban services in the unincorporated area.

Commissioner Wilson referenced a newspaper article that Ms. Palacherla wrote on LAFCO's role and suggested that similar outreach be conducted for Morgan Hill. She suggested that the article explain how development plans for the area are premature while work on ag preservation is in progress.

7.7 MEETING WITH REPRESENTATIVES OF THE SAN MARTIN NEIGHBORHOOD ALLIANCE

The Commission noted the report.

7.8 MEETING WITH REPRESENTATIVES OF THE SAN MARTIN NEIGHBORHOOD ALLIANCE

The Commission noted the report.

7.9 SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION MEETING

The Commission noted the report.

7.10 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS MEETING

The Commission noted the report.

7.11 INTER-JURISDICTIONAL GIS WORKING GROUP MEETING

The Commission noted the report.

***8. TAKEN OUT OF ORDER: LEGISLATIVE REPORT**

9. PENDING APPLICATIONS / UPCOMING PROJECTS

There was none.

10. COMMISSIONER REPORTS

Chairperson Hall informed that he attended a Santa Clara University symposium on urban fringe agriculture where he learned that there are new modes of agriculture that could generate revenues of up to \$100,000 per acre per year. He expressed interest in such potential for economic development and informed that the person who pioneered the system is training a Coyote Valley farmer.

11. NEWSPAPER ARTICLES / NEWSLETTERS

12. WRITTEN CORRESPONDENCE

There was none.

13. ADJOURN

The Commission adjourned at 11:58 AM to the regular LAFCO meeting on June 7, 2017 at 1:15 PM in the Board Meeting Chambers, 70 West Hedding Street, San Jose.

Approved on _____.

Sequoia Hall, Chairperson
Local Agency Formation Commission of Santa Clara County

By: _____
Emmanuel Abello, LAFCO Clerk

**06/07/17 LAFCO Meeting
AGENDA ITEM # 5**

SUPPLEMENTAL INFORMATION (JUNE 5, 2017)

1. Letter from Julie Hutcheson, Committee for Green Foothills, dated May 22, 2017
2. Email from Perry J. Woodward, Counsel to the Property Owners, dated June 5, 2017

06/07/17 LAFCO Meeting
AGENDA ITEM # 5
Supplemental Info. # 1

From: Julie Hutcheson [<mailto:julie@greenfoothills.org>]
Sent: Monday, May 22, 2017 8:38 PM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: CGF Comment Ltr re: Monte Sereno USA and SOI Request

Dear Ms. Palacherla,

On behalf of Committee for Green Foothills, I respectfully submit the attached comment letter on the Monte Sereno USA and SOI Amendment Request. I understand that this application is expected to be heard at the June 7, 2017 LAFCO meeting. Unfortunately, I will be unable to attend due to a prior commitment.

Please distribute the letter as necessary.

Thank you,
Julie

Julie Hutcheson
Legislative Advocate, [Committee for Green Foothills](#)
(650) 968-7243 x339
[Facebook](#) ● [Twitter](#) ● *Join us in honoring Joan Baez at Coyote Ranch at our annual [Nature's Inspiration](#) event, Sept.24/17.*

***Our Mission** is to protect the open spaces, farmlands, and natural resources of San Mateo and Santa Clara counties through advocacy, education, and grassroots action.*



**COMMITTEE FOR
GREEN FOOTHILLS**

Monday, May 22, 2017

Chairperson Sequoia Hall and Commissioners
LAFCO of Santa Clara County
777 North First Street, Suite 410
San Jose, CA 95110

RE: MONTE SERENO URBAN SERVICE AREA AND SPHERE OF INFLUENCE AMENDMENT 2016 (LUCKY ROAD) (Continued from 10/5/16, 12/7/16 and 2/1/17 meetings.)

Dear Chairperson Hall and Commissioners,

Committee for Green Foothills (CGF) would like to express our concerns with the above noted USA Amendment request. We must concur with the LAFCO Staff Report recommendation to deny the request and other options for the Commission's consideration outlined in the report.

The Staff Report points out that the proposal:

- conflicts with the agreement among the West Valley Cities and the County to minimize urban development encroaching into the hillsides
- is not needed to address an existing health or safety issue as the existing residential development on the parcels is served by a new septic system
- is inconsistent with LAFCO's island annexation policies given the City wishes to expand its USA without first annexing its unincorporated islands which are eligible for the streamlined annexation process
- could lead to further growth in a hillside area with steep slopes, narrow roads, limited access, and designated a Very High Fire Hazard Severity Zone
- has the alarming potential to set a precedent for similar requests from owners of adjacent lands and no way limits the number/breadth of such requests in the future.

The latter two points are the most disconcerting to CGF. Our organization was founded on the protection of hillsides from unnecessary urban development. Hillsides are sensitive natural areas that support and enhance the rural character in our heavily urbanized valley and require wise management of the natural resources they offer. Development in these areas should be rural in character in keeping with County General Plan policies related to West Valley Hillsides Preservation Area (see R-LU 197 through R-LU 203).

**COMMITTEE FOR
GREEN FOOTHILLS**

3921 E. Bayshore Road
Palo Alto, CA 94303

650.968.7243 PHONE
650.962.8234 FAX

info@GreenFoothills.org
www.GreenFoothills.org

Approval of this USA Amendment (coupled with the lack of a growth boundary delineating the limit of long-term future growth) could instigate further similar actions as adjacent or nearby parcels seek the same consideration. If so, the likelihood of growth inducing proposals is strong and likely not confined only to the City of Monte Sereno, but by other West Valley Cities as well. This could set in motion an unraveling of key policies adopted to protect these hillsides from unsuitable urban development and cause damaging urban sprawl in these sensitive areas.

Therefore, we respectfully request the Commission to support Staff's recommendation to deny this USA and SOI Amendment request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie Hutcheson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Julie Hutcheson
Legislative Advocate

06/07/17 LAFCO Meeting
AGENDA ITEM # 5
Supplemental Info. # 2

From : Perry J. Woodward [<mailto:pwoodward@hopkinscarley.com>]
Sent: Monday, June 05, 2017 9:56 AM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: City of the San Jose's USA amendment and LAFCO's 2014 approval

Dear Ms. Palacherla:

Would you please forward this information concerning the City of the San Jose's USA amendment and LAFCO's 2014 approval to the full board for its consideration in advance of Wednesday's meeting? Thank you.

Sincerely,
Perry

Perry J. Woodward
Of Counsel

hopkins carley

Hopkins & Carley | A Law Corporation
San Jose | Palo Alto
70 South First Street | San Jose, CA 95113
Direct: 408.299.1359 | Mobile: 408.891.9204
Main: 408.286.9800 | Fax: 408.998.4790
pwoodward@hopkinscarley.com
hopkinscarley.com

Any tax advice contained in this correspondence (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under federal, state or local tax law or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. This email and any attachments thereto may contain private, confidential, and privileged material for the sole use of the intended recipient. Any review, copying, or distribution of this email (or any attachments thereto) by others is strictly prohibited.

If you are not the intended recipient, please contact the sender immediately and permanently delete the original and any copies of this email and any attachments thereto. For more information about Hopkins & Carley, visit us at <http://www.hopkinscarley.com/>.

City of San Jose - PBCE – Planning Division - Imaging Index Cover Sheet

Address/Location: east side of Quimby Road, approximately 440 feet east of Murillo Road (3770 QUIMBY RD)

Permit/Project No.: EVERGREEN 202 Issuance Date: 10/07/14

Prepped By: PKELLY Closed By: CSHATTUC RSN: 1493837

Category	Document Type	Sub Document Type
<input type="checkbox"/> (EF) Environmental Files (203)	<input type="checkbox"/> (PP) Public Project Files (203-03)	<input type="checkbox"/> (EN) EIR <input type="checkbox"/> (DA) Approved Document <input type="checkbox"/> (EM) Maps <input type="checkbox"/> (AE) Application <input type="checkbox"/> (AG) Agency Correspondence <input type="checkbox"/> (EG) General Correspondence <input type="checkbox"/> (TR) Technical Reports <input type="checkbox"/> (RE) Archaeological Reports <input type="checkbox"/> (EP) Plans
<input type="checkbox"/> (GP) General Plan (204)	<input type="checkbox"/> (GA) General Plan Amendments (204-02)	<input type="checkbox"/> (AM) Amendment <input type="checkbox"/> (AA) Application <input type="checkbox"/> (CG) Correspondence
	<input type="checkbox"/> (GE) Environmental Review (for 204 series GP Amendments)	<input type="checkbox"/> (GD) Approved Document <input type="checkbox"/> (GI) EIR <input type="checkbox"/> (GS) Supporting Documents <input type="checkbox"/> (GT) Technical Reports <input type="checkbox"/> (GR) Archaeological
<input checked="" type="checkbox"/> (DR) Development Review (207)	<input checked="" type="checkbox"/> (PR) Projects (207-02, 207-03, etc.)	<input type="checkbox"/> (ZN) Zoning <input checked="" type="checkbox"/> (PE) Permit <input type="checkbox"/> (MP) Maps <input type="checkbox"/> (AP) Application <input type="checkbox"/> (AC) Agency Correspondence <input type="checkbox"/> (GC) General Correspondence <input type="checkbox"/> (PL) Plans <input type="checkbox"/> ST Approved Storm-Water Ctrl Plans
	<input type="checkbox"/> (ER) Environmental Review (for 207 series Project Files)	<input type="checkbox"/> (EA) Approved Document <input type="checkbox"/> (EI) EIR <input type="checkbox"/> (ES) Supporting Documents <input type="checkbox"/> (ET) Technical Reports <input type="checkbox"/> (AR) Archaeological
	<input type="checkbox"/> (AD) Adjustments (207-12)	<input type="checkbox"/> (DO) Documents <input type="checkbox"/> (PA) Plans <input type="checkbox"/> SW Approved Storm-Water Ctrl Plan <input type="checkbox"/> PK Parking Analysis
	<input type="checkbox"/> (PI) Public Info Letters (207-29)	<input type="checkbox"/> (LE) Letter <input type="checkbox"/> (LS) Supporting Docs



CONFIRMED COPY This document has not been compared with the original.
SANTA CLARA COUNTY CLERK-RECORDER

Doc#: 23076639
9/09/2015 3:38 PM

CERTIFICATE OF COMPLETION

I, Neelima Palacherla, Executive Officer of the Santa Clara Local Agency Formation Commission, issue this Certificate of Completion pursuant to Government Code Sections 57200 and 57201.

The name of the City is: **San Jose.**

The entire City is located in Santa Clara County.

The title of this proceeding is: **San Jose Urban Service Area Amendment 2014 and Evergreen No. 202 Reorganization.**

The proceeding completed includes:

1. An Urban Service Area Amendment which expands the USA of the City of San Jose as depicted in Exhibits A and B; and
2. **Evergreen No. 202 Reorganization** which is an annexation to the City of San Jose and detachment from **Santa Clara County Library Service Area** and **Santa Clara County Fire Protection District** as depicted in Exhibits C and D.

The date of adoption of **LAFCO Resolution No. 2014-03**, approving urban service area amendment and **Evergreen No. 202 Reorganization** is **April 2, 2014**.

The City has complied with all the conditions imposed by the Commission for inclusion of the territory in the City's Urban Service Area. The City has complied with the condition of approval for **Evergreen No. 202 Reorganization** as of **August 28, 2015**.

I declare under the penalty of perjury in the State of California that the foregoing is true and correct.

9/9/15
Date

Neelima Palacherla
Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

Attachment: LAFCO Resolution with Exhibits A, B, C and D

RESOLUTION NO. 2014-03

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF SANTA CLARA COUNTY APPROVING, WITH CONDITIONS, SAN JOSE URBAN
SERVICE AREA AMENDMENT 2014 AND EVERGREEN NO. 202 REORGANIZATION**

WHEREAS, a request by the City of San Jose to amend the City's Urban Service Area (USA) boundary in order to include approximately 1.27 acres of lands comprising a portion of APN 659-25-002 and a portion of APN 659-25-001, located at 3678 /3770 Quimby Road, was hereto filed with the Local Agency Formation Commission of Santa Clara County (LAFCO), as shown on Attachment 1; and

WHEREAS, the request also includes the proposed reorganization (Evergreen No. 202), consisting of the annexation of two parcels of land (APN 659-25-002 and 659-25-001) located at 3678 /3770 Quimby Road to the City of San Jose and concurrent detachment from the Santa Clara County Fire Protection District and the County Library Service Area as shown on Attachment 2; and

WHEREAS, the City of San Jose adopted Resolution No. 76902 seeking LAFCO's approval of the amendment of the City's USA and Resolution No. 76941 seeking LAFCO's approval of the proposed reorganization (Evergreen No. 202); and

WHEREAS, the Executive Officer has reviewed the proposal and prepared a report, including her recommendations, the proposal and report having been presented to and considered by LAFCO; and

WHEREAS, LAFCO as a Responsible Agency has complied with the California Environmental Quality Act (CEQA) incident to its consideration of this request, as described below; and

NOW, THEREFORE, the LAFCO of Santa Clara County, does hereby resolve, determine and order as follows:

SECTION 1:

1. As a Responsible Agency under CEQA, LAFCO finds that the Initial Study and Mitigated Negative Declaration approved by the City of San Jose on January 24, 2014 were completed in compliance with CEQA and are an adequate discussion of the environmental impacts of the project.
2. Prior to making a decision on this project, LAFCO reviewed and considered the environmental effects of the project as outlined in the Initial Study and Mitigated Negative Declaration.
3. A mitigation monitoring program was approved by the City of San Jose as Lead Agency and the monitoring program ensures compliance with the mitigation measures identified in the Mitigated Negative Declaration that would mitigate or avoid significant impacts associated with the Urban Service Area Amendment and Reorganization, over which LAFCO has responsibility.

RESOLUTION NO. 2014-03

SECTION 2:

1. LAFCO hereby approves the expansion of the Urban Service Area boundary of the City of San Jose to include approximately 1.27 acres of lands comprising a portion of APN 659-25-002 and a portion of APN 659-25-001, as described and depicted in Attachment 1.
2. LAFCO hereby approves the proposed reorganization (Evergreen No. 202), consisting of the annexation of the two parcels of land (APNs 659-25-002 and 659-25-001) located at 3678/3770 Quimby Road to the City of San Jose and concurrent detachment from Santa Clara County Fire Protection District and County Library Service Area, as described and depicted in Attachment 2, conditioned on:
 - a. The dedication to the City of San Jose and recordation with the County Recorders' Office of a conservation easement to maintain property above the 15% slope line as permanent non-buildable open space.

SECTION 3:

1. LAFCO hereby waives protest proceedings pursuant to Government Code Section 56662(a).

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Clara County, State of California, on April 2, 2014, by the following vote:


AYES: CHAVEZ, KHAMIS, ABE-KOGA, WASSERMAN, VICKLUND WILSON

NOES: KISHIMOTO

ABSENT: HALL

ABSTAIN: None


CERTIFICATION


Susan Vicklund Wilson, Chairperson
LAFCO of Santa Clara County

ATTEST:


Emmanuel Abello, LAFCO Clerk

APPROVED AS TO FORM:


Malathy Subramanian, LAFCO Counsel

Attachments to Resolution No. 2014-03:

1. Legal Description (Exhibit A) and Map (Exhibit B) of San Jose Urban Service Area Amendment 2014
2. Legal Description (Exhibit C) and Map (Exhibit D) of Evergreen No. 202 Reorganization

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Beginning at the northeasterly corner of that certain 34.975 acre tract of land lying within the Rancho Yerba Buena, shown as Parcel 2 on the Parcel Map recorded at Book 681 of Maps, Page 38, Santa Clara County Records; Thence along the northerly line of said Parcel 2, said line also being the southeasterly line of Lot One, as said Lot is shown on a Map entitled, "Map of the Subdivision of Lot "L" forming a part of the partition of the Yerba Buena Rancho", which Map was filed for record in the office of the Recorder of the County of Santa Clara, in Book "A" of Maps, page 90, South 57° 59' 37" West, 530.71 feet, to the Southeasterly corner of that certain 2.84 acre (more or less) Parcel transferred into the Tammy Huang and Euson Huang Trusts by Grant Deed recorded May 22, 2008 as Document No. 19862843, Official Records, Santa Clara County;

Thence continuing along said line, South 57° 59' 37" West, 215.08 feet; Thence across said Huang Parcel, generally following the "15% Slope Line" the following three courses: 1) North 15° 50' 13" East, 33.84 feet; 2) North 25° 40' 39" West, 68.23 feet; 3) North 31° 59' 01" West, 74.63 feet, to the northerly line of said Huang Parcel;

Thence along said northerly line, South 80° 54' 37" West, 280.39 feet to the centerline of Quimby Road, and the Point of Termination of this description.

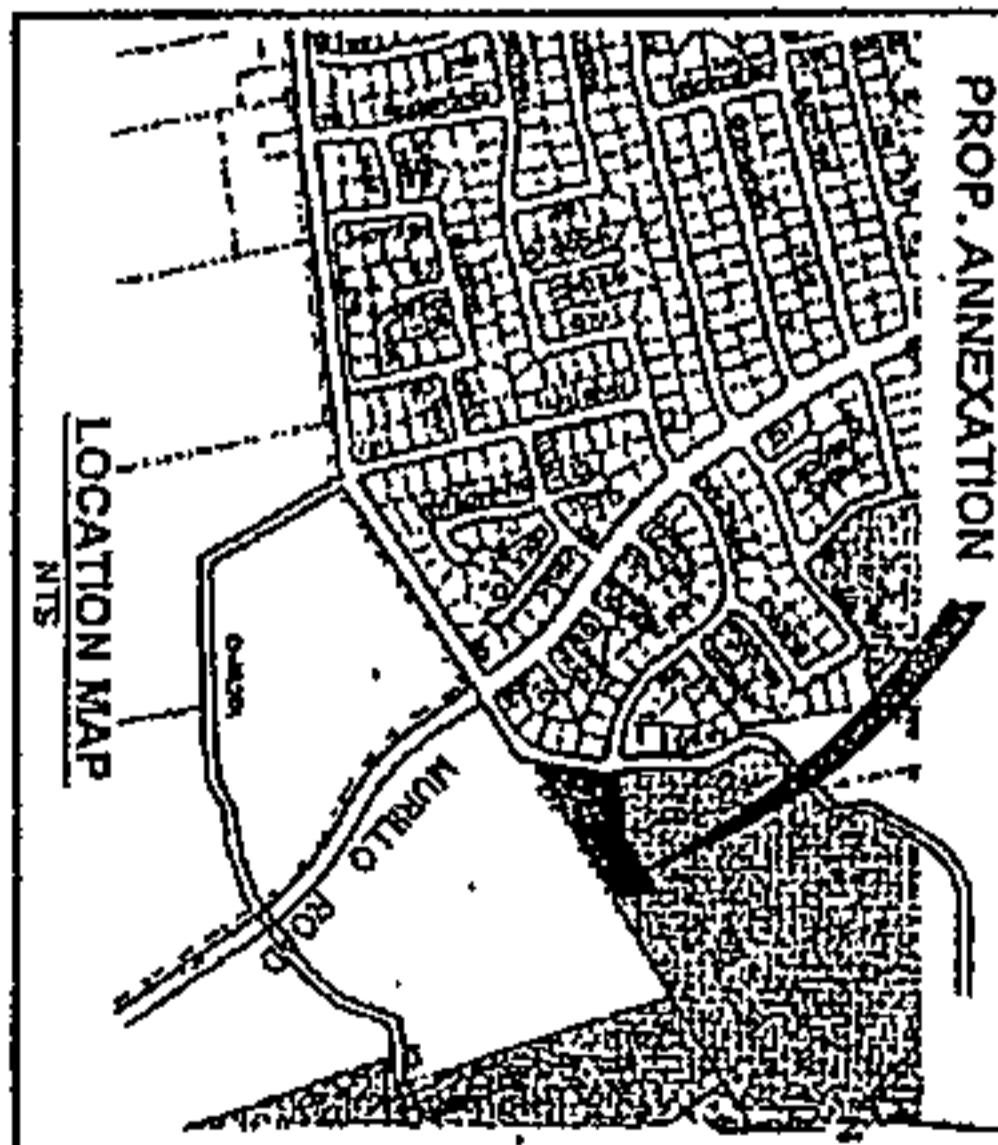
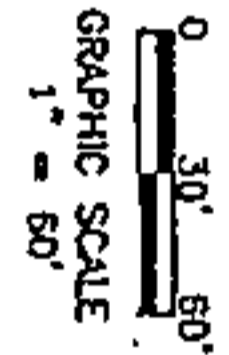
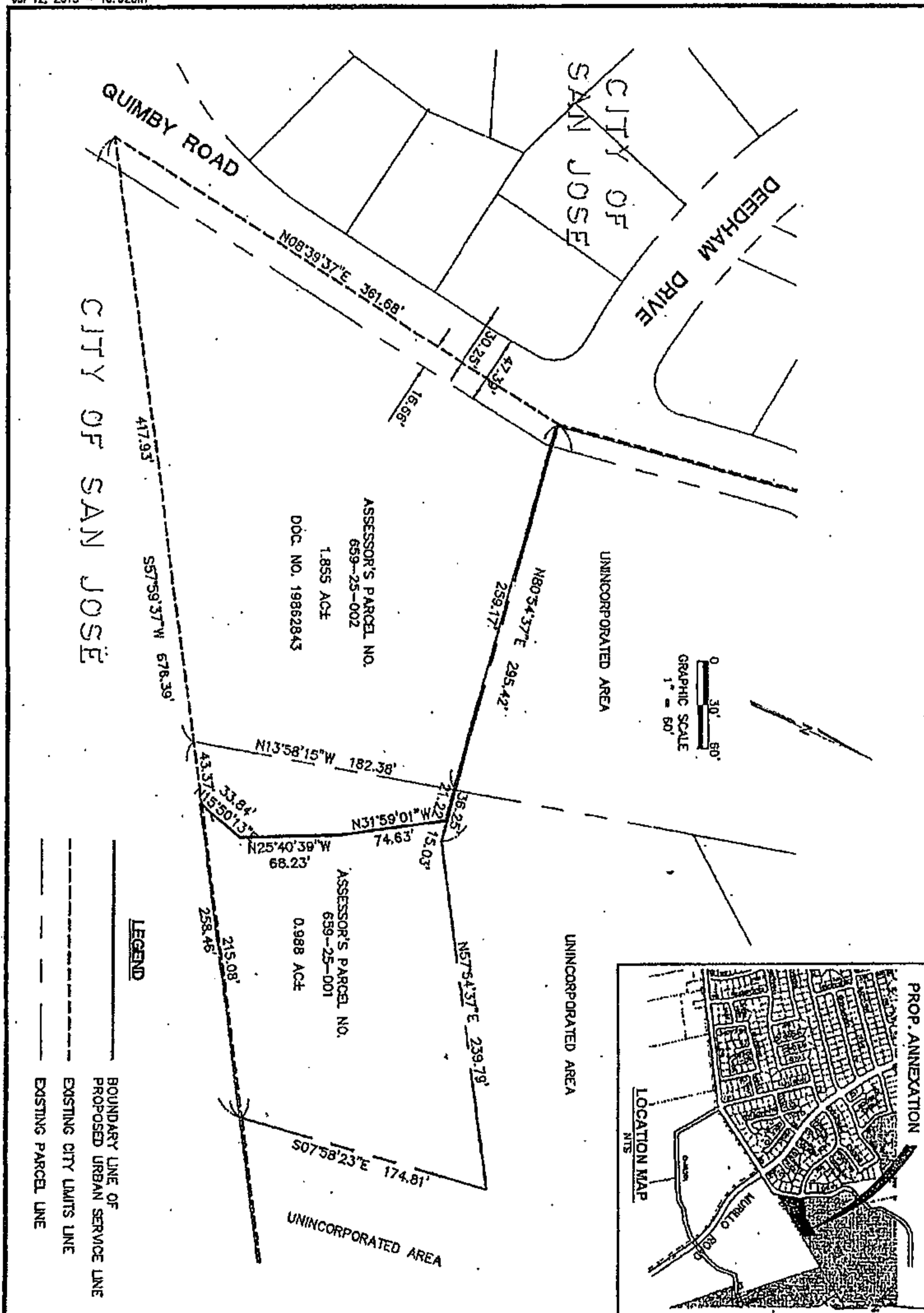
And being within Lot "B2" as said Lot is shown on the Map accompanying the Report of the Referees in the Partition suit of Matilda Chaboya, et al vs. Salvador Chaboya, et al in the District Court of the Third Judicial District of the State of California, in and for the County of Santa Clara, SUI 2412, and within Lot One of the aforementioned Subdivision of Lot "L", Surveyed July, 1942 by Raymond W. Fisher, Surveyor and Civil Engineer, San Jose, California.

APN: 659-25-001, 659-25-002

Prepared by:
Ruth and Going Inc.
2216 The Alameda
Santa Clara, CA 95050
(408) 236-2400
R+G Job # 04-053A

EXHIBIT B

Drawing 18e: Q:\Civ\04053A\0mg\ExhibitA\ LAFCO EXHIBIT.dwg
Jul 12, 2013 - 10:32am



LEGEND

	BOUNDARY LINE OF PROPOSED URBAN SERVICE LINE
	EXISTING CITY LIMITS LINE
	EXISTING PARCEL LINE

<p>EXHIBIT B PROPOSED REVISION TO THE CITY OF SAN JOSE URBAN SERVICE BOUNDARY SAN JOSE CALIFORNIA</p>	<p>DRAWN: JM CHKD: GDY DEPT:</p>	<p>RUTH AND GOING, INC. Civil Engineering Land Surveying 2218 DIE BLANCA SANTA CLARA CA 95050 (408) 236-2400</p>	<p>SCALE: 1"=60' DATE: 07-12-13 JOB #: 04053A</p>
--	--	---	---

EXHIBIT C

EVERGREEN NO 202 ANNEXATION TO THE CITY OF SAN JOSE

GEOGRAPHIC DESCRIPTION

All that certain real property, situate in Rancho Yerba Buena, in the County of Santa Clara, State of California, described as follows:

Beginning at a point in the Easterly right of way line of Quimby Road (originally 40 feet wide), said point also being the intersection of the easterly line of Annexation Evergreen No. 133 and the northerly line of Annexation Evergreen No. 180, dated February 27, 1980 and June 27, 1995 respectively, said point also lying on the Southeasterly line of Lot One, as said Lot is shown on a Map entitled, "Map of the Subdivision of Lot "L" forming a part of the partition of the Yerba Buena Rancho", which Map was filed for record in the office of the Recorder of the County of Santa Clara, State of California, in Book "A" of Maps, page 90,

Thence, (1) along said easterly line of Quimby Road and said easterly line of Annexation Evergreen No. 133, North 08° 39' 37" East 347.52 feet;

Thence, (2) continuing along said easterly line of Quimby Road and said easterly line of Annexation Evergreen No. 133, North 08° 32' 23" West 3.22 feet, more or less, to a point on the northerly line of that certain parcel of land described in that Grant Deed recorded May 22, 2008 as Document 19862843, Santa Clara County Records;

Thence, (3) leaving said easterly line of Quimby Road and said easterly line of Annexation Evergreen No. 133, along said northerly line North 80° 54' 37" East 275.42 to an angle point;

Thence, (4) continuing along said northerly line North 57° 54' 37" East 239.79 feet to the northeast corner of said parcel;

Thence, (5) along the easterly line of said parcel South 7° 58' 23" East 174.81 feet, more or less, to said northerly line of Annexation Evergreen No. 180;

Thence, (6) southwesterly along said northerly line of Annexation Evergreen No. 180 South 57° 59' 37" West 650.02 feet, more or less, to said easterly line of Annexation Evergreen 133 and the Point of Beginning.

Comprising 2.68 acres, more or less.

For assessment purposes only. This description of land is not a legal property description as defined by the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

Prepared by: Ruth and Going Inc.
2216 The Alameda, Santa Clara, CA 95050
(408) 236-2400
R+G Job # 04-053A
Date: February 2, 2012; Rev. March 10, 2014

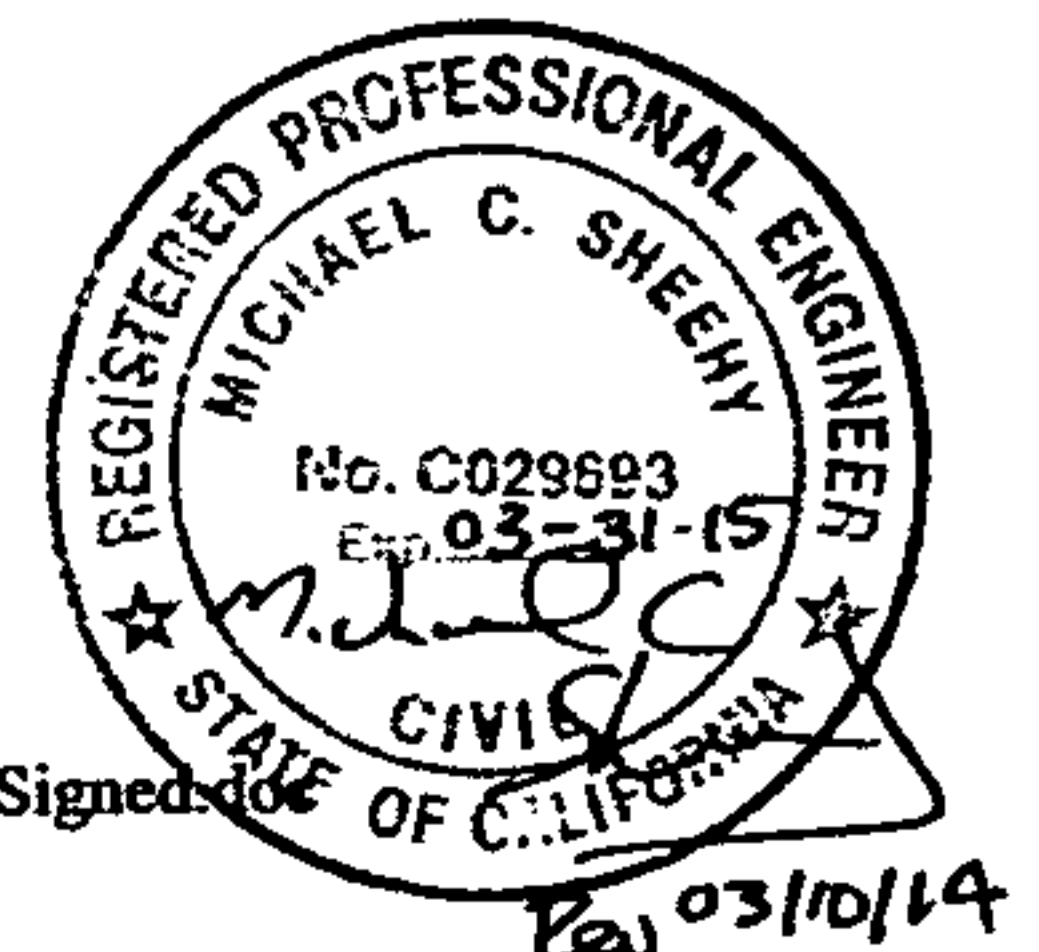
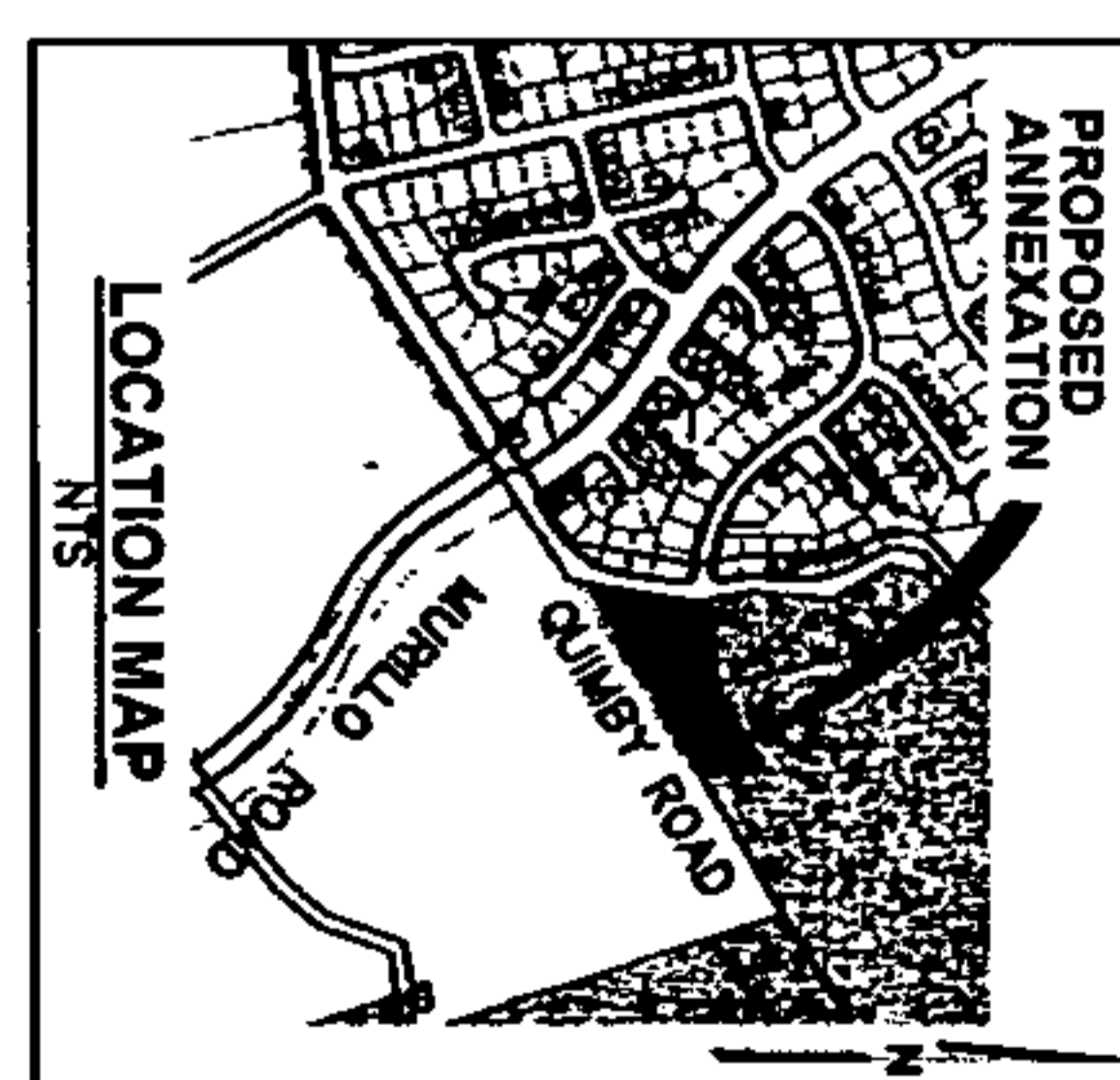
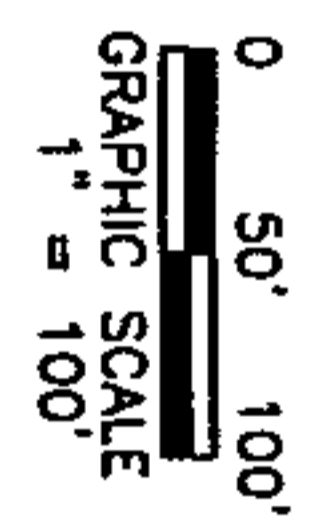
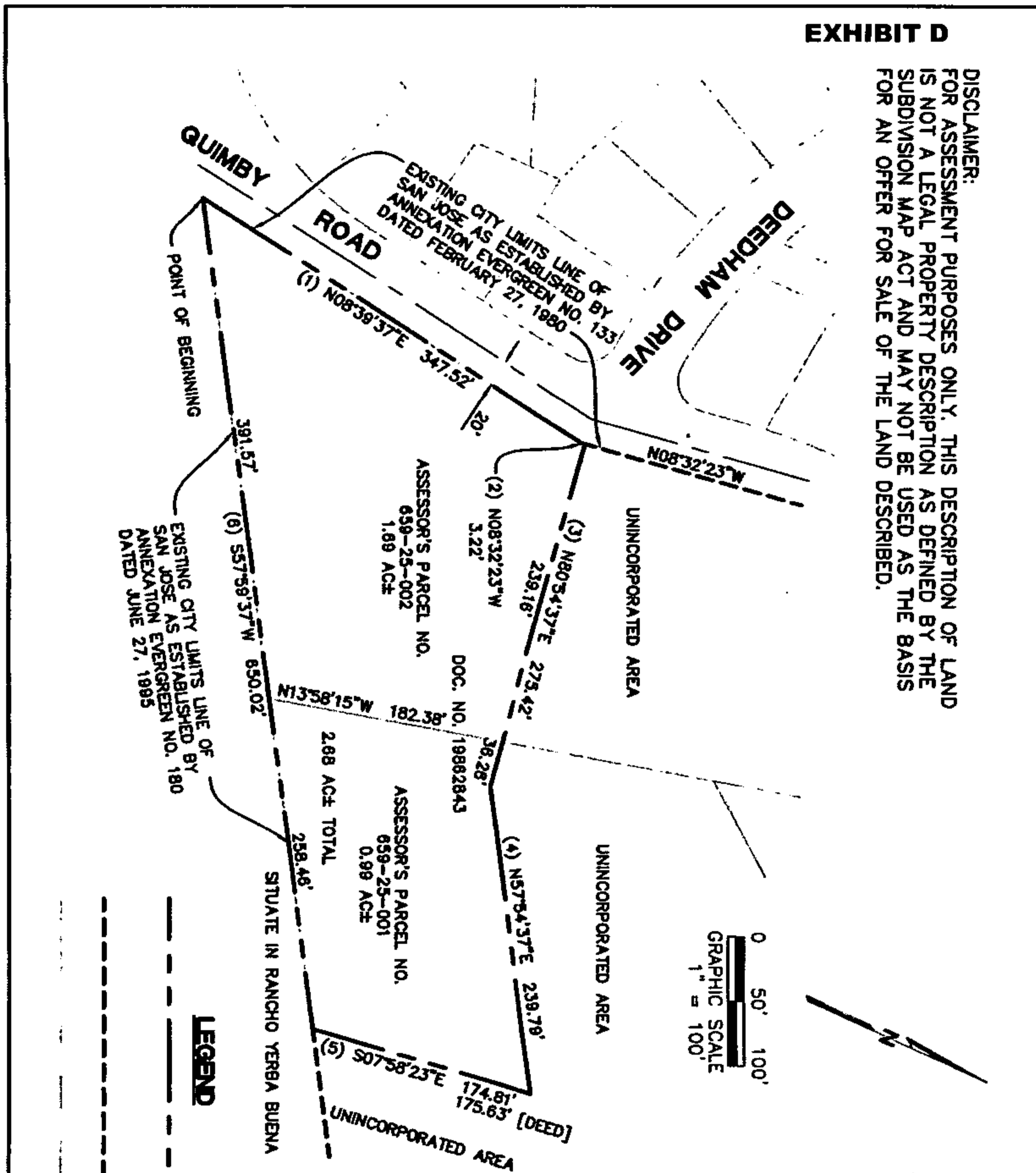
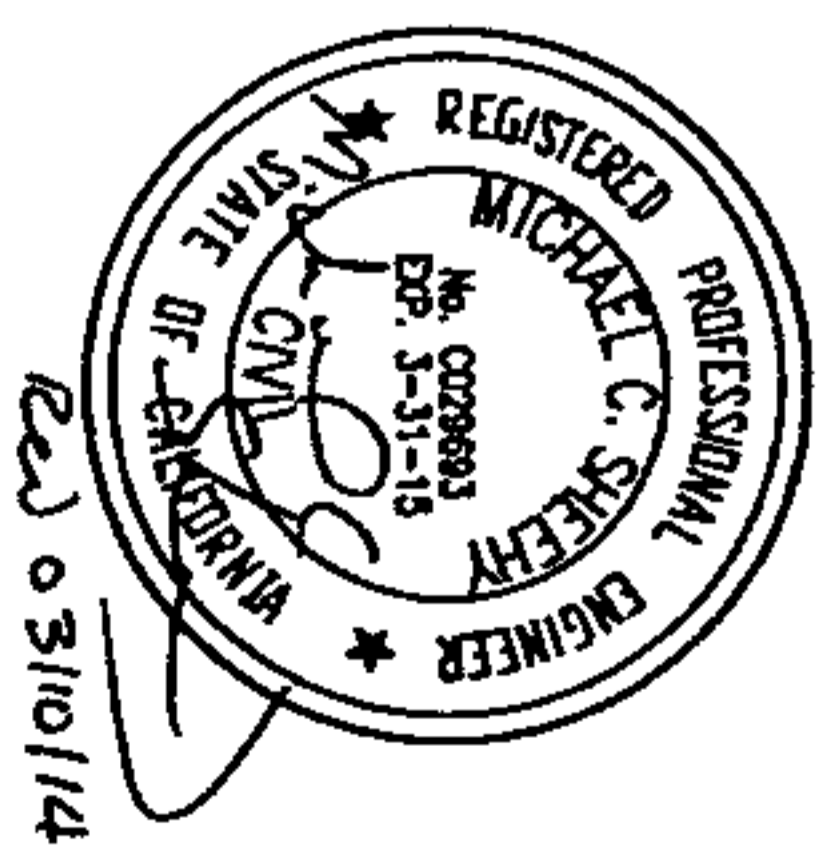


EXHIBIT D

DISCLAIMER:
FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED BY THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.



- LEGEND**
- BOUNDARY LINE OF PROPOSED ANNEXATION
 - - - EXISTING CITY LIMITS LINE
 - EXISTING PARCEL LINE



R+G RUTH AND GOING, INC.
Civil Engineering Land Surveying
2716 THE ALAMEDA SANTA CLARA, CA. 95050
(408) 236-2400

PROPOSED ANNEXATION TO THE CITY OF SAN JOSE ENTITLED EVERGREEN NO. 202

EXHIBIT B
City of San Jose CALIFORNIA

03-10-14	04063A	Drawn: JM
Dept.:	Scale: 1" = 100'	Chkd.: MCS

RESOLUTION NO. 76941

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE TO INITIATE REORGANIZATION PROCEEDINGS WITH THE LOCAL AGENCY FORMATION COMMISSION FOR THE ANNEXATION AND DETACHMENT OF CERTAIN UNINHABITED TERRITORY DESIGNATED AS EVERGREEN 202, DESCRIBED MORE PARTICULARLY HEREIN

WHEREAS, the City Council of San José desires to initiate proceedings with the Local Agency Formation Commission ("LAFCO"), pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, as the same may be amended from time to time, to annex to the City of San Jose and detach from certain special districts or service areas that certain uninhabited territory designated as Evergreen 202, consisting of 2.84 gross acres generally located on the east side of Quimby Road approximately 440 feet east of Murillo Road (APN 659-25-001 and -002), which territory is currently within unincorporated Santa Clara County; and

WHEREAS, such territory is known by the short form designation of "**Evergreen 202,**" and a description of the boundaries of this territory is set forth in Exhibit "A" attached hereto and incorporated herein by this reference, which description is subject to correction or revision as required; and

WHEREAS, the following special districts or service areas would be affected by the proposed detachment: Santa Clara County Central Fire Protection District and County Library Service Area No. 01; and

WHEREAS, in 2011, staff from LAFCO and the City of San José Department of Planning, Building and Code Enforcement conducted a series of meetings to compare the City's Urban Service Area boundary with accurate parcel-based 15% slope line data derived from an independent analysis utilizing Light Detection and Ranging (LIDAR) technology; and

WHEREAS, on February 14, 2010, the City Council approved a Planned Development Pre-Zoning (File number PDC10-002) to pre-zone the subject 2.84 gross

acre site from unincorporated County to the A(PD) Planned Development Zoning District to allow the development of up to seven single-family detached residences; and

WHEREAS, the Planned Development Pre-Zoning located the seven single-family residences below the correct 15% slope line (i.e. UGB) consistent with the data derived from the LIDAR technology; and

WHEREAS, the Planned Development Pre-zoning identified the area above the 15% slope line to be maintained as an non-buildable open space; and

WHEREAS, the Urban Service Area (USA) boundary was incorrectly mapped on the subject 2.84 gross acre property, and is not coterminous with the actual 15% slope line; and

WHEREAS, the City of San José, by its action on January 14, 2014 duly recognized the need to correct a cartographical error regarding the placement of the 15% slope line on the subject 2.84 gross acre property designated as Evergreen No. 202; and

WHEREAS, the Council of the City of San José has the conducting authority to initiate proceedings with the Local Area Formation Commission (LAFCO) to correctly map the 15% slope line (i.e. Urban Growth Boundary (UGB)) and adjust the Urban Service Area boundary to align with the corrected 15% slope line (UGB); and

WHEREAS, the Council of the City of San José has the conducting authority to initiate proceedings with the Local Area Formation Commission (LAFCO) to annex/re-organize; and

WHEREAS, the City of San José is the Lead Agency for environmental review for the reorganization known as "Evergreen 202" under the California Environmental Quality Act of 1970, as amended ("CEQA"); and

WHEREAS, the environmental impacts of this project were addressed by a Mitigated Negative Declaration (MND) that was prepared by the Director of Planning, Building, and Code Enforcement for both the approved General Plan Amendment (File No. GP10-01-01) and the Planned Development Prezoning (File No. PDC10-007) for the subject territory, these environmental documents were circulated for public review between October 14, 2010 and November 3, 2010, and the City Council approved the IS/MND on December 7, 2010; and

WHEREAS, as provided in Government Code Section 56757, the Local Area Formation Commission (LAFCO) shall be the conducting authority for a reorganization, and the City Council by this resolution is initiating the reorganization described in this Resolution; and

WHEREAS, it is anticipated that the proposed reorganization will be recommended to be subject to the following terms and conditions: none; and

WHEREAS, the reason for the proposed reorganization is as follows: to certain annex territory and detach that territory from certain special districts, all as described herein, in order to better ensure a duplication of services does not occur in the subject territory and to facilitate possible residential development.

WHEREAS, this City Council of the City of San José has considered said use of the previously adopted Mitigated Negative Declaration prior to taking any actions on this project; and

WHEREAS, based upon the record of these proceedings, the following facts pertain to the subject 2.84 gross acre property:

1. The City shall comply with all conditions imposed by LAFCO for inclusion of the territory in the City's Urban Service Area.
2. The pre-zoning on the subject territory is A(PD) Planned Development Zoning designation inasmuch as the City Council on February 14, 2012 enacted an ordinance so pre-zoning the subject territory; and
3. The evidence pertaining pertaining to the proposed annexation was presented to the City Council at the City Council's public hearings on this matter;

NOW THEREFORE BE IT RESOLVED this City Council of the City of San Jose hereby requests that LAFCO take action on this annexation request and authorizes the Director of Planning to submit an application and any other materials required by LAFCO for purposes of this annexation.

ADOPTED this 18th day of March, 2014 by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA, KHAMIS,
LICCARDO, NGUYEN, OLIVERIO, ROCHA; REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.



CHUCK REED
Mayor

ATTEST:



TONI J. TABER, CMC
City Clerk

**The foregoing instrument is
a correct copy of the original
on file in this office.**

Attest:

**TONI J. TABER
City Clerk**

**City Clerk of the City of San Jose
County of Santa Clara, State of California**

By  Deputy

76941

Title No. 10-51048117-AL
Locate No. CAFNT0943-0941-0004-0051048117

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Beginning at a point in the center line of Quimby Road, said point also in the Southeasterly line of Lot One, as said Lot is shown on a Map entitled, "Map of the Subdivision of Lot "L" forming a part of the partition of the Yerba Buena Rancho", which Map was filed for record in the office of the Recorder of the County of Santa Clara, State of California, in Book "A" of Maps, page 90, from which point a stake marked "PMB No. 1", set at the most Easterly corner of said Lot 1, said stake being also the most Southerly corner of Lot 82, as shown on the Map accompanying the Report of the referees in the Partition suit of Matilda Chaboya, et al vs. Salvador Chaboya, et al in the District Court of the Third Judicial District of the State of California, in and for the County of Santa Clara, SUI 2412, bears North 58° East 425.04 feet and running thence along the center line of Quimby Road, North 10° 51' East 286.82 feet and North 3° 03' East 79 feet; thence leaving the center line of Quimby Road and running North 80° 55' East 295.35 feet to an iron pipe; thence North 57° 55' East 239.80 feet to an iron pipe; thence South 7° 58' East 175.63 feet to an iron pipe set in the Southeasterly line of said Lot "B2"; and running thence along the Southeasterly line of said Lot B2, South 58° 00' West 680.99 feet to the point of beginning and being a portion of Lot "B2", of the aforementioned Chaboya Partition, and a portion of Lot One of the aforementioned Subdivision of Lot "L", Surveyed July, 1942 by Raymond W. Fisher, Surveyor and Civil Engineer, San Jose, California.

APN: 659-25-001, 659-25-002



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Harry Freitas

**SUBJECT: CONSERVATION EASEMENT FOR
EVERGREEN No. 202 ANNEXATION**

DATE: September 17, 2014

Approved

Date

COUNCIL DISTRICT: 8

RECOMMENDATION

Accept and direct Staff to record with the County's Office of the Clerk Recorder a conservation easement on a 0.99 gross acre portion of a 2.84 gross acre site on the east side of Quimby Road, approximately 440 feet east of Murillo Road, associated with the Evergreen No. 202 Annexation.

OUTCOME

Acceptance and recordation of the conservation easement will fulfill a County Local Agency Formation Commission (LAFCO) condition of approval of the Evergreen No. 202 Annexation, requiring the easement to be conveyed to the City and recorded for the purpose of maintaining property above the 15% slope line on the subject site as permanent non-buildable open space.

BACKGROUND

The 2.84 gross acre site consists of two parcels of gently sloping open grassland under the same ownership (Assessor's Parcel Numbers 659-25-001 and -002). It contains a single-family residence and associated accessory structures, and is surrounded by single-family detached residences to the north, open hillside to the east, an existing church to the south, and single-family detached residences to the west across Quimby Road.

On February 14, 2012, the City Council approved a Planning Development Rezoning (File No. PDC10-002) to pre-zone the subject site from unincorporated County to A(PD) Planned Development Zoning District to allow the development of up to seven single-family detached residences below the 15% slope line, and to protect hillside areas by restricting development above the 15% slope line, an area on the site consisting of 0.82 acres. This area was subsequently increased to 0.99 acres based on a more detailed survey of the slope area. As defined by the Envision San Jose 2040 General Plan, the Urban Growth Boundary establishes the ultimate perimeter of urbanization and generally follows the 15% slope line. Land below the 15% slope line is considered as being appropriate for new development. Land above the 15% slope line is preserved for open space and habitat resources. The purpose of this conservation

September 17, 2014

Subject: Conservation Easement for Evergreen No. 202 Annexation

Page 2 of 3

easement is for this annexation and Planned Development Zoning District to be further consistent with the General Plan by limiting development to downhill from the 15% slope line.

On March 18, 2014, the City Council adopted Resolution No. 76941 to initiate proceedings with LAFCO to annex the subject site. On April 2, 2014, LAFCO approved the annexation request, subject to a condition of approval requiring the dedication of a conservation easement to maintain the property above the 15% slope line as permanent non-buildable open space.

ANALYSIS

The property owner has submitted the required conservation easement document and legal description. These documents have been reviewed by the City Attorney's Office, and determined to be in a form that may be accepted by the City Council.

EVALUATION AND FOLLOW-UP

Upon acceptance by the City Council, Staff will cause the document and legal description to be recorded on the property. This will allow development of the property to proceed in accordance with the development standards of the A(PD) Planned Development Zoning District (File No. PDC10-002), subject to submittal, review, and approval of a subsequent Planned Development Permit application.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, outreach for the annexation initiation process has previously occurred, consistent with Council Policy 6-30: Public Outreach for Pending Land Use and Development Proposals. Separate public noticing is not required for acceptance of the conservation easement. This memorandum has been posted on the City's website, and staff has been available to respond to questions from the public.

COORDINATION

Preparation of this memorandum has been coordinated with the City Attorney's Office.

HONORABLE MAYOR AND CITY COUNCIL

September 17, 2014

Subject: Conservation Easement for Evergreen No. 202 Annexation

Page 3 of 3

CEQA

The prior Planned Development Rezoning (File No. PDC10-002) included an Initial Study and Mitigated Negative Declaration (MND), prepared by the Director of Planning, Building and Code Enforcement. The documents were circulated for public review between November 18, 2011 and December 7, 2011, and the MND (Resolution No. 76134) was adopted by the City Council on January 24, 2012. Acceptance of the conservation easement is consistent with the environmental analysis; therefore, no further CEQA analysis is required.

HARRY FREITAS, DIRECTOR
Planning, Building and Code Enforcement

For questions please contact Steve Piasecki, Planning Official, at 408-535-7893.

Attachments: Conservation Easement & Legal Description



Memorandum

TO: Santa Clara County LAFCO

FROM: Director of Planning

SUBJECT: SEE BELOW

DATE: March 26, 2014

Date

COUNCIL DISTRICT: 8

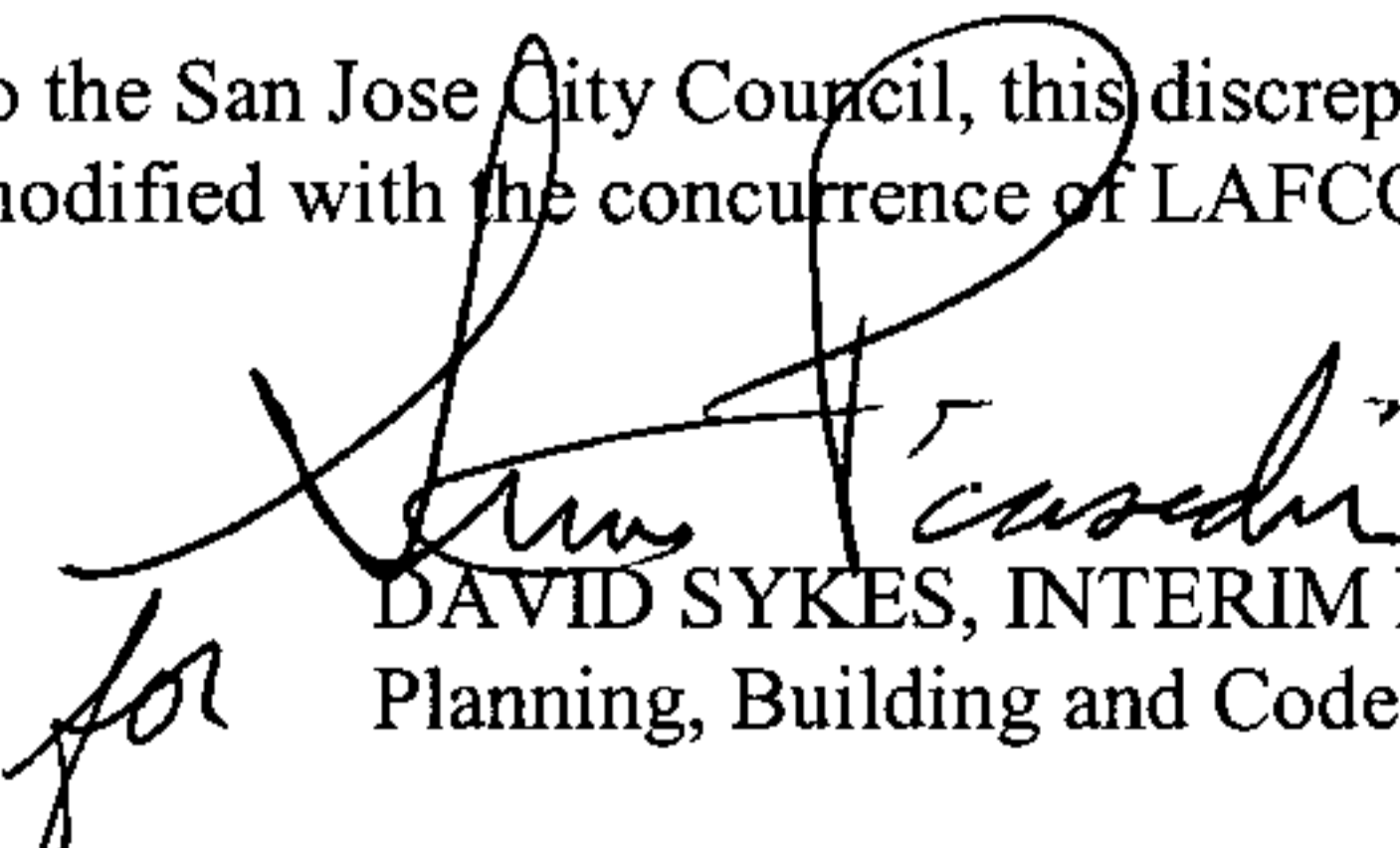
SUPPLEMENTAL

SUBJECT: EVERGREEN 202: MODIFICATION OF THE CITY OF SAN JOSE URBAN SERVICE AREA (USA) BOUNDARY TO COINCIDE WITH THE 15% SLOPE LINE AS DETERMINED BY LIGHT DETECTION AND RANGING TECHNOLOGY (LIDAR), AND TO INCLUDE AN APPROXIMATELY 0.28 GROSS ACRES OF COUNTY LAND FROM THE SUBJECT 2.84 GROSS ACRE SITE INTO THE CITY'S URBAN SERVICE AREA AND REORGANIZATION/ANNEXATION TO THE CITY OF SAN JOSE OF AN APPROXIMATELY 2.84 GROSS ACRE COUNTY POCKET CONSISTING OF TWO (2) PARCELS, GENERALLY LOCATED ON THE EAST SIDE OF QUIMBY ROAD APPROXIMATELY 440 FEET EAST OF MURILLO ROAD.

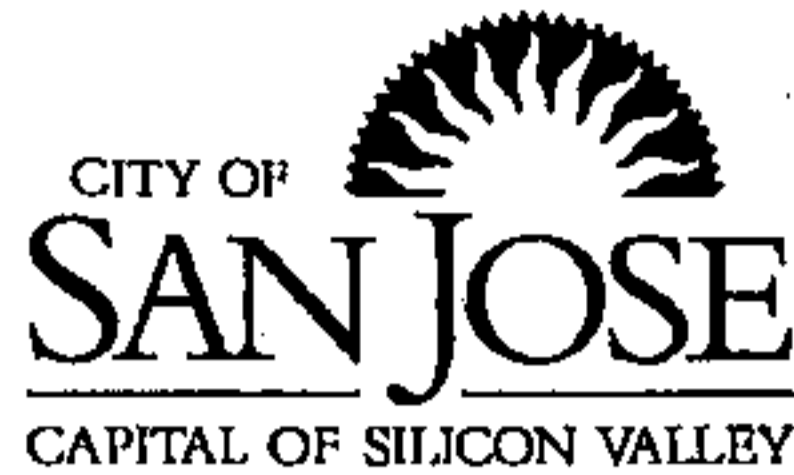
REASON FOR THE SUPPLEMENTAL

On January 24, 2014, the City Council authorized the Director of Planning to co-ordinate with LAFCO to correctly map the 15% slope line, and to include the portion of the subject property with the City's Urban Service Area (USA). The USA Boundary would coincide with the 15% slope line and is determined to be coterminous with the City's Urban Growth Boundary (UGB), which confines all development to below 15% slope line as intended by the Envision 2040 General Plan. The expansion of the UGB above the 15% Slope Line is prohibited in accordance with the applicable Land Use Goals & Policies while preserving areas outside the UGB for primarily open space, habitat, parkland or agricultural activities.

As stated in the attached memorandums to the San Jose City Council, this discrepancy is a geographic/ mapping error, and shall be modified with the concurrence of LAFCO, and without the need for a General Plan Amendment.

for 
DAVID SYKES, INTERIM DIRECTOR
Planning, Building and Code Enforcement

For questions please contact Steve Piasecki, Interim Planning Official, at 408-535-7893.



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Joseph Horwedel

SUBJECT: SEE BELOW

DATE: December 12, 2013

Approved

Date

12/19/13

COUNCIL DISTRICT: 8

SUBJECT: EVERGREEN 202 - MODIFICATION OF THE CITY OF SAN JOSE URBAN SERVICE AREA (USA) BOUNDARY TO COINCIDE WITH THE 15% SLOPE LINE AS DETERMINED BY LIGHT DETECTION AND RANGING TECHNOLOGY (LIDAR), AND TO INCLUDE AN APPROXIMATELY 0.28 GROSS ACRES OF COUNTY LAND FROM THE SUBJECT 2.84 GROSS ACRE SITE, LOCATED ON THE EAST SIDE OF QUIMBY ROAD APPROXIMATELY 440 FEET EAST OF MURILLO ROAD, INTO THE CITY'S URBAN SERVICE AREA

RECOMMENDATION

Adopt a resolution and direct staff to submit an application to and work with County Local Agency Formation Commission (LAFCO) to modify the City's Urban Service Area (USA) to include approximately 0.28 gross acres of County land on a 2.84 gross acre site on the east side of Quimby Road approximately 440 feet east of Murillo Road.

OUTCOME

If approved, the resolution would allow the City to apply to LAFCO for approval of a minor modification of the USA boundary to be consistent with the 15% slope line that establishes the Urban Growth Boundary as described in the General Plan.

BACKGROUND

The minor boundary modification request will allow inclusion of 0.28 gross acres from the 2.84 gross acre subject site, located on the east side of Quimby Road approximately 440 feet east of Murillo Road (see attached Legal Description and maps), into the City's Urban Service Area. The request is consistent with City Policies that confine development to below the 15% slope

HONORABLE MAYOR AND CITY COUNCIL,

December 12, 2013

Subject: Evergreen No. 202

Page 2

line, and is supported by data from the new Light Detection and Ranging technology, LIDAR, that the City uses to confirm the location of the 15% slope line.

The 2.84 gross acre subject site consists of two (2) parcels of gently sloping open grassland under the same ownership (Assessor's Parcel Numbers 659-25-001 and -002). It contains a single-family residence and associated accessory structures, and is surrounded by single-family detached residences to the north, open hillside to the east, an existing church to the south, and single-family detached residences to the west across Quimby Road.

A General Plan Amendment request (File No. GP09-08-02) was approved by the City Council on February 10, 2010, to change the San José 2020 General Plan Land Use/Transportation Diagram land use designation from Very Low Density Residential (2 DU/AC) to Low Density Residential (5 DU/AC) on 1.7-acres portion of the subject site. The City Council concluded that the General Plan Amendment would allow for development that would retain a consistent lot pattern with the adjacent neighborhood across Quimby Road, and also protect hillside areas above the 15% slope line. Subsequently, with the approval of the Envision San José 2040 General Plan by the City Council on November 1, 2011, the land use designation of the subject site was changed once again, this time to another split designation of Lower Hillside encompassing 1.57 gross acres and Open Hillside on the remaining 1.23 gross acres.

In 2011, LAFCO and the City of San José conducted a series of meetings to compare the City's USA boundary with an accurate parcel-based 15% slope line derived from an independent LIDAR analysis conducted for the subject site. The analysis identified a minor discrepancy that could be corrected administratively by modifying the USA boundary and aligning it with the 15% slope line (as well as the Urban Growth Boundary which is co-terminus with the 15% slope line). The USA boundary presently covers a 1.57 gross acre portion of the subject site with frontage on Quimby Road. The proposed correction will result in the expansion of the City's Urban Services Area by 0.28 gross acres, thereby growing the portion of the site fronting on Quimby Road and eligible for Urban Services to 1.85 gross acres. The remainder 0.99 gross acres portion of the site, which is above the 15% slope line, will remain outside of the USA boundary. Therefore, should the requested modification be approved, the USA boundary would coincide with the 15% slope line/Urban Growth Boundary at this location as intended by the General Plan.

On February 14, 2012, the City Council approved a Planning Development Rezoning (File No. PDC10-002) to pre-zoning the subject 2.84 gross acre site from unincorporated County to A (PD) Zoning District to allow the development of up to seven (7) single-family detached residences. The conceptual site plan showed four (4) lots fronting onto Quimby Road, and three (3) flag lots located further up the hill and accessed via a private drive from Quimby Road. All seven (7) residences were approved below the 15% slope line on 1.85 acres. The 0.99 acres behind the three flag lots, and above the 15% slope line, was zoned as Hillside, precluding any development.

An Initial Study (IS) and Mitigated Negative Declaration (MND) were prepared by the Director of Planning, Building and Code Enforcement for the Planned Development Rezoning (File No.

PDC10-002) and the documents were circulated for public review between November 18, 2011 through December 7, 2011. The MND, adopted by Council Resolution number 76134 on January 24, 2012, stated that the proposed Planned Development Zoning will not have a significant effect on the environment. The primary environmental issues addressed in the Initial Study include the potential impacts of the physical development of the site on air quality, biologic resources, and geology and soils. The MND includes mitigation measures that would reduce any potentially significant project impacts to a less-than-significant level. The mitigation measures were included in the project in the form of development standards for the Planned Development Zoning, as well as in the Mitigation Monitoring Program. The MND and Initial Study are available for review on the Planning web site at: www.sanjoseca.gov/planning/eir/MND.asp.

ANALYSIS

The 0.28 acre portion of the subject site, previously described, has been determined to be below the 15% slope line, and its proposed inclusion into the USA boundary conforms to the City's General Plan and Santa Clara County LAFCO policies in that it confines development to below the 15% slope line.

The City's Planning staff believes that as this discrepancy is a geographic/mapping error, it may be rectified through a minor USA boundary modification with the concurrence of LAFCO, and without the need for a General Plan Amendment.

The proposed adjustment of the USA boundary allows urban development to occur on the site and establishes the site's eligibility to receive City services that are available in close proximity to the site. This adjustment is expected to create a negligible impact on City services because of its size, location and number of inhabitants, and the capacity of the existing infrastructure that will provide services to the subject property. Since urban services are presently available to the adjacent areas to the west of the site, the requested amendment will not have a direct impact on the provision of services.

A prior rezoning (File Number PDC10-002) was approved on the subject site to allow the development of up to seven (7) single-family detached residences that conforms to the accurate USA boundary. The area is bounded by the City of San José, and its inclusion into the USA is appropriate for the purposes of providing urban services in an efficient manner. Furthermore, the requested minor modification of the USA will allow the applicant to procure future development services for the subject site.

EVALUATION AND FOLLOW-UP

If LAFCO approves the City's petition for the approval of the USA modification, a Certificate of Completion will be recorded that includes a LAFCO Resolution, and a map and legal description that delineates the modification of the USA boundary.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1,000,000 or greater.
(Required: Website Posting)
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, Outreach will occur consistent with Council Policy 6-30: Public Outreach for Pending Land Use and Development Proposals. A notice of the public hearing was distributed to the owners and tenants of all properties located within 500 feet of the project site and posted on the City website. The requested modification of USA was also published in a local newspaper, the Post Record. This memorandum has been posted on the City's website, and staff has been available to respond to questions from the public.

COORDINATION

This memorandum was discussed with the Local Agency Formation Commission and the City Attorney's Office.

COST SUMMARY/IMPLICATIONS

The proposed inclusion into the USA has been determined to create a negligible impact on City services because of its size, location and number of inhabitants.

CEQA

Pursuant to Section 15168 of the CEQA Guidelines, the City of San José has determined that the proposed modification of the USA and UGB boundary is pursuant to and in furtherance of the Final Program Environmental Impact Report (EIR) for the Envision San José 2040 General Plan, which findings were adopted by City Council Resolution No. 76041 on November 1, 2011. The Program EIR was prepared for the comprehensive update and revision of all elements of the City of San José General Plan, including an extension of the planning timeframe to the year 2040, and does not involve new significant effects beyond those analyzed in this Final EIR.

HONORABLE MAYOR AND CITY COUNCIL

December 12, 2013

Subject: Evergreen No. 202

Page 5

The prior Planned Development Rezoning (File No. PDC10-002) included an Initial Study (IS) and Mitigated Negative Declaration (MND), prepared by the Director of Planning, Building and Code Enforcement. The documents were circulated for public review between November 18, 2011 and December 7, 2011, and the MND Resolution number 76134 adopted by Council on January 24, 2012.

/s/

JOSEPH HORWEDEL, DIRECTOR
Planning, Building and Code Enforcement

For questions please contact Salifu Yakubu, Division Manager, at 408-535-7911.

Attachments: Legal Description/Maps

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Beginning at the northeasterly corner of that certain 34.975 acre tract of land lying within the Rancho Yerba Buena, shown as Parcel 2 on the Parcel Map recorded at Book 681 of Maps, Page 38, Santa Clara County Records; Thence along the northerly line of said Parcel 2, said line also being the southeasterly line of Lot One, as said Lot is shown on a Map entitled, "Map of the Subdivision of Lot "L" forming a part of the partition of the Yerba Buena Rancho", which Map was filed for record in the office of the Recorder of the County of Santa Clara, in Book "A" of Maps, page 90, South 57° 59' 37" West, 530.71 feet, to the Southeasterly corner of that certain 2.84 acre (more or less) Parcel transferred into the Tammy Huang and Euson Huang Trusts by Grant Deed recorded May 22, 2008 as Document No. 19862843, Official Records, Santa Clara County;

Thence continuing along said line, South 57° 59' 37" West, 215.08 feet; Thence across said Huang Parcel, generally following the "15% Slope Line" the following three courses: 1) North 15° 50' 13" East, 33.84 feet; 2) North 25° 40' 39" West, 68.23 feet; 3) North 31° 59' 01" West, 74.63 feet, to the northerly line of said Huang Parcel;

Thence along said northerly line, South 80° 54' 37" West, 280.39 feet to the centerline of Quimby Road, and the Point of Termination of this description.

And being within Lot "B2" as said Lot is shown on the Map accompanying the Report of the Referees in the Partition suit of Matilda Chaboya, et al vs. Salvador Chaboya, et al in the District Court of the Third Judicial District of the State of California, in and for the County of Santa Clara, SUI 2412, and within Lot One of the aforementioned Subdivision of Lot "L", Surveyed July, 1942 by Raymond W. Fisher, Surveyor and Civil Engineer, San Jose, California.

APN: 659-25-001, 659-25-002

Prepared by:
Ruth and Going Inc.
2216 The Alameda
Santa Clara, CA 95050
(408) 236-2400
R+G Job # 04-053A

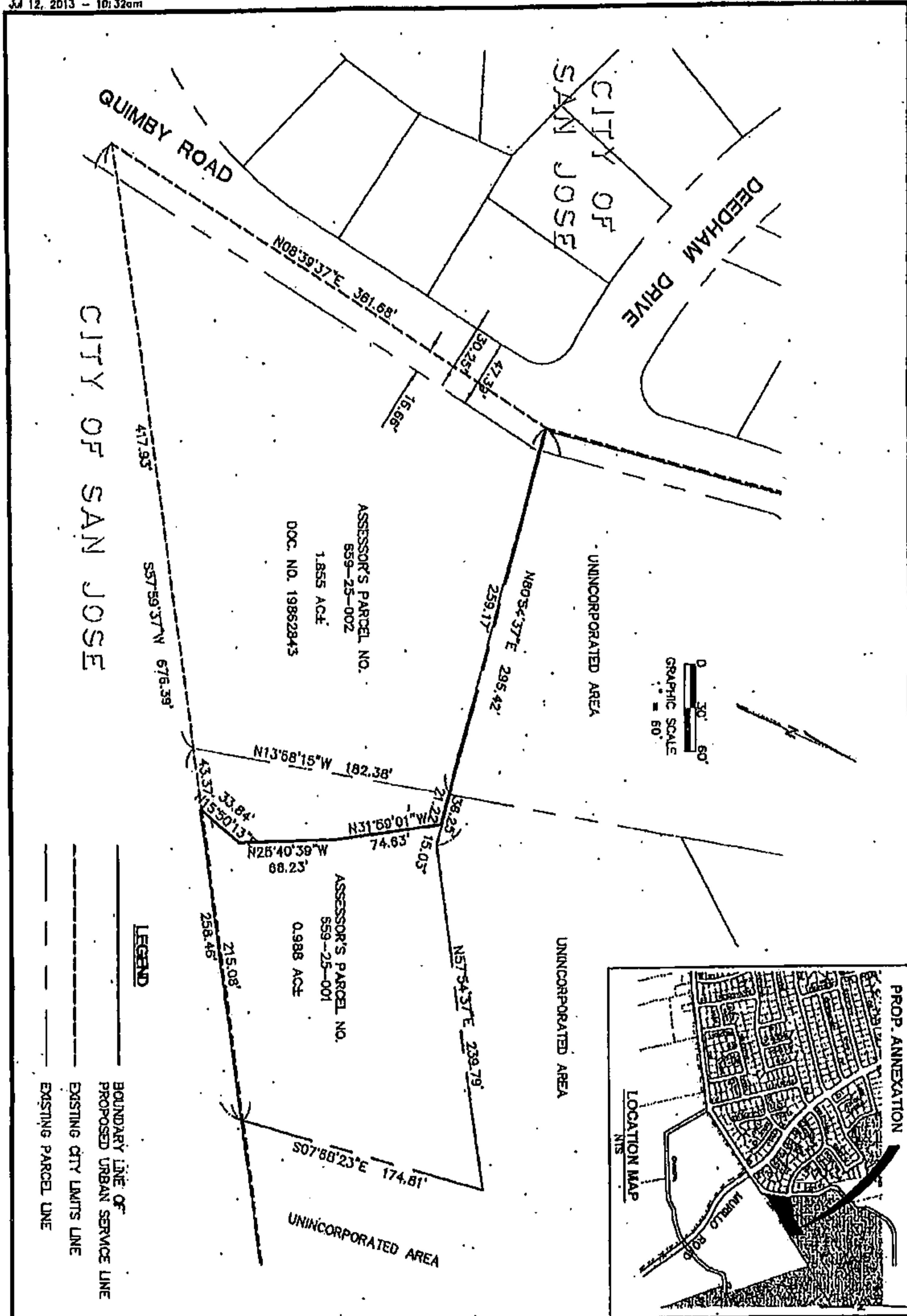
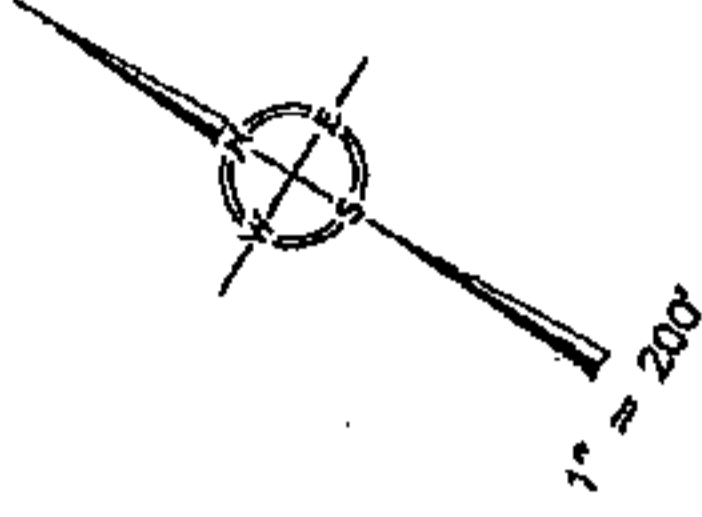
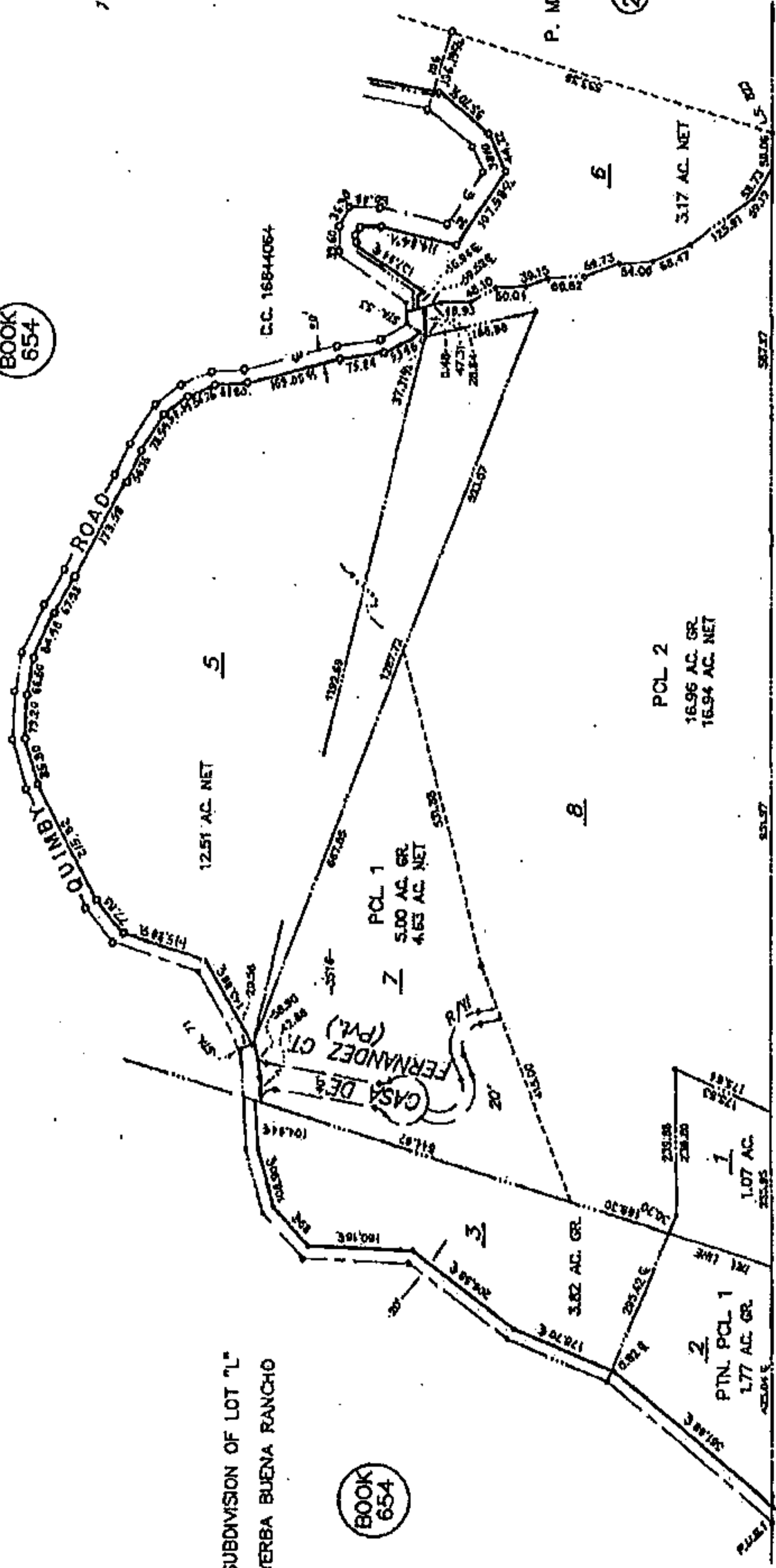


EXHIBIT B PROPOSED REVISION TO THE CITY OF SAN JOSE URBAN SERVICE BOUNDARY SAN JOSE CALIFORNIA	DRAWN: <u>JS</u>	RUTH AND GOING, INC. Civil Engineering Land Surveying 2218 THE ALAMEDA SANTA CLARA, CA 95050 (408) 238-2400	SCALE: 1"=60'
	CHECKED: <u>OOY</u>		DATE: 07-12-13
	DEPT.: _____		JOB #: 04053A
	_____		_____



PTN. LOT B-2
CHABOYA PARTITION

BOOK 654



SUBDIVISION OF LOT "L"
YERBA BUENA RANCHO

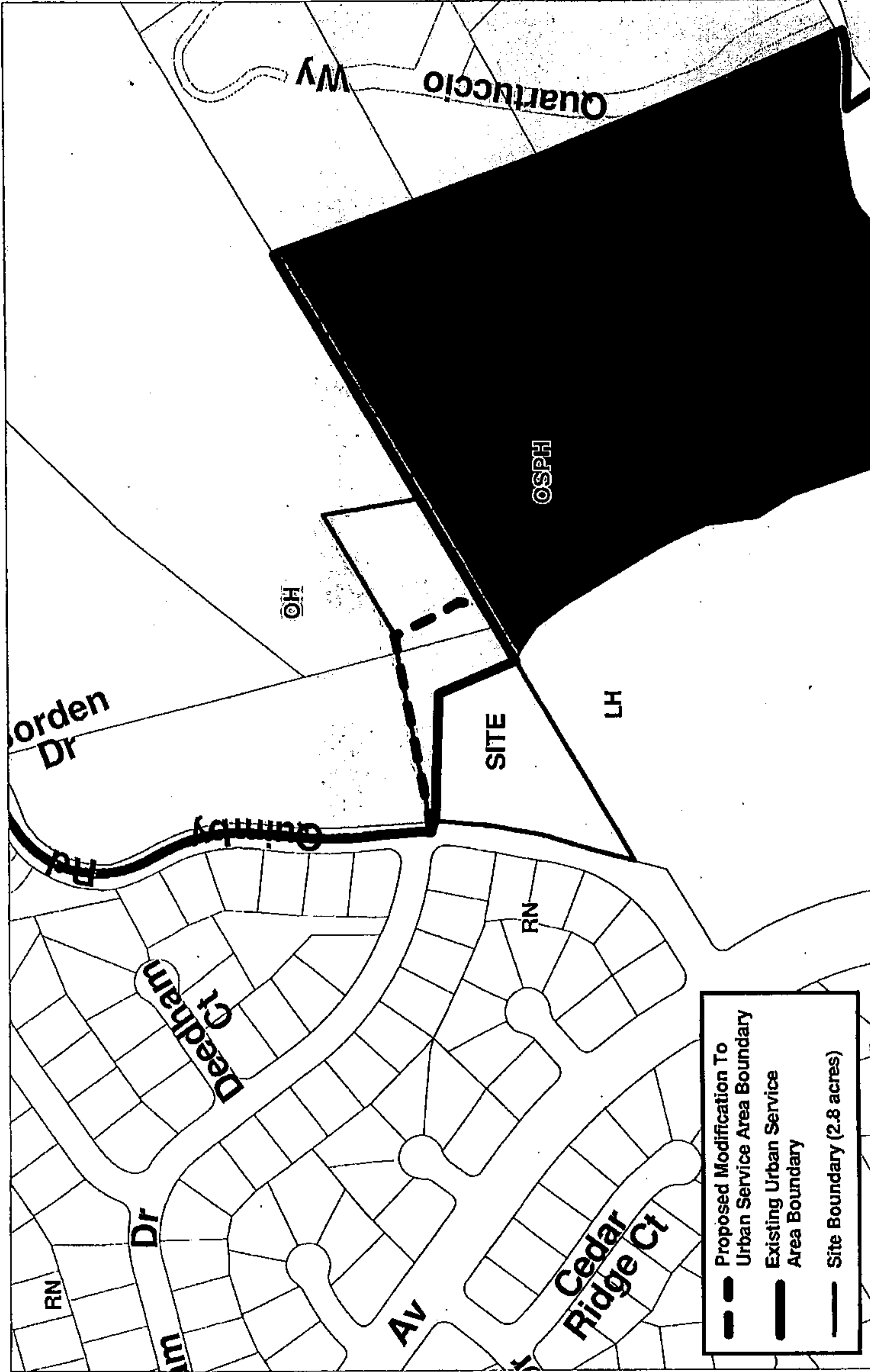
BOOK 654

R. O. S. 182/11
P. M. 676-M-20

22

24

LAWRENCE E. STONE - ASSESSOR
Detailed map for assessment purposes only.
Compiled under R. & T. Code, Sec. 327.
Effective Roll Year 2013-2014

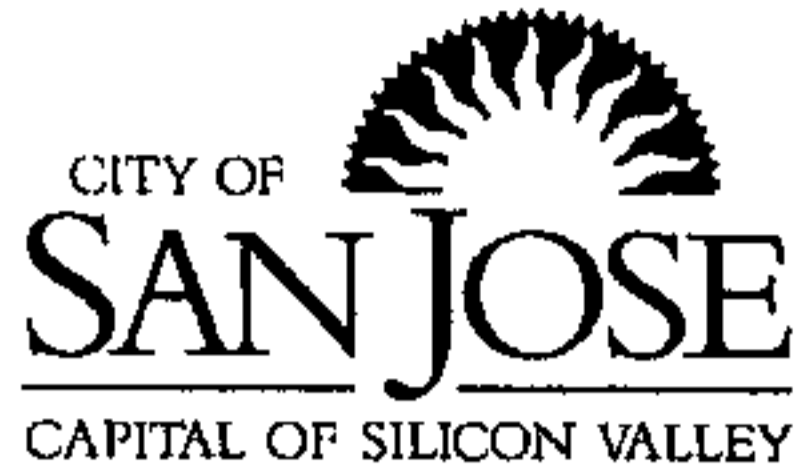


Prepared by the Department of Planning,
Building and Code Enforcement
05/16/2012

File No: EVERGREEN 202

District: 8

GENERAL PLAN



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

SUBJECT: SEE BELOW

DATE: February 25, 2014

Approved

Date

3/6/14

COUNCIL DISTRICT: 8

SUBJECT: EVERGREEN 202. INITIATE PROCEEDINGS WITH THE LOCAL AGENCY FORMATION COMMISSION TO REORGANIZE/ANNEX TO THE CITY OF SAN JOSE AN APPROXIMATELY 2.84 GROSS ACRE COUNTY POCKET CONSISTING OF TWO (2) PARCELS, GENERALLY LOCATED ON THE EAST SIDE OF QUIMBY ROAD APPROXIMATELY 440 FEET EAST OF MURILLO ROAD.

RECOMMENDATION

It is recommended that the City Council adopt a resolution to initiate proceedings with the Santa Clara County Local Agency Formation Commission (LAFCO) for the reorganization of territory designated as Evergreen 202, which involves the annexation of approximately 2.84 gross acres of Santa Clara County land into the City of San José, generally located on the east side of Quimby Road approximately 440 feet east of Murillo Road, and the detachment of the same from the appropriate special districts including Central Fire Protection and Area No. 01 (Library Services) County Service.

OUTCOME

Upon initiation of the annexation/reorganization proceedings, the approximately 2.84 gross acre area of unincorporated Santa Clara County designated as Evergreen 202 will be considered for LAFCO approval for annexation into incorporated area of the City of San José.

BACKGROUND

The 2.84 gross acre subject site consists of two (2) parcels of gently sloping open grassland under the same ownership (Assessor's Parcel Numbers 659-25-001 and -002). It contains a single-family residence and associated accessory structures, and is surrounded by single-family detached residences to the north, open hillside to the east, an existing church to the south, and single-family detached residences to the west across Quimby Road.

A General Plan Amendment request (File No. GP09-08-02) was approved by the City Council on February 10, 2010 to change the San José 2020 General Plan Land Use/Transportation Diagram land use designation from Very Low Density Residential (2 DU/AC) to Low Density Residential (5 DU/AC) on a 1.7-acre portion of the subject site. The balance of the site remained Non-Urban Hillside. The City Council concluded that the General Plan Amendment would allow for development that would retain a consistent lot pattern with the adjacent neighborhood across Quimby Road, and also protect hillside areas above the 15% slope line. Subsequently, with the approval of the Envision San Jose 2040 General Plan by the City Council on November 1, 2011, the land use designation of the subject site was changed once again, this time to another split designation of Lower Hillside encompassing 1.57 gross acres and Open Hillside on the remaining 1.23 gross acres.

From 2011 through 2013, LAFCO and the City of San Jose conducted a series of meetings to compare the City's Urban Service Area (USA) boundary with an accurate parcel-based 15% slope line derived from an independent, high resolution remote sensing analysis (LIDAR) conducted for the subject site. The portion of the site currently within the City's USA (and therefore eligible for City services) includes a 1.57 gross acre portion of the subject site with frontage on Quimby Road. The correction results in the expansion of the City's USA by 0.28 gross acres, thereby growing the portion of the site fronting on Quimby Road and eligible for City urban services to 1.85 gross acres. LAFCO requires a formal USA expansion application as the mechanism to update the USA boundary based on the updated information.

On February 14, 2012, the City Council approved a Planned Development Rezoning (File No. PDC10-002) to prezone the subject 2.84 gross acre site from unincorporated County to A (PD) Zoning District to allow the development of up to seven (7) single-family detached residences. The conceptual site plan showed four (4) lots fronting onto Quimby Road, and three (3) flag lots located further up the hill and accessed via a private drive from Quimby Road. All seven (7) residences were approved below the 15% slope line on 1.85 acres. The 0.99 acres behind the three flag lots, and above the 15% slope line, was zoned as Hillside. As a part of this Annexation, a Conservation Easement will be recorded for the said area to preclude any future development on the area above the 15% slope line.

On January 14, 2014, the City Council by its Resolution No. 76902 authorized the Director of Planning to submit an application and coordinate with LAFCO to correctly map the 15% slope line (conterminous with the City's Urban Growth Boundary), adjust the City's Urban Service Area to align with the corrected slope line as shown by the LIDAR technology analysis (and the Urban Growth Boundary), and to include within the City's Urban Service Area that portion of the Subject Property below the 15% slope line.

ANALYSIS

The proposed annexation allows urban development to occur on the site and establishes the site's eligibility to receive City services. Because a portion of the site will remain outside of the City's USA, the City cannot conduct this annexation. LAFCO has jurisdiction for these types of annexations. A rezoning (File Number PDC10-002) was approved on the subject site to allow

the development of up to seven (7) single-family detached residences that conforms to the accurate USA boundary. The requested annexation will allow the applicant to procure future development services from the City of San Jose.

EVALUATION AND FOLLOW-UP

After said annexation is initiated by the City Council, required information will be sent to the Santa Clara County Local Agency Formation Commission (LAFCO) for consideration and approval.

If LAFCO approves the City's petition for annexation, a Certificate of Completion will be recorded that includes a LAFCO Resolution, and a map and legal description that delineates the annexation boundary.

PUBLIC OUTREACH/INTEREST

- Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater. (Required: Website Posting)
- Criteria 2: Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. (Required: E-mail and Website Posting)
- Criteria 3: Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. (Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)

Although this item does not meet any of the above criteria, outreach did occur consistent with Council Policy 6-30: Public Outreach for Pending Land Use and Development Proposals for the General Plan amendment and rezoning. In addition, the Planned Development Rezoning (File No. PDC10-002) included an Initial Study (IS) and Mitigated Negative Declaration (MND). The documents were circulated for public review between November 18, 2011 and December 7, 2011.

This memorandum has been posted on the City's website, and staff has been available to respond to questions from the public.

COORDINATION

This memorandum was discussed with the Local Agency Formation Commission and coordinated with the City Attorney's Office.

HONORABLE MAYOR AND CITY COUNCIL
February 25, 2014
Subject: Evergreen 202
Page 4

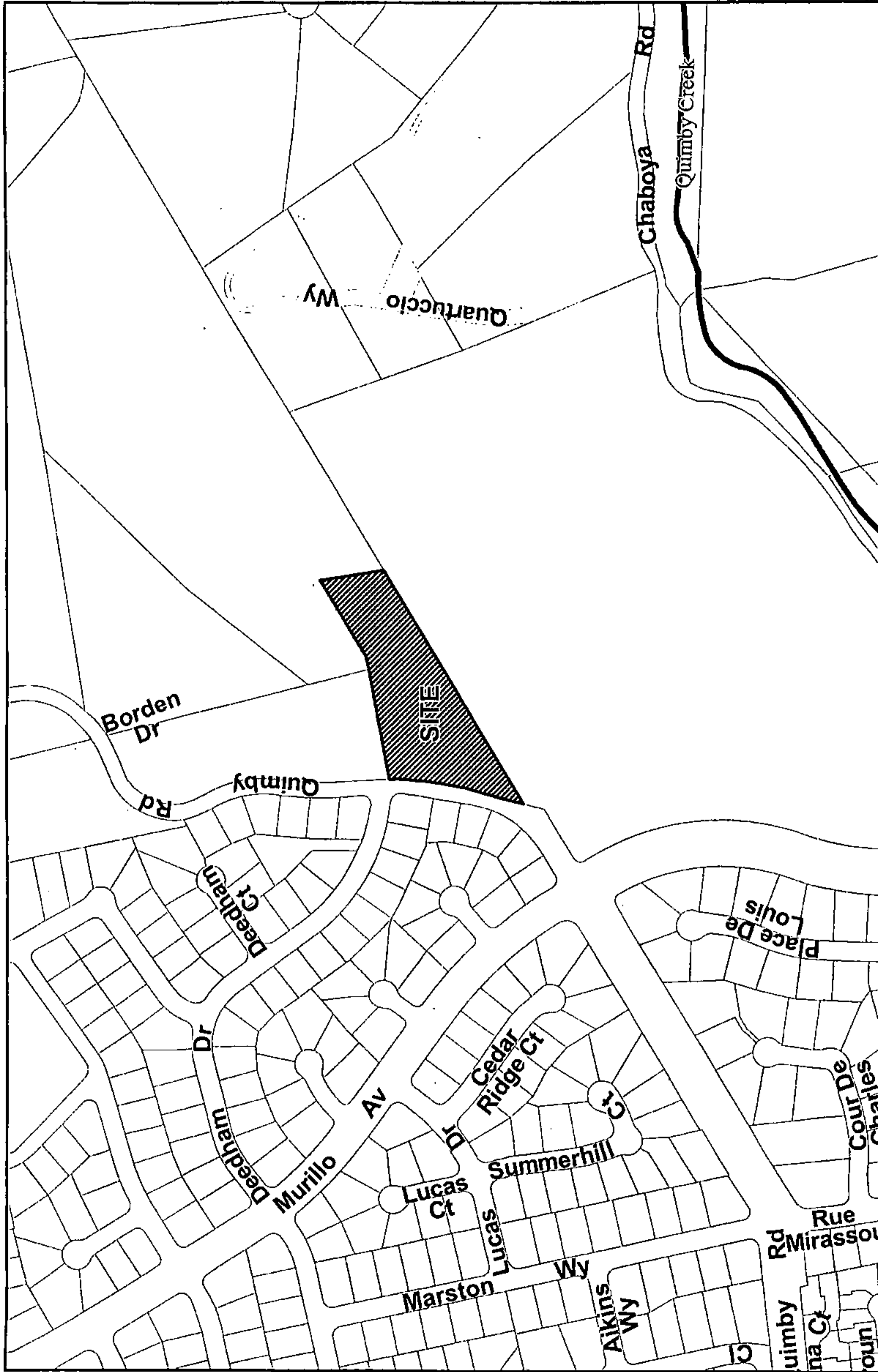
CEQA

Mitigated Negative Declaration Resolution Number 76134, adopted by Council on January 24, 2012.

/s/
DAVID SYKES, INTERIM DIRECTOR
Planning, Building and Code Enforcement

For questions please contact Steve Piasecki, Interim Planning Official, at 408-535-7893.

Attachment: Map



File No: Evergreen 202
District: 8

LOCATION



Prepared by the Department of Planning,
Building and Code Enforcement
05/16/2012

**MONTE SERENO URBAN SERVICE AREA (USA) AND SPHERE OF
INFLUENCE (SOI) AMENDMENT 2016 (LUCKY ROAD)**

(Continued from October 5, 2016, December 7, 2016, February 1, 2017 and April 12, 2017)

STAFF REPORT AND RELATED DOCUMENTS

October 5, 2016 Meeting

- Staff Report
- Supplemental Information 1
- Supplemental Information 2

December 7, 2016 Meeting

- Correspondence from the applicant
- Comment letters

February 1, 2017 Meeting

- Correspondence from the applicant
- Comment letters

April 12, 2017 Meeting

- Correspondence from the applicant
- Comment letters

June 1, 2017 Meeting

- Email dated May 16, 2017, from LAFCO Executive Officer to the Commission regarding information on previous Saratoga USA amendment application.
- Email correspondence between Perry J. Woodward and LAFCO Executive Officer re: request for retraction and correction

The documents listed above are available on Santa Clara LAFCO's website at:

www.santaclaralafco.org/documents/MonteSerenousA2016.pdf

AGENDA ITEM # 5

June 1, 2017

Document # 1

From: Palacherla, Neelima
Sent: Tuesday, May 16, 2017 4:46 PM
Cc: Velasco, Roland; Kelly, Kieran; Strickland, Scott; 'patrick.mcgarrrity@sanjoseca.gov'; 'Sandoval, Vanessa'; Malathy Subramanian (Malathy.Subramanian@bbklaw.com); Noel, Dunia; Abello, Emmanuel
Subject: April 12 LAFCO Agenda Item #5: Monte Sereno USA and SOI Amendment 2016

Dear Commissioners,

RE: April 12 LAFCO Agenda Item #5: Monte Sereno USA and SOI Amendment 2016

During its consideration of the above Agenda item, the Commission discussed whether LAFCO's conditional approval of a 2012 USA amendment application for the City of Saratoga has any parallels for the Monte Sereno 2016 USA Amendment application and requested that staff provide more information.

I have reviewed the Saratoga USA Amendment request which was conditionally approved by LAFCO at its February 8, 2012 LAFCO meeting. It is distinct from the Monte Sereno application primarily because Saratoga submitted a plan for initiating and annexing its islands upon retraction and/or resolution of its USA boundary. LAFCO's approval of the Saratoga USA amendment was conditioned on the City carrying out its own plan for initiating and/or completing island annexations.

Whereas Monte Sereno has adopted a policy not to initiate island annexations except upon property owner request.

The following is a more detailed comparison between the two applications.

Monte Sereno

Monte Sereno's three islands are each less than 150 acres (which qualifies them for a streamlined annexation process – where annexation may be approved by the City Council without conducting protest proceedings). Monte Sereno however has adopted a policy to not pursue island annexations except at a property owner's request. I have since verified with City staff and they have confirmed that there is no change in City policy towards island annexations.

Saratoga

In contrast, Saratoga completed the annexation of two islands which were smaller than 150 acres in size, prior to submitting the USA expansion application in 2012. The City of Saratoga also submitted a letter/plan addressing its annexation intent for each of its remaining 6 islands. The City indicated that it planned to (1.) request an USA retraction to exclude certain islands as it did not have any intention of annexing those islands, (2.) request USA retraction for a portion of certain islands prior to initiating annexation of those islands, (3.) gather information for annexing the island larger than 150 acres and (4.) start initiating annexation of the remaining islands.

LAFCO's Conditional Approval of the Saratoga USA Amendment

Given that Saratoga's island annexation plans hinged on a future USA amendment application to LAFCO for retraction of lands, LAFCO conditioned the USA expansion approval on Saratoga applying to LAFCO for an USA amendment (retraction) prior to initiating annexation of the islands that qualify under the streamlined annexation provision. For the island that is larger than 150 acres, LAFCO required that Saratoga prepare a plan and timeline for annexation of the island. LAFCO's conditional approval also stipulated that no further USA expansions for Saratoga would be considered by LAFCO until these conditions were met. Saratoga has since completed the USA retractions and/or island annexations. Also, Saratoga initiated annexation of the larger island but suspended further proceedings due to the high level of protest which would have required elections.

Another key difference between the Saratoga and Monte Sereno applications is the reason for the USA expansion requests: the purpose of the Saratoga USA amendment was to bring all lands owned by a certain property owner under the jurisdiction of the City of Saratoga as a portion of the lands were located in the unincorporated county. These lands

were under the Williamson Act and no development or services were proposed on the lands upon annexation (LAFCO established certain conditions to ensure compliance with Williamson Act and ag uses, as required by state law). In the case of Monte Sereno's USA amendment application, the intent is to obtain sewer service and develop the properties upon annexation.

I have also informed the City that the Commission has requested a representative from the City be available at the LAFCO meeting in June and advised them to be prepared to respond to questions regarding relevant city policies / regulations.

I hope this provides some clarification. Please feel free to contact me if you need further information. This information will also be included in the June 7th LAFCO Agenda packet.

Neelima.

The LAFCO Office has moved! Please note the new address.

Neelima Palacherla, Executive Officer

LAFCO of Santa Clara County

777 North First Street, Suite 410

San Jose, CA 95112

(408) 993-4713

www.santaclaralafco.org

NOTICE: This email message and/or its attachments may contain information that is confidential or restricted. It is intended only for the individuals named as recipients in the message. If you are NOT an authorized recipient, you are prohibited from using, delivering, distributing, printing, copying, or disclosing the message or its content to others and must delete the message from your computer. If you have received this message in error, please notify the sender by return email.

Palacherla, Neelima

From: Perry J. Woodward <pwoodward@hopkinscarley.com>
Sent: Thursday, April 13, 2017 3:49 PM
To: Palacherla, Neelima
Subject: RE: Request for Retraction and Correction

AGENDA ITEM # 5
June 1, 2017
Document # 2

Thank you. I appreciate your professionalism.

Perry J. Woodward
Of Counsel



Hopkins & Carley | A Law Corporation
San Jose | Palo Alto
70 South First Street | San Jose, CA 95113
Direct: 408.299.1359 | Mobile: 408.891.9204
Main: 408.286.9800 | Fax: 408.998.4790
pwoodward@hopkinscarley.com
hopkinscarley.com

From: Palacherla, Neelima [mailto:Neelima.Palacherla@ceo.sccgov.org]
Sent: Thursday, April 13, 2017 3:45 PM
To: Perry J. Woodward
Subject: RE: Request for Retraction and Correction

Dear Mr. Woodward,
Thank you for your email. We have reviewed the minutes of the last three LAFCO meetings to confirm commissioner attendance. You were correct in your statement that the December meeting had only 5 (voting) members and the February and the October meetings also did not have 7 (voting) members present. We apologize for any miscommunication or confusion on our part regarding this issue at the meeting yesterday.

We have also reviewed the applicant's letters requesting continuance in order to confirm the reasons for the continuance requests. As noted below, the first two requests were made due to conflicts for the property owner / representative, and not because of lack of attendance of 7 voting members.

LAFCO meeting date	# of voting commissioners in attendance	Applicant's Reason for Continuance Request
October 2016	6	Vladimir Rubashevsky (property owner) is out of the country
December 2016	5	Nick Petridis (applicant's representative) has a conflict and co-counsel is unavailable
February 2017	6	Cities member will not be present and an alternate cities member is not yet appointed

In light of your request that the full 7-member commission hear the item in June, we will inform all the commissioners and request that the full commission be in attendance at the next meeting. This email will be forwarded to the LAFCO commissioners.

Thank you.
Neelima.

The LAFCO Office has moved! Please note the new address.

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County
(408) 993-4713
777 North First Street, Suite 410
San Jose, CA 95112
www.santaclaralafco.org

NOTICE: This email message and/or its attachments may contain information that is confidential or restricted. It is intended only for the individuals named as recipients in the message. If you are NOT an authorized recipient, you are prohibited from using, delivering, distributing, printing, copying, or disclosing the message or its content to others and must delete the message from your computer. If you have received this message in error, please notify the sender by return email.

From: Perry J. Woodward [<mailto:pwoodward@hopkinscarley.com>]
Sent: Wednesday, April 12, 2017 12:46 PM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>; malathy.subramanian@ceo.sccgov.org
Subject: Request for Retraction and Correction

Dear Ms. Palacherla and Ms. Subramanian:

At this morning's LAFCO Board meeting, you told the Board that there were five regular members and two alternates present at the December 7, 2016. This was in response to my statement to the Board that we did not have a full voting board at any meeting since the last election. I ask that please you retract that statement and immediately inform the entire board that my statement was correct.

I have again reviewed the minutes of the December 7 meeting. It shows that at the beginning of that meeting there were five voting members, including Ms. Wilson. Ms. Wilson's alternate, Mr. Trumbull may have been present but he was not eligible to vote so long as she was present to vote. Mr. Renee arrived later in the meeting but the minutes do not reflect that he voted at any point during that meeting.

However, as was the case today, Commission Yeager was absent and he had no alternate attending the meeting on his behalf. At no time during the December 7, 2016 meeting was there a full seven-member Board that was eligible to vote. As you can see, my reputation is very important to me and the impression you created this morning (to which I had no opportunity to respond as the public hearing was closed) that I was misleading the Board was unfair and simply wrong. I ask that you fix that immediately by informing your Board in writing of the correct facts and advise me once you have done so.

Perry

Perry J. Woodward
Of Counsel

<image001.gif>

Hopkins & Carley | A Law Corporation
San Jose | Palo Alto
70 South First Street | San Jose, CA 95113
Direct: 408.299.1359 | Mobile: 408.891.9204
Main: 408.286.9800 | Fax: 408.998.4790
pwoodward@hopkinscarley.com
hopkinscarley.com

LAFCO MEETING: June 7, 2017

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer

SUBJECT: FINAL LAFCO BUDGET FOR FISCAL YEAR 2018

STAFF RECOMMENDATION

1. Adopt the Final Budget for Fiscal Year 2017-2018. (Attachment A)
2. Find that the Final LAFCO Budget for Fiscal Year 2018 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final LAFCO Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association and the Special Districts Association.
4. Direct the County Auditor–Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

NO CHANGES TO THE DRAFT / PRELIMINARY BUDGET

The Commission on April 12, 2017, adopted LAFCO’s preliminary budget for Fiscal Year 2017-2018. No substantive changes are recommended to the preliminary budget adopted by the commission. As requested, a separate line item for Rent / Lease has been added and the budgeted rent amount has been transferred to it from the Office Expense line item.

BACKGROUND

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) 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, to the special districts and to the County. Government Code §56381(a) 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 over into the next fiscal year budget. Government Code §56381(c) requires the County Auditor to request payment from the cities, special districts 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.

COST APPORTIONMENT TO CITIES, DISTRICTS AND COUNTY

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. The LAFCO of Santa Clara County is composed of a public member, two County board members, two city council members, and since January 2013 – two special district members. Government Code §56381(b)(1)(A) provides that when independent special districts are seated on LAFCO, the county, cities and districts must each provide a one-third share of LAFCO's operational budget.

Since the City of San Jose has permanent membership on LAFCO, as required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. Therefore in Santa Clara County, the City of San Jose pays one sixth and the remaining cities pay one sixth of LAFCO's operational costs. Per the CKH Act, the remaining cities' share must be 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. Each city's share is therefore based on the 2014/2015 Report – which is the most recent edition available.

Government Code Section 56381 provides that the independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts' share to individual districts. The SDA's agreement requires each district's cost to be based on a fixed percentage of the total independent special districts' share.

The estimated apportionment of LAFCO's FY 2018 costs to the individual cities and districts is included as **Attachment B**. The final costs will be calculated and invoiced to the individual agencies by the County Controller's Office after LAFCO adopts the final budget.

ATTACHMENTS

Attachment A: Final LAFCO Budget for Fiscal Year 2018

Attachment B: Costs to Agencies Based on the Final Budget

**FINAL LAFCO BUDGET
FISCAL YEAR 2017 - 2018**

**AGENDA ITEM # 6
Attachment A**

ITEM # TITLE	APPROVED	ACTUALS	PROJECTIONS	FINAL
	BUDGET FY 2017	Year to Date 3/3/2017	Year End 2017	FY 2018 BUDGET
EXPENDITURES				
Object 1: Salary and Benefits	\$674,370	\$341,758	\$545,976	\$685,072
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$817	\$10,000	\$45,000
5255800 Legal Counsel	\$65,000	\$39,352	\$65,000	\$70,200
5255500 Consultant Services	\$100,000	\$0	\$10,000	\$100,000
5285700 Meal Claims	\$750	\$50	\$400	\$750
5220100 Insurance	\$7,000	\$4,618	\$5,000	\$5,000
5250100 Office Expenses	\$12,000	\$2,264	\$12,000	\$9,236
5270100 Rent & Lease	\$0	\$0	\$0	\$42,764
5255650 Data Processing Services	\$5,000	\$2,975	\$5,000	\$3,600
5225500 Commissioners' Fee	\$10,000	\$3,300	\$6,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$106	\$1,000	\$2,500
5245100 Membership Dues	\$8,107	\$8,107	\$8,107	\$8,674
5250750 Printing and Reproduction	\$1,500	\$0	\$500	\$1,500
5285800 Business Travel	\$16,000	\$3,853	\$6,000	\$16,000
5285300 Private Automobile Mileage	\$2,000	\$980	\$2,000	\$2,000
5285200 Transportation&Travel (County Car Usage)	\$1,000	\$629	\$1,000	\$1,000
5281600 Overhead	\$0	\$0	\$0	\$28,437
5275200 Computer Hardware	\$3,000	\$0	\$3,000	\$3,000
5250800 Computer Software	\$4,000	\$754	\$4,000	\$4,000
5250250 Postage	\$2,000	\$172	\$2,000	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000 Reserves	\$24,000	\$0	\$66,000	\$42,000
TOTAL EXPENDITURES	\$985,227	\$409,735	\$753,983	\$1,084,733
REVENUES				
4103400 Application Fees	\$30,000	\$15,216	\$25,000	\$35,000
4301100 Interest: Deposits and Investments	\$3,000	\$4,241	\$5,000	\$4,000
TOTAL REVENUE	\$33,000	\$19,457	\$30,000	\$39,000
3400150 FUND BALANCE FROM PREVIOUS FY	\$274,894	\$293,489	\$293,489	\$246,839
NET LAFCO OPERATING EXPENSES	\$677,333	\$96,789	\$430,494	\$798,894
3400800 RESERVES Available	\$174,000	\$174,000	\$108,000	\$150,000
COSTS TO AGENCIES				
5440200 County	\$225,778	\$225,778	\$225,778	\$266,298
4600100 Cities (San Jose 50% + Other Cities 50%)	\$225,778	\$225,778	\$225,778	\$266,298
Special Districts	\$225,778	\$225,778	\$225,778	\$266,298

LAFCO COST APPORTIONMENT: County, Cities, Special Districts
Estimated Costs to Agencies Based on the Final 2018 LAFCO Budget

Final LAFCO Net Operating Expenses for 2018				\$798,894
Jurisdictions	Revenue per 2014/2015 Report	Percentage of Total Revenue	Allocation Percentages	Allocated Costs
County	N/A	N/A	33.3333333%	\$266,298.01
Cities Total Share			33.3333333%	\$266,298.00
San Jose	N/A	N/A	50.0000000%	\$133,149.00
Other cities share			50.0000000%	\$133,148.99
Campbell	\$42,136,384	2.0782315%		\$2,767.14
Cupertino	\$101,768,890	5.0193988%		\$6,683.28
Gilroy	\$73,549,973	3.6275982%		\$4,830.11
Los Altos	\$40,559,754	2.0004697%		\$2,663.61
Los Altos Hills	\$8,965,078	0.4421715%		\$588.75
Los Gatos	\$35,566,167	1.7541783%		\$2,335.67
Milpitas	\$108,110,368	5.3321703%		\$7,099.73
Monte Sereno	\$2,398,104	0.1182782%		\$157.49
Morgan Hill	\$56,304,100	2.7770051%		\$3,697.55
Mountain View	\$180,902,676	8.9223993%		\$11,880.08
Palo Alto	\$469,550,000	23.1589310%		\$30,835.88
Santa Clara	\$583,863,212	28.7970351%		\$38,342.97
Saratoga	\$21,802,406	1.0753283%		\$1,431.79
Sunnyvale	\$302,034,437	14.8968048%		\$19,834.95
Total Cities (excluding San Jose)	\$2,027,511,549	100.0000000%		\$133,149.00
Total Cities (including San Jose)				\$266,298.00
Special Districts Total Share			33.3333333%	\$266,298.00
Aldercroft Heights County Water District		0.06233%		\$165.98
Burbank Sanitary District		0.15593%		\$415.24
Cupertino Sanitary District		2.64110%		\$7,033.20
El Camino Healthcare District		4.90738%		\$13,068.25
Guadalupe Coyote Resource Conservation District		0.04860%		\$129.42
Lake Canyon Community Services District		0.02206%		\$58.75
Lion's Gate Community Services District		0.22053%		\$587.27
Loma Prieta Resource Conservation District		0.02020%		\$53.79
Midpeninsula Regional Open Space District		5.76378%		\$15,348.83
Purissima Hills Water District		1.35427%		\$3,606.39
Rancho Rinconada Recreation and Park District		0.15988%		\$425.76
San Martin County Water District		0.04431%		\$118.00
Santa Clara County Open Space Authority		1.27051%		\$3,383.34
Santa Clara Valley Water District		81.44126%		\$216,876.46
Saratoga Cemetery District		0.32078%		\$854.23
Saratoga Fire Protection District		1.52956%		\$4,073.19
South Santa Clara Valley Memorial District		0.03752%		\$99.92
Total Special Districts		100.00000%		\$266,298.02
Total Allocated Costs				\$798,894.03

* Based on the FY 2014-2015 Annual Cities Report

LAFCO MEETING: June 7, 2017
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: STRATEGIC COMMUNICATIONS AND PUBLIC OUTREACH
PLAN/IMPLEMENTATION

STAFF RECOMMENDATION

1. Authorize staff to issue a Request for Proposals (RFP) for a professional service firm to prepare and implement a Strategic Communications and Public Outreach Plan for LAFCO.
2. Delegate authority to the LAFCO Executive Officer to enter into an agreement with the most qualified consultant in an amount not to exceed \$75,000 and to execute any necessary amendments subject to LAFCO Counsel's review and approval.
3. Appoint a LAFCO Commissioner to serve on the consultant interview panel.

BACKGROUND

Increasing visibility and public awareness of LAFCO and its mandate was one of the three priority goals identified by the Commission at its Strategic Planning Session in 2012. Since that time, LAFCO staff has completed several of the recommended actions for addressing this priority goal by publicizing LAFCO activities, providing outreach /education to agencies and community groups, and by increasing training opportunities for LAFCO commissioners, local officials, and staff.

Some examples include, recognizing and celebrating the 50th Anniversary of LAFCO in 2013 and the 40th Anniversary of the Countywide Joint Urban Development Policies; issuing press releases highlighting LAFCO's service review reports/findings, and the awards that LAFCO received; conducting several workshops and providing training to local agencies and staff on annexations and service extensions; partnering with other local and state organizations to hold a summit on the importance of local farmland to Santa Clara Valley's future; redesigning the LAFCO website in 2014 to be an information resource for local agencies and the public; revising the LAFCO Bylaws to allow all

interested commissioners, including alternates, to attend the CALAFCO conferences; and providing orientation sessions to all new LAFCO Commissioners.

In order to be more proactive and strategic in its outreach efforts, LAFCO has included the development of a public communications strategy in its work plan since FY 2016. As you know, over the past two years LAFCO has had to make difficult, politically challenging decisions and take unprecedented actions in the interest of upholding LAFCO's mandate/goals of curbing sprawl, protecting open space and agricultural lands and promoting efficient service delivery. This situation has further highlighted the need for LAFCO to prioritize the development and implementation of a Strategic Communications and Public Outreach Plan in order to increase awareness of LAFCO's role, responsibilities and its contributions to the well-being of the county and its residents.

The development and implementation of such a Plan requires professional expertise and resources which can best be provided by a firm that specializes in such projects. Therefore, staff has prepared a draft Request for Proposals (**Attachment A**), including Scope of Services, for the preparation and implementation of a Strategic Communications and Public Outreach Plan for the Commission's consideration and authorization.

PROPOSED BUDGET

The LAFCO Budget for Fiscal Year 2017-2018 includes funding for the development and implementation of the Plan. Given the proposed scope of services, staff recommends an allocation of \$75,000 for this project. The LAFCO Executive Officer will negotiate the final project cost with the selected firm.

TENTATIVE TIMELINE

- Release RFP: late June 2017
- Proposals Due: late July 2017
- Firm Interviews and Selection: early August 2017
- Begin Project: September 2017
- Draft Plan presented to LAFCO: Spring 2018
- Implementation of Plan Completed: by Fall 2018

NEXT STEPS

Proposed Release of Final RFP for Strategic Communications and Public Outreach Plan/Implementation

Upon LAFCO authorization, staff will email the Final RFP to firms specializing in strategic communications and marketing and will post the RFP on the LAFCO website and the CALAFCO website for interested firms for a 30-day period.

Appoint a Commissioner to Participate on Consultant Interview Panel

Staff recommends that LAFCO appoint a Commissioner to serve on the consultant interview panel.

ATTACHMENT

Attachment A: Draft RFP for Strategic Communications and Public Outreach Plan/Implementation, including Scope of Services

-DRAFT-

REQUEST FOR PROPOSALS

STRATEGIC COMMUNICATIONS AND PUBLIC OUTREACH PLAN/IMPLEMENTATION

I. Objective

The Local Agency Formation Commission (LAFCO) of Santa Clara County is seeking proposals from professional service firms to prepare and implement a Strategic Communications and Public Outreach Plan for LAFCO. The purpose of the Plan is to increase awareness of LAFCO's role, responsibilities and its contributions to the well-being of the county and its residents and to help LAFCO build partnerships to accomplish its mandate and mission.

II. Background

LAFCO of Santa Clara County is an independent local agency created by the State Legislature in 1963 to encourage orderly growth and development of local agencies (i.e. cities, special districts, and county). LAFCO's mission is to promote sustainable growth and good governance in Santa Clara County by preserving agricultural and open space lands, preventing urban sprawl, encouraging efficient delivery of services, promoting accountability and transparency of local agencies, and exploring and facilitating regional opportunities for fiscal sustainability. LAFCO seeks to be proactive in raising awareness and building partnerships to accomplish this through its special studies, programs, and actions.

Increasing visibility and public awareness of LAFCO and its mandate was one of the three priority goals identified by LAFCO at its Strategic Planning Session in 2012. Since that time, LAFCO staff has completed several of the recommended actions for addressing this priority goal by publicizing LAFCO activities, providing outreach /education to agencies and community groups, and by increasing training opportunities for LAFCO commissioners, local officials, and staff.

Some examples include, recognizing and celebrating the 50th Anniversary of LAFCO in 2013 and the 40th Anniversary of the Countywide Joint Urban Development Policies; issuing press releases highlighting LAFCO's service review reports/findings, and the awards that LAFCO received; conducting several workshops and providing training to local agencies and staff on annexations and

service extensions; partnering with other local and state organizations to hold a summit on the importance of local farmland to Santa Clara Valley's future; redesigning the LAFCO website in 2014 to be an information resource for local agencies and the public; revising the LAFCO Bylaws to allow all interested commissioners, including alternates, to attend the CALAFCO conferences; and providing orientation sessions to all new LAFCO Commissioners.

In order to be more proactive and strategic in its outreach efforts, LAFCO has included the development of a public communications strategy in its work plan since FY 2016. Furthermore, over the past two years LAFCO has had to make difficult, politically challenging decisions and take unprecedented actions in the interest of upholding LAFCO's mandate/goals of curbing sprawl, protecting open space and agricultural lands and promoting efficient service delivery. This situation has further highlighted the need for LAFCO to prioritize the development and implementation of a Strategic Communications and Public Outreach Plan in order to increase awareness of LAFCO's role, responsibilities and its contributions to the well-being of the county and its residents.

III. Scope of Services

A draft Scope of Services is enclosed with this RFP as Attachment 1. A final statement of services to be provided will be negotiated with the firm selected to develop and implement the Strategic Communications and Public Outreach Plan and will be included as part of the professional services agreement.

IV. Budget

A final budget amount for this project will be negotiated with the firm selected for the work prior to reaching agreement. The anticipated project cost of the proposal should not exceed \$75,000.

V. Schedule

It is anticipated that the selected firm will begin working on this project in September 2017; that a LAFCO Workshop seeking input from the Commission on LAFCO's communications and public outreach goals and objectives will occur in November 2017; that LAFCO will hold a public hearing on the Draft Plan in Spring 2018; and that implementation of the Plan will be completed by Fall 2018.

VI. Proposal Requirements

Response to this RFP must include all of the following:

1. A statement about the firm that describes its history 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:

Expertise

- Familiarity with principles, practices and techniques of effective public communications, public relations, and information media
 - Experience in developing and implementing communications and marketing strategies/plans
 - Familiarity with the customs and practices of various public information media related to local government/public sector and/or environmental issues affecting the public
 - Experience developing, articulating and evaluating communications/marketing strategies to meet objectives, including work around branding, media relations, advertising, and corporate or grassroots outreach
 - Experience in techniques of public relations/marketing copy writing and editing, layout and production
 - Experience in project management
 - Experience in techniques of effective interviewing
 - Experience facilitating and synthesizing input from a variety of stakeholders
 - Experience in fostering multi-agency partnerships and cooperative problem-solving
 - Familiarity with current principles and techniques of multimedia communications, including internet and social media
 - Experience in website design including concepts and resources used in the design, development and management of websites
2. Identification of the lead professional responsible for the project and identification of the professional(s) who will be performing the day-to-day work.
 3. Identification of any associate consultant firms to be involved. If associate consultant firms are proposed, describe the work they will perform and include the same information for each as required for items 1 and 2 above.
 4. A statement of related experience accomplished in the last three years and references for each such project, including the contact name, address and telephone number.
 5. A statement regarding the anticipated approach for this project, explicitly discussing and identifying any suggested changes to the draft Scope of Services (*Attachment 1*).

6. Identification of any information, materials and/or work assistance required from LAFCO.
7. An overall project schedule, including the timing of each work task.
8. Information about the availability of all professionals who will be involved in the work, including any associate consultants.
9. The anticipated project cost, including:
 - a. A not-to-exceed total budget amount.
 - b. The cost for each major sub-task identified in the draft Scope of Services.
 - c. The hourly rates for each person who will be involved in the work, including the rates of any associate consultants.
10. Comments about the draft services agreement (*Attachment 2*) specifically including the ability of the firm to meet the insurance requirements and other provisions.

VII. Submission Requirements

DUE DATE AND TIME: TBD

Proposals received after this time and date may be returned unopened.

NUMBER OF COPIES:

6 copies

DELIVER TO:

Neelima Palacherla
LAFCO of Santa Clara County
777 North First Street, Suite 410
San Jose, CA 95112

Note: If delivery is to be in person please first call the LAFCO office (408-993-4705 or 4704) 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
- the completeness of the responses
- overall project approaches identified
- proposed project budget

A consultant selection committee will conduct interviews and the most qualified firm will be selected based on the above evaluation criteria and reference checks. Interviews will be held on **TBD**. 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

Dunia Noel, Analyst
LAFCO of Santa Clara County
Voice: (408) 993-4704
Email: dunia.noel@ceo.sccgov.org

X. Attachments

1. Scope of Services
2. Professional Service Agreement and Insurance Requirements

XI. Reference Information

More information on LAFCO of Santa Clara County and its activities are available on the LAFCO website (<http://www.santaclaralafco.org/>), including the following:

- Frequently Asked Questions (FAQs) (<http://www.santaclaralafco.org/about-lafco/faq>),
- 2015-2016 LAFCO Annual Report (<http://www.santaclaralafco.org/file/AnnualReport/LAFCOAnnualReport2016.pdf>), and
- LAFCO's Adopted Service Reviews (<http://www.santaclaralafco.org/studies-service-reviews>).

Additional information on LAFCOs is available as follows:

- 50 Years of LAFCOs (2013) – A Guide to LAFCOs (http://calafco.org/sites/default/files/resources/50%20Years%20of%20LAFCOs%20%282013%29%20-%20A%20guide%20to%20LAFCOs_0.pdf)
- It's Time to Draw the Line: A Citizen's Guide to LAFCOs (http://calafco.org/sites/default/files/resources/TimetoDrawLine_03.pdf)

-DRAFT-

SCOPE OF SERVICES

STRATEGIC COMMUNICATIONS AND PUBLIC OUTREACH PLAN/IMPLEMENTATION

LAFCO of Santa Clara County is searching for qualified firms to prepare and implement a Strategic Communications and Public Outreach Plan for LAFCO. The purpose of the Plan is to increase awareness of LAFCO's role, responsibilities and its contributions to the well-being of the county and its residents and to help LAFCO build partnerships to accomplish its mandate and mission. The selected firm, working closely with LAFCO staff, will develop the Plan and help LAFCO implement key elements of the Plan.

The Strategic Communications and Public Outreach Plan will:

- a. Define guiding principles, overarching goals and objectives for LAFCO's communications efforts;
- b. Identify target audience groups for outreach and education;
- c. Recommend targeted messages to reach each audience group;
- d. Recommend communications delivery mechanisms with which to reach each audience group;
- e. Prepare an implementation plan, including prioritization of activities, required resources, schedule, and role and responsibilities of LAFCO staff, Commission, and consultant in implementing the Plan;
- f. Identify specific performance measures that LAFCO can use to evaluate the effectiveness of its communications program; and
- g. As necessary, include any other items that the selected firm recommends be included in the Plan.

Continues on Next Page

Implementation activities will include, at a minimum, the following:

1. Development of Outreach Materials

PRODUCTS	ROLE OF FIRM		
	Advice on Messaging & Content	Design	Create Template
“What is LAFCO” Brochure ¹	x	x	N/A
County and Cities Boundaries Map ²	x	x	N/A
Fact Sheets ³	x		x
Annual Report ¹	x		x
Newsletter/Announcement (electronic)	x		x
Any other products that selected firm recommends	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>

Notes:

- (1) Staff will provide draft content.
- (2) Draft version of document already exists.
- (3) Potential topics include: compact growth/infill; agricultural preservation; transparency and accountability best practices for special districts; water resources; affordable housing; island annexations; and climate change.

- 2. Re-design LAFCO Logo and related changes to business cards and letterhead**
- 3. Develop a graphic style guide for LAFCO meeting agendas, staff reports, and PowerPoint presentations**
- 4. Any recommendations for changes to LAFCO website that are necessary to implement key elements of the Plan, including reorganization and/or new content** (The LAFCO website was re-designed in 2014 and only minor improvements are anticipated)

GENERAL OUTLINE OF PROCESS

Development and implementation of the Plan and related tasks will include the following steps, although other activities may be necessary:

1. Research and Analysis of Situation

- Review LAFCO's mission statement and adopted strategic priority goals
- Evaluate LAFCO's recent communications and public outreach efforts and existing documents
- Review on-line media for articles on LAFCO of Santa Clara County. Staff will provide articles/links
- Gather information from staff, commissioners, affected agencies, interested organizations, and the public on local context and situation, through informal interviews/discussions
- Discuss preliminary findings with LAFCO staff and prepare a draft problem statement based on findings

2. Identify LAFCO's Communications and Public Outreach Goals and Objectives

- Attend a LAFCO Workshop to present findings and problem statement and facilitate a discussion to identify LAFCO's communications and public outreach goals and objectives

Work Products: Following the workshop, prepare a final problem statement, and communications goals and objectives

3. Prepare Draft Plan

- Based on LAFCO's communications goals and objectives, prepare a Draft Plan for LAFCO staff review
- Address LAFCO staff's comments on the Draft Plan

Work Products: Consultant must deliver a MS Word version and a PDF version of the Draft Plan to LAFCO staff

4. LAFCO Public Hearing to Consider & Adopt Plan

- LAFCO staff will make the Draft Plan available on the LAFCO website for public review and comment
- Present the Draft Plan at a LAFCO public hearing for the Commission's consideration and adoption

- Incorporate any revisions as directed by LAFCO and prepare a Final Plan

Work Products: Consultant must deliver a MS Word version and a PDF version of Final Plan to LAFCO staff

5. Implement Key Elements of Plan

- Proceed with the development of products identified in Plan/Scope of Services

Work Products: Consultant must deliver products as identified in Plan/Scope of Services

LAFCO MEETING: June 7, 2017
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
SUBJECT: SECOND AMENDMENT TO AGREEMENT FOR LEGAL SERVICES

STAFF RECOMMENDATION

1. Approve the second amendment to the agreement for legal services between LAFCO and the law firm of Best Best & Krieger LLP. (Attachment A)

BACKGROUND

In February 2009, the Commission retained the firm of Best Best & Krieger (BB&K) for legal services on a monthly retainer. The contract was amended in 2010 to reduce the number of total hours in the retainer to 240 hours per year. The contract sets the hourly rate and allows for an annual automatic adjustment to the rates based on the Consumer Price Index (CPI). The monthly retainer for FY 2017 is \$5,034.

For FY 2018, BB&K is seeking an amendment to its legal services agreement with LAFCO and is proposing an increase in the monthly retainer to \$5,400 – a 7.3% increase. As a result, the annual cost to LAFCO would increase to \$64,800. Additionally, BB&K is proposing to limit CEQA work within the retainer to 24 hours annually. This allowance would cover the amount of CEQA work conducted in all prior years except in 2016 when 76 hours of CEQA work was conducted. Per BB&K's proposal, any additional CEQA work above 24 hours would be charged outside the retainer at the same hourly rate.

ATTACHMENT

Attachment A: Second Amendment to Agreement for Legal Services

SECOND AMENDMENT TO AGREEMENT FOR LEGAL SERVICES

This Second Amendment to the Agreement for Legal Services (“Second Amendment”) is entered into by and between the Local Agency Formation Commission of Santa Clara County, hereinafter referred to as “LAFCO” and the law firm of Best Best & Krieger LLP, hereafter referred to as “Counsel”.

RECITALS

A. WHEREAS, LAFCO and Counsel entered into that certain Agreement for Legal Service dated February 21, 2009 to retain Counsel to provide legal services (“Agreement”).

B. WHEREAS, LAFCO and Counsel entered into that First Amendment to the Agreement dated April 21, 2010 to revise compensation (“First Amendment”).

C. WHEREAS, LAFCO and Counsel desire to further amend the Agreement to revise compensation.

NOW, THEREFORE, LAFCO and Counsel, for the consideration hereinafter named, agree as follows:

1. **Effective Date**

This Second Amendment shall become effective on July 1, 2017 and shall remain in effect unless terminated as stated in the Agreement.

2. **Compensation**

Section 4.1 of the Agreement is hereby amended in its entirety to read as follows:

“Retainer for General Counsel Legal Services.

LAFCO shall pay Counsel a monthly retainer of \$5400 for all general counsel legal service, which shall be capped at 240 hours per year. In the fiscal year, General Counsel legal services shall include: (1) up to 24 hours of the 240 hours of non-reimbursable environmental and natural resources work; and (2) all legal services that may be required by LAFCO that are not specifically defined in Section 4.2 as special counsel legal services. Travel time shall be included in the retainer. LAFCO shall pay Counsel \$258 per hour (blended rate for partners and associates) and \$153 per hour (blended rate for paralegals and clerks) for all general counsel services (excluding non-reimbursable environmental and natural resources work) that exceed the yearly cap of 240 hours. Non-reimbursable environmental and natural resources work that exceeds 24 hours in the fiscal year shall be billed at special counsel legal services rates as provided for in Section 4.2.”

3. **Remaining Provisions of Agreement**

Except as otherwise specifically set forth in this Second Amendment, the remaining provisions of the First Amendment, and Agreement shall remain in full force and effect.

Dated this ____ day of June 2017.

LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY

By: _____
Sequoia Hall

BEST BEST & KRIEGER LLP

By: _____
Malathy Subramanian

LAFCO MEETING: June 7, 2017
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: EXECUTIVE OFFICER'S REPORT

9.1 INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE MEETING: MAY 16, 2017

For Information Only.

Pursuant to Government Code §56332(b), Executive Officer Palacherla convened a meeting of the Independent Special District Selection Committee (ISDSC) on May 16, 2017 for the purpose of selecting two special district members – one regular member, and one alternate member, in order to replace the current members whose terms were set to expire on May 31, 2017. At the meeting, the ISDSC unanimously reappointed Sequoia Hall as the regular member on LAFCO and Yoriko Kishimoto as the alternate member, each for a four year term ending on May 31, 2021.

A notice of the meeting was provided on April 17, 2017, nearly a month in advance of the meeting date, to the 17 independent special districts. Notice was provided via email to district clerks, and district managers with a request to forward the notice to all board members. The notice was also posted on the LAFCO website and provided to other interested parties. Prior to that, an announcement regarding the upcoming LAFCO appointments was made at the March 6th Special Districts Association (SDA) Meeting and a report on the SDA meeting was provided to LAFCO at its April 12th meeting under Agenda Item #7.

9.2 INQUIRY FROM SAN MARTIN NEIGHBORHOOD ALLIANCE (SMNA) CONCERNING SEWAGE SPILL AND SEWER LINE IN SAN MARTIN COMMUNITY

For Information Only.

LAFCO staff recently responded to an inquiry from Trina Hineser, President, San Martin Neighborhood Alliance, concerning a sewage spill and sewer connections in the San Martin community and whether LAFCO had any information or any role in the permitting/approval of the sewer line and connections to the sewer line. LAFCO staff reviewed its records and was unable to find any documents pertaining to the sewer line.

Staff contacted the City of Morgan Hill who stated that the line was constructed in 1968/1969 and that certain connections to the sewer line were likely provided to property owners that granted necessary easements over their properties. Based on this information, staff informed Ms. Hineser that because the sewer line and connections to the line appear to date back to 1968/1969, LAFCO involvement and/or approval would not have been required. The State law requiring cities and special districts to obtain LAFCO approval prior to extending services outside their boundaries came into effect in 1994, more than two decades after the construction of the sewer trunk line. Sewage from Morgan Hill travels in a sewer line that runs through the San Martin community on its way to the wastewater treatment plant in Gilroy, where the sewage is treated and discharged. The City of Morgan Hill maintains the sewer line heading south until Highland Avenue in San Martin and maintenance of the sewer line south of Highland Avenue is shared between the City of Morgan Hill and the City of Gilroy.

9.3 MEETING WITH MIDPENINSULA REGIONAL OPEN SPACE DISTRICT STAFF

For Information Only.

On May 22nd, LAFCO staff met with staff from the Midpeninsula Regional Open Space District in order to provide information on the annexation process. The District is considering the potential annexation of some lands that are within the District's Sphere of Influence.

9.4 UPDATE ON RECRUITMENT FOR NEW LAFCO ANALYST POSITION

For Information Only.

LAFCO staff is working with the County Employee Services Agency (ESA) in order to recruit for and fill the new LAFCO Analyst position. It is anticipated that recruitment for the new Analyst position will begin in a couple of weeks, when ESA officially posts the open position for a 30-day application submittal period. Pending the outcome of the recruitment, the most qualified applicants will be interviewed and a job offer will be extended to one applicant.

9.5 SAN JOSE FOOD WORKS IMPLEMENTATION KICK-OFF MEETING

For Information Only.

On May 12th, LAFCO staff attended a workshop kicking-off joint efforts to implement the recommendations of 2016 San Jose Food Works Report. San Jose Food Works brings together diverse partners to strengthen a connected local food systems – production, processing, distribution, retail, restaurants and food service – that advances San Jose's economy, place-making, public health, sustainability, and role as a regional center. The workshop featured a diverse panel of speakers from the public and private sector that discussed the potential opportunities and existing challenges for those involved in the local food system.

Commissioner Yeager provided opening remarks and participated on the panel. Commissioner Yeager, recognizing the important role that LAFCO plays, stressed the

need to “counter the assault on agricultural land” noting that we need “local farms for local food”. The workshop highlighted the connections between economic development, food supply and farmland preservation; and the importance of preserving agricultural land for building sustainable communities.

9.6 UPDATE ON THE SANTA CLARA VALLEY CLIMATE & AGRICULTURE PROTECTION PROGRAM (CAPP)

For Information Only.

On April 19th, staff met with Rob Eastwood (County Planning Manager) to receive an update on Santa Clara Valley Climate & Agriculture Protection Program (CAPP). Mr. Eastwood provided a summary of the major takeaways from the County’s efforts to map agricultural lands and potential threats to these lands; and discussed, in general terms, some of the potential strategies that the County could consider implementing to address those threats. Mr. Eastwood also reported that County staff is meeting with cities staff on this important project.

LAFCO staff informed Mr. Eastwood that the City of Morgan Hill had recently purchased additional agricultural lands for recreational uses outside the City’s Urban Service Area within the Southeast Quadrant (SEQ), and that the Morgan Hill Unified School District continues to consider purchasing agricultural lands in the Southeast Quadrant for future school sites and facilities. Staff also informed Mr. Eastwood that LAFCO has received numerous inquiries from private developers and realtors about the future development potential of lands in the SEQ and that it appears that there is confusion and continued speculation surrounding development potential in the SEQ, which is counterproductive to the agricultural land preservation efforts of the CAPP program.

Staff will keep the Commission informed on the status of the CAPP as it proceeds. LAFCO has a major stake in ensuring a successful outcome for the CAP, given LAFCO’s unique regulatory authority over future city boundaries and its core mandate to preserve farmland and curb urban sprawl.

9.7 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS (SCCAPO) MEETING

For Information Only.

Executive Officer Palacherla and Analyst Noel attended the May 3, 2017 meeting of the SCCAPO that was hosted by the City of Cupertino. The meeting included an informative presentation on Apple’s new campus and a tour of the main building which is nearing completion. A representative of the company discussed the level of attention devoted to every detail of the project and some of the obstacles that the company has had to overcome to achieve their intended vision.

9.8 INTER-JURISDICTIONAL GIS WORKING GROUP MEETINGS

For Information Only.

Analyst Noel attended the April 12th and the May 10th meetings of the Inter-Jurisdictional GIS Working Group that includes staff from various county departments that use and maintain GIS data, particularly LAFCO related data. The April 12th meeting was hosted by County Registrar of Voter's staff, who discussed and demonstrated how they use boundary change information from LAFCO and address information from the County Assessor's Office in their GIS system in order to maintain and update information on registered voters and to prepare for elections. The May 10th meeting was hosted by County Roads and Airports' staff, who also discussed and demonstrated how they use boundary changes information from LAFCO to maintain and update roads and road related data in their GIS system. At both of the meetings, participants also shared updates on current GIS and boundary change activities within their department or agency. The next meeting will be hosted by the County Geographic Information Services Department, which regularly receives notification and documents from LAFCO staff whenever a LAFCO boundary change is recorded.



AGENDA ITEM # 13

cc Neelima Palacherla — Executive Officer, LAFCO
cc Mike Wasseman — Santa Clara County Supervisor, District 1

AMERICAN LEGION POST 217
74 WEST 6TH STREET SUITE D
GILROY, CA 95020

The willingness of our American Veterans to sacrifice for our country has earned them our lasting gratitude and respect. There will always be much that the citizens within their communities can learn from our veterans, such as honesty, citizenship, sacrifice, heroism, courage, and respect for one's fellow human being. Yet it appears that there are those who, instead of expressing gratitude and honor, look to the veterans in a particular community as a group to exploit. This community is Gilroy, CA. And it appears that the target is Gilroy's AMERICAN LEGION POST 217.

Below are the areas of contention between the S.S.C.V.M.D. and the American Legion Post 217.

We are asking for your assistance in providing a speedy resolution to the issues listed.

- a. *The military code states that memorial building veterans have priority of usage of their own building. This code has been in effect since 1951 since the memorial has established. The code also states that the memorial building veterans are not required to pay rent or insurance for the building. As of January 2015, despite the 1951 military provision, rental fees have been required of Post 217. The rent was imposed by South Santa Clara Valley Memorial District (S.S.C.V.M.D.) directors Gabe Perez and Phil Garcia. The rental fees imposed were to pay for the cost of \$72,797.67 to the Santa Clara County Registrar for a special election requested by Gabe Perez and Phil Garcia to retaining their positions on the South Santa Clara Valley Memorial District Board (S.S.C.V.M.D.).*
- b. *The rent for Post 217 on January 2015 was set at \$360. In March of 2015, the rent increased to \$500.00 per month. The reason for the rent hike was stated by Gabe Perez and Phil Garcia as "there are additional funds needed to cover additional expenditures". The lease agreement is biased and retaliatory against Post 217, as its members were forced to sign the lease agreement or be evicted.*
- c. *This occurred despite the fact that the military code establishes three directors who constitute a quorum to manage the needs and activities of the post. These men were not subordinate to military code. They instead took it upon themselves to impose a heavy financial burden on the members of Post 217 to solicit the special election to secure their positions on S.S.C.V.M.*



Key Topics:

2. Mismanagement of Funds (\$218,000.00)

- a. *The Board of the directors at the time Jan, 2013 – (Gabe Perez and Phil Garcia). Solicited the Santa Clara District Electors Board to request a special election that would allow Gabe Perez and John Ceballos to retain their seat positions on the South Santa Clara Valley Memorial District Board (S.S.C.V.M.D.)*
- b. *As stated in the 2015 audit ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2015 Vavrinek,Trine, Day & Co. LLP. These election costs are one expenditure that is not typical for the District, especially since it has never had a public election in its more than 60-year-history. Extenuating circumstances, however, necessitated the 2013 election with the bill due in 2014. Those election costs totaled \$218,393 and therefore the District negotiated a 3- year payment plan for three equal installments of \$72,797.67 with the County Registrar's office.*
- c. *Ray Sanchez and Nicolas Marquez voted against these funds to be used for such a non-beneficial activity. Both Ray Sanchez and Nicolas were outnumbered and out-voted on this and many other propositions by the other Board Members.*
- d. *It is imperative that LAFCO and the Santa Clara Board of Supervisors to hold the S.S.C.V.M.D. Board directors accountable for their violations, negligence, conflicts of interest, and abuses of power.*

3. Abuse of Power by the S.S.C.V.M.D. Board directors

- a. *Two of the Board of Directors, Gabe Perez and Phil Garcia oversee and manage the day-to-day operations of the Veterans of Foreign Wars Bingo Committee. This organization makes use of the S.S.C.V.M.D. facilities on a regular basis.*
- b. *Veterans of Foreign Wars Bingo Committee used the hall to host:*
 - i. *Veterans of Foreign Wars Bingo Games every Friday night.*
 - ii. *Veterans of Foreign Wars Bingo Committee Business Meetings on Tuesdays*
 - iii. *Veterans of Foreign Wars Bingo Committee monthly socials events*
 - iv. *A ladies auxiliary monthly event meetings and management of the bingo snack bar.*
- c. *It is evident that there is an abuse of power due to conspicuous patterns of behavior by the current board of directors during elections. There is evidence of the cyclic elections that places the same board members in a majority position by design. The President Chair is handed off like a baton between the three main directors; John Ceballos, Gabe Perez, Phil Garcia every year.*

4. Conflict of interest by the S.S.C.V.M.D. Board directors

- a. *There appears to be a conflict of interest on the parts of four of the members of the S.S.C.V.M.D. Board of directors, John Ceballos, Gabe Perez, Phil Garcia, and Ermelindo Puentes, who all have responsibilities in the day-to-day operations of the Veterans of Foreign Wars Bingo Committee.*
- b. *Gabe Perez made a remark saying that Post 217 "wouldn't have been paying rent if someone had not gone to the grand jury." This was in relation to the proposed 2011 removal of Nicolas Marquez, one of the members of the board of directors of S.S.C.V.M.D, by Gabe Perez, who was the current president of S.S.C.V.M.D.*



- c. *The Veterans of Foreign Wars Bingo Committee is a “for profit” entity with no accountability.*
- d. *The usage of the facility by the Veterans of Foreign Wars Bingo Committee is four times that of Post 217 yet they are charged the same amount of rent each month.*
- e. *The Veterans of Foreign Wars Bingo Committee caters to an estimated 150 people. This imposes a heavy burden to S.S.C.V.M.D in maintenance costs, including the usage of electricity, AC heating and cooling, water, sewer, and bathroom supplies.*
- f. *Also stated in the 2015 audit ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2015 Vavrinek,Trine, Day & Co. LLP. was this statement, “The relationship between revenues and expenses is the District's operating results. Since the governing board's responsibility is to provide services to our veterans and **not to generate profit as commercial entities do**, one must consider other factors when evaluating the overall health of the District. The quality of the services and the safety of our facilities will likely be an important component in this evaluation.”*
- g. *Post 217 understands that Rental revenues may fluctuate from year to year due to the fact that the building rental for outside events is inconsistent and not fixed. Fluctuation in property tax depends on the local value of the real estate. Any significant changes in expenses from year to year would most likely be due to repairs or improvements to the building due to its age. This was not the case for the significant increase in debt, it was the unnecessary expenditure for the Special Election requested by the then governing board.*
- h. *It is the responsibility of the executive director to guide and educate the board of directors not supporting their malfeasances.*

We look forward to your response and actions to look into these issues and provide Post 217 a timely response in addressing these issue that have been festering for years at the South Santa Clara Valley Memorial District Board (S.S.C.V.M.D.).

Respectfully,

Robert Armendariz — Commander of Post 217



LOGAN & POWELL LLP
ATTORNEYS AT LAW

Robert J. Logan, Of Counsel

15466 Los Gatos Blvd., Suite 109/217 ■ Los Gatos, CA 95032 ■ Telephone (408) 402-9542 ■ Fax (408) 402-8441 ■ E-mail: kpowell@loganpowell.com

AGENDA ITEM # 13
June 7, 2017
Additional Information

June 6, 2017

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

RE: Response to Correspondence from Robert Armendariz Dated May 24, 2017

Dear Honorable Chairperson Hall and Board Members:

This office serves as District Counsel for the South Santa Clara Valley Memorial District (the "District"). This letter is intended to serve as a response to the letter from Robert Armendariz dated May 24, 2017, regarding the District. Unfortunately, the District was only made aware of this letter yesterday. Mr. Armendariz did not send a copy of this letter to the District, nor has he expressed these concerns directly to the District. Due to the limited amount of notice the District received of these issues, this letter is intended to provide a summary of the main points in the letter. However, the District would be more than happy to elaborate on any of these issues in the future.

November 2013 Election

The majority of Mr. Armendariz's concerns are related to the special election that was held in November 2013 and more specifically, the cost of that election. As this Board may be aware, as part of LAFCO's Special District Service Review completed in 2013, it was determined that the District was not complying with the California Elections Code when Board Members were appointed. State law requires that Board Members be elected or appointed by the Santa Clara County Board of Supervisors in the event there are the same number of candidates as there are positions up for election. In 2013, two seats were up for election. Three candidates filed the necessary papers to run for the Board. Because there were more candidates than seats available, the District was required to hold an election. It was not a choice made by the District. It was required by state law.

Because District elections were to be held on odd numbered years (again required by State law), the election was a special election. Special elections are considerably more expensive than regular elections due to the limited number of items

on the ballot. Again, the cost of the election was not a choice made by the District. It was determined by Santa Clara County. The District was required by law to hold the election and required by law to pay for that election. The District was appreciative of the County's willingness to accept three equal payments for the cost of that election. A majority of the District Board approved such payment plan. The District has since worked with the County to move its election dates to even number years to reduce costs in the future.

The American Legion's Use of the Memorial Hall

Mr. Armendariz objects to the fact that the American Legion is required to pay rent for the Memorial Hall. The American Legion pays \$500 per month for its use of the Hall. This entitles the American Legion to three days per month – one for a business meeting, one for a dinner, one for a social event such as a dance, dinner, awards banquet, etc, and one day for the Women's Auxiliary's meeting. In addition, the District has agreed to allow the American Legion to host bingo at the Memorial Hall on a mutually agreeable date at no additional rent, but they have been unable to coordinate the events.

It costs money to operate and maintain the Memorial Hall and the District. The District has only two sources of funding: property taxes from the residents of the City of Gilroy and revenue generated from rentals of the Memorial Hall. Operating expenses of the District have continued to rise, while property taxes have not kept pace. Therefore, the District must look to rental revenue to continue operating the Memorial Hall for the benefit of all residents of the District. The District cannot afford to rent the Memorial Hall for free.

Veterans of Foreign Wars Use of the Memorial Hall

Mr. Armendariz makes claims about the Veterans of Foreign Wars (the "VFW") alleged "Bingo Committee." There is no such official committee. The VFW also rents the Memorial Hall for a variety of uses, including one business meeting per month, one dinner per month, one social event per month and bingo, which is every Friday. The VFW also pays \$500 per month¹ for its use of the Memorial Hall. The bingo is coordinated by volunteers from the VFW but there is no official committee. All proceeds from the bingo goes to back to the community in the form of scholarships, sporting team sponsorships, veterans non-profits, etc. The VFW is a registered non-profit and operates as such. The fact that Board Members are members of the VFW and

¹ Although the VFW uses the Memorial Hall more frequently, there is nothing to prevent the American Legion from using the Memorial Hall on additional days/times.

Honorable Chairperson Hall and Board Members
RE: South Santa Clara Valley Memorial District Update
June 6, 2017
Page 2

volunteer for the bingo events is not a conflict of interest or abuse of power. None of the District Board members are part of the leadership of the VFW.

Conclusion

Over the past five years, the District and the Board Members have worked diligently to address the concerns raised in LAFCO's Special District Service Review. This includes hiring an Executive Director and District Counsel, holding an election for Board Members, appointing Board officers, charging rent to the various groups that were using the Memorial Hall and launching a website to create greater awareness of the District and the services it provides. In so doing, the Board has had to make changes to the way the District and the Memorial Hall operate. There have been those who have not appreciated the changes and want things to return to the way they used to be. Mr. Armendariz is one of those people. Upon review of the Special District's Service Review, Mr. Armendariz would see that the changes that have been made by the District are in compliance with the requirements of the Service Review.

I hope this letter helps to put Mr. Armendariz's letter into context and provides a complete picture of the situation. If you require additional information, please do not hesitate to contact me.

Very truly yours,



Kirsten M. Powell

KMP:sk
cc: Christine West, Executive Director
Board Members