LAFCO
Local Agency Formation Commission of Santa Clara County

LAFCO MEETING AGENDA

Wednesday, December 5, 2007
1:15 p.m.

Board of Supervisors' Chambers
70 West Hedding Street, First Floor
San Jose, CA 95110

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

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

Disclosure Requirements

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

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

1. ROLL CALL

2. PUBLIC PRESENTATIONS

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

3. APPROVAL HELD TO FEBRUARY 6, 2008: OCTOBER 3, 2007 MINUTES

PUBLIC HEARINGS

4. SPHERE OF INFLUENCE (SOI) UPDATES FOR FIRE DISTRICTS IN SANTA CLARA COUNTY

Possible Action: Consider and adopt SOI reports and adopt SOI determinations for the following special districts: Santa Clara County Fire Protection District, South Santa Clara County Fire Protection District, Los Altos Hills County Fire Protection District, and Saratoga Fire Protection District.

5. SOI UPDATES FOR WATER AND RESOURCE CONSERVATION DISTRICTS IN SANTA CLARA COUNTY

Possible Action: Consider and adopt SOI reports and adopt SOI determinations for the following special districts: Santa Clara Valley Water District, Aldercroft Heights County Water District, Purissima Hills County Water District, San Martin County Water District, Guadalupe-Coyote Resource Conservation District, and Loma Prieta Resource Conservation District.

6. POLICIES IMPLEMENTNG ASSEMBLY BILL 745

Possible Action: Adopt policies to implement AB 745 regarding disclosure of contributions and expenditures for political purposes related to LAFCO proposals.

7. INITIAL STUDY AND NEGATIVE DECLARATION FOR PROPOSED INCORPORATION OF THE TOWN OF SAN MARTIN

Possible Action: Accept public comments. No final CEQA action will be taken at this time.

ITEMS FOR COMMISSION DISCUSSION / ACTION

8. PROPOSED INCORPORATION OF THE TOWN OF SAN MARTIN

8.1 Update on the Incorporation Process

Information only.

8.2 Consideration of Potential Modifications to the Proposed Incorporation Boundaries of the Town of San Martin

Possible Action: Accept report and provide direction as necessary.

8.3 Invoices for LAFCO Staff Costs

Information only.

9. APPOINTMENT OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2008

Possible Action: Appoint Chairperson and Vice-Chairperson for 2008.

10. 2008 SCHEDULE OF LAFCO MEETINGS

Possible Action: Adopt the schedule of meetings and filing deadlines for 2008.

11. COMMISSIONERS' REPORTS

12. WRITTEN CORRESPONDENCE

13. NEWSPAPER ARTICLES

"What Grows Around, Comes Around," Metroactive article on October 24, 2007

14. PENDING APPLICATIONS / UPCOMING PROJECTS

- West Valley Sanitation District 2007-01
- San Jose Urban Service Area Amendment 2007 – Riverside No. 52 Reorganization

15. ADJOURN

Adjourn to the next regular meeting on Wednesday, February 6, 2008.

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

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

LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY
MINUTES
WEDNESDAY, OCTOBER 3, 2007

1. ROLL CALL

The Local Agency Formation Commission (LAFCO) of Santa Clara County convenes this 3rd day of October 2007 at 1:00 p.m. in the Chambers of the Board of Supervisors, County Government Center, 70 West Hedding Street, San Jose, California, with the following members present: Chairperson Blanca Alvarado, Vice Chairperson Pete Constant, and Commissioners Don Gage, John Howe and Susan Vicklund-Wilson. Alternate Commissioners Terry Trumbull and Roland Velasco are also present.

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

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

2. NEW ALTERNATE COMMISSIONER: KANSEN CHU, SAN JOSE REPRESENTATIVE

Chairperson Alvarado announces that the City of San Jose has appointed Councilmember Kansen Chu as Alternate LAFCO Commissioner.

3. SANTA CLARA LAFCO RECEIVES "MOST EFFECTIVE COMMISSION" AWARD FROM CALAFCO

Chairperson Alvarado informs that Santa Clara LAFCO has received the Most Effective Commission Award from the California Association of LAFCOs (CALAFCO). She informs that the past year has been an extremely fruitful one for LAFCO, particularly with the successful completion of the Agricultural Mitigation Policies. These policies provide recommendations and guidance on how negative impacts to agricultural lands are mitigated. Last year, LAFCO also initiated the annexation of 54 unincorporated islands in eight cities, comprising of about 901 acres with approximately 2,841 residents. She notes that The Sphere, CALAFCO newsletter, has an article on annexations completed by the City of Fontana in San Bernardino County where 32 islands with 2,932 acres and a

population of 3,000 have been annexed, making Fontana the fourth largest city in that county. Chairperson Alvarado states that both the agricultural mitigation policies and the island annexations are very critical to LAFCO's ability to fulfill its mandate of discouraging urban sprawl, preserving open space and agricultural lands, ensuring efficient delivery of services, and encouraging orderly growth and development.

Chairperson Alvarado then invites commissioners, alternate commissioners and staff to a picture taking.

Commissioner Howe informs that Commissioner Wilson has consistently worked with CALAFCO and was elected Treasurer during the CALAFCO Conference. He then expresses appreciation to Commissioner Wilson for being a diligent representative of the Commission to CALAFCO. Chairperson Alvarado states that Commissioner Wilson has been involved in LAFCO for a very long time and has always been an excellent representative to CALAFCO. In response, Commissioner Wilson expresses appreciation to Chairperson Alvarado and Commissioner Howe for their comments, and to the Commission for her reappointment to another four-year term as a Public Member and for the opportunity to serve in CALAFCO.

4. PUBLIC PRESENTATIONS

Bruce Davis, Executive Director, Arts Council Silicon Valley, inquires whether the Arts Council would be considered an affected agency in the incorporation of San Martin even if it is neither a public agency nor based in that area. He states that if San Martin is incorporated, the County would lose a large amount of transit occupancy tax from the Cordevalle area. Since the County's support to the Arts Council is commensurate to tax revenues collected, the County's assistance to his organization may be substantially reduced as a result of the incorporation.

Chairperson Alvarado refers the inquiry to staff and directs that this be brought to the Office of the County Counsel for a legal opinion and to forward a response to Mr. Davis.

5. APPROVE MINUTES OF AUGUST 1, 2007 MEETING

On motion of Commissioner Howe, seconded by Commissioner Gage, it is unanimously ordered on a vote of 3-0, with Chairperson Alvarado and Commissioner Wilson abstaining, that the minutes of August 1, 2007 meeting be approved, as submitted.

6. OUT OF AGENCY EXTENSION OF SEWER SERVICES BY THE TOWN OF LOS ALTOS HILLS (O'KEEFE)

This being the time and place set to consider the request for an out-of-agency contract for services (OACS) relating to sewer service by the Town of Los Altos Hills, the Chairperson declares the public hearing open.

The Chairperson requests the staff report. Ms. Palacherla reports that the Town of Los Altos Hills is seeking LAFCO approval to extend sewer service to a 2.5 acre property located at 10885 West Loyola Road, outside of the Town's jurisdictional boundaries. The landowner has applied for a two-lot subdivision in the County and is proposing to build a new home on the second lot.

Ms. Palacherla informs that the subject parcel is included in the West Loyola Annexation that was approved by the Town Council on September 13, 2007. She directs attention to the map illustrating the West Loyola annexation and showing the subject parcel. She advises that the West Loyola annexation is conditioned on a roads improvement agreement that was approved by the Town Council on September 27, 2007 and which is on the agenda of the Board of Supervisors for October 16, 2007. Once the agreement is approved by the Board, the Town will be able to submit the paper work to LAFCO, and staff would then record the annexation. Once the annexation is effective, the subject property can be connected to the Town's sewer system without LAFCO approval.

Ms. Palacherla informs that the landowner has applied to the County to subdivide the subject property into a two-lot subdivision. The County General Plan requires that development within a city's urban service area (USA) must be consistent with the General Plan of that city. The Town has informed the County and property owner that the proposed subdivision is not consistent with the Town's General. Moreover, Ms. Palacherla advises that the Town's resolution seeking OACS approval does not endorse the extension

of sewer service to the subdivision because a subdivision is inconsistent with the Town's General Plan. She further informs that there is no immediate health and safety issue associated with the extension of the sewer service. She notes that the West Loyola annexation will become effective by the end of October 2007 and that annexation is the best way to provide services to this parcel. She recommends denial of the application because it is unnecessary.

In response to the inquiry by Commissioner Howe, Ms. Palacherla advises that the Town Council has approved a resolution requesting OACS approval for sewer connection and applicant has paid LAFCO $8,151 as deposit toward LAFCO processing cost. In response to a follow-up inquiry by Commissioner Howe, Ms. Palacherla states that the applicant is aware that LAFCO OACS approval is unnecessary because the West Loyola annexation has already been approved.

David O'Keeffe, property owner, expresses appreciation to the Commission for hearing the application, stating that he and his family live on the property which they purchased in 2004 with a plan to expand. He indicates that the Town Engineer has approved his purchase of two sewer rights; however, he was unaware that OACS approval would be required. He adds that there is an existing sewer main line outside his property and engineers only need to hook up two laterals. He adds that while he supports the West Loyola annexation, he applied for OACS approval because his engineering plans are now complete; and it will take six months or more to install sewer mains in the West Loyola annexation area because funds would have to be raised by the landowners.

In response to the inquiry by Chairperson Alvarado, Ms. Palacherla explains that the Town has approved the West Loyola annexation contingent on a roads improvement agreement with the County. The agreement is on the agenda of the October 16, 2007 Board of Supervisors meeting and the County Roads and Airports Department indicates that there is no opposition to the roads agreement. Staff will then record the annexation and it becomes effective. Further, she informs that the subject parcel may apply for a connection with the Town as soon as the annexation is effective.

Mr. O'Keeffe states that it is a tough process because he could not connect to the sewer main just outside his property although he already paid for the sewer rights and fees to the Town and LAFCO. He states that residents who went through annexation have told him that it takes about six months after annexation before a property is connected to sewer.

Bob Fenwick, former mayor of Los Altos Hills, states that he spoke in favor of the O'Keeffe OACS connection at the Town Council meeting and is speaking at this hearing to request for OACS approval.

Toni Casey, resident of Los Altos Hills, requests the Commission to approve sewer services to the O'Keeffe property, stating that it took about six months before her property had been connected to sewer service after the San Antonio Hills annexation because the residents have to raise funds for it. She notes that it also took about that period of time before the Ravensbury area has been provided with sewer service.

Laura Salamanca, a resident of 10905 West Loyola Drive, neighbor to the subject property, states she is pleased to be part of the West Loyola Drive annexation. She expresses appreciation to the Commission for reading her letter, as well as to staff for the well-written staff report. She notes that the application violates the OACS policies because the Town Council has already approved the West Loyola annexation and roads agreement will be approved by the Board of Supervisors in two weeks. She states that the applicant himself indicated at the Town Council meeting that there is no safety and health issue associated with his application. She also notes that the applicant is seeking a last minute OACS approval before the West Loyola annexation is finalized because his proposed two-lot subdivision is inconsistent with the Town's General Plan. Finally, Ms. Salamanca states that the applicant has been told in writing by the Town and County planners, as well as LAFCO staff, that this application violates the policies of each of these agencies.

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

Commissioner Constant indicates for the record that he had met with Mr. O'Keeffe. In response to the inquiry by Commissioner Constant, Mr. O'Keeffe states that he was told

in March 2006 by the Town staff that the proposed subdivision is consistent with the Town's General Plan.

Commissioner Constant comments that since the property will eventually be annexed to the Town and be connected to sewer, he proposes that the out of agency application be approved now. He states that while the policies favor annexation, he notes that the applicants have applied to the Town and received Council resolution, and paid all the fees. He notes that it will be bureaucratic to deny the application and make the applicants wait until after annexation for sewer service. He adds that the property has infrastructure in place to connect to sewer main.

Chairperson Alvarado informs that the Commission has been working on annexations for a long time and West Loyola annexation is very important. She notes that the staff's preference for annexation over OACS is not arbitrary because OACS approval in this case is inconsistent with LAFCO's intent to encourage orderly growth. Chairperson Alvarado states that it is a matter of consistency with OACS policy rather than bureaucratic red tape.

Ms. Palacherla clarifies that the Town stated that the proposed two-lot subdivision was in conformance with its General Plan in March 2006; however, in August 2006, the Town corrected its mistake and stated that it is inconsistent with its General Plan. Hence, the Town resolution requesting OACS approval does not endorse a connection for a subdivision. She advises that LAFCO should not be involved with the subdivision issue and the applicant's development proposal with the County because the Town has already annexed the West Loyola area. The applicant has been informed that there is no need for OACS because his property has been annexed by the Town. The applicant, however, chose to move forward with the OACS application. Ms. Palacherla adds that regardless of whether the sewer service is being provided as a result of OACS approval or annexation, the property owner would have to go through the same connection process.

Commissioner Gage states for the record that he had met with the applicant. He informs that the Town approved the proposed subdivision in March 2006; however, it revised that decision in August 2006. Therefore, the County planning staff would

recommend to the Board of Supervisors to deny the proposed subdivision because it is inconsistent with the Town's General Plan, whether or not LAFCO approves the OACS application.

Commissioner Howe states for the record that he had likewise met with the applicant and expresses agreement with Commissioner Constant's proposal to approve the request for sewer connections and leave it for the Town and the Board of Supervisors to decide the subdivision issue.

Commissioner Wilson states that this is an issue between the landowner and the Town and is not a LAFCO issue. She indicates that staff has analyzed the application based on LAFCO's policies and finds that it does not meet the criteria; therefore, it should be denied. She expresses concern if one sewer connection is approved as an OACS because the application has nothing to do with LAFCO and if would not benefit anyone if LAFCO makes that decision at the meeting. Commissioner Wilson states for the record that she also talked with the applicant on the telephone.

Commissioner Wilson moves to approve the staff recommendation to deny the application. She notes that the cost of the application and waiting time for sewer service upon annexation should not be the basis for OACS approval. The Commission should not set a precedent because the Town is trying to have orderly growth within its boundary. Commissioner Wilson informs that if her motion to deny fails, she would make another motion to continue the item to the next meeting when a representative from the Town could attend. Chairperson Alvarado seconds the motion.

Commissioner Constant comments that this is an issue about sewer and not about land use, and the worst scenario would be to allow one sewer connection. He notes that the applicant should not be made to wait until the West Loyola annexation is completed because it would take months before sewer is connected. The applicant should have at least one sewer connection even if the two-lot subdivision is denied.

Mr. O'Keeffe requests to address the Commission. The Chairperson approves the request.

Mr. O'Keeffe states that the Town Council had unanimously voted that it is not against bringing the proposed subdivision to the Board of Supervisors and expresses desire to have his day in court. Chairperson Alvarado and Commissioner Gage assure Mr. O'Keeffe that the Board of Supervisors will be impartial when hearing his subdivision proposal.

Chairperson Alvarado enjoins the Commission to support Commissioner Wilson's motion to approve the staff recommendation to deny the OACS application because it is very simple and straightforward. LAFCO should not be involved in the land use policies, particularly since the annexation of West Loyola area annexation will settle this matter in the appropriate forum down the road. In response to the inquiry by Commissioner Gage, Chairperson Alvarado states that the property will be connected to sewer when the annexation to the Town is finalized. However, the subdivision would not be approved by the Board of Supervisors because it is inconsistent with the Town's General Plan.

Chairperson Alvarado calls the question.

It is ordered on a vote of 3-2, with Commissioners Constant and Howe opposed, Resolution No. 2007-07 be adopted denying the request by the Town of Los Altos Hills to extend sewer service to property located at 10885 West Loyola Road in the unincorporated area.

7. OUT OF AGENCY EXTENSION OF SEWER SERVICES BY THE TOWN OF LOS ALTOS HILLS (VAUGHN)

This being the time and place set to consider the request for an out of agency sewer service by the Town of Los Altos Hills, the Chairperson declares the public hearing open.

The Chairperson requests the staff report. Ms. Palacherla reports that the Town of Los Altos Hills is requesting LAFCO approval to provide sewer service to a property located at 10700 Mora Drive, outside the town's jurisdictional boundaries. The subject property is adjacent to the Mora Drive area where LAFCO approved OACS for 28 properties in 2001 upon the Town's assurance to annex the area once it is feasible. She directs attention to the map displayed on screen illustrating the Mora Drive area as adjacent to the West Loyola annexation, explaining that when that annexation is

completed, Mora Drive becomes contiguous with the Town's boundary. At that time, annexation of Mora Drive and the subject property will be feasible.

Ms. Palacherla advises that the applicant is seeking three sewer connections to a three-lot subdivision with a tentative map approved by the County. The Town has determined that the subdivision is consistent with its General Plan. She indicates that there is no immediate health and safety issue associated with this sewer service request. Annexation of the subject property is feasible and the landowner has waived his right to protest in the event that the property is annexed; the Town has expressed interest to annex the area and is now working with property owners. Staff recommends that the extension of a sewer service to this property be approved in anticipation of a future annexation. She recommends that this approval include a statement that LAFCO would not accept any further OACS applications from the Town until the Mora Drive area, which includes the 28 parcels, as well as the subject property, are annexed by Los Altos Hills.

Chairperson Alvarado reiterates that this will be the last OACS proposal from the Town of Los Altos Hills that will be approved by LAFCO until the Mora Drive area and the subject property are annexed.

Melvin Vaughn, property owner, expresses appreciation to the Commission and staff. He requests approval of the OACS application stating that the Board of Supervisors unanimously approved the three-lot subdivision and its final subdivision map and that the Town and neighbors support his application.

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

Commissioners Howe and Gage state for the record that they have separately met with the applicant. Commissioner Wilson likewise states for the record that she talked to the applicant on the telephone.

In response to the inquiry of Commissioner Wilson, Mr. Vaughn informs that there is a storm water issue on his property stating that it does not meet current County requirements for runoff water. He states that this will result in health and safety risk in the future because that is where the septic tank is located. In response to a follow-up inquiry

by Commissioner Wilson, Mr. Vaughn informs that he will not oppose future annexation of his property to the Town.

Chairperson Alvarado states that the Mora Drive issue has been going on for a long time. Ms. Palacherla advises that the Town Council has committed to annex the area, and since West Loyola will be annexed, Mora Drive area will become contiguous with the Town. Commissioner Constant states for the record that a staff member from his office had met the applicant.

On motion of Commissioner Constant, seconded by Commissioner Gage, it is unanimously ordered on a vote of 5-0 that Resolution No. 2007-04 be adopted approving the application by the Town of Los Altos Hills for an out of agency contract for sewer services to 10700 Mora Drive, and approving the Categorical Exemption for this proposal; and approving a statement that LAFCO will not accept any further OACS applications from the Town of Los Altos Hills until the Mora Drive area and subject parcel are annexed to the Town.

8. FINAL REPORT FOR NORTHWEST SANTA CLARA COUNTY SERVICE REVIEWS AND SPHERE OF INFLUENCE UPDATES

This being the time and place set to consider the Final Report for the Northwest Santa Clara County Service Reviews and Sphere of Influence (SOI) Updates, Chairperson Alvarado declares the public hearing open.

Commissioner Howe states for the record that his wife is employed by the El Camino Hospital District and recuses himself from consideration of this Final Report and SOI update. He clarifies that although he is recusing himself from participating in LAFCO's consideration of this item, his participation on the Technical Advisory Group did not favor El Camino Hospital District in any way because he did not participate in discussions relating to that special district.

Commissioner Howe leaves the Board Chambers. Alternate Roland Velasco joins the Commission to participate in this matter.

The Chairperson requests the staff report. Dunia Noel informs that the Northwest Santa Clara County Service Reviews and SOI Recommendations Final Report contains the required service reviews, service review determinations, SOI recommendations, and SOI

determinations for the cities of Campbell, Cupertino, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Mountain View, Palo Alto, Saratoga and Sunnyvale. It also includes SOI determinations for the Cupertino Sanitary District, El Camino Hospital District, Lake Canyon Community Services District, Midpeninsula Regional Open Space District, Rancho Rinconada Recreation and Park District, Santa Clara Valley Transportation Authority, Saratoga Cemetery District, West Bay Sanitary District, and West Valley Sanitation District (WVSD).

Ms. Noel advises that on August 1, 2007, LAFCO held a public hearing to consider the draft report and to accept further comments. Since then, staff has received some comments resulting in minor revisions to four sections of the report. A Notice of Availability of the Final Draft Report was sent to all the affected agencies and interested parties on September 12, 2007. The final report is available on the LAFCO website for downloading.

Ms. Noel recommends that the Commission reaffirm the SOI boundaries for all agencies, except for Palo Alto, Los Altos Hills, El Camino Hospital District, and West Valley Sanitation District. Palo Alto's SOI currently includes two residential areas that need to be moved from Palo Alto's SOI to that of Los Altos Hills. The El Camino Hospital District serves residents of Sunnyvale and Cupertino which area currently outside its boundary; therefore, staff recommends that LAFCO expand the District's SOI to include these two cities. WVSD currently serves two small areas located beyond its SOI, staff recommends expansion of the District's SOI to include these two areas. Ms. Noel reports that based on the comments received from Mountain View this week, staff recommends that the Commission amend the determination for that City's infrastructure needs and deficiencies, included as Attachment A of the staff report, to read "The library has operating and capacity challenges. A space reallocation plan is included in the City's CIP to address some space needs and to improve operating efficiency. Additional space needs, especially in the children's area, will be addressed at a later time." She indicates that Llyod Zola, the consultant for the project, is available to respond to any question of the Commission.

In the response to the inquiry by the Chairperson, Ms. Noel reports that staff has resolved the issue with Palo Alto. In response to another question by the Chairperson, Ms. Noel indicates that the Lake Canyon Community Services District serves an area near the Lexington Reservoir area.

Steven Wesolosksi, Board Member, Rancho Rinconada Recreational and Park District, recommends to the Commission to hire local consultants for the service reviews so there will be no added costs for travel.

Jennifer Griffin, a homeowner in Rancho Rinconada area, states the residents are happy about the district's amenities and services. She urges the Commission to leave the Rancho Rinconada area as it is because it provides a vital service to the residents, the community is involved in running it and it adds value to the surrounding properties.

Chairperson Alvarado directs staff to take note of this comment.

Matt Freeman, Planning Manager, MROSD, states that the District is pleased with the final report. He informs, however, that there is a gap in open space services in Santa Clara County because there are some areas within the District SOI that are not within the District boundary. The District is currently conducting a master plan study of that area. He adds that MROSD will annex the area and requests the final report acknowledge that service gap so the District will be in a better position to initiate the annexation process. Mr. Freeman then submits a letter to the Commission.

Chairperson Alvarado states that public comments will be reflected in the minutes and added to the service review determinations and SOI recommendations as appropriate.

The Chairperson determines that there are no other members of the public who wish to speak on the item and orders that the public hearing be closed. Ms. Noel advises that the CEQA determinations be adopted first.

On motion of Commissioner Gage, seconded by Commissioner Constant, it is unanimously ordered on a vote of 5-0 vote, Alternate Commissioner Roland Velasco voting as the cities representative as Commissioner Howe has recussed himself, in the absence of Commissioner Howe, that the Service Reviews and Sphere of Influence

Recommendations report for the Northwest Santa Clara County be categorically exempt from CEQA

In response to comment from Mr. Freeman, Ms. Palacherla, advises that the final report could acknowledge the service gap but the service review would not recommend annexation without further staff analysis.

On motion of Commissioner Gage, seconded by Commissioner Constant, it is unanimously ordered on a 5-0 vote, with Alternate Commissioner Roland Velasco voting as the cities' representative as Commissioner Howe has recused himself, that the Final Report on Northwest Santa Clara County Service Review and SOI Update be adopted with the necessary revisions; that Resolution No. 2007-05 be adopted making service review determinations for each of the cities and special districts; that the SOI be updated and Resolution No. 2007-06 be adopted making SOI determinations for each of the cities and special districts; and, that staff be directed to distribute the Final Report to all affected agencies.

9. CLARIFICATION OF "AGRICULTURAL USE"

Commissioner Howe returns at 2:05 p.m. for Item No. 9.

The Chairperson requests the staff report. Ms. Palacherla reports that the Commission unanimously approved the Agricultural Mitigation Policies at the April 4, 2007 hearing which includes a word-for-word definition of prime agricultural land as found in the Cortese-Knox-Hertzberg (CKH) Act. At the hearing, the Commission directed staff to provide clarification on the term "agricultural use" as mentioned in the CKH Act section defining prime agricultural land. A staff report had been prepared for the May 30, 2007 meeting; however, that staff report has been revised based on comments received to date. The CKH Act defines "prime agricultural land" as "an area of land, whether single parcel or contiguous parcels, that has not been developed for use other than an *agricultural use* and that meets any of the following qualifications…" The term "agricultural use" is not defined in the CKH Act. The Commission directed staff to clarify that term in the context of the CKH Act's definition of "prime agricultural lands." Ms. Palacherla adds that the term, when used by LAFCO as part of LAFCO's definition of "prime agricultural

land," refers to land uses that relate to producing corps, growing fruit/nut trees, grazing cattle, supporting an agricultural industry or other uses that would not exclude the use of land for agriculture and that would be compatible with agriculture, including land left undeveloped or fallow. She states that the staff report contains comment letters and staff response to those letters.

Jim Rowe, Planning Manager, City of Morgan Hill, requests that CKH Act that the term "agricultural use" be the defined using the definition of "agricultural lands." He states that this the Agricultural Mitigation Policies should first apply to lands that are determined as agricultural. If this change is not made, he notes, the mitigation policies apply to prime agricultural and include lands that have never been used for agriculture simply because of their soil classification or by being irrigatable. He states that the primary purpose of the mitigation policies is to preserve lands that are currently being used for agriculture.

Chairperson Alvarado informs that pages 3 and 4 of the staff report respond to the issue raised by Mr. Rowe as well as those raised by the other stakeholders.

Michele Beasley, Field Representative, Greenbelt Alliance, enjoins the Commission to support the staff report clarifying the term "agricultural uses" because the focus should be on the soil that could support agriculture even if the land is left fallow. She notes that the agricultural mitigation policies should not be weakened because it is LAFCO's responsibility to encourage orderly and city-centered growth.

The Chairperson determines that there are no other members of the public who wish to speak on the item.

Commissioner Wilson informs that she requested that this item be continued to this meeting because she could not be present at the August 1, 2007 meeting. She expresses concurrence with the staff recommendation, stating that having served the Commission for 12 years, it has been a long standing LAFCO policy that fallow lands as long as they are prime soil should be classified as prime agricultural land. She proposes that the Commission take into account the letter from the Friends of Coyote Valley Greenbelt (FROG) about the viability and importance to the local economy of small scale agriculture

at the urban edge. She adds that some people intentionally let their lands go fallow in order to develop them. Regardless of the reason, the irrecoverable loss of agricultural land has to be mitigated.

Commissioner Wilson moves for acceptance of clarification to the term "agricultural use" as mentioned in LAFCO's Agricultural Mitigation Policy No. 6. Chairperson Alvarado seconds the motion.

In response to the inquiry of Commissioner Gage, Ms. Kretchmer advises that the Agricultural Mitigation Policies are using the CKH Act definition word-for-word and the reason for this clarification is because that definition has a phrase "agricultural use." Commissioner Gage states that there are some areas where urban encroachments force farmers to leave the land fallow because surrounding residential or commercial developments prevent them from spraying. He adds that there are lands, whether prime or not, that will never be used for agriculture again because of encroaching development and specific circumstances.

Chairperson Alvarado calls for the question.

It is unanimously ordered on a vote of 5-0 that the staff recommendation be accepted relating to clarification of the term "agricultural use."

The Chairperson, there being no objection, orders a recess for a fire drill at 2:13 p.m.

Alternate Commissioner Trumbull leaves at 2:13 p.m.

The Commission reconvenes at 2:41 p.m. The Chairperson confirms that there is a quorum.

10. SAN MARTIN INCORPORATION PROPOSAL: INVOICES FOR LAFCO STAFF COSTS

The Chairperson requests the staff report. Ms. Palacherla advises that this is an information only item on staff time spent on the San Martin incorporation proposal. At the last meeting, the proponents requested that the invoices include a breakdown of the tasks performed and amount of time spent. She notes that the LAFCO Counsel has a new hourly rate to be included in the invoice starting in July 2007.

11. UPDATE ON COYOTE VALLEY SPECIFIC PLAN DRAFT ENVIRONMENTAL IMPACT REPORT

The Chairperson requests the staff report. Ms. Noel informs that staff will meet with City of San Jose planning staff next week to talk about the Coyote Valley Specific Plan (CVSP) Environmental Impact Report (EIR). LAFCO is the responsible agency for this project and staff has several concerns about the EIR. The EIR will be used by the Commission to evaluate USA amendment and annexation proposals by San Jose for CVSP. Among the items that will be discussed at the meeting next week are the draft EIR's consistency with LAFCO policies, impact on the loss of agricultural lands, clarification on CVSP implementation, and status of the General Plan triggers.

12. CONSIDERATION OF CHANGE TO LAFCO MEETING TIMES

The Chairperson announces a proposal to change the meeting time from 1:00 p.m. to 1:15 p.m. Commissioner Wilson moves for approval. Commissioner Howe seconds the motion. In response to an inquiry by Commissioner Howe, Ms. Palacherla advises that the proposal is being made because there is a conflict with Commissioner Gage's schedule.

It is unanimously ordered on a vote of 5-0 that meeting time be changed from 1:00 p.m. to 1:15 p.m.

13. REPORT BACK ON THE CALAFCO ANNUAL CONFERENCE IN SACRAMENTO

The Chairperson requests for the staff report. Ms. Noel reports that Vice Chairperson Constant, Commissioners Howe and Wilson, and LAFCO staff attended the 2007 CALAFCO Conference in Sacramento. During the Conference, Commissioner Wilson was reelected to another term on CALAFCO Board of Directors and the LAFCO of Santa Clara County was presented the award for the "Most Effective Commission in 2007." Commissioner Wilson was a panelist for the session entitled "Sustaining Agriculture: Exploring LAFCO's Role" where she presented LAFCO's Agricultural Mitigation Policies and discussed the process of developing these policies. Many LAFCOs are beginning to consider how they can strengthen their agricultural preservation policies and are interested in Santa Clara LAFCO's recent experience. Commissioner Wilson also moderated the panel entitled, "CEQA and LAFCO: Achieving the LAFCO Mission."

LAFCO staff participated in that mobile workshop that focused on efforts to preserve agricultural and open space lands in Yolo County. Ms. Noel also talked about the different panel discussions. Kathy Kretchmer participated in the Attorneys' Roundtable relating to agricultural mitigation policies, indemnification of LAFCOs, and new legislation affecting LAFCOs. The 2008 CALAFCO Conference will be held in early September 2008 in Studio City.

14. COMMISSIONERS' REPORTS

There are no Commissioners' reports.

15. WRITTEN CORRESPONDENCE

Chairperson Alvarado states that copies of The Sphere, a CALAFCO publication, have been distributed to the members of the Commission.

16. NEWSPAPER ARTICLES

There are no newspaper articles.

17. PENDING APPLICATIONS / UPCOMING PROJECTS

The Commission takes note of one pending district annexation, West Valley Sanitation District 2007-1.

18. ADJOURN

On the order of the Chairperson, there being no objection, the meeting is adjourned at 2:47 p.m.

The next regular LAFCO meeting is scheduled to be held on Wednesday, December 5, 2007 at 1:15 p.m. in the Chambers of the Board of Supervisors, County Government Center, 70 West Hedding Street, San Jose, California.

_____
Blanca Alvarado, Chairperson
Local Agency Formation Commission

ATTEST:

_____
Emmanuel Abello, LAFCO Clerk

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 5

LAFCO Hearing: **December 5, 2007**

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst

SUBJECT: **Sphere of Influence Recommendations and Determinations for the Water Districts and Resource Conservation Districts in Santa Clara County**

Agenda Item # 5

RECOMMENDED ACTIONS

1. Open public hearing and receive testimony.
2. Close public hearing.
3. CEQA Actions:
    a. Determine that the Sphere of Influence Update for Aldercroft Heights County Water District, Guadalupe-Coyote Resource Conservation District, Loma Prieta Resource Conservation District, Purissima Hills County Water District and the Santa Clara Valley Water District are categorically exempt from CEQA under §15061(b)(3) General Rule.
    b. San Martin County Water District: As Lead Agency, adopt the Negative Declaration for the Sphere of Influence Update for the San Martin County Water District based on the findings that the Negative Declaration was prepared in accordance with law and reflects the Local Agency Formation Commission of Santa Clara County's independent judgment and analysis; that LAFCO has considered the Negative Declaration and all comments received during the comment period; and that there is no substantial evidence in the record that the Project will have a significant impact on the environment. (see Attachment A for Negative Declaration and Initial Study)
    c. Designate the LAFCO Executive Officer as the location and custodian of the documents and other materials that constitute the record of proceedings on which this decision is based.

4. Update Spheres of Influence:

    a. Adopt Sphere of Influence Reports (Exhibit A) for:

        - Aldercroft Heights County Water District,
        - Guadalupe-Coyote Resource Conservation District,
        - Loma Prieta Resource Conservation District,
        - Purissima Hills County Water District, and
        - Santa Clara Valley Water District.

    b. Update the Spheres of Influence and adopt resolution making Sphere of Influence determinations for:

        - Aldercroft Heights County Water District,
        - Guadalupe-Coyote Resource Conservation District,
        - Loma Prieta Resource Conservation District,
        - Purissima Hills County Water District, and
        - Santa Clara Valley Water District.

    c. Adopt Sphere of Influence Report (Exhibit B), with revisions as necessary, for:

        - San Martin County Water District

    d. Update the Sphere of Influence and adopt resolution making Sphere of Influence determinations for :

        - San Martin County Water District

BACKGROUND

Countywide Water Service Review Adopted in 2005

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code §56000 et seq.) requires that each LAFCO conduct service reviews prior to or in conjunction with the 5-year mandated sphere of influence updates. LAFCO adopted a Countywide Water Service Review Final Report in June 2005 for the following special districts:

- Aldercroft Heights County Water District,
- Guadalupe-Coyote Resource Conservation District,
- Loma Prieta Resource Conservation District,
- Purissima Hills County Water District,

- Santa Clara Valley Water District, and
- San Martin County Water District.

SPHERE OF INFLUENCE RECOMMENDATIONS FOR WATER AND RESOURCE CONSERVATION DISTRICTS

The deadline for LAFCO to update all Sphere of Influence Boundaries is January 1, 2008. LAFCO contracted with Dudek and Associates in May 2007 to update the Sphere of Influence Boundaries for water districts and resource conservation districts in Santa Clara County. Attached for LAFCO's adoption are Sphere of Influence Recommendations for water districts and resource conservation districts in Santa Clara County. LAFCO staff recommends that LAFCO reaffirm the current Sphere of Influence Boundaries for the resource conservation districts and for the water districts (see Exhibit A), with the exception of the San Martin County Water District (see Exhibit B).

LAFCO staff also recommends that LAFCO amend the San Martin County Water District's Sphere of Influence Boundary (SOI) to include five areas in order to address the out-of-agency-service already being provided by the District. The proposed changes to the District's SOI encompass an additional 173 acres and include the following areas (see Figure 2 of Attachment A):

- Area 1: An approximately 10.6-acre area south of East San Martin Avenue and east of Highway 101 that has an existing commercial use.
- Area 2: An approximately 116-acre area consisting of the South County Airport. This area also includes three parcels located south of East San Martin Avenue and west of Murphy Avenue in an area which is surrounded by the current district and sphere of influence boundary.
- Area 3: An approximately 28-acre area located west of Highway 101 and north of East San Martin Avenue. This area includes property owned by the County of Santa Clara and used for a road maintenance facility and County Transit District facilities.
- Area 4: An approximately 3.5-acre area consisting of two parcels with residential use located on the east side of Llagas Avenue north of North Street.
- Area 5: An approximately 13-acre area consisting of two parcels located west of Llagas Avenue and north of the Morgan Hill Unified School District property. These parcels are the location of Pacific Building Materials/Cal Stone.

SPHERE OF INFLUENCE DETERMINATIONS FOR WATER AND RESOURCE CONSERVATION DISTRICTS

As part of the sphere of influence update, LAFCO's must prepare an analysis and written statement of determinations for each special district regarding each of the following four categories:

- Present and planned land uses in the area, including agricultural and open-space lands
- Present and probable need for public facilities and services in the area
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- Existence of any social or economic communities of interest in the area, if LAFCO determines that they are relevant to the agency.

LAFCO staff has prepared sphere of influence determinations for the 6 special districts (see Exhibits A & B) and recommends that LAFCO adopt by resolution the sphere of influence determinations for the following special districts:

- Aldercroft Heights County Water District,
- Guadalupe-Coyote Resource Conservation District,
- Loma Prieta Resource Conservation District,
- Purissima Hills County Water District,
- Santa Clara Valley Water District, and
- San Martin County Water District.

ENVIRONMENTAL ANALYSIS

The Sphere of Influence Reports for Aldercroft Heights County Water District, Guadalupe-Coyote Resource Conservation District, Loma Prieta Resource Conservation District, Purissima Hills County Water District and the Santa Clara Valley Water District are categorically exempt from CEQA under §15061(b)(3) General Rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Reaffirming the Sphere of Influence Boundaries for the abovementioned special districts would not have a significant effect on the environment and is exempt from CEQA.

LAFCO staff is also recommending that LAFCO amend the Sphere of Influence Boundary for the San Martin County Water District in order to address the out-of-agency service already being provided by the District. In order to avoid

creating illogical boundaries, LAFCO staff also recommends that some intervening lands, that are not currently receiving services from the District, also be included in the proposed Sphere of Influence Boundary. As a result, LAFCO staff was required to prepare an Initial Study to determine if the amendment could have a significant effect on the environment. LAFCO staff determined that the project could not have a significant effect on the environment and an Initial Study and Proposed Negative Declaration were released for a 20 day public review period which closes on December 4th. A Notice of Intent to Adopt a Negative Declaration (see Attachment A) was circulated in compliance with §15072 and §15073 of the CEQA Guidelines. As of the writing of this staff report, LAFCO staff has not received any comments on the Initial Study and Proposed Negative Declaration.

NEXT STEPS

Following the adoption of the Sphere of Influence Report and Determinations, LAFCO staff will distribute the resolutions to all of the affected agencies and post the information on the LAFCO website (www.santaclara.lafco.ca.gov).

ATTACHMENTS

Attachment A:	Notice of Intent and Initial Study and Proposed Negative Declaration for San Martin County Water District Sphere of Influence Update (dated 11/14/2007)
Exhibit A:	Sphere of Influence Reports and Determinations for Aldercroft Heights County Water District, Guadalupe-Coyote Resource Conservation District, Loma Prieta Resource Conservation District, Purissima Hills County Water District and the Santa Clara Valley Water District
Exhibit B:	Sphere of Influence Report and Determinations for the San Martin County Water District

ITEM NO. 5
ATTACHMENT A

LAFCO
Local Agency Formation Commission of Santa Clara County

Notice of Intent to Adopt a Negative Declaration

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

Project Name	**Applicant**
San Martin County Water District Sphere of Influence Update	Local Agency Formation Commission of Santa Clara County

Project Location

Unincorporated San Martin community in southern Santa Clara County

Project Description

The project is LAFCO's proposed amendment of the San Martin County Water Districts Sphere of Influence Boundary (SOI) to include five areas in order to address the out-of-agency-service already being provided by the District. The proposed changes to the District's SOI encompass an additional 173 acres and include the following areas (see Attached Map):

- Area 1: An approximately 10.6-acre area south of East San Martin Avenue and east of Highway 101 that has an existing commercial use.
- Area 2: An approximately 116-acre area consisting of the South County Airport. This area also includes three parcels located south of East San Martin Avenue and west of Murphy Avenue in an area which is surrounded by the current district and sphere of influence boundary.
- Area 3: An approximately 28-acre area located west of Highway 101 and north of East San Martin Avenue. This area includes property owned by the County of Santa Clara and used for a road maintenance facility and County Transit District facilities.
- Area 4: An approximately 3.5-acre area consisting of two parcels with residential use located on the east side of Llagas Avenue north of North Street.
- Area 5: An approximately 13-acre area consisting of two parcels located west of Llagas Avenue and north of the Morgan Hill Unified School District property. These parcels are the location of Pacific Building Materials/Cal Stone.

Purpose of Notice

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

A public hearing for the proposed amendment of the San Martin County Water District's Sphere of Influence Boundary is tentatively scheduled for the **Local Agency Formation Commission of Santa Clara County on December 5, 2007, 1:15 PM** in the County Government Center, Board of Supervisor Chambers, 70 W. Hedding Street, San Jose, CA 95110.

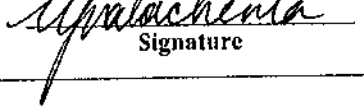
Public Review Period:	**Begins:** November 14, 2007	**Ends:** December 4, 2007

Public Comments regarding the correctness, completeness, or adequacy of this negative declaration are invited and must be received on or before the end of the review period listed above. Such comments should be based on specific environmental concerns. Written comments should be addressed to the **LAFCO of Santa Clara County, 70 W. Hedding Street, 11th Floor, East Wing, San Jose, CA 95110.** Oral comments may be made at the hearing. A file containing additional information on this project may be reviewed at the LAFCO Office. For additional information regarding this project and the Negative Declaration, please contact **Dunia Noel** at (408) 299-5148 or **Neelima Palacherla** at (408) 299-5127.

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

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

Approved by:
Neelima Palacherla, Executive Officer


Signature

11/14/07
Date

70 West Hedding Street • 11th Floor, East Wing • San Jose, CA 95110 • (408) 299-5127 • (408) 295-1613 Fax • www.santaclara.lafco.ca.gov

Negative Declaration / Initial Environmental Study

1. **Project Title:** San Martin County Water District Sphere of Influence Update
2. **Lead Agency Name and Address:**

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

3. **Contact Person, Phone Number, E-Mail:** Dunia Noel, Analyst at (408) 299-5148 or dunia.noel@ceo.sccgov.org.
4. **Project Location:** Unincorporated San Martin community in southern Santa Clara County
5. **Project Sponsor's Name and Address:**

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

6. **General Plan Designation(s):** Rural Residential, Transportation
7. **Zoning:** General Use (A1), Rural Residential (RR), both with Combining District
8. **Description of the Project:** (see "Project Description" below)
9. **Surrounding Land Uses and Setting:** Agriculture, rural residential, transportation-related facilities, commercial and institutional uses
10. **Other public agencies whose approval is required:** None
11. **Other Project Assumptions:** The Initial Study assumes compliance with all applicable State, Federal, and Local Codes and Regulations including, but not limited to, County of Santa Clara Standards, the State Water Code, the State Health and Safety Code, and the State Public Resources Code.

Project Description:

The Local Agency Formation Commission of Santa Clara County (LAFCO) is a state-mandated local agency that administers California Government Code Sections 56000 et seq., known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act). This act charges LAFCO with the responsibility of encouraging the logical formation and development of local agencies in a manner that preserves open-space and agricultural lands and discourages urban sprawl. As part of its responsibilities, LAFCO is required to establish and update the Spheres of Influence (SOI) for each local governmental agency that provides municipal services within Santa Clara County and falls under its jurisdiction. A Sphere of Influence is defined by Government Code Section 56425 as a "plan for the probable physical boundary and service area of a local agency or municipality".

LAFCO's adopted Sphere of Influence policies state that LAFCO will use SOIs for the following purposes:

- Promote orderly urban development;
- Promote cooperative planning efforts among cities, the county and special districts to address concerns regarding land use and development standards, premature conversion of agriculture and open space lands and efficient provision of services;
- Serve as a master plan for future local government reorganization by providing long range guidelines for efficient provision of public services; shaping logical government entities able to provide services in them most economical manner, avoiding expensive duplication of services or facilities; and
- Guide consideration of proposals and studies for changes in organization or reorganization.

Inclusion of territory within an SOI does not necessarily indicate that the area will be annexed or developed to urban levels. Furthermore, the SOI update does not confer development entitlements.

Santa Clara LAFCO does not have any development authority over lands associated with SOI areas. All of the parcels to be included within the District's SOI are developed with the exception of three parcels that are in agricultural use. Any change in land use and development of these parcels (or redevelopment other parcels) would be subject to the review and approval of the County of Santa Clara, including environmental review and mitigation as necessary. The precise nature and extent of future development of the parcels cannot be determined at this time.

Per the Act, LAFCO is required to update the SOI for each city and special district at least once every five years. Government Code Section 56425 identifies factors that the Commission must consider when making a sphere determination: 1) the present and planned land use in the area, including agricultural and open-space lands; 2) the present and probable need for public facilities and services in the area; 3) the present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and 4) the existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The Act further requires that a Municipal Service Review be conducted prior to or in conjunction with each SOI adoption, update or amendment. In June 2005 LAFCO adopted determinations for the San Martin County Water District (District) in the Countywide Water Service Review. LAFCO has completed a sphere of influence review for the District that recommends increasing the District's SOI to include parcels that are currently receiving service by the District; in order to achieve logical boundaries and avoid creating islands, the proposed sphere change will include certain parcels west of Murphy Avenue that are not currently receiving service. This Initial Study addresses the proposed changes to the San Martin County Water District sphere of influence that resulted from this review.

Any discretionary governmental activity directly undertaken by LAFCO which has the potential to result in either a direct physical change in the environmental or a reasonably foreseeable indirect physical change is subject to the provisions of CEQA. Therefore, sphere of influence updates, undertaken by LAFCO as the lead agency, are defined as a "project" under CEQA and require environmental review.

The San Martin County Water District service area, centered along San Martin Avenue east of Monterey Road, covers approximately 454 acres and includes approximately 184 connections. The San Martin County Water District's sphere of influence is coterminous with the District's boundary with the exception of the Santa Clara County Household Hazardous Waste Center on Murphy Avenue; this

property is within the District's SOI but has not been annexed to the District. The District is serving parcels outside its boundaries and outside its sphere (see attached Figure 1, San Martin County Water District).

LAFCO proposes to amend the San Martin County Water District sphere of influence in five areas to address the out-of-agency service being provided. The proposed changes to the District's SOI encompass an additional 173 acres and include the following (see Figure 2):

- Area 1: The approximately 10.6-acre area south of East San Martin Avenue and east of Highway 101 that has an existing commercial use and is currently being served. This area is adjacent to the District's current southern boundary.

- Area 2: The approximately 116-acre area consisting of the South County Airport, which is currently receiving service from the District. This area also includes three parcels located south of East San Martin Avenue and west of Murphy Avenue in an area which is surrounded by the current district and sphere boundary. The three parcels are not currently receiving service from the District. These three (3) contiguous parcels are zoned A1-General Use; they are currently in agricultural use. The northernmost parcel is designated by the State as prime agricultural land. The proposed SOI update does not include any proposed change in agricultural use; furthermore, any proposed change in land use would be subject to the review and approval of the County of Santa Clara, which has land use authority within unincorporated areas of the county.

- Area 3: An approximately 28-acre area located west of Highway 101 and north of East San Martin Avenue. This area includes property owned by the County of Santa Clara and is used for a road maintenance facility and County Transit District facilities. The District is currently providing service to the County facilities and two parcels with residential uses within this area. There are three parcels that lie between the District's current boundary and parcels to the north that are receiving service; these parcels have rural residential use and are not receiving service from the District.

- Area 4: An approximately 3.5-acre area consisting of two parcels with residential use located on the east side of Llagas Avenue north of North Street. These parcels are adjacent to the District's current northern boundary and are currently receiving service from the District.

- Area 5: An approximately 13-acre area consisting of two parcels located west of Llagas Avenue and north of the Morgan Hill Unified School District property. These parcels are the location of Pacific Building Materials/Cal Stone and are adjacent to the District's current northern boundary; the parcels are currently receiving service from the District.

Per the San Martin County Water District, the District is providing water service to facilities within the Coyote Lake-Harvey Bear Ranch County Park located at the eastern end of the District's service area. This area is currently outside the District's boundaries. The County is in the process of verifying this information and determining which facilities are served by the District. Therefore, this area is not included within the proposed SOI update and will be addressed in a future update.

This Initial Study/Negative Declaration has been prepared to comply with CEQA for Santa Clara LAFCO's actions on the proposed update for the San Martin County Water District SOI.

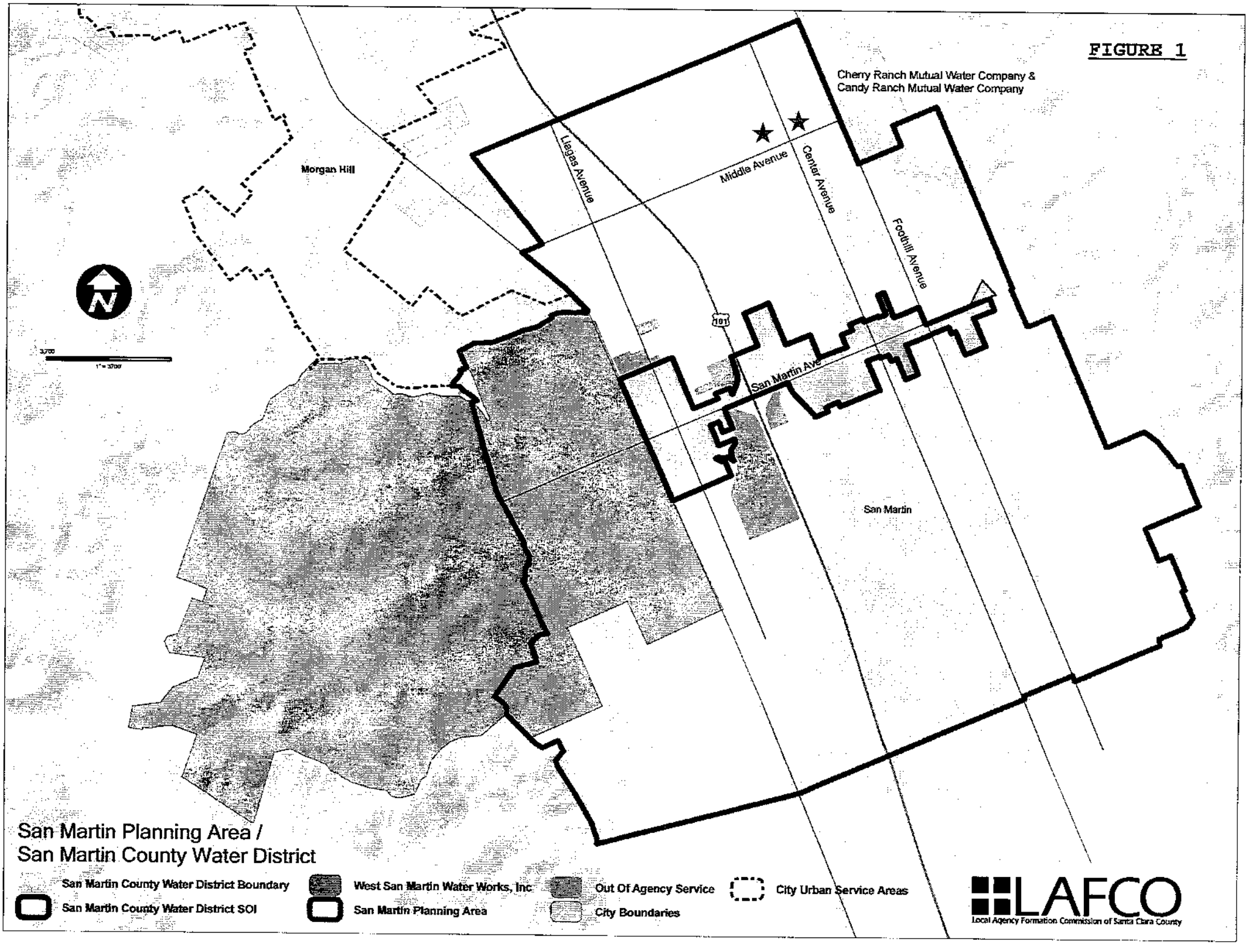


FIGURE 1
Cherry Ranch Mutual Water Company &
Candy Ranch Mutual Water Company
Morgan Hill
Llagas Avenue
Middle Avenue
Center Avenue
Foothill Avenue
101
San Martin Ave
San Martin
3700
1" = 3700'
San Martin Planning Area /
San Martin County Water District
San Martin County Water District Boundary
San Martin County Water District SOI
West San Martin Water Works, Inc
San Martin Planning Area
Out Of Agency Service
City Boundaries
City Urban Service Areas
LAFCO
Local Agency Formation Commission of Santa Clara County

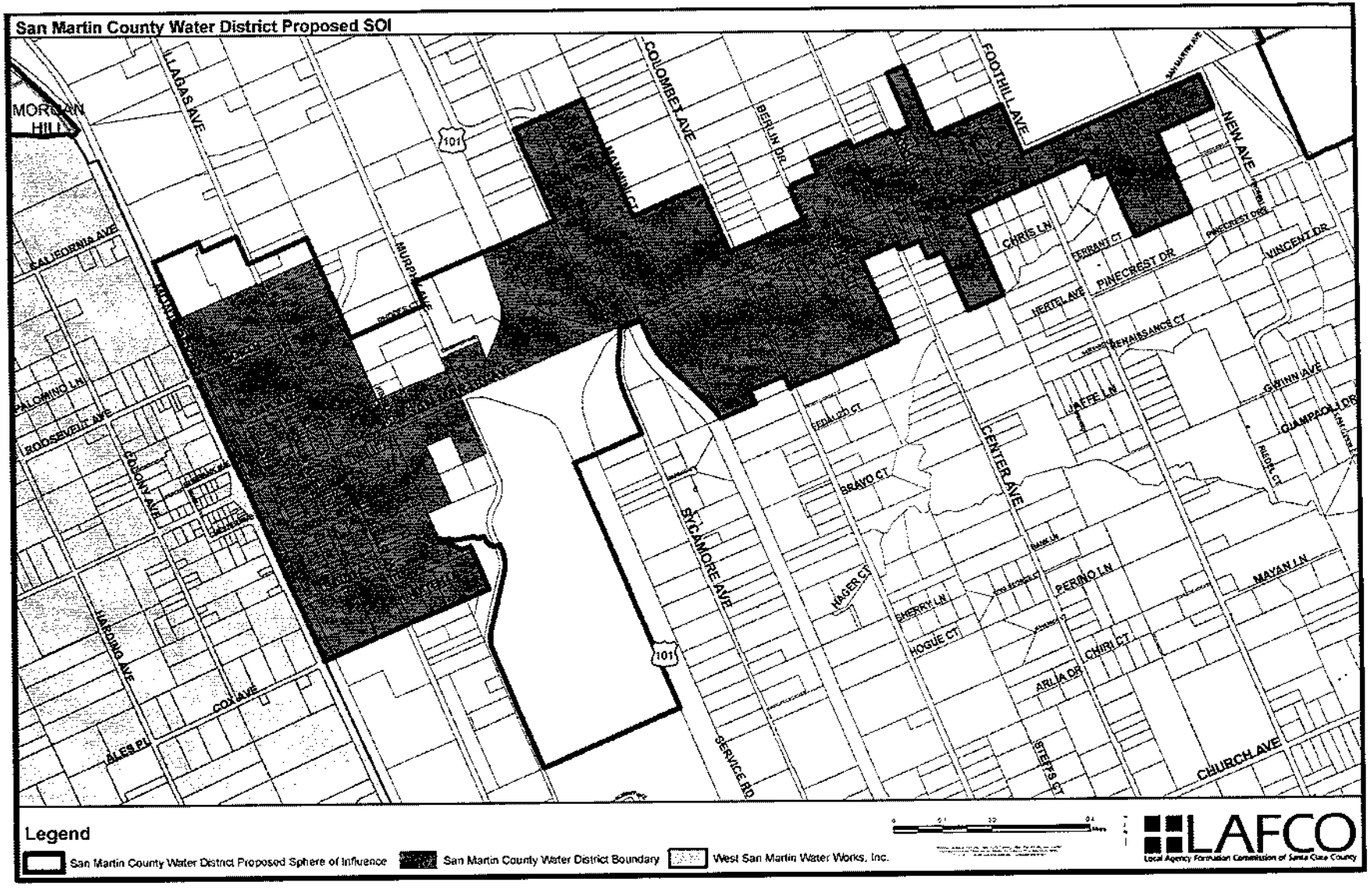

San Martin County Water District Proposed SOI
MORGAN HILL
LLAGAS AVE
101
COLOMBET AVE
BERLIN DR
FOOTHILL AVE
NEIL AVE
CHRIS LN
FERRANT CT
PINECREST DR
VINCENT DR
HERTEL AVE
RENAISSANCE CT
GWINN AVE
GIAMPAOLI DR
JAFFE LN
CALIFORNIA AVE
PALOMINO LN
ROOSEVELT AVE
COLONY AVE
HARDING AVE
COX AVE
JALES PL
SYCAMORE AVE
SERVICE RD
CENTER AVE
BRAVO CT
NAGER CT
CHERRY LN
HOGUE CT
PERINO LN
MAYAN LN
CHIRI CT
ARIA DR
STEFFS CT
CHURCH AVE
Legend
San Martin County Water District Proposed Sphere of Influence
San Martin County Water District Boundary
West San Martin Water Works, Inc.
LAFCO
Local Agency Formation Commission of Santa Clara County

FIGURE 2

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

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

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

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

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

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

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

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

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

Signature: neelima palacherla — Date: 11/14/07

Printed name: NEELIMA PALACHERLA — For: ✓

ENVIRONMENTAL CHECKLIST AND DISCUSSION OF IMPACTS

A. AESTHETICS						
		IMPACT				
WOULD THE PROJECT:		YES			NO	SOURCES
		Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a)	Have a substantial adverse effect on a scenic vista?	☐	☐	☐	☒	20a, 4
b)	Substantially damage scenic resources along a designated scenic highway?	☐	☐	☐	☒	17f
c)	Substantially degrade the existing visual character or quality of the site and its surroundings?	☐	☐	☐	☒	2
d)	Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?	☐	☐	☐	☒	4,5
e)	If subject to ASA, be generally in non-compliance with the Guidelines for Architecture and Site Approval?	☐	☐	☐	☒	NA
f)	If subject to Design Review, be generally in non-compliance with the Guidelines for Design Review Approval?	☐	☐	☐	☒	NA
g)	Be located on or near a ridgeline visible from the valley floor?	☐	☐	☐	☒	2

DISCUSSION:

a) The unincorporated San Martin Community lies in the valley between the Diablo Range to the east and the Santa Cruz Mountains to the west. The foothills and ridgelines provide scenic vistas of natural areas from the valley floor where the SMCWD's service area and SOI are located. Similarly, there are views from the foothills into the valley. The County of Santa Clara's General Plan policies for rural, unincorporated areas and the San Martin Integrated Design Plan and Guidelines include standards that serve to mitigate potential adverse impacts on scenic resources from future development. The County would review and approve future development. The proposed SOI update would not result in any impacts to scenic vistas.

b) There are no officially designated state scenic highways within the San Martin area, and the proposed SOI update would not substantially damage scenic resources within a state scenic highway.

c) The proposed SOI update would not result in any adverse impacts to the existing visual character or quality of the area as the project does not include any proposed change in land use. Furthermore, any proposed change in land use would be subject to the review and approval of the County of Santa Clara, which has land use authority within unincorporated areas of the county. This would include appropriate environmental documentation to address any potential aesthetic impacts associated with the proposed development.

d) Portions of the District's current service area are developed with commercial and transportation uses, which are a source of light and glare. There is no land use change or development that is associated with the proposed project; therefore the SOI update would not directly create any new sources of light or glare and no adverse effect to day or nighttime views in the area would occur as a result of the project. Any proposed change in land use or future development would be subject to the review and approval of the County of Santa Clara, which has land use

authority within unincorporated areas of the county. This would include appropriate environmental documentation to address any potential aesthetic impacts associated with the proposed development.

e) The SOI update does not contemplate any proposed development, and the project is not subject to Architecture and Site Approval.

f) No development is projected to occur as a result of the SOI update, and the project is not subject to Design Review.

g) The proposed SOI update would expand the SMCWD's current SOI on the valley floor and does not include lands on or near a ridgeline.

FINDING:
The proposed SOI update would expand the SMCWD's current SOI to encompass an additional 173 acres in the unincorporated San Martin community. The SOI update does not contemplate any change in land use or specific development proposals. Future development proposed for the parcels would require local government actions and appropriate environmental documentation to address any potential aesthetic impacts. No aesthetic impacts are anticipated from project implementation.

B. AGRICULTURE RESOURCES

WOULD THE PROJECT:	IMPACT				SOURCE
	YES			NO	
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Convert 10 or more acres of farmland classified as prime in the report *Soils of Santa Clara County* to non-agricultural use?	☐	☐	☒	☐	3,23
b) Conflict with existing zoning for agricultural use?	☐	☐	☐	☒	6b,9
c) Conflict with an existing Williamson Act Contract?	☐	☐	☐	☒	1
d) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	☐	☐	☒	☐	3,4,26

DISCUSSION:

a) Land use within the area proposed for the SOI update is designated for Rural Residential in the County's General Plan and zoned for General Use and Rural Residential per the County's Zoning Ordinance. The northernmost parcel in Area 2 is designated by the State as prime agricultural land. In April 2007 LAFCO adopted the Agricultural Mitigation Policies for the following purpose:

> To provide guidance to property owners, potential applicants and cities on how to address agricultural mitigation for LAFCO proposals and to provide a framework for LAFCO to evaluate and process in a consistent manner, LAFCO proposals that involve or impact agricultural lands.

Proposals that involve or impact agricultural lands would be subject to these policies. Although the proposed SOI update includes one parcel that is considered prime agricultural land, the proposed project does not involve any change in land use. Therefore, the potential impact of agricultural land conversion due to the SOI update is considered less than significant.

b) None of the areas proposed to be included in the SOI update are currently zoned for Agricultural Use (A). They are zoned for General Use (A1) and Rural Residential (RR). The SOI update does not support land use changes, and the proposed project would not conflict with existing zoning for agricultural use.

c) None of the areas proposed to be included in the SOI update are included within a Williamson Act Contract. Therefore the proposed project would not conflict with an existing Williamson Act Contract.

d) The SOI update establishes a planning area boundary in accordance with LAFCO's policies that support the efficient provision of municipal services. The SOI update does not contemplate any specific development proposals. Any future development would require local government actions and appropriate environmental documentation to address any potential agricultural impacts. Inclusion of these parcels within the District's SOI would not convert farmland to non-agricultural uses or impact current agricultural uses. Therefore, impacts to agricultural resources would be less than significant.

FINDING:
The proposed SOI update would expand the SMCWD's current SOI to encompass an additional 173 acres in the unincorporated San Martin community. The SOI update does not contemplate any land use changes or specific development proposals. Any proposed change in land use or development would be subject to the review and approval of the County of Santa Clara, which has land use authority within unincorporated areas of the county. This would include appropriate environmental documentation to address any potential agricultural impacts. Impacts to agricultural resources would be less than significant.

C. AIR QUALITY

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

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

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

DISCUSSION:

a) The unincorporated San Martin community lies within the San Francisco Bay Area Air Basin (Basin), which is a designated "non-attainment" area for the Federal and State ozone standards and the State particulate matter standard. The Basin encompasses the Counties of Santa Clara, San Mateo, San Francisco, Alameda, Contra Costa, Napa and Marin, and portions of Sonoma and Solano. The SOI update does not contemplate any land use change or specific development proposals. Future development proposed for the parcels would require local government actions and appropriate environmental documentation to address any potential air quality impacts. The SOI update would not conflict with or obstruct implementation of the Basin air quality plan.

b-e) As stated above, the proposed SOI update does not contemplate any land use change or specific development proposals. Future development would require local government actions and appropriate environmental documentation to address any potential air quality impacts, including the analysis of consistency with state and federal air quality standards, pollutant concentrations that might affect sensitive receptors, objectionable odors, etc. The SOI update establishes a planning area boundary and would not impact air quality standards or contribute substantially to existing or projected air quality violations.

FINDING:
The proposed SOI update would expand the SMCWD's current SOI to encompass an additional 173 acres in the unincorporated San Martin community. The SOI update establishes a planning area boundary and does not contemplate any specific future development proposals. Future development would require local government actions and appropriate environmental documentation to address any potential air quality impacts. The SOI update would not impact air quality.

D. BIOLOGICAL RESOURCES					
	IMPACT				
WOULD THE PROJECT:	YES			NO	
*Questions relating to the California Department of Fish & Game "no effect determination" for the CEQA Filing Fee Exemption are listed in italics.	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	SOURCES
a) *Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?*	☐	☐	☐	☒	2,17b

b)	*Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or US Fish and Wildlife Service?*	☐	☐	☐	☒	3,8a,17b,17e, 33
c)	*Have a substantial adverse effect on federally protected wetlands as defined by section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) or tributary to an already impaired water body, as defined by section 303(d) of the Clean Water Act through direct removal, filling, hydrological interruption, or other means?*	☐	☐	☐	☒	3,17n, 32
d)	*Have a substantial adverse effect on oak woodland habitat as defined by Oak Woodlands Conservation Law – (conversion/loss of oak woodlands)?*	☐	☐	☐	☒	2,17b
e)	*Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?*	☐	☐	☐	☒	17b,17o
f)	*Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?*	☐	☐	☐	☒	3,4
g)	Conflict with any local policies or ordinances protecting biological resources:					
	i) *Tree Preservation Ordinance [Section C16]?*	☐	☐	☐	☒	3,31
	ii) *Wetland Habitat [GP Policy, R-RC 25-30]?*	☐	☐	☐	☒	3,8a
	iii) *Riparian Habitat [GP Policy, R-RC 31-41]?*	☐	☐	☐	☒	3,8a

DISCUSSION:

a-g) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, agricultural, and transportation uses. The agricultural uses included graded areas that do not include riparian habitat, oak woodlands or habitat for sensitive environmental communities. The proposed SOI update does not contemplate any land use change or specific development proposals, Any future development would require local government actions and appropriate environmental documentation to address any potential biological impacts, including the evaluation of the presence or absence of populations or essential habitats, riparian habitat or other sensitive natural community, wetlands. The evaluation would also include conflicts with any policies or ordinances protecting biological resources.

FINDING:

The proposed SOI update would expand the SMCWD's current SOI to encompass an additional 173 acres in the unincorporated San Martin community. The majority of the areas are developed with rural residential, commercial, and transportation uses. Three parcels are graded and in agricultural use. The SOI update establishes a planning area boundary and does not contemplate any land use changes or specific development proposals. Future development proposed for the agricultural parcels would require local government actions and appropriate environmental documentation to address any potential impacts to biological resources. No impacts to biological resources are anticipated from project implementation.

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

DISCUSSION:

a-e) The proposed SOI update includes parcels that are developed with rural residential, commercial, and transportation uses. Three parcels are graded and in agricultural use. The SOI update establishes a planning area boundary and does not contemplate any specific development proposals. Future development would require local government actions and appropriate environmental documentation to address any potential impacts to cultural or historic resources associated with proposed development. The SOI update does not support land use change, or involve grading and construction. Therefore, it would not cause substantial adverse change in the significance of any cultural resources, including historical, archeological, or paleontological resources.

FINDING:

The proposed SOI update would expand the SMCWD's current SOI to encompass an additional 173 acres in the unincorporated San Martin community. The majority of the areas are developed with rural residential, commercial, and transportation uses; three parcels are in agricultural use. The SOI update establishes a planning area boundary and does not contemplate any specific development proposals. The SOI update would not cause substantial adverse change in the significance of any cultural resources, including historical, archeological, or paleontological resources.

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

DISCUSSION:

a-g) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. The proposed SOI update does not contemplate any specific development proposals nor support land use changes. Any future development would require local government actions and appropriate environmental documentation to address any potential impacts due to geologic and soil conditions.

FINDING:

The proposed SOI update would expand the SMCWD's current SOI to encompass an additional 173 acres in the unincorporated San Martin community. The majority of the areas are developed with rural residential, commercial, and transportation; three parcels are in agricultural use. The SOI update establishes a planning area boundary and does not contemplate any land use change or specific

development proposals. The SOI update would not result in impacts to geologic and soil conditions or in substantial soil erosion or loss of topsoil.

G. HAZARDS & HAZARDOUS MATERIALS					
	IMPACT				
WOULD THE PROJECT	YES			NO	SOURCE
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☐	☒	3,4,5
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☐	☒	2, 3, 5
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within 1/4 mile of an existing or proposed school?	☐	☐	☐	☒	46
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	☐	☐	☐	☒	
e) For a project located within an airport land use plan referral area or, where such a plan has not been adopted, within two miles of a public airport or public use airport, or in the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☒	☐	3,22a
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒	5,48
g) Expose people or structures to a significant risk of loss, injury or death involving wildland fires including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	☐	☒	4
h) Provide breeding grounds for vectors?	☐	☐	☐	☒	3, 5
i) Proposed site plan result in a safety hazard (i.e., parking layout, access, closed community, etc.)?	☐	☐	☐	☒	3
j) Involve construction of a building, road or septic system on a slope of 30% or greater?	☐	☐	☐	☒	3,17n
k) Involve construction of a roadway greater than 20% slope for a distance of 300' or more?	☐	☐	☐	☒	3,17n

DISCUSSION:

a-k) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. The SOI update includes the South County Airport, which is receiving service from the District. The proposed SOI update does not contemplate any land use changes or specific development proposals. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to hazards and hazardous materials, including proximity to the airport.

FINDING:

The proposed SOI update would expand the SMCWD's current SOI to encompass an additional 173 acres in the unincorporated San Martin community. The majority of the areas are developed with rural residential, commercial, and transportation uses; three parcels are in agricultural use. The SOI update establishes a planning area boundary in accordance with LAFCO's policy for shaping logical governmental boundaries. The SOI update does not contemplate any land use changes or specific development proposals. The SOI update would not result in impacts related to hazards and hazardous materials.

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

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

DISCUSSION:

a-m) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. Groundwater quality is impacted within this area for high nitrate levels as well as perchlorate contamination; potable water service provided by the District alleviates these water quality issues. All of the parcels to be included within the District's SOI are currently receiving service from the District, with the exception of six (6) parcels west of Murphy Avenue (three are in rural residential use and three are in agricultural use). These parcels are currently using local groundwater for domestic and irrigation purposes. Future service by the District would likely replace water supplied by the properties' existing well(s). The SOI update establishes a planning area boundary in accordance with LAFCO's policy for shaping logical governmental boundaries. The SOI update does not contemplate any specific development proposals. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation to address any potential impacts to hydrology and water quality.

FINDING:

The proposed SOI update would expand the SMCWD's current SOI to encompass an additional 173 acres in the unincorporated San Martin community. The majority of the parcels are developed with rural residential, commercial, and transportation uses; these parcels are currently served by the District. Six parcels are not served by the District; three are in rural residential use and three are in agricultural use. The SOI update establishes a planning area boundary in accordance with LAFCO's policy for shaping logical governmental boundaries. The SOI update does not contemplate any specific development proposals. The SOI update would not result in impacts related to hydrology and water quality.

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

DISCUSSION:

a) The SOI update area is within the unincorporated San Martin community and would not physically divide an established community.

b) The area proposed to be included within the SMCWD SOI is in existing residential, commercial and agricultural uses. The SOI update does not support land use changes or any development proposals; it establishes a planning area boundary in accordance with LAFCO's policy for shaping logical governmental boundaries. The project does not conflict with the South County Joint Area Plan or the Santa Clara County General Plan with respect to issues and policies for rural unincorporated areas.

FINDING:

The proposed SOI update would expand the SMCWD's current SOI to encompass an additional 173 acres in the unincorporated San Martin community. The SOI update establishes a planning area boundary in accordance with LAFCO's policy for shaping logical governmental boundaries. The SOI update does not contemplate any specific development proposals. The SOI update would not physically divide an established community or conflict with applicable plans and policies for this region of the county.

J. NOISE	IMPACTS				
	YES			NO	
WOULD THE PROJECT:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	SOURCE
a) Result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☐	☐	☒	8a,13,22a, 45
b) Result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	☐	☐	☐	☒	13
c) Result in a substantial permanent increase in ambient noise levels in the project vicinity	☐	☐	☐	☒	5

	above levels existing without the project?					
d)	Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☒	5
e)	For a project located within an airport land use plan referral area or, where such a plan has not been adopted, within two miles of a public airport or public use airport, or private airstrip would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☒	☐	5,22a

DISCUSSION:

a-e) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. The proposed SOI update does not support land use changes or contemplate any specific development proposals. The SOI update establishes a planning area boundary in accordance with LAFCO's policy for shaping logical governmental boundaries. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to noise impacts.

FINDING:

The proposed SOI update would expand the SMCWD's current SOI to encompass an additional 173 acres in the unincorporated San Martin community. The majority of the areas are developed with rural residential, commercial, and transportation uses; three parcels are in agricultural use. The SOI update establishes a planning area boundary in accordance with LAFCO's policy for shaping logical governmental boundaries. The SOI update does not support land use changes or contemplate any specific development proposals, and future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to noise impacts. Therefore, the SOI update would not result in noise impacts.

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

DISCUSSION:

a) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. The current zoning is for General Use (A1), which allows

for flexible zoning for general residential and agricultural uses. The Rural Residential General Plan land use designation is addressed through zoning that limits lot sizes to minimum five acre parcels in areas where the slope is less than ten percent. The County Zoning Ordinance does include provisions for clustered subdivisions that may have minimum one acre parcels provided there is adequate space for septic system and wells if needed. The proximity of the South County Airport would further limit the density of residential development in this area. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to growth impacts.

b) The proposed SOI update includes developed areas that are currently receiving service from the District. The SOI update does not contemplate any specific development proposals and would not result in the displacement of substantial numbers of existing housing or people.

FINDING:
The SOI update does not support land use change and does not consider any specific development proposals. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to growth impacts. The SOI update would not induce substantial growth in the San Martin area, nor would it result in the displacement of substantial numbers of existing housing or people.

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

DISCUSSION:

a) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. There are three parcels in agricultural use that are not currently receiving service from the District. The proposed SOI update does not support land use changes nor does it consider specific development proposals. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to impacts to public services.

FINDING:
The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. The SOI update does not support land use changes nor does it consider specific development proposals . The SOI update would not result in impacts to public services.

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

DISCUSSION:
a-f) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. There are no active mining activities on the parcels proposed to be included in the District's SOI and no known mineral resources with future value. The proposed SOI update does not support land use changes nor does it consider specific development proposals. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to impacts to recreational services as well as mineral resources.

FINDING:
The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. The proposed SOI update does not support land use changes nor does it consider specific development proposals. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to impacts to recreational services as well as mineral resources. The SOI update is not anticipated to result in impacts to recreational or mineral resources within the area.

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

DISCUSSION:

a-h) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. The SOI update does not support land use changes or contemplate specific development proposals. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to impacts to transportation and traffic issues.

FINDING:

The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. The proposed SOI update does not support land use changes nor does it consider specific development proposals. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to impacts to transportation and traffic issues. The SOI update would not result in impacts to transportation or traffic issues within the area.

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

DISCUSSION:

a-g) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. With the exception of three parcels north of East San Martin Avenue and three parcels south of East San Martin Avenue, all of the areas proposed to be included within the District's SOI are currently receiving service from the District. The six parcels not currently served are adjacent to existing water mains. The proposed SOI update does not support land use changes nor does it consider specific development proposals. Future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to impacts to utilities and service systems.

FINDING:

The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and agricultural uses. A majority of these parcels are already served by the District; the six parcels that are not served are adjacent to existing District facilities. The proposed SOI update does not support land use changes nor does it consider specific development proposals. Future development proposed within the SOI area would require local government actions and appropriate

environmental documentation with respect to impacts to utilities and service systems. The SOI update would not result in impacts to utilities and service systems within the area.

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

DISCUSSION:

a) The area proposed to be included within the SMCWD SOI is in existing residential, commercial, transportation, and graded agricultural uses. With the exception of three parcels north of East San Martin Avenue and three parcels south of East San Martin Avenue, all of the areas proposed to be included within the District's SOI are currently receiving service from the District. The proposed SOI update does not support land use changes nor does it consider specific development proposals. The SOI update establishes a planning area boundary in accordance with LAFCO's policy for shaping logical governmental boundaries, and.future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to environmental impacts.

b) Per the discussion above, the proposed SOI update does not support land use changes nor does it consider specific development proposals. Furthermore, it does not provide any assurances for District annexation or offer development entitlements. The SOI update establishes a planning area boundary in accordance with LAFCO's policy for shaping logical governmental boundaries. Land use changes and/or future development proposed within the SOI area would require local government actions and appropriate environmental documentation with respect to environmental impacts. Accordingly, the SOI update does not result in impacts that are individually limited but cumulatively considerable.

c) The SOI update establishes a planning area boundary in accordance with LAFCO's policy for shaping logical governmental boundaries. The proposed SOI update primarily includes parcels that are currently receiving service from the District. Six parcels that are not receiving service have been included to avoid creating an island; these parcels are in rural residential and agricultural use. The SOI update does not have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly.

Initial Study Source List*

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

8a. **Santa Clara County (SCC) General Plan**
8b. **The South County Joint Area Plan**

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

19. **CEQA Guidelines [Current Edition]**

Area Specific: San Martin, Stanford, and Other Areas

San Martin

20a.San Martin Integrated Design Guidelines
20b.San Martin Water Quality Study
20c.Memorandum of Understanding (MOU) between Santa Clara County & Santa Clara Valley Water District

Stanford

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

Other Areas

22a.ALUC Land Use Plan for Areas Surrounding Airports [1992 version]
22b.Los Gatos Hillsides Specific Area Plan
22c.County Lexington Basin Ordinance Relating to Sewage Disposal

Soils

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

Agricultural Resources/Open Space

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

Air Quality

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

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

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

Initial Study Source List*

39.Calphotos website:
http://www.elib.cs.berkeley.edu/photos

Archaeological Resources

40.State Archaeological Clearinghouse, Sonoma State University

41. Site Specific Archaeological Reconnaissance Report

Geological Resources

42. Site Specific Geologic Report

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

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

Noise

45. County Noise Ordinance

Hazards & Hazardous Materials

46.Section 21151.4 of California Public Resources Code

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

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

Transportation/Traffic

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

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

51. Official County Road Book

52. County Off-Street Parking Standards

53. Site-specific Traffic Impact Analysis Report

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

A. SPHERE OF INFLUENCE RECOMMENDATION FOR THE ALDERCROFT HEIGHTS COUNTY WATER DISTRICT

Current Sphere of Influence

The Aldercroft Heights County Water District serves the unincorporated Aldercroft Heights community, a 2.5 square mile area in the vicinity of the Lexington Reservoir. The District serves 119 residences, and there are few developable parcels remaining. The District's current sphere of influence (SOI) and boundary are coterminous (see attached *Figure 1, Aldercroft Heights County Water District*).

Recommendation for Sphere of Influence Update

The District's service area is entirely residential, located in a rural, unincorporated area within the Santa Cruz Mountains. This area is within the Los Gatos Watershed Area as described in the Santa Clara County General Plan (adopted December 20, 1994). The population within the District's service area is stable and little or no growth is expected. The District is geographically isolated from other water service providers and purchases its water supply from the San Jose Water Company. The District did not request any changes to its current sphere of influence. Therefore, it is recommended that LAFCO affirm the existing SOI for the Aldercroft Heights County Water District.

B. SOI DETERMINATIONS FOR THE ALDERCROFT HEIGHTS COUNTY WATER DISTRICT

Pursuant to California Government Code Section 56425, LAFCO is required to make written determinations with respect to the following factors in order to update or amend an agency's SOI.

1) The present and planned land uses in the area, including agricultural and open-space lands

The District is located within the Santa Cruz Mountains in the western portion of Santa Clara County. The District's service area includes only residential land uses. The topography is almost entirely hillsides and the steepness naturally limits the number of parcels that are developable; no land use changes are anticipated.

Finding: Land use within the District boundaries is residential, and is under the jurisdiction of the County. The steep topography limits the parcels which can be developed. No change to the present or planned uses will result from this SOI update. No Williamson Act contracts will be affected.

2) The present and probable need for public facilities and services in the area

The District is geographically isolated from other water service providers and water services are needed to serve the existing homes and future development on the remaining parcels. Present

needs for water service are currently being met by the District and future service demands are expected to be minor.

Finding: The District boundaries contain residential properties that have a need for water services. No changes in public facilities or services provided by the District will result from this SOI update.

3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

The District's water system includes 3.6 miles of pipelines, 4 reservoirs, and 370,000 gallons of storage capacity. The District's current storage capacity is equal to 12.3 days of maximum day demand, which is considered more than adequate. The District does not have a Water Master Plan or Capital Improvements Plan; however they are implementing the recommendations of a licensed engineer to improve the reliability of the system during fire conditions. Average annual water demand is approximately 28-30,000 gallons per day and future demand is not expected to be significantly greater. The District purchases its water supply from the San Jose Water Company, and supply is adequate to meet current and projected demand.

Finding: The present capacity of the District's facilities and provision of service appears to be adequate and would be able to accommodate the minor projected growth within the service area.

4) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

The District serves the unincorporated Aldercroft Heights community in western Santa Clara County. The District receives a portion of the ad valorem property tax for parcels within its service area; in addition, the residents purchase water under a tiered rate structure.

Finding: The residents and landowners within the Aldercroft Heights community have an economic interest in the services provided by the District as the District is funded through a portion of the one-percent property tax and water rates. The SOI update will not affect the existence of any social or economic communities of interest in the area that are relevant to the District.

5) The nature, location, extent, functions and classes of services to be provided

The District provides retail potable water service throughout its service area.

A. SPHERE OF INFLUENCE RECOMMENDATION FOR THE GUADALUPE-COYOTE RESOURCE CONSERVATION DISTRICT

Current Sphere of Influence

The Guadalupe-Coyote Resource Conservation District (RCD) serves a majority of the foothills and mountainous land surrounding the Santa Clara Valley in the northern portion of Santa Clara County. The District's eastern and western boundaries are coterminous with the Santa Clara County boundary, and the District's southern boundary is contiguous with the Loma Prieta Resource Conservation District. Within the RCD's boundaries are portions of the cities of San Jose, Palo Alto, Los Altos, Los Gatos, Saratoga, Los Altos Hills, Cupertino, Campbell, Milipitas, and Monte Sereno. The RCD's current sphere of influence (SOI) and boundary are coterminous (see attached *Figure 1, Guadalupe-Coyote Resource Conservation District*).

Recommendation for Sphere of Influence Update

The Guadalupe-Coyote Resource Conservation District is providing programs and services for the benefit of numerous watersheds within the District, including the following: Coyote, Guadalupe, San Francisquito Creek, Matadero/Barron, Permanente, Stevens, Calabazas, San Tomas Aquino-Saratoga, Lower Penitencia, Upper Penitencia, and Upper Calaveras. The District provides services which support watershed and floodplain management, riparian corridor management, waterway protection and restoration, farm and rangeland management, habitat preservation, and erosion/pollution control and prevention. The residents and landowners of the District benefit from the improved land stewardship and long term protection of land and water resources. Under the enabling legislation for Resource Conservation Districts (California Public Resources Code Section 9001 *et seq.*), the District is able to offer a broad range of conservation-related programs; there is no other agency that could provide all of the same programs. The District's current boundary and SOI to the east and west are contiguous with the Santa Clara County boundary and the Loma Prieta Resource Conservation District to the south. The District has not requested that its SOI be expanded to include additional developed areas within the Santa Clara Valley. Therefore, it is recommended that LAFCO reaffirm the existing coterminous SOI for the Guadalupe-Coyote RCD.

B. SOI DETERMINATIONS FOR THE GUADALUPE-COYOTE RESOURCE CONSERVATION DISTRICT

Pursuant to California Government Code Section 56425, LAFCO is required to make written determinations with respect to the following factors in order to update or amend an agency's SOI.

1) The present and planned land uses in the area, including agricultural and open-space lands

Land use within the RCD's boundaries ranges from urban development within incorporated areas to rural areas with agricultural and open space lands. A majority of the territory within the RCD boundaries is open space, including areas within the Santa Cruz Mountains to the west and the Diablo Range to the east. The entire RCD area is generally projected to have moderate growth rates, with the exception of the Coyote Valley Specific Plan area in San Jose where up to 26,394 dwelling units are proposed and nearly 17 million square feet of office, commercial and industrial land uses would be developed within 2,210 gross acres.[1]

Finding: Due to policies for Urban Service Areas and Urban Growth Boundaries, it is anticipated that development will be concentrated in and around the cities, and a majority of the area within the boundary of the Guadalupe-Coyote RCD will continue to have rural, open space lands. Resource conservation services do not themselves induce or encourage growth, and no change to the present or planned uses will result from this SOI update. No Williamson Act contracts will be affected.

2) The present and probable need for public facilities and services in the area

The RCD provides conservation services related to watershed management, floodplain management, conservation education and services, and watershed studies and projects. The District does not own or maintain any infrastructure, nor manage any water supply or other public services. The RCD service area contains critical watershed areas for the Santa Clara Valley for water resources and habitat. For this reason land stewardship is important for the protection and appropriate use of resources. Population growth in Santa Clara County has increased pressures on natural resources, such as creeks, streams and other areas used for recreation. In addition, development has expanded the area covered by impervious surfaces, thereby increasing the need for resource conservation in support of flood control and water quality.

Finding: The RCD boundaries include watersheds that contain essential water resources, habitat, and other natural resources. District services are needed. No changes in public facilities or services provided by the District will result from this SOI update.

[1] *Coyote Valley Specific Plan Draft EIR*, City of San Jose, March 2007.

3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

The services that the RCD provides include watershed and floodplain management, riparian corridor management, waterway protection and restoration, farm and rangeland management, habitat preservation, and erosion/pollution control and prevention. The RCD participates in planning efforts, conducts studies, provides public information and assistance to landowners, and sponsors educational workshops. The RCD does not provide any infrastructure or other public facilities.

Finding: The District has the capacity to continue to provide services and programs. The District works in collaboration with the USDA Natural Resource Conservation Service and has entered into Memorandums of Understanding with other agencies to provide a broad range of services that address resource conservation needs. The SOI update will not affect the present capacity of public facilities and adequacy of public services or the services provided by the District.

4) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

The RCD serves a majority of the foothills and mountainous land surrounding the Santa Clara Valley in the northern portion of Santa Clara County. This includes portions of several cities and some unincorporated communities. A portion of the ad valorem property tax accrues to the District for resource conservation services.

Finding: The residents and landowners within the District's boundaries in northern Santa Clara County have an economic interest in the programs and services provided by the District as a portion of the property tax funds District services. The SOI update will not affect the existence of any social or economic communities of interest in the area that are relevant to the District.

5) The nature, location, extent, functions and classes of services to be provided

The District provides a range of resource conservation services related to watershed and floodplain management, riparian corridor management, waterway protection and restoration, farm and rangeland management, habitat preservation, and erosion/pollution control and prevention within its service area in the northern portion of Santa Clara County.

A. SPHERE OF INFLUENCE RECOMMENDATION FOR THE LOMA PRIETA RESOURCE CONSERVATION DISTRICT

Current Sphere of Influence

The Loma Prieta Resource Conservation District (RCD) serves the southern portion of Santa Clara County and the Pacheco Flats area within northern San Benito County. The RCD is bordered on the east, south and west by Stanislaus, Merced, San Benito and Santa Cruz Counties. The RCD's service area is primarily rural with the exception of portions of the Cities of Gilroy and Morgan Hill and the unincorporated community of San Martin. The RCD's original boundary included unincorporated lands outside the city limits of Gilroy and Morgan Hill. The District's boundary excluded the community of San Martin as it existed on July 13, 1942. The RCD's boundary surrounding these particular areas has not been changed since the RCD's inception, and the areas that have been annexed by the two cities are still within the District's service area. The District's northern boundary is contiguous with the Guadalupe-Coyote Resource Conservation District. The Loma Prieta RCD's current sphere of influence (SOI) and boundary are coterminous (see attached *Figure 1, Loma Prieta Resource Conservation District*).

Recommendation for Sphere of Influence Update

The Loma Prieta RCD was formed to provide soil and water conservation services to rural areas outside the cities of Gilroy and Morgan Hill and the existing San Martin community. Residents and landowners throughout the District's service area benefit from the programs offered by the RCD, both directly through program participation and indirectly through improved land stewardship and the long term protection of land and water resources. Under the enabling legislation for Resource Conservation Districts (California Public Resources Code Section 9001 *et seq.*), the District is able to offer a broad range of conservation-related programs; there is no other agency that could provide all of the same programs. The District's current boundary and SOI to the east, south and west are contiguous with the Santa Clara County boundary (with the exception of the area in San Benito County) and the Guadalupe-Coyote Resource Conservation District to the north. The District has not requested that its SOI be expanded to include the areas within Morgan Hill, Gilroy, and San Martin that are currently excluded. Therefore, it is recommended that LAFCO affirm the existing SOI for the Loma Prieta RCD.

B. SOI DETERMINATIONS FOR THE LOMA PRIETA RESOURCE CONSERVATION DISTRICT

Pursuant to California Government Code Section 56425, LAFCO is required to make written determinations with respect to the following factors in order to update or amend an agency's SOI:

1) The present and planned land uses in the area, including agricultural and open-space lands

Present land uses include urban development in and around the incorporated Cities of Gilroy and Morgan Hill, in the community of San Martin and along the Highway 101 corridor. The majority of the area within the boundary of the RCD is unincorporated and rural with a large expanse of mountainous area. A significant portion of the area has agricultural land uses. Based on the land use policy of the Santa Clara General Plan (adopted December 20, 1994), urban types and densities of development will be located only within cities' Urban Service Areas (areas planned for urbanization), in locations suitable for such development. Outside cities' Urban Service Areas, only non-urban uses and development densities are allowed, and are designated for various resource conservation uses including Hillside, Ranchlands, Agriculture, and Rural Residential on private land. Public lands in the area include the Henry Coe State Park and several large County Parks.

Finding: Due to policies for Urban Service Areas, Urban Growth Boundaries, and the Gilroy Agricultural Lands Area, it is anticipated that development will be concentrated in and around the two cities and the San Martin Planning Area, and a majority of the area within the boundary of the Loma Prieta RCD will continue to have agricultural and open space lands. Resource conservation services do not themselves induce or encourage growth, and no change to the present or planned uses will result from this SOI update. Williamson Act contracts will not be affected.

2) The present and probable need for public facilities and services in the area

The Loma Prieta RCD provides services related to prevention of soil erosion, runoff control, development, and use of water, land use planning, and conservation of wildlife and other natural resources. The District does not own or maintain any infrastructure, nor manage any water supply or other public services. The area has a long agricultural history, and land stewardship is important for the protection and appropriate use of resources, particularly as larger agricultural operations transition to smaller farms, vineyards, and small ranches. In addition, population growth in southern Santa Clara County has increased pressures on natural resources, such as creeks, streams and other areas used for recreation.

Finding: The District boundaries contain rural areas with agricultural and open space land uses that create a need for resource conservation services. No changes in public facilities or services provided by the District will result from this SOI update.

3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

The primary function of the Loma Prieta Resource Conservation District is to educate, advise and assist individuals and public agencies on natural resource conservation, land stewardship issues and management practices. The District provides public information and education programs, with the scope and scale of programs based on area needs, available funding, and demand. The RCD does not provide any infrastructure or other public facilities.

Finding: The District has the capacity to continue to provide services within the area. The District works in collaboration with the Santa Clara Valley Water District, the California Department of Conservation, and the USDA Natural Resource Conservation Service to provide services that address the area's resource conservation needs. The SOI update will not affect the present capacity of public facilities and adequacy of public services or the services provided by the District.

4) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

The RCD serves the rural area of southern Santa Clara County, including a portion of the cities of Gilroy and Morgan Hill and the unincorporated San Martin community. A portion of the ad valorem property tax accrues to the District for resource conservation services.

Finding: The residents and landowners within southern Santa Clara County have an economic interest in the programs and services provided by the District as a portion of the property tax funds District services. The SOI update will not affect the existence of any social or economic communities of interest in the area that are relevant to the District.

5) The nature, location, extent, functions and classes of services to be provided

The District provides a range of resource conservation services related to the prevention of soil erosion, runoff control, development and use of water, land use planning, and conservation of wildlife and other natural resources in southern Santa Clara County and the Pacheco Flats area within northern San Benito County. This includes public information programs, conservation education, and community involvement programs.

A. SPHERE OF INFLUENCE RECOMMENDATION FOR THE PURISSIMA HILLS COUNTY WATER DISTRICT

Current Sphere of Influence

The Purissima Hills County Water District provides retail water service to approximately two-thirds of the Town of Los Altos Hills and unincorporated area to the south. The District's boundary is contiguous to the water service area for the City of Palo Alto to the north and west and with the California Water Service Company (Cal Water) service area to the east. The area to the south is designated as Hillside and Other Public Open Lands per the County of Santa Clara Land Use Plan (August 2005) and is undeveloped. The District's current sphere of influence (SOI) and boundary are coterminous (see attached *Figure 1, Purissima Hills County Water District*).

Recommendation for Sphere of Influence Update

The District's service area is primarily low-density residential with some institutional uses, including Foothill College. The District's service area is characterized by estate homes on minimum one-acre lots. The Land Use Element for the General Plan for the Town of Los Altos Hills states that, within the Planning Area, land uses should include the following: residential with density ranging from very low to medium; uses accessory to dwellings in a rural area; recreational uses, and public and private services needed to serve Town residents such as schools, churches, fire stations, etc. Future growth will most likely occur through large parcel splits.

The District is currently serving three parcels that are outside and contiguous to its existing boundary. Two parcels totaling 5.6 acres at 13310 La Paloma Road (APN 175-46-014 and APN 175-46-015) are being developed as one residential property. The District has a water main in La Paloma Road that serves the property. The third parcel is located at 13320 Wildcrest Drive (APN 175-36-4). This two-acre parcel is related to the parcel to the north and contains landscaping and minor structures related to the adjacent property's residential use. The District has water mains on two sides of this triangular parcel. The District indicated that it has provided service to these three parcels for several years. Cal Water serves the adjacent properties to the south and east. Expanding the District's SOI to include these three parcels promotes efficient water service and orderly governmental boundaries. Therefore, it is recommended that LAFCO update the SOI for the Purissima Hills County Water District to include these three parcels.

B. SOI DETERMINATIONS FOR THE PURISSIMA HILLS COUNTY WATER DISTRICT

Pursuant to California Government Code Section 56425, LAFCO is required to make written determinations with respect to the following factors in order to update or amend an agency's SOI.

1) The present and planned land uses in the area, including agricultural and open-space lands

The District serves a majority of the Town of Los Altos Hills and unincorporated area to the south. Land uses include residential, institutional, public utilities, hillside and open space.

Finding: Land use within the District boundaries is primarily residential with some open space areas. Land use is under the jurisdiction of the Town and the County. No change to the present or planned uses will result from this SOI update. No Williamson Act contracts will be affected.

2) The present and probable need for public facilities and services in the area

The District serves a developed area, and water services are needed to serve the existing homes and future development on existing parcels. Present needs for water service are currently being met by the District. Water demands are anticipated to increase by two-percent annually over the next ten years.

Finding: The District's boundary contains developed properties that have a need for water service. No changes in public facilities or services provided by the District will result from this SOI update.

3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

The District's water system includes 101 miles of pipelines, 11 reservoirs, and 10 million gallons of storage capacity. The District's only water source is imported water purchased from the San Francisco Public Utilities Commission; groundwater and recycled water are not available. The District's customers have an average day demand that is over three times higher than typical average day demand, due to the size of the properties and extensive landscaping. The District is developing permanent, emergency intertie connections with the City of Palo Alto and Cal Water to ensure supply reliability.

For the entire town (including the Town's sphere of influence), the resident population at build-out is projected to be 14,100. According to a draft Water Supply Master Plan currently under development, the District is projecting a population of 6,731 in 2033 and an increase in water demand at a rate of 2% per year over the next 10 years. The Association of Bay Area Government's estimated population within the District was 6,032 for 2000, with a projected annual growth rate of 0.37%.

Finding: The present capacity of the District's facilities and provision of service appears to be adequate. The District will be able to accommodate projected growth within the service area.

4) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

The District serves a majority of the Town of Los Altos Hills and unincorporated area to the south. The District receives a portion of the ad valorem property tax for parcels within its service area. There is strong community support for having a small, locally controlled water district serve the area.

Finding: The District is funded through a portion of the one-percent property tax, and the residents and landowners have an economic interest in the services provided by the District. The SOI update will not affect the existence of any social or economic communities of interest in the area that are relevant to the District.

5) The nature, location, extent, functions and classes of services to be provided

The District provides retail potable water service throughout its service area.

A. SPHERE OF INFLUENCE RECOMMENDATION FOR THE SANTA CLARA VALLEY WATER DISTRICT

Current Sphere of Influence

The Santa Clara Valley Water District (SCVWD) was formed through an act of the California State Legislature. The Santa Clara Valley Water District Act states that the District shall consist of all of the territory of the County of Santa Clara. Consistent with this law the SCVWD's current sphere of influence (SOI) and boundary are coterminous with the county boundary (see attached *Figure 1, Santa Clara Valley Water District*).

Recommendation for Sphere of Influence Update

The existing SOI for the SCVWD is coterminous with the County boundaries per its enabling legislation. It is recommended that LAFCO affirm the District's existing SOI.

B. SOI DETERMINATIONS FOR THE SANTA CLARA VALLEY WATER DISTRICT

Pursuant to California Government Code Section 56425, LAFCO is required to make written determinations with respect to the following factors in order to update or amend an agency's SOI:

1) The present and planned land uses in the area, including agricultural and open-space lands

The District's service area, which encompasses the entire county, contains a wide range of land uses, including all types of urban uses as well as large areas of hillside, open space, and agricultural uses. Land uses within the District boundaries are under the jurisdiction of the County and cities, and policies for Urban Service Areas and Urban Growth Boundaries apply.

Finding: The District's boundaries encompass a broad range of land uses, including urban and rural lands with agricultural and open space uses. No change to the present or planned uses will result from this SOI update. No Williamson Act contracts will be affected.

2) The present and probable need for public facilities and services in the area

The District boundaries contain urbanized and rural areas that are dependent upon comprehensive water resource management to ensure adequate water supplies, water quality and flood protection. The District is authorized to provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County. This includes, but is not limited to, conjunctive management of surface and groundwater resources; imported water acquisitions; coordination with local, state, and federal water interests; water treatment and delivery; new water resources development; groundwater basin protection; and flood protection. The District is the primary wholesale water supplier for Santa Clara County and is responsible for groundwater management as well as flood control.

Finding: The District boundaries contain urban and rural areas that are dependent upon comprehensive water resource management to ensure adequate water supplies, water quality and flood protection. District services are needed as the District is the primary wholesale water supplier for the county and is responsible for groundwater management and flood control. No changes in public facilities or services provided by the District will result from this SOI update.

3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

The District is authorized to provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County. The District sells treated water and manages the groundwater sub-basins supplying major public and private water purveyors and private well owners; and also provides water directly to agricultural users. The SCVWD water infrastructure system spans the length of the County from the San Francisco Bay in the north to Gilroy in the south. The system includes 142 miles of water pipelines, 10 reservoirs, 4 separate canals totaling 17.3 miles, 3 water treatment plants, 393 acres of groundwater recharge ponds and a total of 169,415 acre feet of water storage.

In addition to its wholesale water operations and groundwater management, the District is the lead agency in the county charged with providing watershed stewardship programs and services. Watershed stewardship is the management of natural resources in a manner that fosters ecosystem health for the county's more than 700 miles of streams, improved water quality, flood protection, and compatible recreational opportunities. The SCVWD's Integrated Water Resources Plan serves as the District's guiding document for comprehensive management of Santa Clara County's water resources through 2040.

The District's water supply is obtained through a combination of groundwater, local surface, recycled, and imported water. The District has planned for system needs through its Integrated Water Resources Plan, Groundwater Management Plan, and Capital Improvement Plan.

Finding: The District has the capacity to continue to provide services throughout the county. The District shares facilities with other agencies, such as the San Francisco Public Utilities Commission, State Department of Water Resources, and the federal Bureau of Reclamation. The SOI update will not affect the present capacity of public facilities and adequacy of public services or the services provided by the District.

4) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

The District's service boundary encompasses all of the communities within Santa Clara County. The District receives revenue from property taxes, a special parcel tax, benefit assessments, and water charges, among others.

Finding: The ratepayers, and property owners have an economic interest in the programs and services provided by the District. The SOI update will not affect the existence of any social or economic communities of interest in the county that are relevant to the District.

5) The nature, location, extent, functions and classes of services to be provided

Per its enabling Act, the District is authorized to store water in surface or underground reservoirs within or outside of the District for the common benefit of the district or of any zone or zones affected; to conserve reclaim, recycle, distribute, store, and manage water for present and future use within the District; to appropriate and acquire water and water rights, and import water into the district and to conserve within or outside the district, water for any purpose useful to the district. The District provides integrated services related to water management, including water wholesaling, flood control, groundwater management, and watershed stewardship.

A. SOI RECOMMENDATION FOR THE SAN MARTIN COUNTY WATER DISTRICT

Current Sphere of Influence and Service Area

The San Martin County Water District provides retail water service to parcels within the unincorporated San Martin community. The District's service area, centered along San Martin Avenue east of Monterey Road, covers approximately 0.71 square miles and includes an estimated 184 connections. Land uses within the area include residential, industrial, commercial, institutional, and open space. The San Martin County Water District's sphere of influence is coterminous with the District's boundary with the exception of the Santa Clara County Household Hazardous Waste Center on Murphy Avenue; this property is within the District's SOI but has not been annexed. The District is serving parcels outside its boundaries and outside its sphere (see attached *Figure 1, San Martin County Water District*). Some service extensions were initiated during the period between the District's formation in 1988 and January 1, 2001; however more recent service extensions have occurred without LAFCO approval of an out-of agency service agreement as required by Government Code Section 56133.

Recommendation for Sphere of Influence Update

The Santa Clara County General Plan land use designations within the vicinity of the San Martin County Water District include rural residential with transportation uses for the South County Airport and area adjacent to Highway 101 and regional parklands to the east (Santa Clara County Land Use Plan August 2005). Groundwater within the area is seriously impacted by high nitrate levels due to septic systems and surrounding agricultural land use as well as by perchlorate contamination from past manufacturing operations. The District provides treated potable water to parcels within the vicinity of its existing system where the water quality in individual and shared wells does not meet drinking water quality standards, or where additional fire flow is needed to meet Fire Marshal standards for new construction. The District also provides water for fire suppression through local hydrants within its service area and at the well site as there is no other fire service water infrastructure in the area.

The District has identified the parcels currently receiving service that are outside the current boundary and sphere. This includes service to private property as well as three County facilities: the South County Airport, a County road maintenance facility, and facilities within the Coyote Lake-Harvey Bear Ranch County Park. Although the District was informed of the requirements for extending service outside district boundaries per the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56133), the District did not seek LAFCO approval prior to extending service to other privately owned parcels.

The District has indicated that it would like to eventually serve the entire San Martin Planning Area, east of Monterey Road. However, a water system master plan has not been prepared and there are no projections on future water demand within this area or storage capacity needs. The

County's General Plan policies for growth and development within rural unincorporated areas include the following:

R-GD-6: Urban types and levels of services shall not be available outside of cities' Urban Service Areas from either public or private service providers.

R-GD-7: In rural unincorporated areas, if there is an unpreventable areawide problem which can only be solved by extension of services by a special district, assessment district, or private utility, then this form of service may be approved, with the following restrictions:

a) the amount of increased service capacity will not exceed the identified need and the planned level of development; and

b) the level of service capacity is consistent with that of other services provided or planned for the area.

Therefore, given the groundwater quality conditions and the District's response to the requirements of the State Government Code, consideration for an update of the District's sphere focuses only on those parcels outside the District's adopted sphere that are currently receiving service, or are surrounded by parcels being served. The issue with the Cherry Ranch and Candy Ranch Mutual Water Companies regarding groundwater quality and the need for water service that was discussed in the Countywide Water Service Review (June 2005) has been resolved; the two water mutuals are no longer pursuing connection to the San Martin County Water District.

It is recommended that LAFCO amend the District's Sphere of in five areas to address the out-of-agency service being provided. The proposed changes to the District's SOI encompass an additional 173 acres and include the following (see Figure 2):

- Area 1: The approximately 10.6-acre area south of East San Martin Avenue and east of Highway 101 that has an existing commercial use and is currently being served. This area is adjacent to the District's current southern boundary.

- Area 2: The approximately 116-acre area consisting of the South County Airport, which is currently receiving service from the District. This area also includes three parcels located south of East San Martin Avenue and west of Murphy Avenue in an area which is surrounded by the current district and sphere boundary. The three parcels are not currently receiving service from the District. These three (3) contiguous parcels are zoned A1-General Use; they are currently in agricultural use consistent with surrounding parcels within the District. The northernmost parcel is designated by the State as prime agricultural land. The proposed SOI update does not include any proposed change in agricultural use; furthermore, any proposed change in land use would be subject to the

review and approval of the County of Santa Clara, which has land use authority within unincorporated areas of the county.

- Area 3: An approximately 28-acre area located west of Highway 101 and north of East San Martin Avenue. This area includes property owned by the County of Santa Clara and is used for a road maintenance facility and County Transit District facilities. The District is currently providing service to the County facilities and two parcels with residential uses within this area. There are three parcels that lie between the District's current boundary and parcels to the north that are receiving service; these parcels have rural residential use and are not receiving service from the District.

- Area 4: An approximately 3.5-acre area consisting of two parcels with residential use located on the east side of Llagas Avenue north of North Street. These parcels are adjacent to the District's current northern boundary and are currently receiving service from the District.

- Area 5: An approximately 13-acre area consisting of two parcels located west of Llagas Avenue and north of the Morgan Hill Unified School District property. These parcels are the location of Pacific Building Materials/Cal Stone and are adjacent to the District's current northern boundary; the parcels are currently receiving service from the District.

Per the San Martin County Water District, the District is providing water service to facilities within the Coyote Lake-Harvey Bear Ranch County Park located at the eastern end of the District's service area. This area is currently outside the District's boundaries. The County is in the process of verifying this information and determining which facilities are served by the District. Therefore, this area is not included within the proposed SOI update and will be addressed in a future update.

B. SOI DETERMINATIONS FOR THE SAN MARTIN COUNTY WATER DISTRICT

Pursuant to California Government Code Section 56425, LAFCO is required to make written determinations with respect to the following factors in order to update or amend an agency's SOI.

1) The present and planned land uses in the area, including agricultural and open-space lands

The District provides service within a portion of the unincorporated San Martin community. Present land uses include agriculture, rural residential, commercial, industrial, institutional, transportation, and regional parks. Land use within the District's boundaries is subject to the

County's growth and development policies relating to rural unincorporated areas as well as those policies specific to the San Martin Planning Area. Per the Santa Clara County Land Use Plan (August 2005), planned land uses within the vicinity of the San Martin County Water District service area includes rural residential with transportation uses for the South County Airport and area adjacent to Highway 101, and regional parks to the east. The Coyote Lake-Harvey Bear Ranch County Park, located at the eastern end of the District, represents a significant permanent open space area. There are no Williamson Act lands within the area to be included in the District's sphere of influence.

Finding: Land use within the District's boundary and adjacent areas is expected to remain similar to the present uses of agriculture, rural residential, commercial, industrial, institutional, transportation, and regional parks. Some transition of undeveloped and agricultural areas to low density residential is expected.

2) The present and probable need for public facilities and services in the area

The San Martin County Water District provides treated potable water and distribution within an area that has significant groundwater quality issues with high levels of nitrates and perchlorate contamination. The water produced at individual and shared wells frequently does not meet drinking water quality standards. The State Department of Health is not in favor of point-of-use treatment systems as they require significantly more oversight and must be managed by a Certified Water Treatment Operator.

In addition, the District provides fire flow by increasing line capacity and adding local fire hydrants in areas where service is provided. The District also provides water for fire suppression at the well site. There is no other means to provide water system infrastructure for fire suppression in this area.

Finding: Given the groundwater quality issues, there will be a continued need for water treatment services within this area. There will also be a continued need for water service for fire suppression as there is currently no other means for this type of water service to be provided.

3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

The District provides treated potable water from groundwater extracted from the Llagas Sub-basin, which is managed by the Santa Clara Valley Water District. This source is contaminated by both nitrates and perchlorate and all water for domestic use must be treated. The District's main well does not have nitrate issues but does require treatment for perchlorate. The District's water treatment facility has the capacity to match the production of the District's main and secondary wells.

Within the past several years the District has made major improvements to its water system. The District has replaced a majority of the water service mainlines within its service area, bringing service levels up to industry standards. The system upgrades were based on projected future demand from the existing and potential connections. The District's primary well has a capacity of 2,000 gallons-per-minute (GPM), far exceeding the current regular service demands of 86 GPM. This excess capacity was designed into the system to ensure adequate fire flow, even though the District is not required to provide water for fire suppression since it only has potable supply. The District has agreed to provide fire flow as there are no other providers in the area. The District is constructing a second, stand-by well adjacent to the primary well and perchlorate treatment plant. It will have an approximate capacity of a few hundred gallons per minute. This is adequate to meet current demand in case of an emergency.

The District currently has one 5,000-gallon storage tank. The District recognizes the need for more storage capacity in the future, and an elevated site that would offer gravity flow would greatly improve service reliability. The service area is almost entirely flat and the current water delivery system is pressure flow, making the District completely dependent on power service from PG&E for pumping. The primary well does not have a generator as it is too costly given the level of production. The secondary well will have a generator so there will be no service interruptions due to power outages.

Finding: The District has adequate supply and treatment and storage capacity to serve the current and projected potable water demands within the service area.

4) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

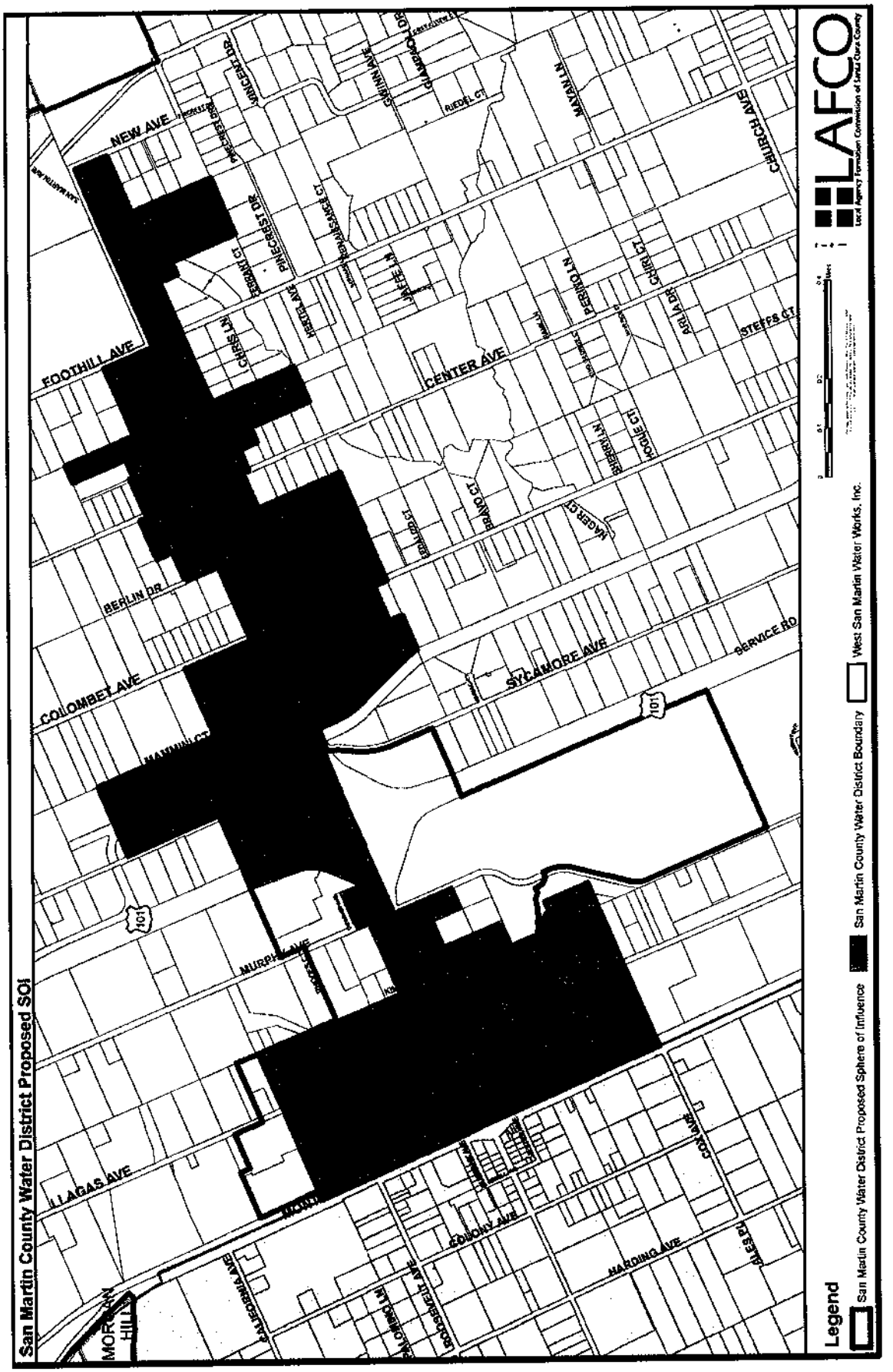
The District provides service to an approximate 0.71 square mile area that is centered along San Martin Avenue east of Monterey Road in the unincorporated San Martin community. There is strong community support for having a locally controlled water district serve the area that provides an alternative for water service when groundwater quality does not meet drinking water standards. The ratepayers have participated in purchasing the system from the former owner and funding the infrastructure upgrades for the District's water delivery system.

Finding: The ratepayers have participated in purchasing the system and funding the infrastructure upgrades for the District's water delivery system; therefore the ratepayers have an economic interest in the services provided by the District. The SOI update will not affect the existence of any social or economic communities of interest in the area that are relevant to the District.

5) The nature, location, extent, functions and classes of services to be provided

The District provides retail potable water service within its service area.

FIGURE 2


San Martin County Water District Proposed SOI
NEW AVE
FOOTHILL AVE
BERLIN DR
COLOMBET AVE
LLAGAS AVE
MURPHY AVE
CENTER AVE
SYCAMORE AVE
SERVICE RD
CHURCH AVE
MAIN ST
HARDING AVE
CONDIT RD
CHRISLN
PINECREST DR
FERRARI CT
NESTLE AVE
RIEDEL CT
PERRON LN
CHRIS CT
ARLIA DR
STEFFS CT
BRANDO CT
SHERRILL LN
HOUSE CT
VAGER CT
101
LAFCO
Local Agency Formation Commission of Santa Clara County
Legend
San Martin County Water District Proposed Sphere of Influence
San Martin County Water District Boundary
West San Martin Water Works, Inc.

LAFCO
Local Agency Formation Commission of Santa Clara County

LAFCO Meeting Date: December 5, 2007

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer
Kathy Kretchmer, LAFCO Counsel

SUBJECT: **Policies to Implement AB 745 regarding Disclosure of Contributions and Expenditures related to LAFCO proposals**
Agenda Item # 6

STAFF RECOMMENDATION

1. Adopt policies to implement AB 745 regarding disclosure of contributions and expenditures related to LAFCO proposals. See Attachment A for AB 745 and Attachment B for the proposed policies to implement AB 745.

BACKGROUND

AB 745 was signed by the Governor and builds on existing provisions in the CKH Act related to disclosure of political contributions and expenditures regarding LAFCO proceedings. These requirements will take effect on January 1, 2008 and will apply to applications in process as of that date.

AB 745 amends two existing sections of the Government Code (§56100.1 and §56700.1) and adds a new section (§57009).

The changes in AB 745 to §56100.1 are non substantive. The provision allows LAFCOs to retain the discretion to adopt disclosure requirements with respect to proposals for action by LAFCO as to expenditures, contributions and independent expenditures. In 2001, LAFCO considered this and decided not to require any additional disclosures pursuant to this section. Staff does not recommend any changes at this time.

§56700.1 is mandatory and requires that expenditures and contributions to LAFCO proposals must be disclosed under the rules of the Political Reform Act for local initiative measures. Once the proponents or opponents of a petition for LAFCO action spend $1,000 with respect to that proposal, they must report their contributions of $100 or more and all of their expenditures. AB 745 amends §56700.1 so that it applies to proposals for a change of organization or reorganization that "will be submitted" to LAFCO. Currently the requirement is

for proposals that "have been" submitted to LAFCO. This change requires that the reporting now be made to LAFCO, as will be discussed below to LAFCO.

§57009, a new section, is also mandatory and has requirements similar to §56700.1, but applies to conducting authority proceedings or protest proceedings. That is, once a person or a group spends $1,000 or more to influence the outcome of a conducting authority proceeding, that person or group must disclose contributions and expenditures to LAFCO.

Although AB 745 references the Political Reform Act, it does not amend that Act. Thus, the Fair Political Practices Commission (FPPC) has no jurisdiction to enforce the requirements for disclosure until and if a LAFCO matter is placed on the ballot and becomes a "measure" within the meaning of the Political Reform Act. This may change in the future as the CALAFCO Legislative Committee is supporting the sponsorship of legislation next year to transfer the responsibility for receiving disclosure from LAFCOs to the FPPC. If that effort is successful then LAFCOs will only need to be responsible for accepting disclosure until January 1, 2009. However, the disclosure requirements are not likely to change.

It is recommended that LAFCO adopt local written policies to implement AB 745. A group of LAFCO attorneys have developed a model policy that can be adopted by LAFCOs. The CALAFCO Board at their November 9, 2007 meeting adopted the model policy. LAFCO Counsel has reviewed the model policy and the proposed policies recommended for adoption are based on the model policy. The proposed policies once adopted would supersede the existing policy which can be found on the first page of the LAFCO Meeting Agenda under Disclosure Requirements #2.

ATTACHMENTS

Attachment A: AB 745

Attachment B: Proposed policies to implement AB 745: Disclosure of Contributions and Expenditures related to LAFCO Proposals

Assembly Bill No. 745

CHAPTER 109

An act to amend Sections 56100.1 and 56700.1 of, and to add Section 57009 to, the Government Code, relating to local agencies.

[Approved by Governor July 20, 2007. Filed with Secretary of State July 20, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 745, Silva. Local agency formation commissions.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires specified procedures to be followed for the submission of a proposal for a change of organization or reorganization to the local agency formation commission. Existing law requires the disclosure of expenditures for political purposes related to a change of organization or reorganization proposal that has been submitted to a local agency formation commission, and contributions in support of or in opposition to those measures.

This bill would require expenditures for political purposes made in connection with a proposal that will be submitted to a local agency formation commission, and contributions in support of or in opposition to those proposals, and expenditures for political purposes made in connection to proceedings for a change of organization or reorganization, and contributions in support of or in opposition to those proceedings, to be disclosed and reported to the same extent and subject to the same requirements of the Political Reform Act of 1974 as provided for local initiative measures.

The people of the State of California do enact as follows:

SECTION 1. Section 56100.1 of the Government Code is amended to read:

56100.1. A commission may require, through the adoption of written policies and procedures, the disclosure of contributions, as defined in Section 82015, expenditures, as defined in Section 82025, and independent expenditures, as defined in Section 82031, made in support of or opposition to a proposal. Disclosure shall be made either to the commission's executive officer, in which case it shall be posted on the commission's Web site, if applicable, or to the board of supervisors of the county in which the commission is located, which may designate a county officer to receive the disclosure. Disclosure pursuant to a requirement under the authority provided in this section shall be in addition to any disclosure otherwise required by Section 56700.1, the Political Reform Act (Title 9 (commencing with Section 81000)), or local ordinance.

SEC. 2. Section 56700.1 of the Government Code is amended to read:

56700.1. Expenditures for political purposes related to a proposal for a change of organization or reorganization that will be submitted to a commission pursuant to this part, and, contributions in support of or in opposition to those proposals, shall be disclosed and reported to the commission to the same extent and subject to the same requirements of the Political Reform Act (Title 9 (commencing with Section 81000)) as provided for local initiative measures.

SEC. 3. Section 57009 is added to the Government Code, to read:

57009. Expenditures for political purposes related to proceedings for a change of organization or reorganization that will be conducted pursuant to this part, and contributions in support of, or in opposition to, those proceedings shall be disclosed and reported to the commission to the same extent and subject to the same requirements of the Political Reform Act (Title 9 (commencing with Section 81000)), as provided for local initiative measures.

O

Disclosure of Political Expenditures Regarding LAFCO Proceedings

DRAFT November 28, 2009

Pursuant to Government Code Sections 56700.1 and 57009, effective January 1, 2008, expenditures for political purposes related to a proposal for a change of organization or reorganization initiated by petition and contributions in support of or in opposition to any proposal at the conducting authority stage of the LAFCO process are subject to the reporting and disclosure to the same extent as required for local initiative measures under the Political Reform Act, Government Code Section 81000 et seq., and the regulations of the Fair Political Practices Commission implementing that law.

LAFCO of Santa Clara County adopts the following reporting and disclosure requirements to implement Government Code Sections 56700.1 and 57009.

1. Definitions

   a. "Contribution" as used herein shall have the same definition as provided in Government Code Section 82015, as amended.

   b. "Expenditure" as used herein shall have the same definition as provided in Government Code Section 82025, as amended.

   c. "Independent expenditure" as used herein shall have the same definition as provided in Government Code Section 82031, as amended, except that the term "measure" as used in Section 82031 shall be replaced with the term "proposal for change of organization or reorganization."

   d. "Political Purposes" as used herein shall mean for the purpose(s) of: (i) influencing public opinion; (ii) lobbying public officials; (iii) influencing legislative or administrative action as defined in Government Code § 82032; and/or, (iv) complying with legal requirements and LAFCO rules for the processing of a proposal, including, but not limited to and by way of example only, preparation of a comprehensive fiscal analysis for an incorporation (Government Code Section 56800) or documents necessary to comply with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., such as a mitigated negative declaration or environmental impact report.

2. Disclosure Requirements for Petitions for Proposals for Organization or Reorganization and for Conducting Authority Proceedings

a. Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of $1,000 or more in support of, or in opposition to or related to:

1. a change of organization or reorganization submitted to the commission to which Government Code Section 56700.1 applies,

OR

2. conducting authority proceedings for a change of organization or reorganization to which Government Code Section 57009 applies,

shall comply with the reporting and disclosure requirements of the Political Reform Act (Government Code § 81000 et seq.), to the same extent and subject to the same requirements as for local initiative measures. Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.

b. Disclosures made pursuant to this Section shall be filed with the commission's Executive Officer as designated in Section below.

c. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term "election" as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled commission hearing on a proposal for change of organization or reorganization or the originally scheduled conducting authority hearing if the expenditure is in regard to the conducting authority proceeding. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the "election" date for this purpose. The executive officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.

d. In the event the originally scheduled hearing date for the proposal for organization or reorganization or for the conducting authority proceeding is rescheduled or continued to a later date, the obligation

to file continues and reports shall be filed on or before the 10th day of each month following the original hearing date with respect to contributions and expenditures received in the previous calendar month up to and including the third calendar month following final action by the commission on the proposal.

3. Certain Reports and Disclosures Excluded

This policy requires only that the persons subject to it disclose via reports to the commission's executive officer contributions, expenditures and independent expenditures with respect to expenditures for political purposes related to a petition to the commission for a proposal for an organization or reorganization and does not impose on such persons the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls under Government Code Sections 84501 et seq. and the regulations of the Fair Political Practices Commission implementing those sections.

4. Where to File

All reports and disclosures required hereunder shall be filed with the commission's Executive Officer.

5. Reporting requirements are non-exclusive

The disclosure and reporting requirements herein are in addition to any other requirements that may be otherwise applicable under provisions of the Political Reform Act or by local ordinance.

6. Sunset provision

This policy is intended to implement Government Code Sections 56700.1 and 57009 and shall be of no further force and effect upon the effective date of legislation repealing or amending those sections to transfer responsibility for enforcing disclosure of expenditures for political purposes affecting commission proceedings to the Fair Political Practices Commission or otherwise terminates the responsibility of this commission to adopt and implement this policies.

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 7

LAFCO Hearing: **December 5, 2007**

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst

SUBJECT: **Initial Study and Proposed Negative Declaration for the Proposed Incorporation of the Town of San Martin**

Agenda Item # 7

STAFF RECOMMENDATIONS

1. Open public hearing and receive testimony.
2. Close public hearing.
3. Direct staff to respond to comments and to make any necessary revisions to the Initial Study and Proposed Negative Declaration.

BACKGROUND

Project Description

The Project is the incorporation of a new city to be called the Town of San Martin located in southern Santa Clara County between the cities of Morgan Hill and Gilroy. The incorporation, if approved by LAFCO and supported by a majority vote of registered voters in the area, would transfer general governance and jurisdiction over service provision and land use decisions from the County of Santa Clara to the new town of San Martin. The project also involves the establishment of planning boundaries such as the urban service area and sphere of influence for the new Town of San Martin. No new development or new services are associated with the proposed project. The Project does not include changes in land use, as the new Town upon incorporation will adopt the Santa Clara County Zoning Ordinance and General Plan.

Public Review Period for Initial Study and Proposed Negative Declaration Closes December 5th at 5:00 PM

LAFCO staff has prepared an Initial Study for the project, and based upon substantial evidence in the record, finds that the proposed project could not have a significant effect on the environment. Therefore, LAFCO staff recommends that a Proposed Negative Declaration be approved for this project. A Notice of Intent to Adopt a Negative Declaration (Attachment A) was distributed and posted in compliance with §15072 of CEQA Guidelines. The Initial Study and Proposed Negative Declaration (Attachment B) were also submitted to the State Clearinghouse for review by state agencies.

A 30 day public review period of November 6, 2007 through December 5, 2007 (5:00 PM) was established for the Initial Study and the proposed Negative Declaration in accordance with §15073 of the CEQA Guidelines. In reviewing the Initial Study and the Negative Declaration, affected public agencies and the interested public were directed to focus on the adequacy of the document in identifying and analyzing the potential impacts on the environment and ways in which the potentially significant effects of the project area are to be avoided or mitigated.

Public Hearing to Consider and Accept Comments on the Initial Study and Proposed Negative Declaration

As of the writing of this staff report, LAFCO staff has not received any written comments on the Initial Study and Proposed Negative Declaration. LAFCO staff recommends that LAFCO open the public hearing and accept comments. Following the close of the public hearing, LAFCO staff recommends that LAFCO direct staff to respond to the comments and revise the Initial Study and Proposed Negative Declaration where appropriate and continue the public hearing to the February 2008 LAFCO Meeting.

At this time, no hearing is set for the adoption of the Negative Declaration. Prior to approving the incorporation, LAFCO must take the necessary environmental actions.

NEXT STEPS

LAFCO staff will respond to comments received during the public review period and make the comments and responses available on the LAFCO website (www.santaclara.lafco.ca.gov). Staff will bring the comments and responses back to LAFCO at their next meeting for their consideration.

ATTACHMENT

Attachment A: Notice of Intent to Adopt a Negative Declaration

Attachment B: Proposed Incorporation of the Town of San Martin: Initial Study and Proposed Negative Declaration (dated November 5, 2007)

LAFCO
Local Agency Formation Commission of Santa Clara County

Notice of Intent to Adopt a Negative Declaration

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

Project Name	**Applicant**
Proposed San Martin Incorporation	San Martin Neighborhood Alliance

Project Location

Community of San Martin, which is located in the southern part of Santa Clara County (between the Cities of Morgan Hill and Gilroy).

Project Description

The Project is the incorporation of a new city to be called the Town of San Martin located in southern Santa Clara County between the cities of Morgan Hill and Gilroy. The incorporation, if approved by LAFCO and supported by a majority vote of registered voters in the area, would transfer general governance and jurisdiction over service provision and land use decisions from the County of Santa Clara to the new town of San Martin. The project also involves the establishment of planning boundaries such as the urban service area and sphere of influence for the new Town of San Martin. No new development or new services are associated with the proposed project. The Project does not include changes in land use, as the new Town upon incorporation will adopt the Santa Clara County Zoning Ordinance and General Plan.

Notice of Public Review Period and Public Hearing to Consider and Accept Comments

The purpose of this notice is to inform the public that the draft negative declaration, with the accompanying initial study and supporting documents, have been completed and are available for public review for a period of at least 30 days. LAFCO staff has prepared an Initial Study for the project, and based upon substantial evidence in the record, **finds that the proposed project could not have a significant effect on the environment**. Therefore, LAFCO staff recommends that a Negative Declaration be approved for this project.

A 30 day public review period of November 6, 2007 through December 5, 2007 has been established for the Initial Study and the proposed Negative Declaration in accordance with §15073 of the CEQA Guidelines. In reviewing the Initial Study and the Negative Declaration, affected public agencies and the interested public should focus on the adequacy of the document in identifying and analyzing the potential impacts on the environment and ways in which the potentially significant effects of the project area are to be avoided or mitigated.

Written comments on the Initial Study and proposed Negative Declaration may be sent to:

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

Following the receipt and evaluation of comments from agencies, organizations, and or individuals, LAFCO will determine whether any substantial new environmental issues have been raised. If so, further documentation, such as an environmental impact report (EIR) or an expanded IS, may be required.

70 West Hedding Street ▪ 11th Floor, East Wing ▪ San Jose, CA 95110 ▪ (408) 299-5127 ▪ (408) 295-1613 Fax ▪ www.santaclara.lafco.ca.gov

Notice of Public Hearing to Consider and Accept Comments

A public hearing to consider and accept comments on the Initial Study and the proposed Negative Declaration is scheduled for the **Local Agency Formation Commission of Santa Clara County on December 5, 2007, 1:15 PM** in the County Government Center, Board of Supervisor Chambers, 70 West Hedding Street, San Jose, CA 95110.

At this time, no hearing date is set for the adoption of the Negative Declaration. Prior to approving the incorporation, LAFCO must take the necessary environmental actions.

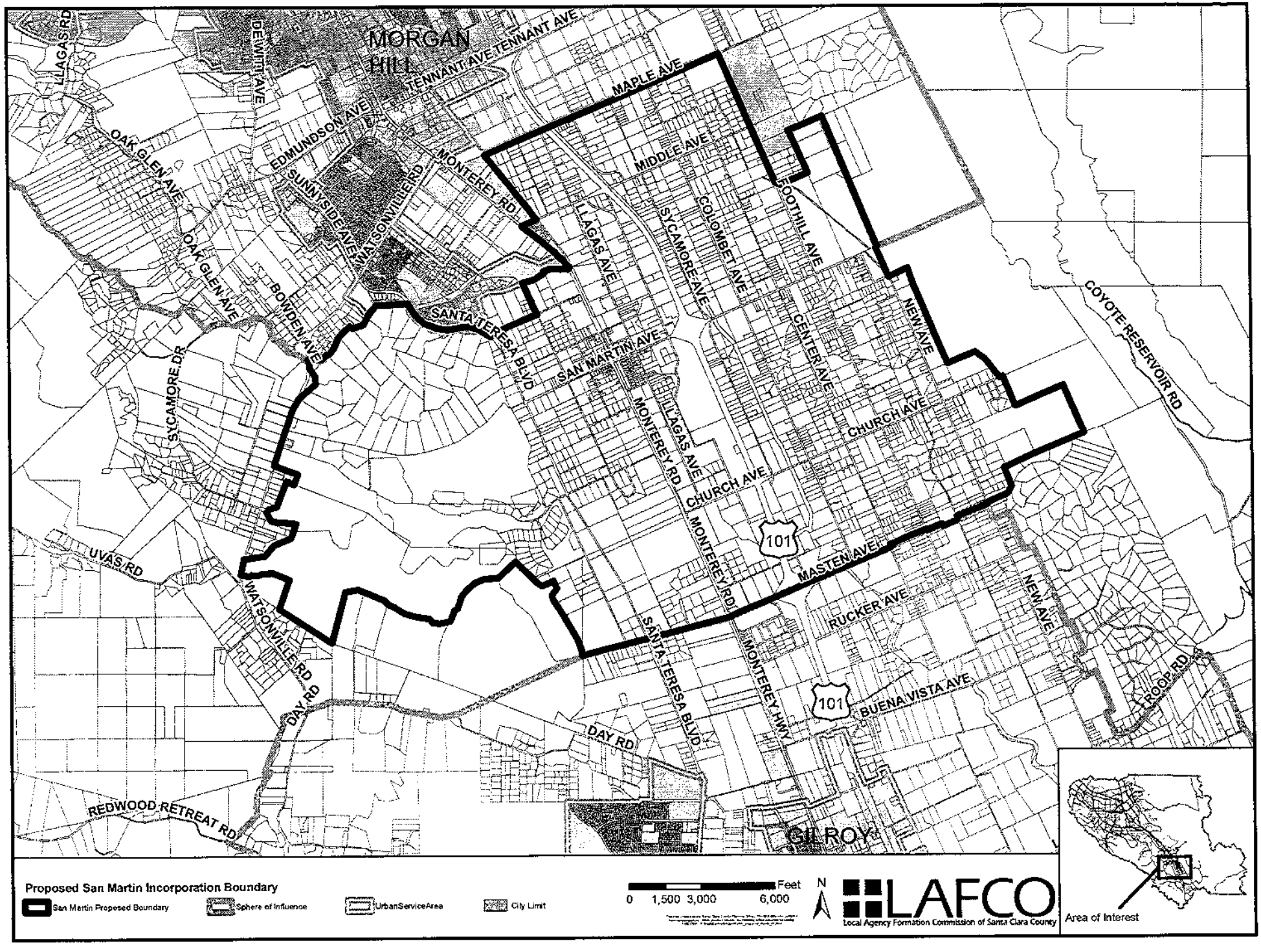
The Negative Declaration and Initial Study may be viewed at the following locations:

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

Approved by:
Neelima Palacherla, Executive Officer — Signature — 11/5/2007 — Date

Government Agencies sent a copy of this document:

- California State Clearinghouse
- Cities in Santa Clara County
- County of Santa Clara
- LAFCO Special Districts in Santa Clara County
- Bay Area Air Quality Management District
- Association of Bay Area Governments
- Environmental Protection Agency
- U.S. Fish and Wildlife Service
- U.S.D.A. Soil Conservation
- U.S. Army Corp of Engineers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GILROY
LLAGAS RD
DEWITT AVE
TENNANT AVE
EDMUNDSON AVE
SUNNYSIDE AVE
WATSONVILLE RD
MONTEREY RD
OAK GLEN AVE
BOWDEN AVE
SYCAMORE DR
SANTA TERESA BLVD
MAPLE AVE
MIDDLE AVE
LLAGAS AVE
SYCAMORE AVE
COLOMBET AVE
FOOTHILL AVE
CENTER AVE
NEW AVE
COYOTE RESERVOIR RD
SAN MARTIN AVE
CHURCH AVE
MASTEN AVE
RUCKER AVE
BUENA VISTA AVE
UVAS RD
DAY RD
REDWOOD RETREAT RD
101
Proposed San Martin Incorporation Boundary
San Martin Proposed Boundary
Sphere of Influence
UrbanServiceArea
City Limit
0 1,500 3,000 6,000 Feet
N
LAFCO
Local Agency Formation Commission of Santa Clara County
Area of Interest

ITEM No. 7
Attachment B

Proposed Incorporation of the Town of San Martin: Initial Study and Proposed Negative Declaration

Prepared for:

Santa Clara Local Agency Formation Commission (LAFCO)
70 West Hedding Street
East Wing, 11th Floor
San Jose, California 95110

Contact: Ms. Neelima Palacherla
Executive Officer
(408) 299-5127

Prepared by:

Michael Brandman Associates
11060 White Rock Road, Suite 150
Sacramento, California 95670

Contact: Stephen Jenkins
Project Director/Project Manager
(916) 383-0944

November 5, 2007

TABLE OF CONTENTS

SECTION 1: INTRODUCTION

Purpose of the Initial Study

This Initial Study (IS) is an informational document intended to assess and disclose the potential environmental affects of the proposed incorporation of an approximately 10,473-acre area located in southern Santa Clara County, as a new city, to be called the Town of San Martin. The information, analysis, and conclusions contained in this IS are the basis for deciding whether a Negative Declaration (ND) or Mitigated Negative Declaration (MND) is to be prepared, or if preparation of an Environmental Impact Report (EIR) is required to further analyze impacts. Additionally, if preparation of an EIR is required, the IS is used to focus the EIR on the effects determined to be potentially significant.

Pursuant to §15367 of the State CEQA Guidelines, the Local Agency Formation Commission of Santa Clara County (LAFCO) is the lead agency for the project. The lead agency is the public agency that has the principal responsibility for carrying out or approving the project that may have a significant effect upon the environment. LAFCO, as lead agency, has authority for project approval and certification of the accompanying environmental documentation.

Summary of Findings

Based on the environmental checklist form and supporting environmental analysis, the proposed incorporation of San Martin would have no impact or less than significant impact in the following areas: aesthetics, agricultural resources, air quality, biological resources, cultural resources, geology/soils, hazards and hazardous materials, hydrology/water quality, land use, noise, population/housing, public services, recreation/ mineral resources, transportation/ traffic and utilities/service systems.

The proposed project does not involve any new development or provision of new services or change in the level of current services. The County General Plan, Zoning Ordinance and other policies, regulations and ordinances affecting the area would be adopted by the new town. Any development projects proposed following incorporation would be subject to specific environmental review by the new city. According to CEQA Guidelines, it is appropriate to prepare a Negative Declaration for the proposed project because no environmental impacts would occur as a result of the incorporation of the Town of San Martin.

Acknowledgement of Responsible Agencies and Trustee Agencies

Section 21069 of CEQA defines a “responsible agency” as being a public agency, other than the Lead Agency, which has responsibility for carrying out or approving a project, LAFCO has not identified any responsible agencies that must act on the Proposed Incorporation.

Section 21070 of CEQA indicates that a “trustee agency” is a state agency that has jurisdiction by law over natural resources affected by a project, that are held in trust for the people of the State of California. LAFCO has not identified any trustee agencies that must act on the Proposed Incorporation.

SECTION 2.0: PROJECT DESCRIPTION

The Project is the incorporation of a new city to be called the Town of San Martin located in southern Santa Clara County between the cities of Morgan Hill and Gilroy. The incorporation, if approved by LAFCO and supported by a majority vote of registered voters in the area, would transfer general governance and jurisdiction over service provision and land use decisions from the County of Santa Clara to the new Town of San Martin. The project also involves the establishment of planning boundaries such as the urban service area and sphere of influence for the new Town of San Martin. No new development or new services are associated with the proposed project.

Purpose and Objectives of the Incorporation
The underlying purpose of the incorporation and objectives sought by the Proponents in proposing the incorporation of the Town of San Martin, include:

- To create a locally accountable governing body that is more visible and accessible
- To have local control of land use, growth, planning policy and other governmental activities
- To maintain the rural residential character and small-scale agricultural activities of the Town
- To maintain the existing public services and service levels.

Proposed Boundaries of the Incorporation
The proposed incorporation boundary of the Town of San Martin, as submitted by the Proponents, roughly encompasses a 10,473-acre area bounded by Maple Avenue on the north, New Avenue on the east, Masten Avenue on the south, and Watsonville Road on the west. Please see **Exhibit 2.1** for a map of the proposed incorporation boundaries. LAFCO is required to consider alternative boundaries and is empowered to modify boundaries in its review of proposals in accordance with Government Code Section 56668 and Section 56375 (a) & (l) and LAFCO Policies.

For the purposes of preparing a comprehensive environmental document, it is assumed that any other planning boundaries if adopted by LAFCO at this time (i.e. Urban Service Area Boundary and Sphere of Influence Boundary) will be coterminous with the proposed incorporation boundary. If under future circumstances, LAFCO modifies the sphere of influence boundaries for adjacent cities, additional CEQA analysis will be conducted as necessary. At this time, it is not possible to anticipate the nature of those changes. Analyzing a broadly defined incorporation area in this Initial Study will allow potential reductions to the boundaries by LAFCO. Potential reductions in boundaries are covered by this environmental document.

Preliminary discussions with the proponents and affected agencies indicate that there may be a need to modify the proposed incorporation boundaries to address LAFCO issues. As part of LAFCO's review of the proposed incorporation, LAFCO must consider whether the proposed incorporation boundaries are consistent with State law, LAFCO Policies, and the County of Santa Clara General Plan Policies. LAFCO must consider whether the proposed incorporation boundaries are consistent with LAFCO's mandate to encourage the orderly formation of local agencies, encourage the efficient provision of services, discourage urban sprawl, and to preserve agricultural and open space resources. Environmental issues pertaining to the proposed incorporation boundaries are covered within the Initial Study. Those boundary issues not specifically environmental in nature but that are germane to LAFCO's mandate will be considered separately.

Therefore, LAFCO staff is in the process of completing a preliminary review of the proposed incorporation boundaries. A staff report outlining alternatives and LAFCO staff's determinations and recommendations on the proposed incorporation boundaries will be available on the LAFCO Website (www.santaclara.lafco.ca.gov) in advance of the December 5, 2007 LAFCO Meeting in accordance with the requirement to consider alternative boundaries.

General Plan and Zoning
Government Code Section 65360 provides a period of up to thirty months following incorporation for the development and adoption of a new City General Plan. During that period, a new city is not required to have a General Plan or have its decisions be consistent with the general plan provided certain conditions are met. Research has shown that recently incorporated cities typically adopt the existing County General Plan. It is reasonable to conclude that San Martin will adopt the current Santa Clara County General Plan until such time as the city adopts its own General Plan in accordance with Government Code Section 65360.

Government Code Section 57376 requires the new city to immediately adopt an ordinance providing that all Santa Clara County ordinances shall continue as the new city's ordinances for 120 days or until superseded by ordinances adopted by the new city.

Therefore, it is assumed that the County's land use policies and regulations would serve as the new city's policies following incorporation, until the new city adopts its own policies. It is not uncommon for new cities to keep County zoning ordinances and the General Plan in effect for at least a year or more until they have the time and funds to prepare and certify a new city General Plan. Any proposed changes to the General Plan, Zoning Ordinance, or adoption of any other plans, policies, guidelines, or regulations to regulate development would be subject to environmental review at the time any such change is proposed, as required by the California Environmental Quality Act (CEQA).

Government Reorganizations
The Project does not include any changes in adjacent cities' (Morgan Hill and Gilroy) or affected special districts' boundaries at this time, except in the case of the County Lighting Service Area (CLSA). Pursuant to Government Code Section 25210.90, the CLSA will be automatically detached upon incorporation unless LAFCO can make certain findings to waive the detachment.

Municipal Services
Incorporation, if the process succeeds, includes the election of a Town Council and transfer of specific service obligations from the County to the new city. The proposed incorporation does not involve a change in the type or level of services that are currently being provided and no new services are proposed.

The Project area is unincorporated and currently receives minimal/limited levels of municipal services **(see Table 2.1)** that are provided by the County of Santa Clara, and other public or private entities. Initially, the new city may contract with the County or other appropriate public or private entities to provide these services. Over time, these services may be provided directly by the city subject to future decisions by the City Council. The level of municipal services that the community receives from the County of Santa Clara and other entities is currently being documented in the Comprehensive Fiscal Analysis study. See **Exhibit 2.2** for a map of current service providers in the San Martin area.

Financial Characteristics
As mentioned earlier, LAFCO is conducting a Comprehensive Fiscal Analysis for the incorporation that will identify revenues, taxes, assessments, fees and charges that are collected within the proposed boundaries of the Town of San Martin and will demonstrate whether the proposed new city is fiscally viable, as required by State law and LAFCO Policies.

Discretionary Approvals
This Initial Study and Negative Declaration are intended to serve as the primary environmental document for all actions associated with the incorporation of San Martin within the County of Santa Clara, including all discretionary approvals requested or required to implement the project.

EXHIBIT 2.1

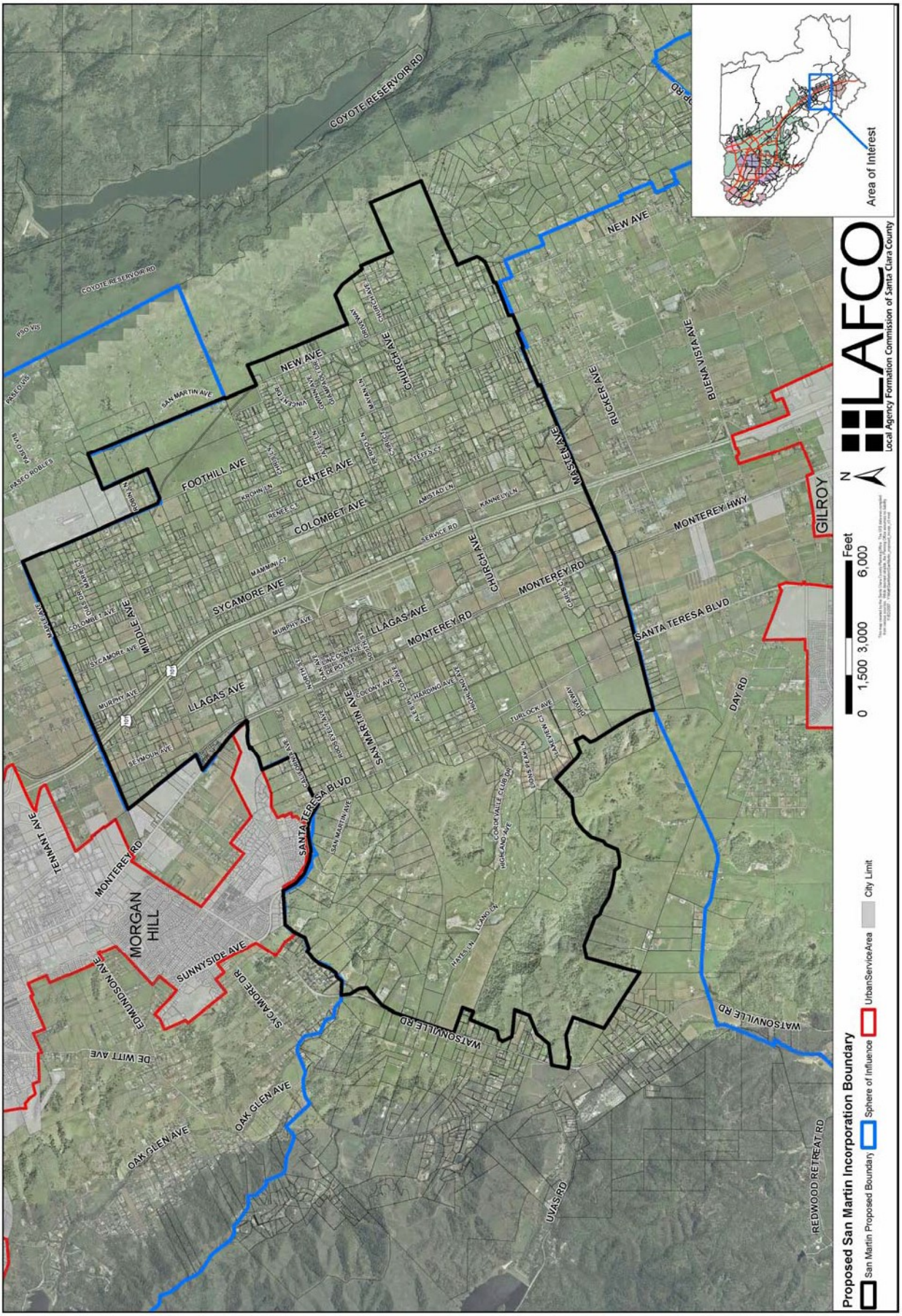
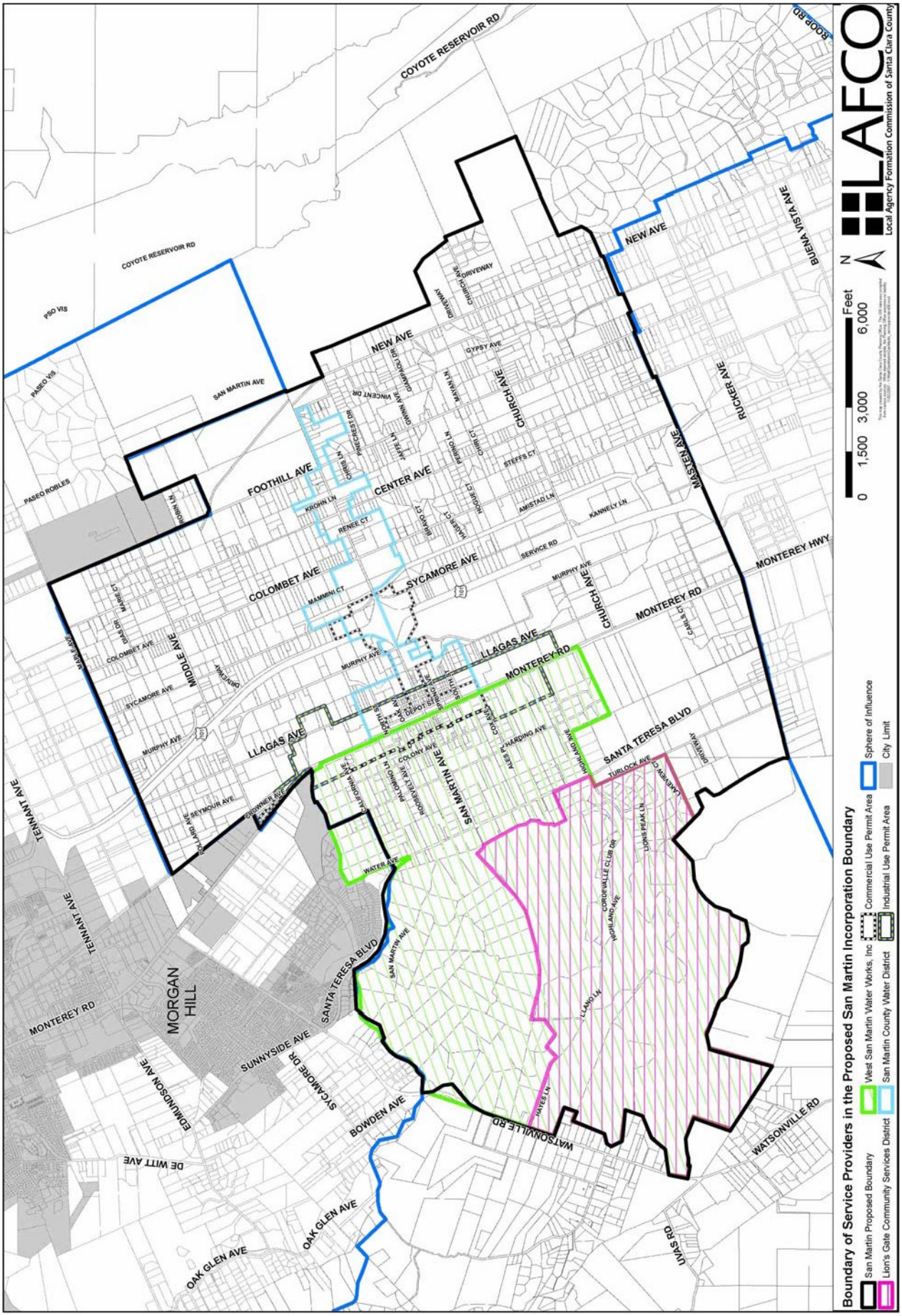

Area of Interest
LAFCO
Local Agency Formation Commission of Santa Clara County
N
0 1,500 3,000 6,000 Feet
Proposed San Martin Incorporation Boundary
San Martin Proposed Boundary
Sphere of Influence
UrbanServiceArea
City Limit
COYOTE RESERVOIR RD
NEW AVE
FOOTHILL AVE
CENTER AVE
COLOMBET AVE
SYCAMORE AVE
LLAGAS AVE
MONTEREY RD
MONTEREY HWY
SANTA TERESA BLVD
CHURCH AVE
MASTEN AVE
RUCKER AVE
BENA VISTA AVE
MIDDLE AVE
SAN MARTIN AVE
TENNANT AVE
MORGAN HILL
SUNNYSIDE AVE
EDMUNDSON AVE
DE WITT AVE
OAK GLEN AVE
SYCAMORE DR
WATSONVILLE RD
DAY RD
GILROY
UVAS RD
REDWOOD RETREAT RD

TABLE 2.1
CURRENT AND PROPOSED SERVICE PROVIDERS TO SAN MARTIN

MUNICIPAL SERVICE	CURRENT PROVIDER	PROPOSED SERVICE PROVIDER
Administrative/ General government	County	New city will assume responsibility
Animal Control	County	New city will assume responsibility. Options include: • Contract with County / city • Contract with other service provider • Form a city department
Building Inspection	County	New city will assume responsibility. Options include: • Contract with the County /city • Contract with a private consultant • Form a city department
Fire Protection and Paramedics	South Santa Clara County Fire Protection District	South Santa Clara County Fire Protection District (No change)
Flood Control Service	Santa Clara Valley Water District	Santa Clara Valley Water District (No Change)
Land Use and Planning	County	New city will assume responsibility. Options include: • Contract with the County /city • Contract with a private consultant • Form a city department
Law Enforcement	County Sheriff	New city will assume responsibility. Options include: • Contract with County / city • Contract with other service provider • Form a city department
Library	County Library Service Area	County Library Service Area (No Change)
Mosquito and Vector Control	Santa Clara County Vector Control District	Santa Clara County Vector Control District (No Change)
Parks and Recreation	County	City will assume responsibility.
Road Maintenance, Engineering,	County	New city will assume responsibility. Options include: • Contract with the County /city • Contract with a private consultant • Form a city department
Street Lighting	County Lighting Service Area	County Lighting Service Area (Assuming specific findings are made by LAFCO)
Schools	Morgan Hill Unified School District and Gilroy United School District	Morgan Hill Unified School District and Gilroy United School District (No Change)
Sewer Service	Private Septic Systems/ Lion's Gate Community Services District	Private Septic Systems/Lion's Gate Community Services District (No Change)
Solid Waste Trash Collection and Disposal	County currently has a franchise agreement with South Valley Disposal and Recycling, Inc.	New city may choose to franchise garbage collection service
Transit and Paratransit	Valley Transportation Authority	Valley Transportation Authority (No Change)
Water Service	San Martin County Water District, West San Martin Water Company, individual and shared wells, Mutual water companies	San Martin County Water District, West San Martin Water Company, individual and shared wells, Mutual water companies (No Change)

EXHIBIT 2.2


LAFCO
Local Agency Formation Commission of Santa Clara County
N
0 1,500 3,000 6,000 Feet
Boundary of Service Providers in the Proposed San Martin Incorporation Boundary
San Martin Proposed Boundary
Lion's Gate Community Services District
West San Martin Water Works, Inc
San Martin County Water District
Sphere of Influence
City Limit
Commercial Use Permit Area
Industrial Use Permit Area
COYOTE RESERVOIR RD
NEW AVE
CHURCH AVE
FOOTHILL AVE
CENTER AVE
COLOMBET AVE
SYCAMORE AVE
MONTEREY HWY
MONTEREY RD
LLAGAS AVE
SANTA TERESA BLVD
SAN MARTIN AVE
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MORGAN HILL
SUNNYSIDE AVE
SYCAMORE DR
EDMUNDSON AVE
DE WITT AVE
BOWDEN AVE
OAK GLEN AVE
WATSONVILLE RD
UVAS RD
SAN MARTIN AVE
PASEO VIS
PASEO ROBLES
SAN MARTIN AVE
CHURCH AVE
GYPSY AVE
MAYANA LN
CHIMI CT
PEBBLE CT
STEFFS CT
AMISTAD LN
KANNELY LN
SERVICE RD
MURPHY AVE
MAMMINI CT
RENEE CT
KROHN LN
CHRISTOPHER DR
CHURCH CT
DEPOT ST
HOSPITAL AVE
COLONY AVE
HARDING AVE
ALEXIS PL
HOSPITAL AVE
PALOMINO LN
RODRIGUEZ AVE
CALIFORNIA AVE
WATER AVE
SEYMOUR AVE
CROWNER AVE
TURLOCK AVE
LAKEVIEW CT
LAKEVIEW
CORDEVALLE CLUB DR
HIGHLAND AVE
LIONS PEAK LN
LLANO LN
HAYES LN
CHURCH CT
MARIE CT
DIANE DR
COLOMBET AVE
SYCAMORE AVE
MURPHY AVE
MORGAN HILL
MONTEREY RD
SANTA TERESA BLVD
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DE WITT AVE
EDMUNDSON AVE
SYCAMORE DR
MIDDLE AVE
LLAGAS AVE
MONTEREY RD
CHURCH AVE
MASTEN AVE
RUCKER AVE
BUENA VISTA AVE
NEW AVE
COYOTE RESERVOIR RD
BOOP RD

SECTION 3.0: ENVIRONMENTAL SETTING & BACKGROUND

Environmental Setting

The unincorporated community of San Martin is located in the southern end of Santa Clara County. Regional access to the project area is provided by U.S. Highway 101 (US 101) which divides the community and runs in a north-south direction. The area west of the freeway is more intensively developed and supports most of the commercial and industrial uses in the community. The area east of US 101, which is the more rural part of the community, is characterized by low to medium-density, single family residences and various land uses.

The "San Martin Village" or community core is centered at the intersection of Monterey Road and San Martin Avenue. This community core consists of single-family lots and most of the commercial and industrial uses within the community. The community core is characterized by a predominance of small lots, a village atmosphere, and higher population density than the remainder of the community. In general, the unincorporated lands consist of the following land uses: rural residential estate type development that is either clustered on smaller lots or is located on larger lots, an airport, a semi-private/public golf club, a winery, and permanently protected open space.

Background

The desire to incorporate as a new city is not new position for residents or business owner/operators in the community of San Martin. Incorporation has been considered a couple of times over the past four decades. Although these earlier efforts were not successful, the desire to be self governing has remained.

LAFCO of Santa Clara County received a petition and application requesting incorporation of the Town of San Martin. The proposal was submitted by the San Martin Neighborhood Alliance, Inc. (Proponents or Project Applicant) in February of 2007 and was signed by approximately 31% of the 2,824 registered voters within the proposed incorporation boundaries. In addition to conducting this environmental review for the incorporation, LAFCO is currently preparing a Comprehensive Fiscal Analysis in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) and Santa Clara LAFCO policies regarding incorporations.

Prior to submitting the request for incorporation of the Town of San Martin, the Proponents evaluated various alternatives to incorporation and submitted them to LAFCO in September 2004. The Proponents concluded that none of the government structure alternatives evaluated would fulfill the underlying purpose and objectives which they sought and, as a result, the Proponents filed an application with LAFCO for the proposed incorporation of the Town of San Martin.

SECTION 4.0: OVERVIEW OF INCORPORATION PROCESS

Key steps of the process for incorporation include:

- Proponent submits the petition and application for incorporation to LAFCO (February 2007)
- LAFCO staff prepares preliminary and final Comprehensive Fiscal Analyses (Draft available November 2007, Final available April 2008)
- LAFCO staff prepares necessary environmental documentation (Draft available late October 2007, Final available April 2008)
- The County and the incorporation proponents negotiate a revenue neutrality agreement (December 2007 through February 2008)
- LAFCO staff conducts required governmental review and develops recommendations (on-going, but to be completed by Spring 2008)
- LAFCO public hearing to consider and approve or deny the proposed incorporation (expected Spring 2008)
- If LAFCO approves the application, the Board of Supervisors will be requested to place the incorporation on the November 2008 Ballot (Summer 2008)
- Election by registered voters within the area to be incorporated. A majority vote is required to approve the incorporation (November 2008).

SECTION 5.0: ENVIRONMENTAL CHECKLIST and INITIAL STUDY

This section provides an overview of the environmental setting and an evaluation of potential environmental impacts that could result as a result of the implementation of the Project. Consistent with the requirements of CEQA, the discussion of each resource topic includes a brief setting description to sufficiently characterize existing conditions. The setting discussion is presented from site, local, sub-regional and/or regional perspectives, as appropriate, to capture existing conditions for each environmental topic.

The environmental effects of the Project are defined as changes to the environmental setting that are attributable to the Project, as described in Section 1. Based on the lead agency's evaluation of those actions outlined in Section 2.0 of this document, the environmental factors checked below would be potentially affected by the Project.

Environmental Factors Potentially Affected:

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

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

This environmental checklist identifies the potential impacts of the Project, based on actions described in Section 2 of this document. The environmental checklist discussion focuses on the physical direct and indirect changes that the Project would have on existing environmental conditions. Where appropriate, mitigation measures are identified to reduce the identified impact below a level of significance. For this environmental checklist, the following impact classifications are used:

Potentially Significant Impact. Adverse environmental consequence that has the potential to be significant according to the threshold criteria identified for each resource, even after mitigation strategies are applied. This classification also applies to adverse effects that could be significant and for which no mitigation has been identified. If any potentially significant impacts are identified, an Environmental Impact Report (EIR) must be prepared to meet CEQA requirements.

Less than Significant Impact with Mitigation. Adverse environmental consequence that has the potential to be significant, but can be reduced to less-than-significant levels through the application of identified mitigation strategies.

Less than Significant Impact. Adverse environmental consequence that has been identified; however, the level of significance does not meet or exceed the significance threshold for that resource.

No Impact. No adverse environmental consequences have been identified for the resource or the consequences are negligible, undetectable and/or not applicable.

Mitigation measures identified in this IS are characterized as those that have been determined to be feasible and are necessary to reduce the identified impact below a level of significance. Where implementation of more than one mitigation measure is needed to reduce an impact below a level of significance, this is noted and other mitigation measures may be cross-referenced. Mitigation measures described in this IS are required over and above other measures that have been incorporated into the Project Description or regulatory or policy considerations that will reduce the potential for significant environmental affects.

Determination: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

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

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

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

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

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

npalacherla	11/05/2007
Signature	**Date**
NEELIMA PALACHERLA	
Printed name	**For**

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

1.1 - SETTING

Visual Character. The area of the Proposed Incorporation is located within the southern Santa Clara Valley, with the Coast Range mountains providing a topographic backdrop from many vantage points. Views from the surrounding ridgelines include built, agricultural, and rural residential developments within the Valley. Riparian vegetation is noted along the various natural and engineered drainages that cross the Project area. Prominent on-site visual features include agricultural-rural residential settings with several County parks located along the eastern and western boundaries of the Project area.

Views From Off-Site Areas. There are several major public roads in the vicinity and, therefore, there are many opportunities to view the Project area. These roadways include State Highway 101, which bisects the Project area, and Middle Avenue, San Martin Avenue, Church Avenue, Masten Avenue, New Avenue, Foothill Avenue, Monterey Highway and Watsonville Road.

Scenic Roadways. State Highway 101 in the vicinity of the Town of San Martin is not designated by the State as a scenic highway (Caltrans, 2007). However, Santa Clara County (County) has identified Route 101, the South Valley Freeway, as an eligible stretch for inclusion in the State's scenic highway program (Santa Clara County General Plan, 1994). The General Plan states the "South Valley Freeway, which is one of the major transportation arteries between northern and southern California, passes through lands that remain primarily in agricultural and rural residential uses. State scenic designation and land use protection by the County and the cities of Gilroy, Morgan Hill, and San Jose can help preserve the scenic character of this corridor as future development occurs."

Scenic Vistas, Public Views, and Sensitive Receptors. Travelers on State Highway 101 are offered uninterrupted views of the general Project area, and of the Coastal Range. The Coastal Range

viewshed, with ridgelines extending up on both the eastern and the western side of the Project area, constitutes a significant scenic resource present in the background.

Regulatory. The Santa Clara County General Plan specifies several implementation guidelines in relation to visual quality, landscaping, and design review for the San Martin community. These specific implementing measures include the following:

> Implementing Measure R-TR(i) 15. Develop design guidelines for the San Martin community which address landscaping, setbacks and scenic preservation along County roads.
>
> Implementing Measure R-TR(i) 16. Explore the applicability of the San Martin design guidelines to other areas of the county.
>
> Implementing Measure R-TR(i) 17. The County should continue to prepare environmental assessments which address but are not be limited to natural resource and scenic impact(s) of proposed roadway projects. These assessments should identify mitigations available to reduce any impacts to a less than significant level. Identified mitigation measures should be incorporated into project design.

1.2 - IMPACT DISCUSSION

Would the project:

a.) *Have a substantial adverse effect on a scenic vista?*

No Impact. As described more fully in Section 2, immediately following its organization and prior to performing any other official act, the new Town must adopt an ordinance providing that all County ordinances (including the County Zoning Ordinance and all other land use regulations and County General Plan land use designations) previously applicable to the former unincorporated area of the Proposed Incorporation shall remain in full force and effect as ordinances of the Town for a period of 120 days after incorporation, or until the Town Council has enacted ordinances superseding the County ordinances, whichever occurs first. As a result, the act of incorporating the Town will not involve any change in land use or other development activities that might result in substantial adverse physical impacts on existing scenic vistas or the existing land use pattern within the area of the Proposed Incorporation.

b.) *Substantially damage scenic resources along a designated state scenic highway?*

No Impact. State Highway 101 in the vicinity of the Town of San Martin is not designated by the State as a scenic highway (Caltrans, 2007). However, the County has identified Route 101, the South Valley Freeway, as an eligible stretch for inclusion in the State's scenic highway program (Santa Clara County General Plan, 1994). The General Plan states the "South Valley Freeway, which is one of the major transportation arteries between northern and southern California, passes through lands that remain primarily in agricultural and rural residential uses…." Although the County General Plan encourages the eligibility of the South Valley Freeway for the state scenic highway program, the State's Scenic Highway Master Plan can only be changed by State legislative action and it is reasonable to assume that such an action could occur with or without the Project. In this context, the impact of the Proposed Incorporation is not significant.

c.) *Substantially degrade the existing visual character or quality of the site and its surroundings?*

No Impact. Because the Project does not propose any physical development, and because any future development proposals would be subject to further environmental and design reviews by the Town in keeping with the current County Zoning Ordinance and all other land use regulations and County General Plan land use designations, it is reasonable to conclude that the Project would not substantially degrade the existing visual character or quality of the site and its surroundings. Further, continued implementation of the San Martin Integrated Design Guidelines will help ensure that visual character of development is consistent with San Martin's rural residential character even after approval of the proposed Project.

d.) *Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?*

No Impact. Nighttime lighting is extensively used within the Project area. The Proposed Incorporation involves no physical improvements that would result in any new sources of daytime glare or nighttime lighting. Any future development proposals would be subject to further environmental and design reviews by the Town in keeping with the current County Zoning Ordinance and all other land use regulations and County General Plan land use designations, it is reasonable to conclude that the Project would not adversely affect any day or nighttime views in the area.

e.) *If subject to ASA, be generally in non-compliance with the Guidelines for Architecture and Site Approval?*

No Impact. The Proposed Incorporation does not involve a formal development application and, therefore, is not subject to the County Guidelines for Architecture and Site Approval. Any future development proposals would be subject to further environmental and design reviews by the Town in keeping with the current County Zoning Ordinance and all other land use regulations and County General Plan land use designations.

f.) *If subject to Design Review, be generally in non-compliance with the Guidelines for Design Review Approval?*

No Impact. The Project does not include the construction on any structures that would be subject to County Guidelines for Design Review Approval. Any future development proposals would be subject to further environmental and design reviews by the Town in keeping with the current County Zoning Ordinance and all other land use regulations and County General Plan land use designations.

g.) *Be located on or near a ridgeline visible from the valley floor?*

No Impact. The area of the Proposed Incorporation is generally located on the Valley floor, and no change in land use is proposed on or near a ridgeline visible from the valley floor. Any future development proposals would be subject to further environmental and design reviews by the Town in keeping with the current County Zoning Ordinance and all other land use regulations and County General Plan land use designations.

B. AGRICULTURAL RESOURCES

WOULD THE PROJECT:	IMPACT			
	YES			NO
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Convert farmland to non-agricultural use?	☐	☐	☐	☒
b) Conflict with existing zoning for agricultural use?	☐	☐	☐	☒
c) Conflict with an existing Williamson Act Contract?	☐	☐	☐	☒
d) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	☐	☐	☒	☐

SETTING

Farming operations in the project area are diverse and consist of small to medium-scale, inter-row cropping systems on the Valley floor, ornamental nurseries, and rangeland in the lower slopes of the adjoining foothills. Crops cultivated in the project area may include a combination of leaf vegetables, bean crops, grapes, ornamentals and wildflowers flowers, and/or grains on any given year. Irrigated and non-irrigated pasture for cattle grazing is also present.

In 2006, Santa Clara County's production of agricultural goods earned $244,460,880 for the economy of the State of California; a three percent reduction from 2005 (Santa Clara County Crop Report 2007). Nursery crops remained the top commodities in Santa Clara County producing over $87 million in the year 2006. Mushrooms and peppers were the next two largest commodities generating $57.7 million and $12.6 million, respectively, for Santa Clara County.

The California Department of Conservation, under the Division of Land Resource Protection, has set up the Farmland Mapping and Monitoring Program which monitors the conversion of the state's farmland to and from agricultural use. The program also produces a biannual report on the amount of land converted from agricultural to non-agricultural use. The program maintains an inventory of state agricultural land and updates its "Important Farmland Series Maps" every two years (Department of Conservation, 2004). A review of the 2006 Important Farmland Maps indicates that the area of the Proposed Incorporation includes 2,132 acres of Prime Farmland, 257 acres of Unique Farmland, and 577 acres of Farmland of Statewide Importance (FMMP 2006).See **Exhibit 5.1** for a map showing the Important Farmlands within the proposed incorporation boundaries.

Regulatory. The policies and provisions of the County's General Plan, zoning ordinance and other land use regulations would be formally adopted by the Town upon incorporation. These existing policies support continued agricultural use in the Project area and acknowledge that the remaining supply of highly valuable agricultural lands is not only of great economic importance, but also provides:

- productive use of lands not intended for urban development

- an inexpensive, locally-grown supply of many types of food, close to a growing urban area of 1.5 million consumers;

- scenic relief from the monotony of continuous urban development; and

- diminished threat to life and property in areas prone to flood hazards.

The County General Plan acknowledges the need to identify the areas of greatest importance for preservation, and that a variety of means be employed as appropriate to solidify the land use basis for continuing agricultural land uses. In general, the General Plan identifies areas of the South County generally south and east of Gilroy, as well as areas in vicinity of Morgan Hill including the Project area, as representing the last remaining areas of large scale agriculture in Santa Clara County. The applicable policy framework for this Initial Study discussion topic is contained in the County's General Plan as shown in Appendix C and will be carried forward and adopted by the Town upon incorporation.

Land Conservation Act. Under the provisions of the Williamson Act (California Land Conservation Act 1965, Section 51200), landowners contract with the County to maintain agricultural or open space use of their lands in return for reduced property tax assessment. The contract is self-renewing and the landowner may notify the County at any time of intent to withdraw the land from its preserve status. Withdrawal involves a ten-year period of tax adjustment to full market value before protected open space can be converted to urban uses. Consequently, land under a Williamson Act Contract can be in either a renewal status or a non-renewal status. Lands with a non-renewal status indicate the farmer has withdrawn from the Williamson Act Contract and is waiting for a period of tax adjustment for the land to reach its full market value.

Pursuant to Government Code section 56754, the new city must succeed to the rights, duties and powers of the County in administering any Williamson Act contracts. Within the proposed incorporation boundaries, there are currently 187 properties under the Williamson Act totaling approximately 2,200 acres. In 2006, the County revised its policies and practices relating to administering the Williamson Act in order to meet County goals and comply with state statute. Following this study, the County filed and recorded notices for non-renewal on 126 of the 187 properties, as they did not meet the minimum acreage requirement and / or the requirement for having a commercial agricultural operation on the property. These 126 contracts are set to expire in the years 2016 or 2017. The remaining 61 properties under Williamson Act are scattered throughout the area of the proposed boundaries for San Martin. Please see **Exhibit 5.2** for a map showing the parcels under the Williamson Act contract and indicating those currently with a non-renewal status.

EXHIBIT 5.1

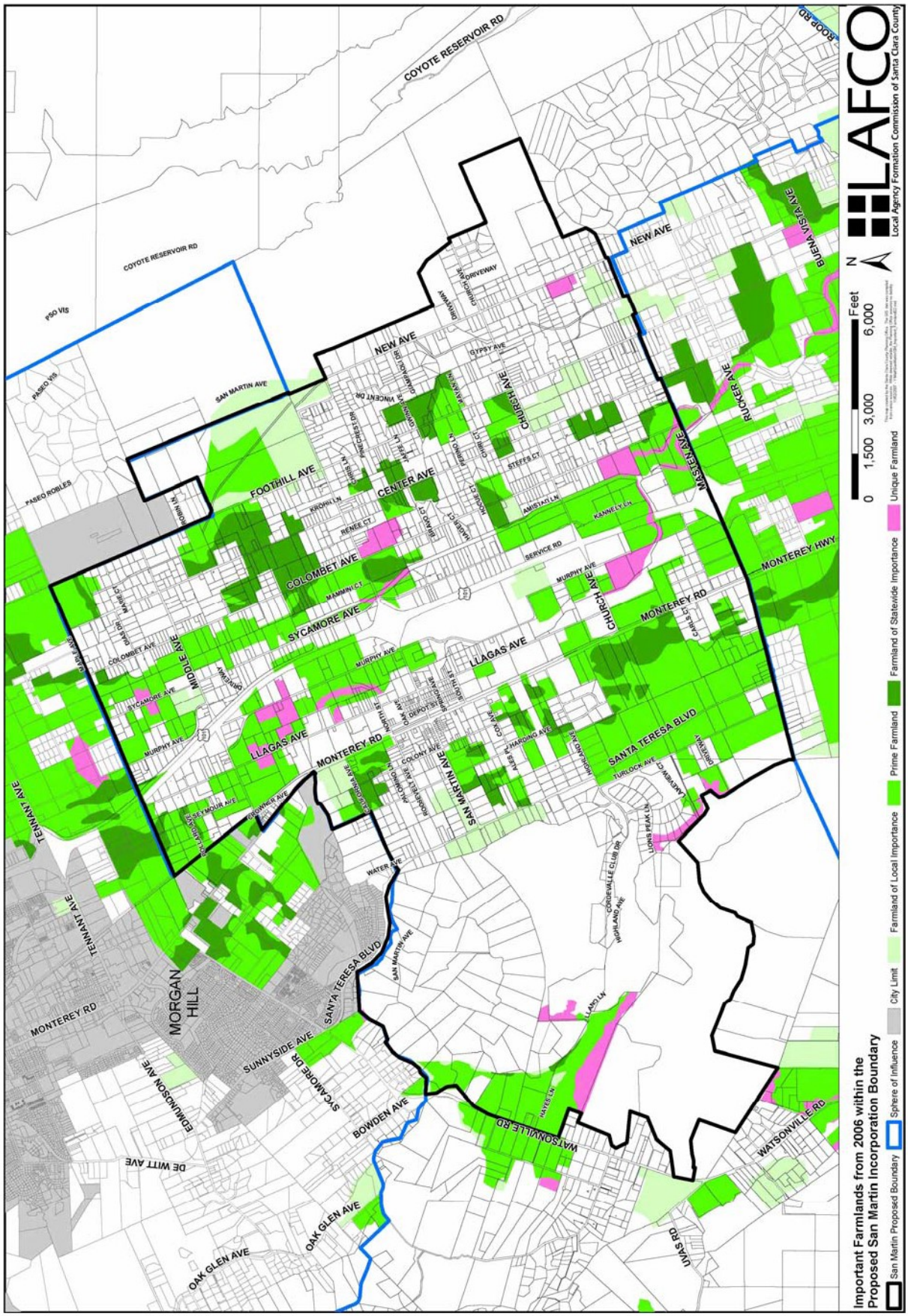
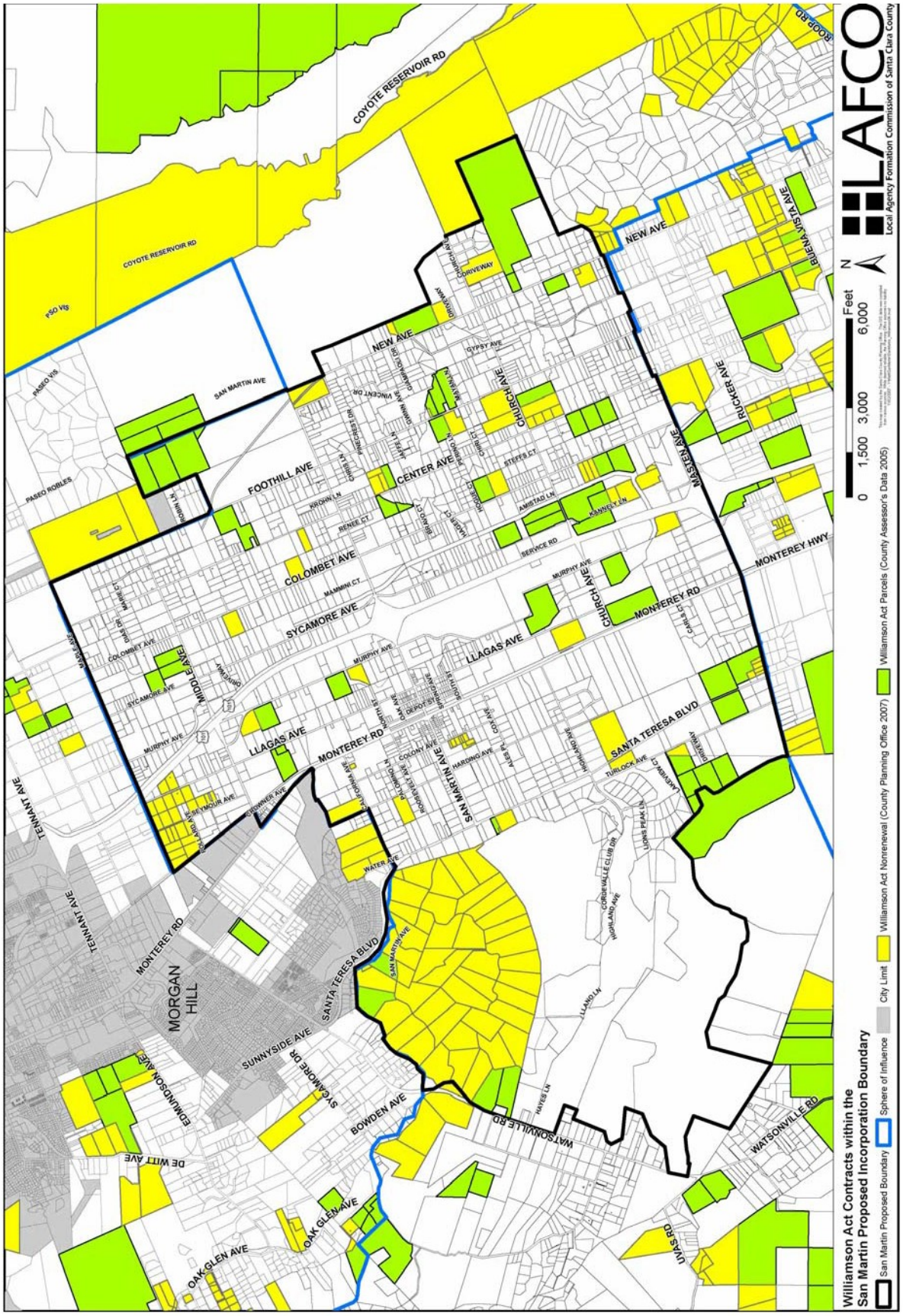

LAFCO
Local Agency Formation Commission of Santa Clara County
N
0 1,500 3,000 6,000 Feet
Important Farmlands from 2006 within the Proposed San Martin Incorporation Boundary
San Martin Proposed Boundary
Sphere of Influence
City Limit
Farmland of Local Importance
Prime Farmland
Farmland of Statewide Importance
Unique Farmland
COYOTE RESERVOIR RD
NEW AVE
FOOTHILL AVE
CENTER AVE
COLOMBET AVE
SYCAMORE AVE
LLAGAS AVE
MONTEREY RD
MONTEREY HWY
CHURCH AVE
MASTEN AVE
RUCKER AVE
BUENA VISTA AVE
SAN MARTIN AVE
SANTA TERESA BLVD
MORGAN HILL
TENNANT AVE
DE WITT AVE
EDMUNDSON AVE
SUNNYSIDE AVE
SYCAMORE DR
BOWDEN AVE
OAK GLEN AVE
WATSONVILLE RD
LUCAS RD
MIDDLE AVE
SAN MARTIN AVE
WATER AVE
MURPHY AVE
COLONY AVE
TURLOCK AVE
PASEO ROBLES
PASEO VIS

EXHIBIT 5.2


LAFCO
Local Agency Formation Commission of Santa Clara County
N
0 1,500 3,000 6,000 Feet
Williamson Act Contracts within the
San Martin Proposed Incorporation Boundary
San Martin Proposed Boundary
Sphere of Influence
City Limit
Williamson Act Nonrenewal (County Planning Office 2007)
Williamson Act Parcels (County Assessor's Data 2005)
COYOTE RESERVOIR RD
NEW AVE
SAN MARTIN AVE
FOOTHILL AVE
CENTER AVE
COLOMBET AVE
SYCAMORE AVE
LLAGAS AVE
MONTEREY RD
MONTEREY HWY
CHURCH AVE
MURPHY AVE
SANTA TERESA BLVD
SAN MARTIN AVE
MORGAN HILL
TENNANT AVE
WATSONVILLE RD
BOWDEN AVE
OAK GLEN AVE
UVAS RD
BUENA VISTA AVE
RUCKER AVE
MIDDLE AVE
EDMUNDSON AVE
DE WITT AVE
SUNNYSIDE AVE
SYCAMORE DR

IMPACT DISCUSSION

Would the project:

a.) *Convert farmland to non-agricultural use?*

No Impact. Important Farmland Maps prepared for Santa Clara County indicate that the area of the Proposed Incorporation includes 2,132 acres of Prime Farmland, 257 acres of Unique Farmland, and 577 acres of Farmland of Statewide Importance. However, the Project proposes no new physical development as part of the incorporation proposal. The policies and provisions of the County's General Plan, zoning ordinance and other land use regulations would be formally adopted by the Town upon incorporation. As a result, the Project would not result in the direct conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance to non-agricultural use and no impact is expected.

b.) *Conflict with existing zoning for agricultural use?*

No Impact. The project area includes approximately 1,004 acres of land designated Agricultural Medium Scale, almost all of it located in the area north of Middle Avenue. As noted in Section 2.0, one of the objectives of the Proposed Incorporation is to maintain the small-scale agricultural activities of the Town. The Project involves no changes to existing agricultural land uses, General Plan land use designations or County agricultural zoning standards. As a result, the Project would not conflict with existing agricultural zoning for agricultural use.

c.) *Conflict with an existing Williamson Act Contract?*

No Impact. The proposed incorporation area contains parcels that are currently covered under the provisions of an active Williamson Act contract. The Project will not alter the cancellation or non-renewal status of any of these existing contracts. Several properties are under non-renewal with the contracts set to expire in 2016 or 2017. With the Town's adoption of the provisions of the County General Plan, zoning ordinance and land use regulations no change in the existing land use patterns are proposed that would result in a change in or result in the cancellation of Williamson Act contracts as compared to existing conditions. Pursuant to Government Code section 56754, the new city must succeed to the rights, duties and powers of the County in administering the contracts. The County General Plan, zoning and other ordinances, policies and regulations will be adopted by the new city. The proposed incorporation does not include any change in land use or provision of new services.

Furthermore, as stated in Section 2.0, one of the Project's objectives is to maintain the small-scale agricultural activities within the area of the proposed incorporation. Any land use decisions by the future Town Council in relation to future Williamson Act policy would be speculative now and require subsequent environmental review at that time based on the nature of the action(s) being proposed. In this context, the Project would not conflict with existing zoning or with the provisions of an existing Williamson Act contract, and no impact would occur.

d.) *Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?*

Less than Significant Impact.

The incorporation does not propose to provide new urban services such as sewer or water that could result in conversion of farmland to non-agricultural uses. As such, the project would not result in any greater conversion of agricultural lands to non-agricultural uses than what could occur under existing county jurisdiction since the incorporation proposal does not include a change in land use, no new

services would be provided and the County General Plan and Zoning Ordinance and other ordinances would be adopted by the new city. Therefore the project would have no direct impacts.

Although the objective of the incorporation as stated by the proponents is to maintain the rural residential character of the town and maintain the small-scale agricultural related activities, the town upon incorporation, would have the land use jurisdiction to designate future land uses and would have the authority to provide urban type services to lands within its boundaries.

Any changes that involve conversion of farmland to non-agricultural uses or provision of new urban services that could result in more intensive development could impact adjacent agricultural lands located outside the proposed city's boundaries. However, it is premature and speculative at this time to predict the potential future legislative decisions of the new town. Any such changes if and when they are proposed, will be subject to CEQA and the environmental analysis for those actions will be conducted by the new town at that time.

C. AIR QUALITY

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

WOULD THE PROJECT:	IMPACT			
	YES			NO
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☐	☒
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	☐	☒
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?	☐	☐	☐	☒
d) Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	☐	☒
e) Create objectionable odors or dust affecting a substantial number of people?	☐	☐	☐	☒

SETTING

The Project is located in Santa Clara County at the southern end of the San Francisco Bay Area Air Basin (Basin), which consists of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties and the western portion of Solano County and the southern portion of Sonoma County. This area falls within the jurisdiction of the Bay Area Air Quality Management District (BAAQMD). The entire Basin is characterized by complex terrain consisting of coastal mountain ranges, inland valleys, and bays. Elevations of 1,500 feet are common in the higher terrain of this area.

The wind patterns in the Valley are influenced greatly by the terrain, resulting in a prevailing flow roughly parallel to the Valley's northwest-southeast axis with a north-northwesterly sea breeze extending up the valley during the afternoon and early evening, and a light south-southeasterly drainage flow occurring during the late evening and early morning. In summer, a convergence zone is sometimes observed in the southern end of the Valley between Gilroy and Morgan Hill, when air flowing from the Monterey Bay through the Pajaro Gap gets channeled northward into the south end of the Santa Clara Valley and meets with the prevailing north-northwesterlies. Speeds are greatest in the spring and summer, and least in the fall and winter seasons. Nighttime and early morning hours have light winds and are frequently calm in all seasons, while summer afternoon and evenings are quite breezy. Strong winds are rare, coming only with an occasional winter storm.

The air pollution potential of the Santa Clara Valley is high. The valley has a large population and the largest complex of mobile sources in the Bay Area making it a major source of carbon monoxide, particulates, and photochemical air pollution (ozone). In addition, photochemical precursors (nitrogen

oxides and reactive organic gases) from San Francisco, San Mateo, and Alameda counties can be carried along by the prevailing winds to the Santa Clara Valley making it also a major ozone receptor. Geographically, the valley tends to channel pollutants to the southeast with its northwest/southeast orientation, and concentrate pollutants by its narrowing to the southeast. Meteorologically, on high-ozone low-inversion summer days, the pollutants can be recirculated by the prevailing northwesterlies in the afternoon and the light drainage flow in the late evening and early morning, increasing the impact of emissions significantly. On high particulate and carbon monoxide days during late fall and winter, clear, calm, and cold conditions associated with a strong surface based temperature inversion prevail.

Regulatory. Regulation of air pollution is achieved through both federal and state ambient air quality standards and emission limits for individual sources of air pollutants. An "ambient air quality standard" represents the level of air pollutant in the outdoor (ambient) air necessary to protect public health. As required by the federal Clean Air Act, the Environmental Protection Agency (EPA) has identified criteria pollutants and established National Ambient Air Quality Standards (NAAQS or national standards) to protect public health and welfare. NAAQS have been established for ozone, carbon monoxide (CO), nitrogen dioxide (NO2), sulfur dioxide (SO2), inhalable particulate matter (PM10), fine particulate matter (PM2.5), and lead. These pollutants are called "criteria" air pollutants because standards have been established for each of them to meet specific public health and welfare criteria. Criteria air pollutants of concern in the Project area include ozone, CO, and particulate matter (both PM10 & PM2.5).

Pursuant to the 1990 Federal Clean Air Act Amendments, the EPA classifies air basins (or portions thereof) as "attainment" or "nonattainment" for each criteria air pollutant, based on whether or not the NAAQS had been achieved. Under the federal Clean Air Act Amendments of 1990, ozone nonattainment areas are further classified as marginal, moderate, serious, severe, or extreme, depending upon the severity of peak ozone concentrations in the area. In 1988, the State Legislature passed the California Clean Air Act, which is patterned after the federal Clean Air Act to the extent that areas are required to be designated as "attainment" or "non-attainment"; however, area designations that have been made under the California Clean Air Act correspond to the state standards, rather than the national standards. Thus, areas in California have two sets of area designations: one set with respect to the national standards and another set with respect to the state standards. **Table 5-1** provides the current attainment status of the project area for each of the criteria pollutants.

Table 5-1: Bay Area Air Basin Attainment Status

Pollutant	Averaging Time	State Status	National Status
Ozone	1-hour	Nonattainment	Not Applicable [1]
	8-hour	Unclassified	Nonattainment [2]
Carbon Monoxide	1-hour; 8-hour	Attainment	Attainment [3]
Nitrogen Dioxide	1-hour	Attainment	No federal standard
	Annual	No state standard	Attainment
Sulfur Dioxide	24-hour; 1-hour	Attainment	Attainment
PM_{10}	24-hour	Nonattainment	Unclassified
	Annual	Nonattainment	No federal standard [4]
$PM_{2.5}$	24-hour	No state standard	Unclassified
	Annual	Nonattainment	Attainment

Source: BAAQMD 20071

Notes: [1] The national 1-hour ozone standard was revoked by EPA on June 15, 2005.

[2] In June 2004, the Bay Area was designated as a marginal nonattainment area of the national 8-hour ozone standard.

[3] In April 1998, the Bay Area was redesignated to attainment for the national 8-hour carbon monoxide standard.

[4] EPA revoked the annual PM_{10} standard on September 21, 2006.

Constituent gases of the Earth's atmosphere called atmospheric greenhouse gases (GHG) play a critical role in the Earth's radiation budget by trapping infrared radiation emitted from the Earth's surface, which would otherwise have escaped into space. Prominent GHG contributing to this process include carbon dioxide (CO_2), methane (CH_4), ozone, water vapor, nitrous oxide (N_2O), and chlorofluorocarbons (CFCs). This phenomenon, known as the "Greenhouse Effect," is responsible for maintaining a habitable climate. Anthropogenic emissions of these GHGs in excess of natural ambient concentrations are responsible for the enhancement of the Greenhouse Effect and have led to a trend of unnatural warming of the Earth's climate, known as global warming or climate change. Global warming is a global problem, and GHGs are global pollutants, unlike criteria air pollutants and TACs, which are pollutants of regional and local concern.

In September 2006, Assembly Bill (AB) 32, the California Global Warming Solutions Act of 2006 was adopted. AB 32 established regulatory, reporting, and market mechanisms to achieve quantifiable reductions in GHG emissions and a cap on statewide GHG emissions, and it is the first of its kind worldwide. AB 32 applies to major stationary sources of emissions only but acknowledges the urgency of this potential threat to the environment. At the time of writing, no air districts within California, including BAAQMD, have a recommended emission threshold for determining significance associated with GHGs from development projects.

The BAAQMD is one of the most progressive air districts in the State concerning GHGs and climate change issues. In 2005, the Bay Area Air District initiated a Climate Protection Program, and on June 1, 2005, the District Board of Directors adopted a resolution establishing a Climate Protection Program, acknowledging the link between climate protection and programs to reduce air pollution in the Bay Area. A central element of the District's climate protection program is the integration of climate protection activities into existing District programs. In addition, the District's climate protection program emphasizes collaboration with ongoing climate protection efforts at the local and State levels, public education and outreach, and technical assistance to cities and counties. In November 2006, the District prepared a District-wide Source Inventory of Bay Area Greenhouse Gas Emissions.

While neither the CEQA Guidelines Appendix G, nor any judicial decision, CEQA regulation, or statute specifically require an evaluation of a project's impact on greenhouse gases, consistent with the public policy rationale underlying AB 32, this report has analyzed the potential for the Project to increase greenhouse gas emissions.

IMPACT DISCUSSION

Would the project:

a.) *Conflict with or obstruct implementation of the applicable air quality plan?*

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1 BAAQMD 2007. Ambient Air Quality Standards & Bay Area Attainment Status, Bay Area Air Quality Management District. http://www.baaqmd.gov/pln/air_quality/ambient_air_quality.htm. Accessed August 21, 2007

No Impact. The Proposed Incorporation would involve the transfer of municipal authority and services from the County of Santa Clara to a newly formed Town of San Martin. The policies and provisions of the County's General Plan, zoning ordinance and other land use regulations would be formally adopted by the Town upon incorporation. As a result, the Project would not have any direct physical impacts related to air quality or greenhouse gas emissions because the proposal does not involve the movement of earth or creation of new emission sources. Similarly, the proposed transfer of municipal authority would not affect current air quality regulations as adopted by the BAAQMD, and would have no affect on the implementation of the 2005 Bay Area Ozone Strategy or the 2000 Clean Air Plan, or the Climate Protection Program. The new Town of San Martin is located within the San Francisco Bay Area Air Basin and would continue to be subject to current regulations related to emissions within the Basin. As such, the Project will not conflict with or obstruct implementation of the applicable air quality plans.

b.) *Violate any air quality standard or contribute substantially to an existing or projected air quality violation?*

No Impact. The Proposed Incorporation would not have any direct physical impacts related to air quality or greenhouse gas emissions because the proposal does not involve the movement of earth or creation of new emission sources. In this context, the Project would not create any new emission sources beyond existing conditions and, therefore, the Project would not violate any air quality standard, or contribute substantially to an existing or projected air quality violation. Additionally, the proposed transfer of municipal authority and continuation of the policies and provisions contained within the existing County General Plan, zoning ordinance and other existing land use regulatory measures would not contribute to global warming.

c.) *Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?*

No Impact. As previously indicated, the Project would not result in the creation of any new emission sources when compared to existing conditions and, therefore, it is reasonable to conclude that the Project would not result in a cumulatively considerable net increase of any criteria pollutant. Additionally, the proposed transfer of municipal authority will not create a cumulatively considerable increase in greenhouse gases.

d.) *Expose sensitive receptors to substantial pollutant concentrations?*

No Impact. As previously indicated, the Project would not involve the operation of any new temporary or permanent emission sources or create substantial air pollutant concentrations which could adversely affect nearby sensitive receptors.

e.) *Create objectionable odors or dust affecting a substantial number of people?*

No Impact. As previously indicated, the Project would not result in any changes to existing land use patterns or to the current baseline conditions with regard to existing sources of odors.

D. BIOLOGICAL RESOURCES

WOULD THE PROJECT:	IMPACT			
	YES			NO
*Questions relating to the California Department of Fish & Game "no effect determination" for the CEQA Filing Fee Exemption are listed in italics.	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	☐	☐	☐	☒
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or US Fish and Wildlife Service?	☐	☐	☐	☒
c) Have a substantial adverse effect on federally protected wetlands as defined by section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) or tributary to an already impaired water body, as defined by section 303(d) of the Clean Water Act through direct removal, filling, hydrological interruption, or other means?	☐	☐	☐	☒
d) Have a substantial adverse effect on oak woodland habitat as defined by Oak Woodlands Conservation Law – (conversion/loss of oak woodlands)?	☐	☐	☐	☒
e) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	☒
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan?	☐	☐	☐	☒
g) Conflict with any local policies or ordinances protecting biological resources:				
i) Tree Preservation Ordinance [Section C16]?	☐	☐	☐	☒
ii) Wetland Habitat [GP Policy, R-RC 25-30]?	☐	☐	☐	☒
iii) Riparian Habitat [GP Policy, R-RC 31-41]?	☐	☐	☐	☒

SETTING

Methods. The following information sources were reviewed for this analysis:

- Aerial photography of the incorporation area (Google Earth 2007);

- A Natural Resource Conservation Service soils map of the area of the Proposed Incorporation (Soil Survey Staff undated);

- California Department of Fish and Game (CDFG) California Natural Diversity Data Base (CNDDB) records for the Gilroy, California 7.5-minute topographic quadrangle and the surrounding eight quadrangles (CNDDB 2007) (see **Appendix A**);

- CDFG California Wildlife Habitat Relationship System (CWHR) (CDFG 2005);

- U.S. Fish and Wildlife Service (USFWS) list of endangered and threatened species that may occur, or be affected by project, in the Gilroy, California quadrangle (USFWS 2007) (see **Appendix A**);

- The California Native Plant Society (CNPS) online Inventory of Rare and Endangered Vascular Plants of California records for the Gilroy, California 7.5-minute topographic quadrangle and the surrounding eight quadrangles (CNPS 2007) (see **Appendix A**);

- Pertinent literature including: the Jepson Manual, Higher Plants of California (Hickman 1993); Amphibian and Reptile Species of Special Concern in California (Jennings and Hayes 1994); California Birds: Their Status and Distribution (Small 1994); Bird Species of Special Concern in California (Remsen 1978); and Mammalian Species of Special Concern in California (Williams 1986);

- National Oceanic and Atmospheric Administration (NOAA) Fisheries species accounts of marine and anadromous fish listed under the federal Endangered Species Act (ESA) (available at http://www.nmfs.noaa.gov/pr/species/fish/).

Vegetation Communities. Vegetation communities arise from a complex interaction between climate and geology, as well as smaller-scale influences such as slope and aspect. For the purposes of this study, vegetation communities are classified according to the CWHR (Mayer and Laudenslayer 1988). This classification scheme maps communities at a fairly coarse scale; it was developed to support the CWHR System, a wildlife information system and predictive model for California's regularly-occurring birds, mammals, reptiles and amphibians. For this reason, it allows for an analysis of wildlife species likely to occur within a given area by coupling habitat type with associated wildlife species. According to CWHR, there are three habitat types that occur within the San Martin area: blue oak-foothill pine, montane hardwood, and valley oak woodland.

Blue oak-foothill pine habitat forms a narrow and discontinuous ring around the Central Valley at elevations between 500 and 3,000 feet. This habitat is dominated in the overstory by blue oak (*Quercus douglasii*), with foothill pine (*Pinus sabiniana*) as a smaller component. Associated overstory species include coast live oak (*Q. agrifolia*), valley oak (*Q. lobata*), and California buckeye (*Aescululs californica*). Shrubs tend to occur in patches and can include a variety of ceanothus (*Ceanothus* sp.) and manzanita (*Arctostaphylos* sp.) species, California coffeeberry (*Rhamnus californica*), poison-oak (*Toxicodendron diversilobum*), California redbud (*Cercis californica*), gooseberry (*Ribes* sp.), elderberry (*Sambucus mexicana*), bush lupine (*Lupinus albifrons*), and yerba santa (*Eriodictyon californica*). The understory is typically a diverse assemblage of native and non-native annual and perennial species. There are approximately 354 acres of blue oak-foothill pine habitat within the area of the Proposed Incorporation. It is restricted to three small patches at the eastern edge at the base of the Diablo Range.

Montane hardwood habitat is characterized by a pronounced hardwood tree canopy and occurs at elevations between 300 and 9,000 feet. It is more widespread than the blue oak-foothill pine habitat, and common in the North Coast Range and the Sierra Nevada Mountains. Common overstory species include Douglas-fir (*Pseudotsuga menziesii*), tanoak (*Lithocarpus densiflorus*), Pacific madrone (*Arbutus menziesii*), California bay, black oak (*Quercus kelloggii*), knobcone pine (*Pinus attenuata*), foothill pine, and coast live oak. Because the overstory tends to be dense, understory shrubs, grasses, and forbs tend to be sparse; species composition is similar to that of blue oak-foothill pine. There are approximately 3,110 acres of montane hardwood habitat within the area of the Proposed Incorporation. It occurs in the west where the area of the Proposed Incorporation and extends into the Santa Cruz Mountains.

Valley oak woodland habitat is restricted primarily to the Sacramento Valley and the Coast Range, where it is common in valley soils and along drainages. This habitat type is dominated in the overstory by valley oak, and can range from very dense to more open savannah-like stands. Associated overstory species include California sycamore (*Platanus racemosa*), California black walnut (*Juglans californica*), interior live oak (*Quercus wislizenii*), boxelder (*Acer negundo*), blue oak, foothill pine, and coast live oak. Understory shrub species include poison-oak, elderberry, California wild grape (*Vitis californica*), toyon (*Heteromeles arbutifolia*), California coffeeberry, and Himalayan blackberry (*Rubus discolor*). Valley oak woodland is the dominant habitat type within the area of the Proposed Incorporation, and is mapped as covering approximately 7,009 acres. However, this acreage includes the town of San Martin and surrounding agricultural areas, so the actual acreage is expected to be substantially less.

Special-Status Species. For the purpose of this analysis, special-status species are those species:

- Listed as threatened or endangered under the ESA and those species formally proposed or candidates for listing;
- Listed as threatened or endangered under California ESA (CESA) or candidates for listing;
- Designated as endangered or rare pursuant to California Fish and Game Code (§1901);
- Designated as fully protected pursuant to California Fish and Game Code (§3511, §4700, §5050);
- Designated as a species of special concern by CDFG;
- Plants listed as rare under the California Native Plant Protection Act or considered by CNPS as List 1A, 1B, 2, or 3 species.

Special-Status Plant Species. The special-status plant species considered for review in this document are included in a table provided in **Appendix A**. This list was compiled based upon query results from CNDDB and the CNPS on-line inventory as well as a list obtained from USFWS. Several regionally occurring species were determined not to have potential to occur within the area of the Proposed Incorporation either because the distribution range of the species does not extend into the area, or because the habitat and/or microsite conditions (e.g., serpentinite soils, mesic sites) required by the species are not present.

Based upon results of the species review, there are 27 special-status plant species with at least some potential to occur within the assessment area. The table in **Appendix A** lists these species, their regulatory status, general habitat requirements, likelihood of occurrence within the area of the Proposed Incorporation, and the period during which they are identifiable.

Special-Status Wildlife Species. The special-status wildlife species considered for review in this document are also included in the table provided in **Appendix A**. This list was compiled based on the USFWS list, and query results from CNDDB and CWHR. CWHR is a predictive model that lists species likely to occur in a given location under certain habitat conditions. It also predicts the suitability of those conditions for reproduction, cover, and feeding for each modeled species. Information fed into the model for this project includes location (Monterey County) and habitat type (blue oak-foothill pine, valley oak woodland, and montane hardwood forest). CWHR does not include any information on plants, fish, invertebrates, or rare natural communities.

Several regionally occurring species were determined not to have potential to occur within the assessment area, either because the distribution range of the species does not extend into the area, or because the habitat or habitat elements (e.g., caves, tall snags) required by the species are not present.

Based upon results of the species review, there are 38 special-status wildlife species with at least some potential to occur within the assessment area. The table in **Appendix A** lists these species, their regulatory status, general habitat requirements, likelihood of occurrence within the area of the Proposed Incorporation, and the period during which they are most identifiable.

Regulatory. The regulations applicable to the protection and conversation of special-status species and sensitive biological resourcesare outlined below.

Federal Endangered Species Act. The USFWS administers the federal ESA, which provides a process for listing species as either threatened or endangered, and methods of protecting listed species. The ESA defines as "endangered" any plant or animal species that is in danger of extinction throughout all or a significant portion of its known geographic range. A "threatened" species is a species that is likely to become endangered. A "proposed" species is one that has been officially proposed by USFWS for addition to the federal threatened and endangered species list.

Under Section 9 of the ESA, "take" of threatened or endangered species is prohibited. The term "take" means to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in such conduct. Take can include disturbance to habitats used by a threatened or endangered species during any portion of its life history. The presence of any federally threatened or endangered species in a project area generally imposes severe constraints on development, particularly if development would result in "take" of the species or its habitat. Under ESA regulations, USFWS may authorize "take" when it is incidental to, but not the purpose of, an otherwise lawful act.

California Endangered Species Act. CDFG administers CESA, which considers an "endangered" species one whose prospects of survival and reproduction are in immediate jeopardy. A "threatened" species is one present in such small numbers throughout its range that it is likely to become an endangered species in the near future in the absence of special protection or management. A "rare" species is one present in such small numbers throughout its portion of its known geographic range that it may become endangered if its present environment worsens. The rare species designation applies to California native plants. State threatened and endangered species are fully protected against take, as defined above. The term "species of special concern" is an informal designation used by CDFG for some declining wildlife species that are not state candidates for listing. This designation does not provide legal protection, but signifies that these species are recognized as sensitive by CDFG.

CEQA Guidelines Section 15380. Threatened and endangered species are protected by specific federal and state statutes. In addition, CEQA Guidelines Section 15380 provides that a species not listed on the federal or state lists of threatened or endangered species may be considered rare or endangered under CEQA review if the species can be shown to meet certain specified criteria. This section was included in the CEQA Guidelines primarily to deal with situations in which a public agency is reviewing a project that may have a significant impact on for example, a "candidate species" that has not yet been listed under FESA or CESA. Therefore, CEQA provides an agency with the ability to

protect a species from a project's potential impacts until the respective government agency has an opportunity to formally designate the species as protected, if warranted.

Sensitive plant species are afforded protection under CEQA through the CNPS inventory of rare, threatened, and endangered plants of California. CNPS is a California resource conservation organization that has developed an inventory of California's sensitive plant species. This inventory summarizes information on the distribution, rarity, and endangerment of California's vascular plants. The inventory is divided into four lists based on the rarity of the species. In addition, CNPS provides an inventory of plant communities that are considered sensitive by state and federal resource agencies, academic institutions, and various conservation groups. The level of sensitivity is determined by the number and size of remaining occurrences as well as recognized threats.

Migratory Bird Treaty Act. The Migratory Bird Treaty Act (MBTA) protects all common wild birds found in the United States (U.S.) except the house sparrow, starling, feral pigeon, and resident game birds such as pheasant, grouse, quail, and wild turkey. Resident game birds are managed separately by each state. The MBTA makes it unlawful for anyone to kill, capture, collect, possess, buy, sell, trade, ship, import, or export any migratory bird including feathers, parts, nests, or eggs. In addition, disturbance to an occupied nest is considered "take" under this act.

California Fish and Game Code - Section 3503 and Section 3511. CDFG administers the California Fish and Game Code. Under Section 3503 of the Code, it is unlawful to take, possess, or needlessly destroy the nest or eggs of any bird that is protected under MBTA. The Code Section 3503.5 further protects all birds in the orders Falconiformes and Strigiformes, birds of prey such as hawks and owls, and their eggs and nests from any form of take. Code Section 3511 lists fully protected bird species for which CDFG is unable to authorize the issuance of permits or licenses to take these species.

California Oak Woodlands Conservation Act. Recognizing the importance of oak woodlands and the critical role private landowners having in the conservation of oaks, the Legislature created in 2001 the Oak Woodlands Program with the expressed intent of accomplishing the following:

- Support and encourage voluntary, long-term private stewardship and conservation of California oak woodlands by offering landowners financial incentives to protect and promote biologically functional oak woodlands;
- Provide incentives to protect and encourage farming and ranching operations that are operated in a manner that protect and promote healthy oak woodlands;
- Provide incentives for the protection of oak trees providing superior wildlife values on private land, and;
- Encourage planning that is consistent with oak woodlands conservation.

With the passing of the Act, local government agencies must now determine whether or not a project may result in a conversion of oak woodlands that will have a significant effect. If there may be a significant effect, they must employ one or more of the following mitigation measures: conserving oaks through the use of conservation easements; planting and maintaining an appropriate number of trees either onsite or in restoration of a former oak woodlands (tree planting is limited to half the mitigation requirement); contributing funds to the Oak Woodlands Conservation Fund for the purpose of purchasing conservation easements; or other mitigation measures developed by the county.

Santa Clara Valley Habitat Conservation Plan / Natural Communities Conservation Plan. The County of Santa Clara, Santa Clara Valley Water District, Santa Clara Valley Transportation Authority, and the cities of Gilroy, Morgan Hill, and San Jose have initiated a collaborative process to prepare and implement a joint Santa Clara Valley Habitat Conservation Plan (HCP/NCCP) to promote recovery of endangered species while accommodating planned development and infrastructure. These entities, in association with the U.S. Fish and Wildlife Service, California Department of Fish and Game, and NOAA-National Marine Fisheries Service, are developing a long-range plan to protect and enhance ecological diversity and function on more than 500,000 acres of Santa Clara County.

Currently, certification of the environmental review and completion of the final HCP/NCCP is anticipated to occur in mid-2009. At that time, incidental take permits will be issued for a list of identified projects likely to occur during the permit term. These activities are expected to include urban and rural development activities that are consistent with current city and County land use plans; maintenance and development of public infrastructure (water, transportation, etc.); activities within streams; and management and monitoring activities within habitat reserve lands. Approval of the HCP/NCCP will ensure that there are adequate mitigations for impacts to biological resources associated with the various identified project activities. According to Ken Schreiber, Program Manager for the Santa Clara Valley HCP/NCCP, the Plan will contain a provision that will allow participation in the Plan by new jurisdictions such at the new Town of San Martin. If the new town could not participate in the HCP, it would be subject to all the permit requirements that are otherwise in place.

County of Santa Clara General Plan. The Santa Clara County General Plan contains several policies that recognize the need to identify and protect sensitive natural resources. The Resource Conservation portion of the General Plan has in place strategies and policies for maintaining and enhancing habitat and biodiversity within the county. They include:

Strategy #1: Improve current knowledge and awareness of habitats and natural areas.

Strategy #2: Protect the biological integrity of critical habitat areas.

Strategy #3: Encourage habitat restoration.

Strategy #4: Evaluate effectiveness of environmental mitigations.

There is also a provision for riparian and freshwater habitats. It recommends that buffer areas remain around all streams still largely in their natural states, and provides guidance on incorporating natural riparian flood plains and habitat into flood control designs. There are also several policies to protect freshwater habitats including wetlands, creeks, and streams during development of new roads, recreation areas, and residential units.

In addition, the General Plan recognizes the importance of maintaining wildlife migration corridors and habitat linkages. It recommends identification and protection of these areas, and encourages cluster development as a way of incorporating these areas into future growth.

County of Santa Clara Tree Preservation and Removal Ordinance. Santa Clara County has adopted a Tree Preservation and Removal Ordinance to protect property values, preserve and protect scenic beauty, prevent soil erosion and floods, enhance air quality, and provide wildlife habitat. In designated areas of the County, the Ordinance requires a permit for removal of any tree having a main trunk or stem measuring 12 inches or greater diameter at breast height (dbh), or having multiple trunks measuring 24 inches or more dbh. The permit application requires in part a replanting and/or revegetation plan for all trees to be removed.

Federal Clean Water Act - Section 404. USACE administers Section 404 of the federal Clean Water Act (CWA). This section regulates the discharge of dredge and fill material into waters of the U.S. USACE has established a series of nationwide permits that authorize certain activities in waters of the U.S., if a proposed activity can demonstrate compliance with standard conditions. Normally, USACE requires an individual permit for an activity that will affect an area equal to or in excess of 0.5 acre of waters of the U.S. Projects that result in impacts to less than 0.5 acre or 300 feet of stream channel can normally be conducted pursuant to one of the nationwide permits, if consistent with the standard permit conditions. Use of any nationwide permit is contingent on the activities having no impacts to endangered species.

Clean Water Act - Section 401. Per Section 401 of the CWA, "any applicant for a Federal permit for activities that involve a discharge to waters of the State, shall provide the Federal permitting agency a certification from the State in which the discharge is proposed that states that the discharge will comply with the applicable provisions under the Federal Clean Water Act." Therefore, before USACE will issue a Section 404 permit, applicants must apply for and receive a Section 401 water quality certification from their RWQCB.

Porter-Cologne Water Quality Act. RWQCBs regulate actions that would involve "discharging waste, or proposing to discharge waste, within any region that could affect the waters of the state" (Water Code Section 13260(a)), pursuant to provisions of the Porter-Cologne Water Quality Act. "Waters of the State" are defined as "any surface water or groundwater, including saline waters, within the boundaries of the state" (Water Code Section 13050 (e)).

California Fish and Game Code - Section 1600 to Section 1603. The CFG Code mandates that "it is unlawful for any person to substantially divert or obstruct the natural flow or substantially change the bed, channel, or bank of any river, stream, or lake designated by the department, or use any material from the streambeds, without first notifying the department of such activity." CDFG jurisdiction includes ephemeral, intermittent, and perennial watercourses, including dry washes, characterized by the presence of hydrophytic vegetation, a definable bed and bank, and the presence of existing fish or wildlife resources.

Furthermore, CDFG jurisdiction is often extended to habitats adjacent to watercourses, such as oak woodlands in canyon bottoms or willow woodlands that function as part of the riparian system. Historic court cases have further extended CDFG jurisdiction to include watercourses that seemingly disappear, but re-emerge elsewhere. Under the CDFG definition, a watercourse need not exhibit evidence of an OHWM to be considered jurisdictional. However, CDFG does not regulate isolated wetlands; that is, those that are not associated with a river, stream, or lake.

IMPACT DISCUSSION

Would the project:

a.) *Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?*

No Impact. There are many special-status plant and wildlife species with potential to occur within the area of the Proposed Incorporation, and several that are known to occur. Under existing conditions, any project planned within the area of the Proposed Incorporation and requiring a discretionary permit is reviewed under CEQA by the County with potential impacts to special-status species identified and mitigation prescribed where appropriate. With the implementation of the Project, future projects planned within San Martin would continue to be subject to review and, if necessary, mitigation under CEQA. Alternatively, San Martin, once incorporated, may choose to participate in the HCP/NCCP and mitigate any potential impacts to covered species through participation. The six special-status species known to occur within the area of the Proposed Incorporation are the Bay checkerspot butterfly, Metcalf Canyon jewelflower, most beautiful jewelflower, Santa Clara Valley dudleya, smooth lessingia, California tiger salamander, and are all covered under the HCP/NCCP. In addition, many of the species with potential to occur within the assessment area are also covered. However, given that the Project would not result in any changes to existing land use or the existing regulatory framework adopted for the protection of biological resources, no substantial, direct or indirect adverse effects to these species are anticipated.

b.) *Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or US Fish and Wildlife Service?*

No Impact. The Project would not have any direct or indirect adverse effects on local riparian habitat or other sensitive natural communities. Currently, any permitted activities within the area of the Proposed Incorporation with potential to affect these habitats and communities require review under CEQA and subsequent permitting, if necessary. This process would continue as part of the Project. In addition, the new Town would be bound by existing County General Plan provisions that require the identification and protection of these habitats and communities. In this context, no impact would occur.

c.) *Have a substantial adverse effect on federally protected wetlands as defined by section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) or tributary to an already impaired water body, as defined by section 303(d) of the Clean Water Act through direct removal, filling, hydrological interruption, or other means?*

No Impact. The Project involves no ground disturbing activities or direct removal, fill, or interruption of existing wetland features.

d.) *Have a substantial adverse effect on oak woodland habitat as defined by Oak Woodlands Conservation Law – (conversion/loss of oak woodlands)?*

No Impact. The Project involves no ground disturbing activities and would have no substantial adverse effect on existing oak woodland habitat. Currently, oak woodlands within the area of the Proposed Incorporation are afforded protection under the County's Tree Preservation and Removal Ordinance. Should the Proposed Incorporation occur, these resources would continue to be protected under the Ordinance until such time that a new local plan is adopted.

e.) *Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?*

No Impact. The Project involves no physical direct or indirect impacts to local waterway and, therefore, it is reasonable to conclude that the Project would not interfere with the movement of any native resident or migratory fish or wildlife species or with established wildlife corridors, nor impede use of any nursery sites.

f.) *Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan?*

No Impact. The Project is not expected to conflict with the Santa Clara Valley HCP/NCCP, which is currently under development. Current and future land use designations within the San Martin area, as prescribed by the County General Plan, have been incorporated into the provisions of the HCP/NCCP during the development process. Because any growth and development within the area of the Proposed Incorporation would continue to be consistent with the provisions of the County General Plan zoning ordinance and land use regulations, the Proposed Incorporation would not conflict with the growth assumptions used in developing the mitigation requirements for HCP/NCCP.

g.) *Conflict with any local policies or ordinances protecting biological resources:*
- i) *Tree Preservation Ordinance [Section C16]?*
- ii) *Wetland Habitat [GP Policy, R-RC 25-30]?*
- iii) *Riparian Habitat [GP Policy, R-RC 31-41]?*

No Impact. As previously indicated, the Project would involve the adoption of applicable County General Plan policies and ordinances following the incorporation. In this context, the Project is not expected to conflict with any local policies or ordinances adopted for the purpose of tree preservation or protection of wetland and riparian habitats.

E. CULTURAL RESOURCES

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

SETTING

Archaeology. Research and investigations performed by King and Hickman (1973) and Hildebrandt and Mikkelsen (1993) provide a general description of prehistoric habitation characteristics in the southern Santa Clara Valley region of the project area. Based on a database of approximately 50 prehistoric sites, King and Hickman identified the following sequence for subsistence and settlement patterns for the prehistoric inhabitants of the region:

> *Millingstone Period* (7000-4000 years before the present [B.P.]): This period consists of initial settlement of the project area.
>
> *Middle Period* (4000-1500 B.P.): This period is considered the peak of sedentary settlement development with reliance on a subsistence economy, using storage of foods such as acorns, and with interregional exchange, warfare, and population pressure.
>
> *Protohistoric Period* (1500-400 B.P.): The Protohistoric Period consists of an adaptive shift to more mobile settlement patterns and the dissemination of population concentrations.

Recent research performed by Hildebrandt and Mikkelsen (1993) has resulted in the general development of the following cultural chronology:

> *Early Period* (4500-2500 B.P.): This period is characterized by a high degree of mobility and a wide array of faunal remains in the coast and inland areas.
>
> *Middle Period* (2500-850 B.P.): The Middle Period is identified by a lower degree of mobility with fewer marine shells, more structures and indications of year-round occupation, and a higher variety of tools.

Late Period (post 850 B.P.): This period is characterized by a reduction in territorial base, a lack of marine shell, and more usage of local resources.

Ethnography. The ethnographically documented aboriginal inhabitants of the project area were part of the Ohlone, or Costanoan, language group, which extended from the San Francisco Bay area south to the southern Monterey Bay and lower Salinas River areas. Ethnographic information regarding people in this group is obtained from records of early Spanish explorers, documents maintained at missions, the works of ethnographs and linguists, and from Native American descendants. The Ohlone/Costanoan languages belong to the Utian family, of the Penutian language stock (Shipley 1978). Ohlone/Costonoan languages were spoken in a large area extending from the San Francisco Bay area, southward along the coast to Point Sur, and inland to the Diablo Range and portions of the northern San Joaquin Valley.

Four groups are noted within the project area: Tiuvta, Unijaima, Motsun, and Ausaima (Milliken et al., 1993). The Tiuvta were a tribelet within the Calendruc tribe that occupied the Pajaro River, Elkhorn Slough, and lower Salinas River areas. The Unijaima lived in the mountains and plains of southwestern Santa Clara Valley, north of the Pajaro River, while the Motsun lived in the San Juan Valley and in the mountains southwest of the valley. The Ausaima lived in the eastern portion of the San Felipe Sink and the hills on the west side of Pacheco Pass.

The history of the Monterey Bay and the southern Santa Clara Valley regions can be divided generally to three periods: Spanish arrival and colonization, Mexican independence and the ranchos, and Anglo-American expansion.

Spanish Arrival and Colonization. Colonization by the Spanish in what was then known as Alta California occurred in the late 1700s. Captain Gaspar de Portola led the earliest land expedition along the coast in 1769 (Hoover et al., 1990), followed by Pedro Fages in 1770 and 1772, Fernando Javier de Rivera in 1774, and Juan Bautista de Anza in 1776. All except Portola's expedition traveled on the east side of the Santa Cruz Mountains, along a route later to become known as El Camino Real. Soon after the first of these expeditions, Missions San Carlos de Borromeo (1770), Santa Clara (1777), and Santa Cruz (1791) were founded.

Mexican Independence and Ranchos. A process of land granting was instituted soon after the mission system began (the first grant was made in 1775) (Hoover et al., 1990). Granting of land, called ranchos, continued throughout the Spanish Period and created the beginning of the cattle industry in California. Within a few years,
ranchos occupied large tracts in the vicinity of the missions, and a pastoral economy involving the missions, the rancheros, and the neophytes was established.

With the declaration of Mexican independence in 1821, Spanish control of Alta California ceased. Political change did not begin in earnest until mission secularization in 1834, when the native peoples were freed from missionary control, and mission lands were granted to private individuals.

During this time period, cattle hides and tallow were the medium of exchange in local business transactions and with international trading ships. The Mexican population continued to grow and the native population continued to decline. Anglo-Americans began to settle in Alta California, often marrying into Mexican families, becoming Mexican citizens, and receiving land grants.

Anglo-American Expansion. After the Mexico-U.S. War, the 1848 Treaty of Guadelupe Hidalgo formalized Mexico's capitulation, and Alta California was annexed by the United States. News of the gold strike in the Sierra Nevada mountains that same year sparked a huge migration into California, beginning the Anglo-American occupation of California. Due to a combination of Gold Rush-related

immigration and land ownership disputes resulting from the transition from Mexican to U.S. authority, the project area began to change rapidly.

The latter half of the 19th century saw a continued Anglo-American immigration into the project area, and consequent changes in the culture and economy of the area. Anglo-American culture steadily became the predominant culture in California, though the Hispanic culture continued to exist. Dispersed farmsteads slowly replaced the immense Mexican ranchos. The farming of wheat, sugar beets, and other specialized crops slowly replaced cattle ranching as the primary economic activity in the project area. These uses eventually transition to orchards, truck farms, flower nurseries, and other family owned agricultural enterprises. In the 1960's, Highway 101 was extended through southern Santa Clara County, and more urbanized uses encroached into the agricultural setting.

Regulatory. As part of the incorporation process, the Town would adopt existing County General Plan policies, including those intended to minimize the impacts of future development on historical and archaeological resources. The applicable policy framework for this Initial Study discussion topic is contained in the County's General Plan as shown in Appendix C and will be carried forward and adopted by the Town upon incorporation:

IMPACT DISCUSSION

Would the project:

a.) *Cause a substantial adverse change in the significance of a historical resource pursuant to Section 15064.5 of the CEQA Guidelines?*

No Impact. The Project involves no physical improvements or change to the environment that would carry the potential to result in substantial, adverse changes in the significance of a historical resource.

b.) *Cause a substantial adverse change in the significance of an archaeological resource as defined in Section 15064.5 of the CEQA Guidelines?*

No Impact. As previously indicated, the Project would not include any physical ground disturbance and, therefore, it is reasonable to conclude that the Project would not cause a substantial, adverse change in the significance of a previously recorded or undiscovered archaeological resource.

c.) *Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?*

No Impact. The Project does not involve any physical land disturbance and, therefore, it is reasonable to conclude that the Project would not destroy, either directly or indirectly, a unique paleontological resource or site, or geological feature.

d.) *Disturb any human remains, including those interred outside of formal cemeteries?*

No Impact. As previously indicated, no physical impacts are proposed part of the Proposed Incorporation. Upon incorporation, the Town would adopt existing County Ordinance(s), which would include those adopted for the purposes appropriately notifying the County Coroner and the California Native American Heritage Commission.

e.) *Change or affect any resource listed in the County Historic Resources Database?*

No Impact. The Project involves no physical improvements that could result in a change or adverse affect to resources listed in the County Historic Resources Database.

F. GEOLOGY AND SOILS

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

SETTING

Local Geology. The Project area is located in southern Santa Clara County, along Llagas Creek, and west of Coyote Lake. Santa Clara County is located within the Coast Range physiographic province, which consists of a series of parallel northwest-trending mountain ridges and intervening valleys of varying sizes.

Seismicity. The northern Coast Ranges contains both active and potentially active faults and is considered a region of high seismic activity. Major active faults in the immediate project area include the San Andreas, Hayward, and Calaveras Faults. The San Andreas Fault, one of the principle fault features in central California, has generated significant earthquakes in the past, including events in 1836, 1868, 1908, and 1989. Current estimates suggest that the peninsula segment of the San

Andreas Fault is capable of producing a moment magnitude 7.2 earthquake resulting a horizontal acceleration of 0.4 g (ABAG 2001).

San Andreas Fault. The San Andreas fault is a major northwest-trending, right-lateral, strike-slip fault. The fault extends for about 600 miles from the Gulf of California in the south to Cape Mendocino in the north. The San Andreas is not represented by a single trace, but by a system of active faults that diverge from the main fault south of San Jose. Regional faults that are subparallel to the San Andreas fault, such as the Hayward, Calaveras, and San Gregorio, are within the broader San Andreas Fault System.

The San Andreas fault has repeatedly provided evidence of large surface fault rupture events and is designated as an earthquake fault zone under the Alquist-Priolo Act. The Peninsula segment of the San Andreas fault is estimated to have a 15 percent probability of producing a Richter magnitude 6.7 earthquake in the period between 2000 and 2030 (USGS, 1999). Because a significant amount of stress was released during the 1989 Loma Prieta earthquake, the Santa Cruz Mountains segment is assigned a 10 percent probability of producing a similar magnitude earthquake in the same 30-year period.

Calaveras Fault. The Calaveras fault, a major right-lateral, strike-slip fault, extends for about 100 miles from Dublin to Hollister, where it merges with the San Andreas fault. The Calaveras fault is most active on the southern segment. The Richter magnitude 6.2 Morgan Hill earthquake (April 1984) originated on the Calaveras fault. Creep has been documented along the fault in the vicinity of Hollister. The Calaveras fault is designated as an earthquake fault zone under the Alquist-Priolo Act.

The Santa Clara County Seismic Stability maps identify County liquefaction and landslide geologic hazard zones within the area of the Proposed Incorporation.

Soil Resources. The southern Santa Clara Valley is underlain by alluvium, resulting in the formation of deep, fertile soils that facilitate agricultural production. These soils are generally greater than 60 inches in depth and characterized by a low to moderate permeability. Some local soils contain clay minerals that have expansive properties and expand when wet and shrink when dried. Local soils may also have low pH or high sulfate concentration or other chemical characteristics that can create a corrosive environment to uncoated steel or concrete. Soils within the project area could also be moderately to highly corrosive.

Regulatory. The California Building Code is another name for the body of regulations known as the California Code of Regulations (CCR), Title 24, Part 2, which is a portion of the California Building Standards Code (California Building Standards Commission, 2001). Title 24 is assigned to the California Building Standards Commission, which, by law, is responsible for coordinating all building standards. Under state law, all building standards must be centralized in Title 24 or they are not enforceable.

Published by the International Conference of Building Officials, the Uniform Building Code is a widely adopted model building code in the United States. The California Building Code incorporates by reference the Uniform Building Code (UBC) with necessary California amendments. About one-third of the text within the California Building Code has been tailored for California earthquake conditions.

The applicable policy framework for this Initial Study discussion topic is contained in the County's General Plan as shown in Appendix C and will be carried forward and adopted by the Town upon incorporation:

IMPACT DISCUSSION

Would the project:

a.i.*) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:*

i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.

No Impact. A review of Special Publication 42 indicates that the eastern border of the area of the Proposed Incorporation is located within an Alquist-Priolo Earthquake Fault Zone for the Calaveras Fault (CGS Special Publication 42, 1999). However, the Project would not involve the construction of any new habitable structures within a mile of the fault rupture zone and, therefore, it is reasonable to conclude that the Project would not expose people or structures to potential substantial adverse effects as a result of rupture along a known earthquake fault.

a.ii.) *Strong seismic ground shaking?*

No Impact. The Project is located in the San Francisco Bay Area, which, because of the presence of the San Andreas Fault System, is a region of significant seismic activity. The 1997 Uniform Building Code (UBC) locates the entire Bay Area within Seismic Risk Zone 4. Areas within Zone 4 are expected to experience maximum magnitudes and damage in the event of an earthquake. The U.S. Geological Survey (USGS) Working Group on California Earthquake Probabilities has evaluated the probability of one or more earthquakes of Richter magnitude 6.7 or higher occurring in the San Francisco Bay Area within the next 30 years. The result of the evaluation indicated a 70 percent likelihood that such an earthquake event will occur in the Bay Area between 2000 and 2030 (USGS, 2003). In this context, the risk of ground shaking as a result of a large earthquake during the life of the Project is an unavoidable hazard.

In response to these inherent risks, State and local building and grading codes regulate structural design. The UBC requires use of seismic parameters that allow structural engineering analysis for structures to be based on soil profile types and the anticipated peak ground acceleration. However, given that the Project involves no structural improvements and that UBC requirements are integrated into Title 24, which is State law, the act of incorporation is expected to have no impact.

a.iii.*) Seismic-related ground failure, including liquefaction?*

No Impact. Based on a review of Liquefaction Hazard maps produced by the County, the area of the Proposed Incorporation contains several large liquefaction hazard areas. Development within these zones generally requires a site-specific geologic investigation and report prior to approval. In this context and given that no new development is proposed as part of the Proposed Incorporation, the Project is not expected to expose people and/or structures to potential substantial adverse effects associated with liquefaction.

a.iv.*) Landslides?*

No Impact. The area of the Proposed Incorporation is generally characterized by level topography with the western and eastern portions of the Project transitioning into the toe slopes of the Coast Range. Several large areas within the eastern and western portions of the area of the Proposed Incorporation are identified as landslide hazard zones in the County's Geologic Hazard Map (Plate 60) based on the composition of the underlying geology further up-slope. However, given that the Project proposes no

alterations to existing topography or no new development within these hazard zones no impact is anticipated.

b.) *Result in substantial soil erosion or the loss of topsoil?*

No Impact. The Project proposes no ground-disturbing activities that could result in increased water runoff rates and/or concentrate flows that may result in accelerated erosion. All County General Plan policies and ordinances would be adopted as part of the Project, including those related to soil conservation and erosion control. In this context, it is reasonable to conclude that the Project would not result in substantial soil erosion or the loss of topsoil.

c.) *Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?*

No Impact. The Project proposes no new development or land alteration that could otherwise render an existing geologic or soil unit as unstable. In this context, it is appropriate to conclude that the Project would not add to existing geologic hazards related to on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse.

d.) *Be located on expansive soil, as defined in the report, Soils of Santa Clara County, creating substantial risks to life or property?*

No Impact. Expansive soil materials can result in physical damage to pipeline facilities, foundations of aboveground structures, and concrete slabs. The expansion and contraction associated with soils when subjected to repeated wetting and drying may exert enough pressure on the structures to result in cracking, settlement, and uplift. No new structures, which could be susceptible to expansive soil materials, are proposed as part of the Project. As a result, no impact would occur.

e.) *Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of waste water?*

No Impact. No new on-site wastewater treatment systems are proposed as part of the Project and, therefore, no impact is expected.

f.) *Cause substantial compaction or over-covering of soil either on-site or off-site?*

No Impact. The Project involves no grading and/or cut and fill activities that could cause substantial compaction or over-covering of existing soil either on-site or off-site. For this reason, no impact is expected.

g.) *Cause substantial change in topography or unstable soil conditions from excavation, grading, or fill?*

No Impact. As previously indicated, no grading or physical land disturbance is proposed as part of the Project. In this context, it is reasonable to conclude that the Project would not cause substantial changes in topography or unstable soil conditions from excavation, grading, or fill.

G. HAZARDS & HAZARDOUS MATERIALS

WOULD THE PROJECT	IMPACT			
	YES			NO
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☐	☒
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☐	☒
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within 1/4 mile of an existing or proposed school?	☐	☐	☐	☒
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	☐	☐	☐	☒
e) For a project located within an airport land use plan referral area or, where such a plan has not been adopted, within two miles of a public airport or public use airport, or in the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒
g) Expose people or structures to a significant risk of loss, injury or death involving wildland fires including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	☐	☒
h) Provide breeding grounds for vectors?	☐	☐	☐	☒
i) Proposed site plan result in a safety hazard (i.e., parking layout, access, closed community, etc.)?	☐	☐	☐	☒
j) Involve construction of a building, road or septic system on a slope of 30% or greater?	☐	☐	☐	☒
k) Involve construction of a roadway greater than 20% slope for a distance of 300' or more?	☐	☐	☐	☒

SETTING

Airports. South County Airport is owned in fee by the County of Santa Clara. The day-to-day operation and management of the Airport is the responsibility of the County's Roads and Airports Department. Policy decisions affecting the Airport are made by the five-member Board of Supervisors. The Santa

Clara County Airports Commission serves in an advisory capacity to the Board of Supervisors and staff on matters involving County-managed airports.

The Airport encompasses 179 acres and consists of a single runway and two parallel taxiways on either side of the runway. A large building area, containing nearly all of the airport buildings, is located west of Runway 14-32. A full-length apron edge taxiway serves the building area. The runway protection zone (RPZ) for Runway 14-32 are 250 feet wide at its inner end, 1,000 feet long, and 450 wide at its outer end. About half of the RPZ area for Runway 14 lies on airport property. The balance of the RPZ area falls within the right-of-way of the West San Martin Avenue interchange. About 90 percent of the RPZ area for Runway 32 is on airport property. The balance encompasses the county's animal shelter. The South County Airport Master Plan indicates that it remains possible to acquire sufficient property to protect approaches to the runway and buffer adjacent areas from the effects of airport operations.

Hazards Materials Regulation. A material is considered hazardous if it appears on a list of hazardous materials prepared by a federal, state, or local agency, or if it has characteristics defined as hazardous by such an agency. Title 22 of the CCR defines a hazardous material as:

> "a substance that, because of physical or chemical properties, quantity, concentration, or other characteristics, may either (1) cause an increase in mortality or an increase in serious, irreversible, or incapacitating illness; or (2) pose a substantial present or potential hazard to human health or environment when improperly treated, stored, transported or disposed of, or otherwise managed" (CCR, Title 22, Division 4.5, Chapter 10, Article 2, Section 66260.10).

Hazardous wastes are defined in the same manner. Hazardous wastes are hazardous materials that no longer have practical use, such as substances that have been discarded, discharged, spilled, contaminated, or are being stored prior to proper disposal. According to Title 22 of the CCR, hazardous materials and hazardous wastes are classified according to four properties: toxic, ignitable, corrosive, and reactive (CCR, Title 22, Chapter 11, Article 3).

A limited regulatory agency records search was performed for areas within the Project area. The records search included the CVRWQCB's List of Spill and Leak Sites (SLIC) (CVRWQCB, 2004a); the CVRWQCB's List of Leaking Underground Storage Tank (LUST) (CVRWQCB, 2004b); and the State of California's Cortese list maintained by the California Department of Toxic Substances Control (DTSC). These lists are a compilation of information from various sources listing potential and confirmed hazardous waste and hazardous substances sites in California. The regulatory agency database search (EDR, 2007) conducted for the Project revealed the presence of numerous sites with documented hazardous material concerns on or within the vicinity of the project study area. A list of these properties is provided in **Appendix B**. The complete EDR Report is available for review at LAFCO's main office during normal business hours.

Regulatory. The applicable policy framework for this Initial Study discussion topic is contained in the Health and Safety portion of the County's General Plan as shown in Appendix C and will be carried forward and adopted by the Town upon incorporation:

IMPACT DISCUSSION

Would the project:

a.) *Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?*

No Impact. The Proposed Incorporation would not involve the increased delivery, storage, or use of hazardous materials. As a result, no impacts are expected.

b.) *Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?*

No Impact. The Proposed Incorporation does not include the use, storage, or transport of hazardous materials and/or substances. In this context, the Project would not create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

c.) *Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within 1/4 mile of an existing or proposed school?*

No Impact. The Proposed Incorporation does not involve the operation of any new facilities that could emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within 1/4 mile of an existing or proposed school.

d.) *Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?*

No Impact. As provided in the setting discussion, the area of the Proposed Incorporation includes numerous sites identified on various agency databases (see **Appendix B** for a comprehensive list). However, the Project involves no physical disruption of these existing sites and, as a result, it is reasonable to conclude that the Project would not create or increase existing hazards to the public or the environment when compared to existing conditions.

e.) *For a project located within an airport land use plan referral area or, where such a plan has not been adopted, within two miles of a public airport or public use airport, or in the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?*

No Impact. The area of the Proposed Incorporation includes lands within two miles of the South County Airport. However, given that no change in existing land use is proposed as part of the Project, the Proposed Incorporation would not result in new or increased a safety hazards for people currently residing or working in the project area.

f.) *Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?*

No impact. As described in Section 2, the Project proposes that the Town of San Martin provide or contract for services currently provided by the County Department of Environmental Health (DEH) Consumer Protection and Hazardous Materials Control Divisions, Household Hazardous Waste Program, the County Integrated Pest Management Program, the County Integrated Waste Management Program, and the Green Business Program. These services would continue to be provided by municipal or contracted staff and, therefore, it is reasonable to conclude that the Project would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan.

g.) *Expose people or structures to a significant risk of loss, injury or death involving wildland fires including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?*

No Impact. Although the threat of wildland fires exists within the area of the Proposed Incorporation, especially in those areas where wildlands are adjacent to urbanized areas or where residences are inter-mixed with wildlands, the Project would not involve the placement of any new structures within a wildfire hazard zone that were not already contemplated or authorized by the County General Plan or zoning ordinances.

h.) *Provide breeding grounds for vectors?*

No Impact. The Project does not involve the creation of any ponds or excavation and therefore is not expected to create a new breeding ground for vectors.

i.) *Proposed site plan result in a safety hazard (i.e., parking layout, access, closed community, etc.)?*

No Impact. No site development is proposed as part of the Project and therefore, the Project would not result in a new safety hazard as a result of parking, access, closed community, etc.

j.) *Involve construction of a building, road or septic system on a slope of 30% or greater?*

No Impact. The Project does not involve the construction of a building, road or septic system.

k.) *Involve construction of a roadway greater than 20% slope for a distance of 300' or more?*

No Impact. The Project does not involve the construction of a roadway on a slope of greater than 20 percent for a distance of 300 feet or more.

H. HYDROLOGY AND WATER QUALITY

WOULD THE PROJECT:	IMPACT			
	YES			NO
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Violate any water quality standards or waste discharge requirements?	☐	☐	☒	☐
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	☐	☐	☐	☒
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?	☐	☐	☐	☒
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site? (Note policy regarding flood retention in watercourse and restoration of riparian vegetation for West Branch of the Llagas.)	☐	☐	☐	☒
e) Create or contribute increased impervious surfaces and associated runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	☐	☐	☒	☐
f) Otherwise substantially degrade water quality?	☐	☐	☐	☒
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	☐	☒
h) Place within a 100-year flood hazard area structures that would impede / redirect flood flow?	☐	☐	☐	☒
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	☐	☐	☐	☒
j) Be located in an area of special water quality concern (e.g., Los Gatos or Guadalupe Watershed)?	☐	☐	☒	☐
k) Be located in an area known to have high levels of nitrates in well water?	☐	☐	☒	☐
l) Result in a septic field being constructed on soil where a high water table extends close to the natural land surface?	☐	☐	☐	☒
m) Result in a septic field being located within 50 feet of a drainage swale; 100 feet of any well, water course or water body or 200 feet of a reservoir at capacity?	☐	☐	☐	☒

SETTING

Watershed. A review of the California Watersheds (2001) dataset indicates that the area of the Proposed Incorporation includes lands that are located within the Llagas Creek Watershed, which is part of the larger Pajaro River Watershed (USGS Cataloging Unit No. 18060002). Other major streams within the Livermore drainage unit are the Little Llagas Creek, the West Branch of Llagas Creek, and Uvas Creek all of which drain the eastern slope of the Santa Cruz Mountains. These waterways are tributaries to the Pajaro River to the north of the Pajaro Valley. The storm water system that serves the unincorporated San Martin area is a rural style system of inlets, ditches, swales, culverts, discharge points, and creeks that ultimately drain to tributaries of the Pajaro River, and then to Monterey Bay.

Flooding. According to the Q3 GIS dataset produced by the Federal Emergency Management Agency (FEMA) based on Flood Insurance Rate Maps (FIRM), the area of the Proposed Incorporation contains approximately 1,100 acres of land that reside within a delineated 100-year flood plain. As a result, portions of the Project area are currently at risk of flooding during a 100-year storm intensity.

Water Quality. Water quality data for other streams in the valley are limited and vary according to land use in the surrounding watershed. For example, in areas where agricultural uses are adjacent to a stream, runoff into the stream likely contains sediments and contaminant nutrients (from fertilizers, pesticides, and livestock). In areas characterized by urban development (residential, commercial, and industrial uses, roadways, parking lots, and landscape areas), runoff likely contains elevated levels of oil, grease, nutrients, sediments, and heavy metals.

Groundwater. The Project is situated at the northern end of the Llagas groundwater subbasin, which occupies a northwest trending structural depression. The subbasin extends from the groundwater divide at Cochran Road near the town of Morgan Hill in the north to the Pajaro River in the south (DWR, 2006). The dominant geohydrologic feature is an inland valley that is drained to the south by tributaries of the Pajaro River, including Uvas and Llagas Creeks.

The water-bearing formations of the Llagas subbasin include Pliocene to Holocene age continental deposits of unconsolidated to semi-consolidated gravel, sand, silt and clay (DWR 2006). These include the Santa Clara Formation and the valley fill materials (alluvial and alluvial fan deposits) which constitute the principal water producing formations (DWR 2006). The depth of alluvial fill and the underlying Santa Clara Formation varies from about 500 feet at the northern divide to greater than 1,000 feet at its south end. The Purissima Formation underlies the southern end of the subbasin beneath the younger alluvial deposits. The SCVWD estimates the operational storage capacity of the Llagas subbasin to be between 150,000 and 165,000 acre-feet (af) (SCVWD UWMP, 2005).

Recharge to the Llagas subbasin occurs from a variety of sources: natural recharge from streams, principally Uvas and Llagas Creeks; percolation of precipitation and surplus irrigation waters; seepage along canals; subsurface inflow; and artificial recharge (DWR 2006). A number of artificial recharge facilities enhance natural recharge to the Llagas subbasin including the Madrone Channel, Main Ave Percolation Ponds, and a number of percolation ponds along Uvas and Llagas Creeks. Recharge within the Llagas subbasin is estimated to range from 7,000 to 31,000 af per year and averages 19,000 af per year (DWR 2006).

Groundwater Impairments. The Santa Clara Valley Water District (SCVWD) created a Nitrate Management Program in October 1991 to investigate and remediate increasing nitrate concentrations in the Llagas subbasin (DWR 2006). Since 1997 more than 600 wells in south Santa Clara County including the Llagas and Coyote sub basins have been tested for nitrate. More than half exceed the federal safe drinking standard for nitrate (DWR 2006). It is important to note however that these nitrate

concentrations in excess of federal standards were found only in private wells, all public wells within the county meet drinking water standards (DWR 2006).

In addition to nitrate concerns, the SCVWD-led Perchlorate Working Group Cleanup—a partnership of the Santa Clara Valley Water District, the cities of Morgan Hill and Gilroy, and Santa Clara County—was developed to in response to perchlorate contamination within the local aquifer. The strategy includes several remedial measures by Olin Corp., whose former road flare-manufacturing firm in south Morgan Hill is responsible for the contamination. The strategy proposes containment of a 10-mile-long plume of perchlorate stretching from south Morgan Hill to the border between Santa Clara and San Benito counties, long-term replacement of the community's water supply, and a cost-recovery plan for the Water District and City of Morgan Hill, which have spent nearly $5 million to clean up perchlorate. The State Water Resources Control Board (SWRCB) adopted Order WQ 2005-0007 (Order) on May 19, 2005, which amends the Central Coast RWQCB's Cleanup or Abatement Order No. R3-2004-0101 (CAO R3-2004-0101) to establish a perchlorate trigger level at which Olin Corporation is required to supply alternative water to affected well owners. conduct groundwater cleanup, and provide well-water treatment. Existing elevated concentrations of perchlorate have been detected in the Llagas subbasin beneath the San Martin area.

Regulatory. The County currently has Clean Water Program that provides services that include complaint investigation, annual report writing, annual work plan writing, coordinating staff education, coordinating public outreach, and providing liaison and guidance to County departments. Local responsibility for the drainage systems is coordinated as follows:

(a) The County Department of Roads and Airports maintains the storm drainage inlets, ditches, swales, culverts, and discharge points in the road right of ways.

(b) The Santa Clara Valley Water District (SCVWD) maintains the creeks in areas where it has fee title ownership, a right-of-way, or an easement. For areas outside the SCVWD jurisdiction, private property owners are responsible for creek maintenance and regulatory compliance on their own property.

(c) The County Clean Water Program is responsible for reporting on NPDES Permit compliance. The south county unincorporated area, including the proposed area of the Proposed Incorporation, has a Phase II NPDES Storm Water Discharge Permit application that has been pending before the Central Coast Regional Water Quality Control Board (CC-RWQCB) staff since March 10, 2003. The permit application may receive final review and may be issued at any time, depending on CC-RWQCB staff workload.

The applicable policy framework for this Initial Study discussion topic is contained in the County's General Plan as shown in Appendix C and will be carried forward and adopted by the Town upon incorporation:

SCVWD Groundwater Management Plan 2001. The goal of the SCVWD's groundwater management program is to ensure that local groundwater resources are sustained and protected. Groundwater management encompasses activities and programs that prevent contamination, identify and mitigate contamination threats to the groundwater basin, replenish and recharge groundwater supplies, prevent groundwater overdraft and land subsidence, and sustain storage reserves. District programs to sustain and protect groundwater resources, are described in detail in the District's Groundwater Management Plan of 2001.

IMPACT DISCUSSION

Would the project:

a.) *Violate any water quality standards or waste discharge requirements?*

Less than Significant Impact. According to a July 18, 2007 letter provided to LAFCO by the County's Planning and Development Department (which is responsible for implementing the County's Clean Water Program), unincorporated County lands including the area of the Proposed Incorporation are currently included within a pending Phase II NPDES Storm Water Discharge Permit application before the Central Coast RWQCB. With the approval of the Project, the Town would be required to become a signatory as a co-permitee and would be responsible for the initial cost of writing and submitting a Storm Water Management Plan to the RWQCB in order to comply with the NPDES Phase II Permit. In addition, the Town would be required to pay the annual NPDES Permit fee and for staff resources associated with the implementation of the County's Clean Water Program. The Town would have the option to provide NPDES compliance services and activities directly, contract for them, or use a combination approach. Given that compliance with the Permit will be required once adopted per State and Federal law, the act of incorporation is not expected to result in violations of water quality standards and/or waste discharge requirements. Because of the potential learning curve required to get up to speed in implementing the new program by this Town, this is a Less than Significant Impact.

b.) *Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?*

No Impact. Incorporation of the area of the Proposed Incorporation is not expected to result in any direct increase in groundwater consumption. Similar to existing conditions, the SCVWD would continue to actively manage its conjunctive water use program to optimize the use and management of local water supply sources, including groundwater. Conjunctive use management is an important tool that allows the groundwater basin to be pumped more in drier years and then replenished (or recharged) during wet and average years. A portion of the SCVWD's surface water supplies would continue to be banked in local sub basins through managed recharge so that groundwater can be withdrawn, when needed. The conjunctive use program would also continue to help protect the local groundwater basin from overdraft, land subsidence, and saltwater intrusion and provide critical groundwater storage reserves for use during droughts or outages. In addition to existing conjunctive use activities, the SCVWD has also identified the following strategies as part of its integrated water resources planning (IWRP) process related to groundwater to ensure the long-term protection of this key component of the District's water supply.

Expand Groundwater Recharge Capacity. Implement the "No Regrets" Portfolio for near-term reliability. This includes 20,000 af/year of additional groundwater recharge capacity, consisting of approximately 13,000 af/year in South County and 7,000 af/year in North County.

Aggressively Protect and Sustain Groundwater Resources. The District relies on groundwater for a significant portion of its water supply. Continuation of the District's proactive groundwater management programs is critical to sustaining and protecting groundwater resources from land subsidence and contamination.

Expand Conjunctive Water Management. The local groundwater sub basins provide an emergency reserve for droughts or outages. Development of additional facilities must be undertaken to better utilize this resource during emergencies, particularly outages to the treated water system.

Safeguard existing supplies. Sustain water supplies and infrastructure by maintaining and protecting the local groundwater sub basins.

With no changes proposed in relation to the SCVWD's existing conjunctive use program and a continuation of existing land use as part of the Project, the proposed incorporation is not expected to result in increased depletion of existing groundwater supplies or interfere substantially with groundwater recharge. In this context, it is reasonable to conclude that the Project would not directly lead to increased rates of groundwater pumping, which could not support existing or planned land uses within the Project area.

c.) *Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?*

No Impact. The Project involves no new physical alterations to existing land surfaces and waterways. In this context, it is reasonable to conclude that the Project would not substantially alter existing drainage patterns nor would it require the alteration of a stream or river course in a manner that could result in substantial erosion or siltation either on- or off-site.

d.) *Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site? (Note policy regarding flood retention in watercourse and restoration of riparian vegetation for West Branch of the Llagas.)*

No Impact. The area of the Proposed Incorporation includes approximately 1,100 acres of land within the FEMA-designated 100-year flood plain. As previously indicated, the Project involves no new development that would result in alterations to existing drainage patterns. In addition, the Project would involve the adoption of the County General Plan, zoning ordinance and land use regulations which currently discourage urban-forms of development within delineated floodplains. As a result, it is reasonable to conclude that the Project would not result in substantial increases in the rate and amount of new surface runoff in a manner that would result in flooding within or outside the Project area.

e.) *Create or contribute increased impervious surfaces and associated runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?*

Less than Significant Impact. The Project does not involve any new forms of development that would create or contribute to increased impervious surfaces and associated runoff water, which would exceed the capacity of existing or planned stormwater drainage systems. In addition, the new Town will be subject the RWQCB's NPDES Phase 2 requirements, which requires the preparation of a SWMP and, therefore, it is reasonable to conclude that compliance with the SWMP would ensure that the Project does not indirectly lead to substantial additional sources of polluted runoff. However, because of the potential learning curve required to get up to speed in implementing the new program by this Town, this is a Less than Significant Impact.

f.) *Otherwise substantially degrade water quality?*

No Impact. Given that the Project would not involve any direct impacts to water quality (e. g. construction-related erosion, use of industrial chemicals, etc.) or any reasonably foreseeable indirect impact, the Project would not otherwise substantially degrade existing water quality.

g.) *Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?*

No Impact. The Project will retain existing County General Plan land use designations and zoning ordinance provisions and, therefore, would not result in the construction or placement of new housing within delineated 100-year floodplains. Consequently, no impact is expected.

h.) Place within a 100-year flood hazard area structures that would impede or redirect flood flows?

No Impact. The Project will retain existing County General Plan land use designations and zoning ordinance provisions and, therefore, would not result in the placement of any structures within a waterway or a designated 100-year flood hazard area structures.

i.) *Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?*

No Impact. No significant dam impoundments are located up-stream of the Project area. The Project would not encroach into an existing levee structure.

j.) *Be located in an area of special water quality concern (e.g., Los Gatos or Guadalupe Watershed)?*

Less Than Significant Impact. The Project will retain existing County General Plan land use designations and zoning ordinance provisions, but is located within an area of special water quality concern in relation to nitrate and perchlorate groundwater contamination. However, these sources of contamination are part of the existing condition and the Project is not expected to impede efforts to address these existing issues. However, because of the existing groundwater contamination and on-going remediation efforts, this is a Less than Significant Impact.

k.) *Be located in an area known to have high levels of nitrates in well water?*

Less Than Significant Impact. As previously indicated, the Project area includes pre-existing nitrate groundwater contamination as a result of the application of agricultural fertilizers within the Valley. However, the Project is not expected to result in the increased application of nitrogen-based fertilizers nor would in obstruct current efforts to address the pre-existing contamination. However, because of the existing groundwater nitrate contamination, this is a Less than Significant Impact.

l.) *Result in a septic field being constructed on soil where a high water table extends close to the natural land surface?*

No Impact. The Project will retain existing County General Plan land use designations and county ordinance provisions and does not involve the construction of a septic system and/or disposal field.

m.) *Result in a septic field being located within 50 feet of a drainage swale; 100 feet of any well, water course or water body or 200 feet of a reservoir at capacity?*

No Impact. The Project will retain existing County General Plan land use designations and county ordinance provisions and does not involve the construction of a septic system and/or disposal field.

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

SETTING

Existing Land Use. San Martin is a rural residential community which is characterized by a unique rural identity. The community of San Martin has been the subject of several incorporation efforts in the past with much of the impetus on a desire for more direct local control of land use and planning decisions. Proponents have stated that their intent is to maintain the rural residential character of the community after incorporation. The County's current General Plan generally states that in order to best preserve future options for the San Martin community and environs, San Martin should remain a rural community, predominantly non-urban and residential in nature.

Santa Clara County Land Use Designations. The Santa Clara County General Plan designates land uses within the Project area as shown in **Exhibit 5.3**. County General Plan Land Use designations identified within the Project area include Agriculture Medium Scale, Hillsides, Major Public Facilities, Other Public Open Lands, Ranchlands, Regional Parks, Existing Roadside Services, Transportation, and Rural Residential. Additional descriptions for each of the General Plan Land Uses are identified below:

The County General Plan states that lands designated as *Agriculture* include those having Class I, II, and III soils which generally have been in agricultural production and where agricultural uses are most appropriate. The Project area includes approximately 1,004 acres of land designated Agriculture Medium Scale, the majority of it is located in the area north of Middle Avenue. The Agriculture-Medium Scale land use designation requires that minimum parcel sizes shall be no less than 20 acres.

According the County General Plan policy R-LU 16, the *Hillsides* land use designation applies to mountainous lands and foothills unsuitable and/or unplanned for annexation and urban development. Policy R-LU 18 further states that all allowable uses must be consistent with the basic intent of the 'Hillside' designation. In this context, the range of allowable uses shall be limited to: a. agriculture and grazing; b. mineral extraction; c. parks and low-density recreational uses and facilities; d. land in its natural state; e. wildlife refuges; f. very low density residential development; and/or g. commercial, industrial, or institutional uses, which by their nature 1) require remote, rural settings; or 2) which support the recreational or productive use, study or appreciation of the natural environment. Preliminary estimates indicate that the Project area includes approximately 2,510 acres of land designated as Hillsides located on the western side of the proposed boundary consisting of the Cordevalle Golf Course and residential development and the Hayes Lane large lot residential subdivision.

According to the General Plan Policy R-LU 72, the *Major Public Facilities* designation is applied to County government centers, United States government lands used for defense and other research installations, and other large scale facilities of the state, federal or local governments. This designation applies to approximately 20 acres within the area of the Proposed Incorporation.

Based on a review of General Plan Policy R-LU 53, the *Other Public Open Lands* designation is applied to lands in Open Space, which are owned by various public agencies for purposes other than public parks and general recreational use. Approximately 59 acres of land within the proposed area of the Proposed Incorporation are under this designation and are owned by the Santa Clara Valley Water District.
The proposed area of the Proposed Incorporation contains approximately 356 acres of land designated as *Ranchlands.* According to General Plan Policy R-LU 35 Ranchlands are predominantly used as ranches in rural unincorporated areas of the county, remote from urbanized areas and generally less accessible than other mountain lands. Important resources include reservoir watersheds for regional water supply, grazing lands, mineral resources, forests and wildlife habitat, rare or locally unique plant and animal communities, historic and archeological sites, and recreational and scenic areas of importance that also serve to define the setting for the urban areas.

The *Regional Parks* designation is applied to parklands administrated by the County, Cities, State of California, and United States government agencies which serve a region-wide population. According to Policy R-LU 52, policies pertaining to these lands are outlined in the Parks and Recreation chapter of the General Plan. Approximately 253 acres of land within the Project area are currently under this designation and are part of the Coyote Lake Harvey Bear Ranch County Park.

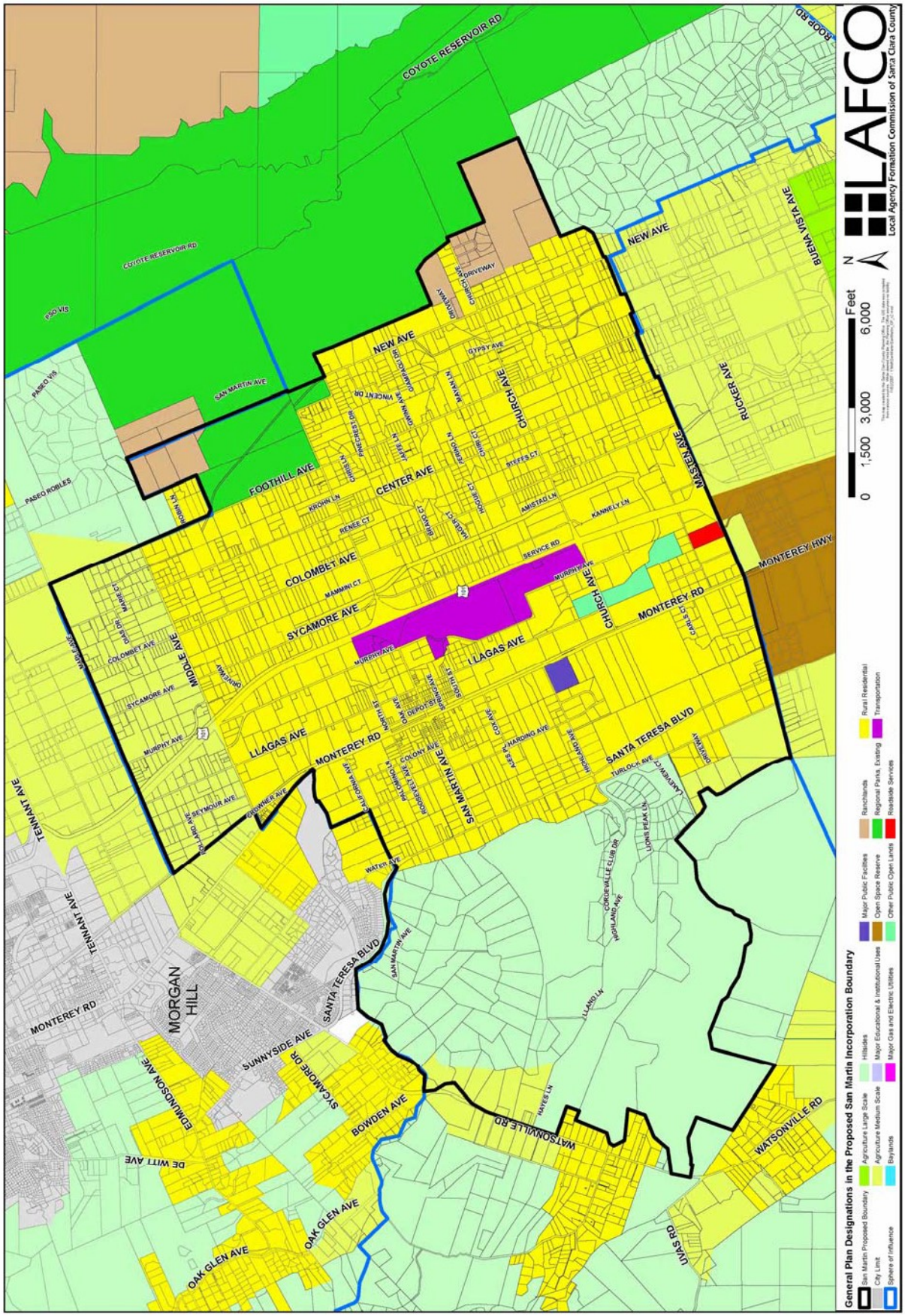
The *Roadside Services* General Plan designation is applied to approximately 14 acres and intended for a limited number of private facilities and businesses that serve the motoring public in dispersed locations. According to Policy R-LU 82, the number type, and location of roadside services shall be limited in order to: a) protect scenic and environmental resources; b) prevent traffic hazards on rural roads; c) exclude uses which should more appropriately be located in cities; d) prevent strip commercial development; e) minimize demands for the provision of urban services in rural areas; and f) avoid incompatibilities with adjacent land uses. Allowable uses within this designation include: a) restaurants; b) motels; c) recreational facilities which require a rural setting; d) wine tasting rooms; e) farmers markets; and f) gas stations.

According to County General Plan Policy R-LU 56, the *Rural Residential* designation applies to lands outside of city Urban Service Areas where: a) there is an established pattern of small, primarily developed parcels assembled in aggregations large enough to be considered more than simple clusters of rural development; b) residential density generally exceeds one dwelling unit in ten acres; c) the use of the land is primarily for residential purposes; and d) the land that is not planned by cities for future inclusion in Urban Service Areas. This designation accounts for the largest fraction of acreage within the Project area, totaling approximately 6,024 acres. The density of development for lands designated Rural Residential within the San Martin Area is determined by the "5-20 acre variable slope density formula."

The *Transportation Facilities* designation is applied to airports, bus facilities, and storage yards for road maintenance equipment and supplies. The Project area includes approximately 233 acres of this designation with a majority of the land comprising the South County Airport.

Regulatory. The applicable policy framework for this Initial Study discussion topic is contained in the County's General Plan as shown in Appendix C and will be carried forward and adopted by the Town upon incorporation.

EXHIBIT 5.3


LAFCO
Local Agency Formation Commission of Santa Clara County
N
0 1,500 3,000 6,000 Feet
General Plan Designations in the Proposed San Martin Incorporation Boundary
San Martin Proposed Boundary
City Limit
Sphere of Influence
Agriculture Large Scale
Agriculture Medium Scale
Baylands
Hillsides
Major Educational & institutional Uses
Major Gas and Electric Utilities
Major Public Facilities
Open Space Reserve
Other Public Open Lands
Ranchlands
Regional Parks, Existing
Roadside Services
Rural Residential
Transportation
COYOTE RESERVOIR RD
NEW AVE
FOOTHILL AVE
CENTER AVE
COLOMBET AVE
SYCAMORE AVE
LLAGAS AVE
MONTEREY RD
SANTA TERESA BLVD
CHURCH AVE
MIDDLE AVE
SAN MARTIN AVE
MONTEREY HWY
RICKER AVE
BUENA VISTA AVE
TENNANT AVE
MORGAN HILL
SUNNYSIDE AVE
BOWDEN AVE
OAK GLEN AVE
WATSONVILLE RD
DE WITT AVE
EDMUNDSON AVE
SYCAMORE DR
PASEO VIS
PASEO ROBLES
SAN MARTIN AVE
CHURCH DRIVEWAY
GYPSY AVE
MURPHY AVE
SERVICE RD
KANNELY LN
AMISTAD LN
RENEE CT
KROHN LN
STEFFS CT
DUNN CT
RAMONO LN
JAYCE LN
VINCENT DR
CHRISTA CT
ROBIN LN
MANNINI CT
CHERI WAY
COLOMBET AVE
SYCAMORE AVE
MURPHY AVE
SEYMOUR AVE
BROWNELL AVE
WATEN AVE
COLONY AVE
SOUTH ST
NORTH ST
DEPOT ST
OAK AVE
COX AVE
HODGE RD
HOOSIER RD
PHILLIPS RD
HIGHLAND AVE
TURLOCK AVE
LANDWAY CT
CHARLES CT
LIONS PEAK LN
CORDEVALLE CLUB DR
HIGHLAND AVE
LLAGAS LN
HAYES LN
SAN MARTIN AVE
SANTA TERESA BLVD
MONTEREY RD
OAK GLEN AVE
DE WITT AVE
WATSONVILLE RD
LUCK RD

IMPACT DISCUSSION

Would the project:

a.) *Physically divide an established community?*

No Impact The proposed boundary is consistent with the sphere of influence of the adjacent cities of Morgan Hill and Gilroy and includes all of the unincorporated lands in between the sphere of influence of the two cities. The proposed incorporation will not physically divide an established community. On the contrary, the proposed boundary includes areas that are outside of the *San Martin Planning Boundary* as delineated by the County of Santa Clara and areas that are outside of the US Census' San Martin Census Designated Place.

b.) *Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?*

Less than Significant Impact. Since the County's Zoning Ordinance will be adopted by the new Town, land use entitlements, which have active conditions of approvals and mitigation measures associated with them, must be enforced by the new Town in accordance with the ordinances. The County Zoning Ordinance lays out the process for modifying the permit approval. Because of these requirements, no new environmental impacts associated with the potential alteration of previously adopted mitigation measures and conditions of approval for the project area are anticipated as a result of incorporation.

The Santa Clara County General Plan and the South County Joint Area Plan include policies to avoid environmental effects such as to avoid encroachment into agricultural land and to minimize land use conflicts between agricultural and urban land uses. The County General Plan and the Zoning Ordinance would be adopted by the new city and no changes in land use or service levels are included as part of this proposed project. The town upon incorporation would have the land use jurisdiction to designate future land uses and would have the authority to provide urban type services to lands within its boundaries even though the stated objective of the incorporation is to maintain the rural residential character of the town.

Any changes that involve conversion of farmlands to non-agricultural uses or that involve provision of new urban services and result in more intensive development could affect adjacent agricultural lands located outside proposed city's boundaries. However, it is premature and speculative at this time to predict the potential future legislative actions of the new town council. Any such changes if and when they are proposed, will be subject to CEQA and the environmental analysis for those actions will be conducted by the new town at that time.

J. NOISE

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

SETTING

Environmental noise is usually measured in A-weighted decibels (dBA).1 Environmental noise typically fluctuates over time, and different types of noise descriptors are used to account for this variability. Typical noise descriptors include the energy-equivalent noise level (Leq), the daynight average noise level (Ldn), and the Community Noise Equivalent Level (CNEL). The Ldn and CNEL are commonly used in establishing noise exposure guidelines for specific land uses such as airports. In general, a change of 3 dBA is a noticeable change, and a change of 10 dBA is perceived as a doubling of noise.

CEQA does not define what noise level increase would be considered substantial and as general practice, this determination is made by the Lead Agency based on the provisions contained in the Noise Element of their adopted General Plan. Typically, in high noise environments, if the Ldn due to the project would increase by more than 3 dBA at noise sensitive receptors, the impact is considered significant. Where the existing noise level is lower, a somewhat higher increase (i.e., 5 dBA) can be tolerated before the impact is considered significant.

The County of Santa Clara has adopted a Noise Element as part of the General Plan and has an adopted noise ordinance which will be transferred to the new Town upon incorporation. The guidelines contained in the Noise Element of the Santa Clara General Plan state that a new project should not create noise levels which cause the Ldn at the nearest residential and open space noise sensitive receptors to exceed 55 dBA. Therefore, if noise levels generated by the project could cause the Ldn at the nearest residential and open space noise sensitive receptors to exceed 55 dB, the impact would be

considered significant. In instances where the project involves the development of a school, library, church, or hospital, a noise level of up to 60 dBA Ldn is considered satisfactory (County of Santa Clara, 1994).

IMPACT DISCUSSION

Would the project:

a.) *Result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?*

No Impact. The Project would not directly authorize the development of new noise-sensitive land uses. Existing sensitive receptors in the vicinity of the Project area would not experience any changes to the ambient noise environment as a result of the Project when compared to those permitted by existing General Plan and zoning ordinance provisions. Additionally, as described in Section 1, the Project would involve the adoption of all County policies related to noise and associated ordinances. As a result, the Project would not expose people to noise levels in excess of standards established in the local general plan or noise ordinance.

b*.) Result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?*

No Impact. The Project does not entail any ground disturbance or construction activity. As a result, the Project would not expose existing residences or structures to excessive groundborne vibration or groundborne noise levels.

c.) *Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?*

No Impact. The Project involves no change in existing land use within the area of the Proposed Incorporation as compared to those permitted by existing General Plan and zoning ordinance provisions. As a result, it is reasonable to conclude that the Project would not result in a substantial permanent increase in the ambient noise environment.

d.) *Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?*

No Impact. As previously indicated, the Project would not involve any construction activities or permanent structures that could result in a substantial temporary or periodic increase in ambient noise levels.

e.) *For a project located within an airport land use plan referral area or, where such a plan has not been adopted, within two miles of a public airport or public use airport, or private airstrip would the project expose people residing or working in the project area to excessive noise levels?*

No Impact. The Project would involve no operational changes at the South County Airport. As a result, the Project would not increase the exposure of people residing or working within the vicinity of the Airport to noise levels in excess of those already permitted by existing General Plan and zoning ordinance provisions.

K. POPULATION AND HOUSING

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

SETTING

The California Department of Finance estimates the 2005 population of the County of Santa Clara to be 1,759,585. In the 10 years between 1990 and 2000, the population of the County increased from 1,497,577 to 1,682,585, a total of 12.4 percent (County MSR, 2005). During the same 10-year period, the housing stock increased from 540,240 to 579,329 units. To the south of the Project area, the City of Gilroy has grown by 28 percent over the last decade from 31,487 residents in 1990 to 40,150 residents in 2000. Comparatively, the City of Morgan Hill has realized a 38 percent growth in population over the same 10-year period, from 23,928 in 1990 to 33,100 in 2000.

Growth Inducement Defined. The CEQA Guidelines (Section 15126. 2 [d]) require that a Lead Agency consider whether a proposed project would have growth inducing effects. The CEQA Guidelines stipulate that such effects may be either direct or indirect. A proposed project could directly stimulate construction of new housing, population increases, and/or increases in employment in the vicinity of the project site itself. A proposed project could also induce growth by removing constraints; for example, a project that would substantially expand a major wastewater treatment plant might induce additional construction within the plant's service area. According to the CEQA guidelines, it must not be assumed that growth inducement in itself is "necessarily beneficial, detrimental, or of little significance to the environment" (CEQA Guidelines Section 15126.2[d]). Rather, it is the changes in environmental conditions caused by induced growth that have the potential to result in impacts, whether adverse or beneficial and significant or not. For example, a proposed project might induce population growth that requires construction of new community and public facilities, it is the construction and operation of the new facilities that could result in adverse environmental effects, perhaps to sensitive biological resources or water quality.

Growth inducement may constitute an adverse impact if the growth is not consistent with or accommodated by the land use plans and growth management plans and policies for the area affected. Local land use plans provide development patterns and growth policies that guide orderly urban development supported by adequate urban public services, such as water supply, roadway infrastructure, sewer services, and solid waste services. A project that would induce "disorderly" growth (i.e., conflict with the local land use plans) could directly or indirectly cause additional adverse environmental impacts and other public services impacts. An example of this would be the redesignation of property planned for agricultural uses to urban uses, possibly resulting in the

development of services and facilities that encourage the transition of additional land in the vicinity to more intense urban uses. Another example would be the extension of urban services to a non-urban site, thereby encouraging conversion of non-urban lands to urban lands.

IMPACT DISCUSSION

Would the project:

a.) *Induce substantial growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?*

No Impact. The proposed incorporation of the Town of San Martin does not involve any change to the existing land use or to the County General Plan or Zoning ordinance which would transfer to the Town upon incorporation. The proposed project does not involve any new development or provision of any new urban services. Therefore there is no direct growth inducing impact. The Town upon incorporation, would have the land use jurisdiction to designate future land uses and would have the authority to provide urban type services within its boundaries that could have growth inducing impacts. However, it is not possible for CEQA analysis purposes to predict the new city's actions or forecast the actual effects of the actions as it would be premature and speculative at this time. Moreover, any such future city actions will require further CEQA analysis by the new city prior to adoption.

b.) *Displace substantial numbers of existing housing or people, necessitating the construction of replacement housing elsewhere?*

No Impact. The Project would not involve the physical removal of any existing residential or commercial structures. In this context, it is reasonable to conclude that the Project would not displace substantial numbers of existing housing or people, necessitating the construction of replacement housing elsewhere.

L. PUBLIC SERVICES

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

SETTING

The following section describes the proposed plan for municipal services which identifies those municipal services that will be provided by the new Town of San Martin, and those municipal services that will continue to be provided by other agencies after incorporation.

Administrative Services
Administrative and general government services are currently provided by the County of Santa Clara. After incorporation, the Town of San Martin will assume responsibility for administrative services, including hiring a City Manager, and all other positions as required by law.

Animal Control
Animal control services are currently provided by the Santa Clara County Animal Care and Control Department. After incorporation, the Town of San Martin will either have to provide these services or contract with the County or another city or agency for these services

Building Inspection
Building inspection services are currently provided by the County of Santa Clara. After incorporation, the Town of San Martin will be responsible for provision of these services. The new town may choose to contract these services out to the County or other cities or provide them directly.

Fire Protection and Paramedics
The proposed Town of San Martin will continue to be served by the South Santa Clara Fire Protection District which contracts with California Department of Forestry (CDF) for fire protection services and staffing. At present, there are no fire stations in San Martin. The closest fire stations are at 15670 Monterey Road, Morgan Hill and at 10810 No Name Uno Road, Gilroy. Paramedic and ambulance services will continue to be provided by American Medical Response (AMR). No change is proposed after incorporation.

Land Use and Planning Services
Land use, planning and environmental services are currently provided by the County of Santa Clara. After incorporation, the Town of San Martin must provide these services either directly or may choose to contract with the County or another city or a private consultant for these services.

Law Enforcement
Law enforcement is currently provided by the County of Santa Clara Sheriffs Department with an office at 80 Highland Avenue, San Martin. Traffic enforcement is the responsibility of the California Highway Patrol. After incorporation, the City of San Martin will either establish its own police department or contract with the County of Santa Clara Sheriffs Department to provide law enforcement services. The new town, or contracted agency, will be responsible for traffic enforcement on city streets after incorporation.

Library
Currently public library services are provided by the Santa Clara County Library, a library JPA and are funded through a Community Facilities District. There are no libraries in San Martin. Nearby libraries are located in Morgan and Gilroy. After incorporation, the County Library will continue to provide this service.

Lighting
The County Lighting Service Area provides lighting services to small non-contiguous unincorporated areas within the proposed incorporation boundaries. After incorporation, the area within the County Lighting Service Area will remain within the CLSA provided specific findings are made by LAFCO.

Mosquito and Vector Control
Mosquito and Vector Control services are currently provided by the Santa Clara County Vector Control District. After incorporation, the District will continue to provide these services.

Parks and Recreation
There are no local parks and recreation areas in San Martin except for a small portion of the Coyote Lake - Harvey Bear Ranch County Park operated by the Santa Clara County Parks and Recreation Department. After incorporation, it is expected that the new Town will become responsible for park and recreation services. The County Park will continue to be operated and owned by the County.

Road Maintenance, Engineering, Drainage
These services are currently provided by the County of Santa Clara. The County Roads and Airports Department has a maintenance facility at 13600 Murphy Avenue, San Martin. After incorporation, the City of San Martin will be responsible for these services. Some of these services may be contracted out to either government or private entities.

Schools
The San Martin Gwinn Elementary School, at 100 North Street, is the only public school in San Martin and is part of the Morgan Hill Unified School District. The majority of San Martin, north of Church Avenue, is part of the Morgan Hill Unified School District and the southern part of San Martin, south of Church Avenue, is part of the Gilroy Unified School District. After incorporation, school district boundaries will not change. School district boundaries and administration are managed by the County Board of Education and area not subject to city/ LAFCO control.

Transit and Paratransit
Transit and paratransit bus and van service in San Martin is currently provided by the Santa Clara Valley Transportation Authority (VTA). The VTA is part of the Peninsula Corridor Joint Powers Board that provides Caltrain train service to San Martin. After incorporation, it is expected that transit service will remain the same.

IMPACT DISCUSSION
Would the project:

i.) *Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:*

a.*i) Fire Protection?*

No Impact. The South Santa Clara County Fire Protection District currently provides fire protection services to the Project area with three fire district stations serving the area of the Proposed Incorporation. Following the Proposed Incorporation, fire protection services would continue to be provided by the South Santa Clara Fire Protection District. In addition, the Project would not create new residential or commercial development that could adversely impact existing fire protection service ratios, response times, or other performance objectives.

a.ii) *Police Protection?*

No Impact. Following the Proposed Incorporation of San Martin, the Town would either contract with the County Sheriff's Department or a city police department for law enforcement service or establish its own police department. Based on this arrangement, the Project is not expected to result in substantial adverse physical impacts associated with the provision of law enforcement services.

a.iii) *School facilities?*

No Impact. The Proposed Incorporation does not involve any new growth that has not already been included in the existing County General Plan. As a result, the Project is not expected to generate a substantial number of new students and, therefore, no impact is expected.

a.iv) *Parks?*

No Impact. The Project would not generate a substantial number of new residences which could be potentially underserved by existing park facilities.

a.v) Other public facilities?

No Impact. No Library facilities are currently located within San Martin. However, nearby libraries operated by the County Library Department in the cities of Morgan Hill and Gilroy would continue to provide library services to the Project area following the incorporation.

M. RECREATION AND MINERAL RESOURCES

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

SETTING

Parks. The proposed area of the Proposed Incorporation includes and/or is adjacent to several existing recreational areas. These facilities include Coyote Lake-Harvey Bear Ranch County Park, Chesbro Reservoir County Park, Chitactac-Adams Heritage County Park, Uvas Creek Park Preserve, and Uvas Reservoir. In addition, the Countywide Trails Master Plan identified several trail routes that are planned to serve the Project area:

- Juan Bautista de Anza National Historic Trail (R1-A)
- Benito-Clara Regional Trail (R-3)
- Coyote Creek/Llagas Creek Sub-regional Trail (S-5)
- Morgan Hill Cross-Valley Sub-regional Trail (S-7)
- San Martin Cross Valley Connecting Trail (S-8)
- South Valley/San Martin Connecting Trail (C-27)
- Buena Vista Day Connector (C-31)

Regulatory. The applicable policy framework for this Initial Study discussion topic is contained in the County's General Plan as shown in Appendix C and will be carried forward and adopted by the Town upon incorporation:

Mineral Resources. The California Geological Survey (CGS) classifies the regional significance of mineral resources in accordance with the California Surface Mining and Reclamation Act of 1975 (SMARA). Mineral Resource Zones (MRZ) have been designated to indicate the significance of mineral deposits. The MRZ categories are as follows:

- MRZ-1: Areas where adequate information indicates that no significant mineral deposits are present or where it is judged that little likelihood exists for their presence.

- MRZ-2: Areas where adequate information indicates significant mineral deposits are present, or where it is judged that a high likelihood exists for their presence.

- MRZ-3: Areas containing mineral deposits the significance of which cannot be evaluated from available data.

- MRZ-4: Areas where available information is inadequate for assignment to any other MRZ.

No MRZ zones are identified within the area of the Proposed Incorporation.

IMPACT DISCUSSION

Would the project:

a.) *Result in the loss of availability of a known mineral resource that would be of future value to the region and the residents of the state?*

No Impact. The Project would involve the incorporation of unincorporated County lands, which would involve the adoption of the County General Plan and the associated land use diagram. In this context, the Project would not affect existing land use patterns and, therefore, it is appropriate to conclude that the Project would not result in the loss of availability of known classified MRZ-2 by the State geologist that would be of value to the region and the residents of the state.

b.) *Result in the loss of availability of a locally-important mineral resource recovery site as delineated on a local general plan, specific plan, or other land use plan?*

No Impact. As previously indicated, the Project would not involve any changes to existing land use and therefore, as discussed in (a), the Project would be unlikely to result in the loss of availability of a locally important mineral resource deposit.

c.) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?

No Impact. The Project does not involve any new forms of residential development beyond that permitted by the County General Plan and zoning ordinance that would result in an unanticipated increase in the local recreational user populations. In this context, it is reasonable to conclude that the Project would not increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated.

d.) *Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?*

No Impact. The Project does not include or require the development of any new recreational facilities.

e.) *Be on, within or near a public or private park, wildlife reserve, or trail or affect existing or future recreational opportunities?*

Less than Significant Impact. The Project includes the creation of new Town and, therefore, involves the creation of a new jurisdiction, which would include portions of the Coyote Lake/Harvey Bear Ranch County Park within its boundary.

f.) Result in loss of open space rated as high priority for acquisition in the “Preservation 20/20” report?

No Impact. The proposed project would not result in loss of open space rated as high priority for acquisition in the “Preservation 20/20” report.

N. TRANSPORTATION / TRAFFIC

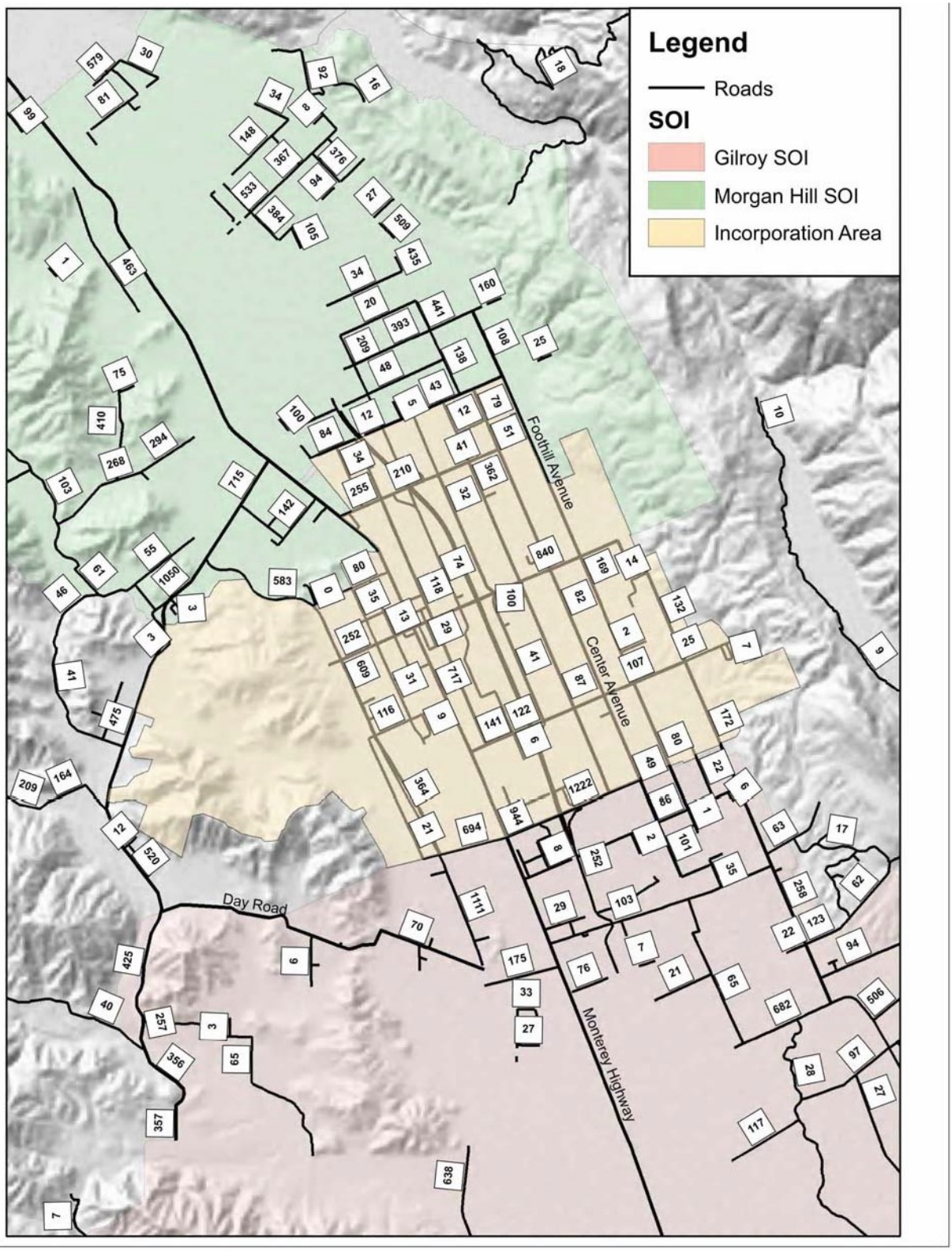
WOULD THE PROJECT:	IMPACT			
	YES			NO
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., result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

SETTING

The Project area is served by a roadway network of state highways (including freeways) and county and local roads. Highway 101 serves as the primary north-south regional route to the project area, providing connection north to the San Francisco Bay Area and south to the Salinas Valley and beyond. Highway 101 is a four-lane divided freeway throughout the project area. Other local roadways include Masten Avenue, San Martin Avenue, Sycamore Avenue, Watsonville Road, and Foothill Avenue. **Exhibit 5.4** illustrated the existing local road circulation system and traffic counts for various roadway segments and intersections within the area of the Proposed Incorporation.

Regulatory. The applicable policy framework for this Initial Study discussion topic is contained in the County's General Plan as shown in Appendix C and will be carried forward and adopted by the Town upon incorporation:

EXHIBIT 5.4



Source:

Michael Brandman Associates

Existing Roads and Traffic Counts

32810001 • 10/2007 | 5.2_existing_roads.cdr

SANTA CLARA COUNTY LAFCO • SAN MARTIN INCORPORATION
INITIAL STUDY

IMPACT DISCUSSION

Would the project:

a.) *Cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio, or congestion at intersections)?*

No Impact. Approval of the proposed incorporation is not expected to generate increased traffic in the immediate project area beyond that previously authorized by the provisions of the County General Plan and zoning ordinance. Following the incorporation, traffic volumes would be similar to the existing conditions. As mentioned in Section 1, the Town would adopt the County General Plan, which would result in a general continuation of the existing land use pattern. In this context, the Project is not expected to result in any new traffic with respect to worker trips and/or deliveries to and from the Project Area. As a result, given no change in the existing condition, the Project would not impact existing traffic roadway capacities.

b.) *Exceed, either individually or cumulatively, a level of service standard established by the County congestion management agency for designated roads or highways?*

No Impact. As discussed above in (a), the Project would result in a continuation of the existing land use pattern and, thus, is comparable to existing conditions. In this context, it is reasonable to conclude that with no increases in traffic, the Project would not exceed, either individually or cumulatively, County level of service standards.

c.) *Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?*

No Impact. The Project does not involve use of air transit, nor is it expected to cause any change in air traffic patterns.

d.) *Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?*

No Impact. The Project would not include the design of any roadway improvements.

e.) *Result in inadequate emergency access?*

No Impact. As provided in Section 1, the Project involves no increases in vehicle trips or physical improvements to the roadway system. In this context, the Project would not result in any physical disruptions to existing emergency access.

f.) *Result in inadequate parking capacity?*

No Impact. The Project involves no construction activities and therefore, no additional parking for workers and equipment would be required. In addition, the Project involves no changes in existing land use, which could indirectly require additional parking.

g.) *Conflict with adopted policies, plans, or programs supporting alternative transportation?*

No Impact. As described in Section 1, local transit and para-transit bus and van service is provided by the Santa Clara Transportation Authority. The Project proposes no change in local means of alternative transportation and, therefore, the Project would not create conditions that could conflict with adopted policies supporting alternative transportation.

h.) *Not provide safe access, obstruct access to nearby uses or fail to provide for future street right of way?*

No Impact. The Project proposes no access improvements and, therefore, the Project would not obstruct access to nearby uses or fail to provide for future street right of way.

O. UTILITIES AND SERVICE SYSTEMS

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

SETTING

The Project does not propose any change in the existing service providers or their respective existing levels of service that are currently provided to the Project area.

Sewer Service

Wastewater service is currently provided by private septic systems. The only exceptions are the South County Government Center and John H. Boccardo San Martin Family Living Center on Monterey Road, San Martin. These facilities are owned by Santa Clara County and are connected to the Morgan Hill-Gilroy sewer line that runs along Harding Avenue through San Martin to the sewage treatment facility in Gilroy operated by the South County Regional Wastewater Authority (SCRWA). The Lion's Gate Community Services District operates a package sewage treatment system for the Cordevalle development in the western part of the proposed incorporation. After incorporation, no changes are expected to the level of sewer service provided to the area.

Solid Waste Trash Collection and Disposal
The County has a franchise agreement for this area and Solid waste trash collection and disposal is currently provided by South Valley Disposal and Recycling, Inc. There is a transfer station at 14070 Llagas Avenue in San Martin. After incorporation, the Town of San Martin is likely to enter into a franchise with the existing service provider.

Water Service
Municipal water service is currently provided in some areas of San Martin by the San Martin County Water District and by West San Martin Water Works, which is a private water company. The San Martin County Water District provides water service to the area east of Monterey Road and along San Martin Avenue east to New Avenue. West San Martin Water Works provides water service to the area west of Monterey Road and west to Watsonville Road. The ground water supply is managed by the Santa Clara Valley Water District and provided by private wells in other areas of San Martin. After incorporation, there will be no change in water service providers.

Flood Control Service
Flood control service is currently provided by the Santa Clara Valley Water District (SCVWD). After incorporation, it is expected that Santa Clara Valley Water District will continue to provide flood control services.

IMPACT DISCUSSION
Would the project:

a.) *Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?*

No Impact. The Project proposes no changes in existing land uses that could otherwise result in increased demand for wastewater treatment; nor does it include the construction of any new wastewater treatment facilities. For this reason, the Project will not exceed wastewater treatment requirements of the Central Coast RWQCB and no impact is anticipated.

b.) *Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?*

No Impact. The Project would not result in the construction of additional or new water or wastewater treatment facilities to be served by this Project.

c.) *Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?*

No Impact. As previously indicated in Section 2, the Project would result in no changes in the existing land use pattern. As a result, the Project would not require additional or expanded storm water conveyance facilities that could cause significant adverse environmental effects.

d.) *Require new or expanded entitlements in order to have sufficient water supplies available to serve the project?*

No Impact. As previously indicated in Section 1, the Project would result in no changes in the existing land use pattern. As provided in the Hydrology Section, the Project area generally relies of groundwater supplies to accommodate potable water demands. The SCVWD is responsible for managing the local

groundwater basis and, based on the existing supplies available, sufficient water supplies and entitlements existing to serve the Project, which from a functional standpoint resembles existing conditions. Therefore, no new or expanded entitlements would be required to implement the Project.

e.) *Result in a determination by the wastewater treatment provider that serves or may serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?*

No Impact. The Project would not generate any additional demand for wastewater treatment, and therefore, no impact is expected.

f.) *Not be able to be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?*

No Impact. Implementation of the Project would entail a continuation of existing land use and, therefore, would not generate any more quantities of solid waste than would otherwise be generated under existing conditions.

g.) *Be in non-compliance with federal, state, and local statutes and regulations related to solid waste?*

Less than Significant Impact. In 2004, the County achieved a solid waste diversion rate of 62 percent, thereby exceeding the 50 percent diversion requirements of the State. As part of the Project, the new Town would be subject to the 50 percent diversion requirement and, as a result, the Town would need to work with the permitted solid waste haulers to ensure compliance with existing State law. Because of the potential learning curve associated with the future implementation of this program, it is reasonable to assume that this is a less than significant impact.

P. MANDATORY FINDING OF SIGNIFICANCE

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

IMPACT DISCUSSION

Does the project:

a.) *Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?*

No Impact. In the context of the actions described herein, the Project would not substantially degrade the quality of the environment, reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory. Any impacts to these resources attributable to the Project, as described throughout the various section of this checklist, are not considered significant based on the continuation of existing land use patterns. No new development or additional new services are proposed as part of this Project and therefore results in no impact.

b.) *Have impacts that are individually limited, but cumulatively considerable ("Cumulatively considerable" means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?*

No Impact As previously indicated, the Project involves no changes to the existing land use pattern and will not result in any growth or development that was not already contemplated by the adopted County General Plan and Zoning Ordinance. The impact analysis included in this environmental checklist indicates that for all resource areas, the Project would have no significant impacts and therefore no cumulative impacts.

c.) *Have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?*

No Impact. As previously indicated, the Project involves no changes to the existing land use pattern. Based on the analysis provided in this checklist, the actions outlined in this IS would not directly or indirectly cause substantial adverse effects on human beings. The impact analysis included in this environmental checklist indicates that for all resource areas, the Project would have no significant impacts.

SECTION 6: REPORT PREPARERS

LEAD AGENCY

Local Agency Formation Commission of Santa Clara County

70 West Hedding Street
11th Floor, East Wing
San Jose, CA 95110
408.299.5127
408.295.1613 *Fax*
Executive Officer ..... Neelima Palacherla
Analyst ..... Dunia Noel

LEAD CONSULTANT

Michael Brandman Associates
11060 White Rock Road, Suite 150
Sacramento, CA 95670
Phone: 916-383-0944

Project Director/Project Manager ..... Stephen L. Jenkins, AICP
Air Quality ..... Joseph O'Bannon
Biology ..... Brian Hoffmann and Deborah Stout
Other CEQA ..... Clint Meyer
GIS Specialist ..... Mike Serrano

SECTION 7: REFERENCES

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County of Santa Clara

Parks and Recreation Department

298 Garden Hill Drive
Los Gatos, California 95032-7669
(408) 355-2200 FAX 355-2290
Reservations (408) 355-2201
www.parkhere.org

July 16, 2007

Neelima Palacherla, LAFCO Executive Officer
70 W. Hedding Street, 11th Floor, East Wing
San Jose, CA 95110

RE: San Martin Incorporation Study- Comprehensive Fiscal Analysis

Dear Ms. Palacherla:

Santa Clara County Parks and Recreation Department has reviewed the available information that was provided in your letter of June 20, 2007, and as discussed at the June 27th meeting on the proposed incorporation of San Martin as a General Law City. We are submitting the data requested for preparation of the Comprehensive Fiscal Analysis (see Attachment A), and comments on the proposed boundaries of the incorporation.

The Department owns parcels that are within the proposed San Martin Incorporation area, specifically APN # s 825-31-016, -018 and -044, which form a portion of Coyote Lake/ Harvey Bear Ranch County Park. Coyote Lake/ Harvey Bear Ranch County Park is a regional park facility, and would continue to be owned, operated and maintained by the County. As you proceed with the proposed incorporation, the Parks and Recreation Department requests that these parcels within Coyote Lake/ Harvey Bear Ranch County Park be excluded from the area proposed for incorporation. This recommendation is consistent with LAFCO Incorporation Policy # 4(h) which states, "Inclusion of agricultural and open space lands within the boundaries of a proposed city is discouraged."

Another County Parks and Recreation regional facility, Anderson Lake, is also in the general vicinity of the proposed San Martin incorporation area. The future General Plan for the City of San Martin should take into consideration the proximity of Anderson Lake County Park and Coyote Lake/Harvey Bear Ranch County Park in the development of policies that address land use, emergency response, circulation, vector control, recreational trails and park facilities and other potential impacts and resources.

Please note that a number of regional, sub-regional and connector trail routes identified in the County Board-approved Santa Clara County Countywide Trails Master Plan Update (November 1995) are located within the area proposed for incorporation. The trail routes include:

- Juan Bautista de Anza National Historic Trail (R1-A)
- Benito-Clara Regional Trail (R-3)
- Coyote Creek/Llagas Creek Sub-Regional Trail (S-5)
- San Martin Cross-Valley Sub-Regional Trail (S-8)

- Morgan Hill Cross-Valley Sub-Regional Trail (S-7)
- South Valley/ San Martin Connecting Trail (C-27)
- Buena Vista Day Connector (C-31)

Trail Routes for S-7, S-8, C-27 and C-31 are located within road right-of-ways and would be maintained by County Roads and Airports when implemented. Planned trail routes for R1-A, R-3 and S-5 would be located along Llagas Creek, which is not under County ownership. The future General Plan for the proposed City of San Martin should consider including policies that acknowledge the identified trail routes and facilitate the implementation policies of the Countywide Trails Master Plan.

Attached is a reference map showing the location of the County-owned parcels within the proposed incorporation area, and also a map identifying the trail routes in the Countywide Trails Master Plan in the San Martin area.

Should you have any questions about our responses, please contact Jane Mark at Jane.Mark@prk.sccgov.org or (408) 355-2237.

Sincerely,

Lisa Killough, Director
Santa Clara County Parks and Recreation

cc: Jane Mark, Senior Planner
Alice Daly, Park Planner

Attachments:

Attachment A:
Responses to Current and Future Net Costs of Services

Attachment B:
Map of County Parcels Within Proposed San Martin Incorporation Area

Attachment C:
Map of Trail Routes in San Martin Area per the Santa Clara County Countywide Trails Master Plan Update (1995)

Attachment D:
Coyote Lake/ Harvey Bear Ranch County Park Master Plan (January 2004)

County of Santa Clara

Parks and Recreation Department

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ATTACHMENT A

San Martin Incorporation Study – Comprehensive Fiscal Analysis
Parks and Recreation Department's Responses
Current and Future Net Costs of Service

1) Are there County-owned/maintained parks or trails within or adjacent to the proposed incorporation area? Are the facilities regional or local-serving?

Response: Yes, the County owns Coyote Lake-Harvey Bear Ranch County Park and Anderson Lake County Park which are two regional and local-serving park facilities nearby the proposed San Martin incorporation area.

Although the County does not own or maintain the regional trail routes, the County has identified future regional trail routes, in accordance to the Board-approved *Santa Clara County Countywide Trails Master Plan Update* (November, 1995) within the San Martin area. Future regional trail routes that would serve the region as well as the local area include:

- Juan Bautista de Anza National Historic Trail (R1-A)
- Benito-Clara Regional Trail (R-3)
- Coyote Creek/Llagas Creek Sub-Regional Trail (S-5)
- Morgan Hill Cross-Valley Sub-Regional Trail (S-7)
- San Martin Cross-Valley Sub-Regional Trail (S-8)
- South Valley/ San Martin Connecting Trail (C-27)
- Buena Vista Day Connector (C-31)

Many of the proposed trail routes (S-7, S-8, C-27, and C-31) are located within the road right-of-way, thus they would be maintained by the Roads & Airports Department. The remainder of the proposed trail routes (R1-A, R-3 and S-5) would be located along Llagas Creek which is not County-owned or maintained.

2) Are there any proposed improvements or acquisitions within (or immediately adjacent to) the area? If so, what are the anticipated costs and funding sources?

Response: The Board-approved Master Plan for Coyote Lake-Harvey Bear Ranch County Park (January 27, 2004) identifies proposed improvements for the Parks and Recreation Department to implement over the next 20 years. Proposed improvements are categorized within four distinct areas of the park, including: Lakeside, Mendoza Ranch, Slopes and Ridges and West Flat Area. The West Flat Area would be located within closest proximity to the San Martin Incorporation Area. Proposed improvements within the West Flat Area include: agricultural/equestrian/education center, dogs off-

property tax distributions.

7) Are there any outstanding debts or other obligations that would be affected by the incorporation of other service, cost or funding issues that should be considered in the incorporation feasibility study?

Response: No, the Parks and Recreation Department does not have any outstanding debts or other obligations that would be affected by the incorporation.

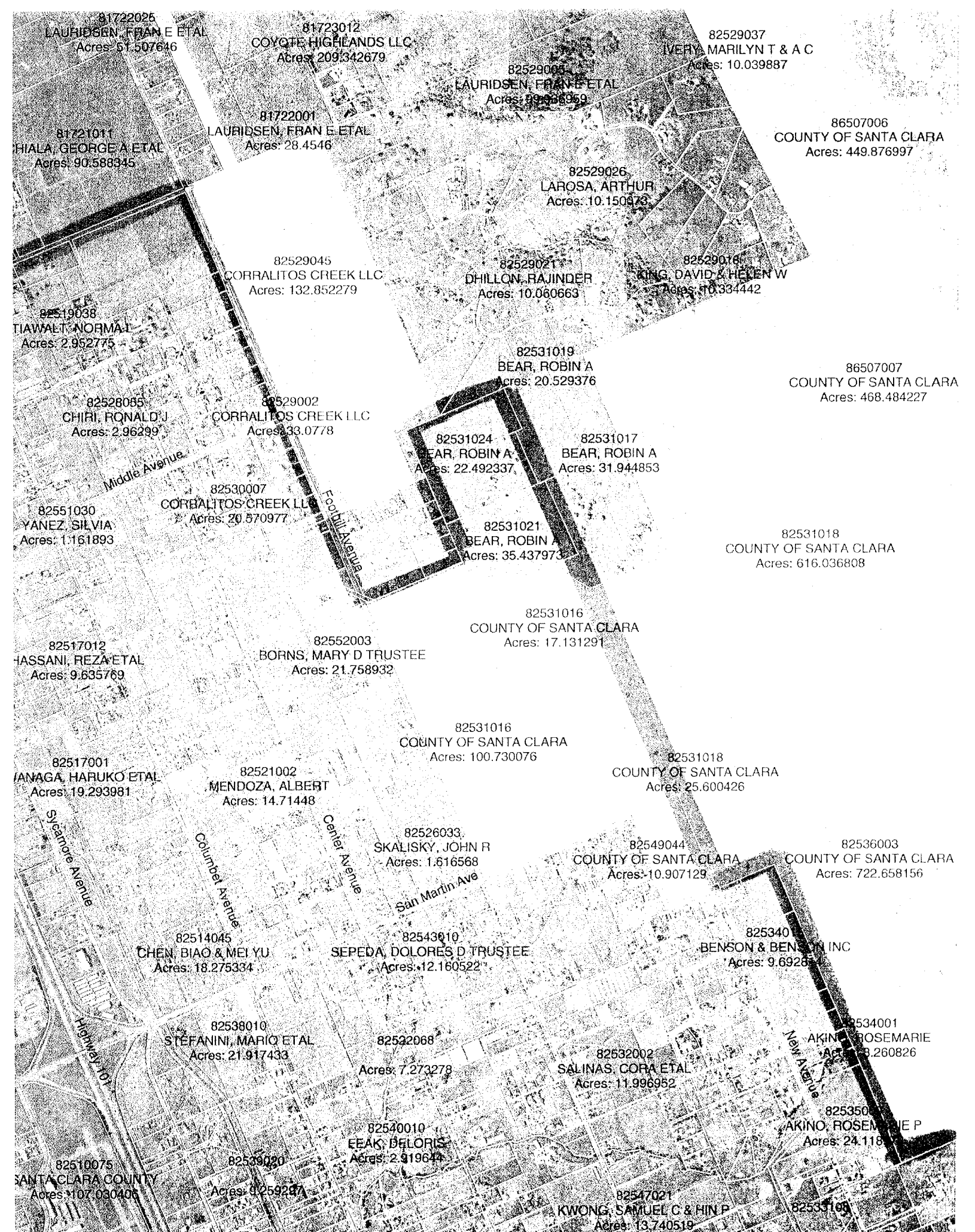
PARKS AND RECREATION *(cont'd)*

Department: PARKS & RECREATION
Completed by: JANE MARK, SENIOR PLANNER
(name/title)

Date: 7/16/07
Phone: (408) 355-2237
FAX: (408) 355-2290
email: jane.mark@prk.sccgov.org

Questions? Please contact the EPS consultants, Richard Berkson and Paul Shabsis, at (510) 841-9190 with any questions you may have. *Please return your response within 3 weeks of receipt of this letter (or by July 18) to EPS, either by fax (510) 841-9208, email at RBerkson@EPSys.com or via mail at 2501 Ninth St., Berkeley, CA 94710.*

THANK YOU FOR YOUR ASSISTANCE!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COUNTY OF SANTA CLARA
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82529026
LAROSA, ARTHUR
Acres: 10.150473
82529045
CORRALITOS CREEK LLC
Acres: 132.852279
82529021
DHILLON, RAJINDER
Acres: 10.060663
82529016
KING, DAVID & HELEN W
Acres: 10.334442
82519038
TIAWALT, NORMA I
Acres: 2.952775
82531019
BEAR, ROBIN A
Acres: 20.529376
86507007
COUNTY OF SANTA CLARA
Acres: 468.484227
82528085
CHIRI, RONALD J
Acres: 2.96299
82529002
CORRALITOS CREEK LLC
Acres: 33.0778
82531024
BEAR, ROBIN A
Acres: 22.492337
82531017
BEAR, ROBIN A
Acres: 31.944853
Middle Avenue
82530007
CORRALITOS CREEK LLC
Acres: 20.570977
Foothill Avenue
82551030
YANEZ, SILVIA
Acres: 1.161893
82531021
BEAR, ROBIN A
Acres: 35.437973
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COUNTY OF SANTA CLARA
Acres: 616.036808
82531016
COUNTY OF SANTA CLARA
Acres: 17.131291
82517012
HASSANI, REZA ETAL
Acres: 9.635769
82552003
BORNS, MARY D TRUSTEE
Acres: 21.758932
82531016
COUNTY OF SANTA CLARA
Acres: 100.730076
82517001
ANAGA, HARUKO ETAL
Acres: 19.293981
82521002
MENDOZA, ALBERT
Acres: 14.71448
82531018
COUNTY OF SANTA CLARA
Acres: 25.600426
Sycamore Avenue
Columbet Avenue
Center Avenue
82526033
SKALISKY, JOHN R
Acres: 1.616568
82549044
COUNTY OF SANTA CLARA
Acres: 10.907129
82536003
COUNTY OF SANTA CLARA
Acres: 722.658156
San Martin Ave
82514045
CHEN, BIAO & MEI YU
Acres: 18.275334
82543010
SEPEDA, DOLORES D TRUSTEE
Acres: 12.160522
825340
BENSON & BEN N INC
Acres: 9.6928
82538010
STEFANINI, MARIO ETAL
Acres: 21.917433
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Acres: 7.273278
82532002
SALINAS, CORA ETAL
Acres: 11.996952
82534001
AKIN ROSEMARIE
Acres: 8.260826
Highway 101
New Avenue
825350
AKINO, ROSEM E P
Acres: 24.118
82540010
EEAK, DELORIS
Acres: 2.919644
82539020
Acres: 9.259297
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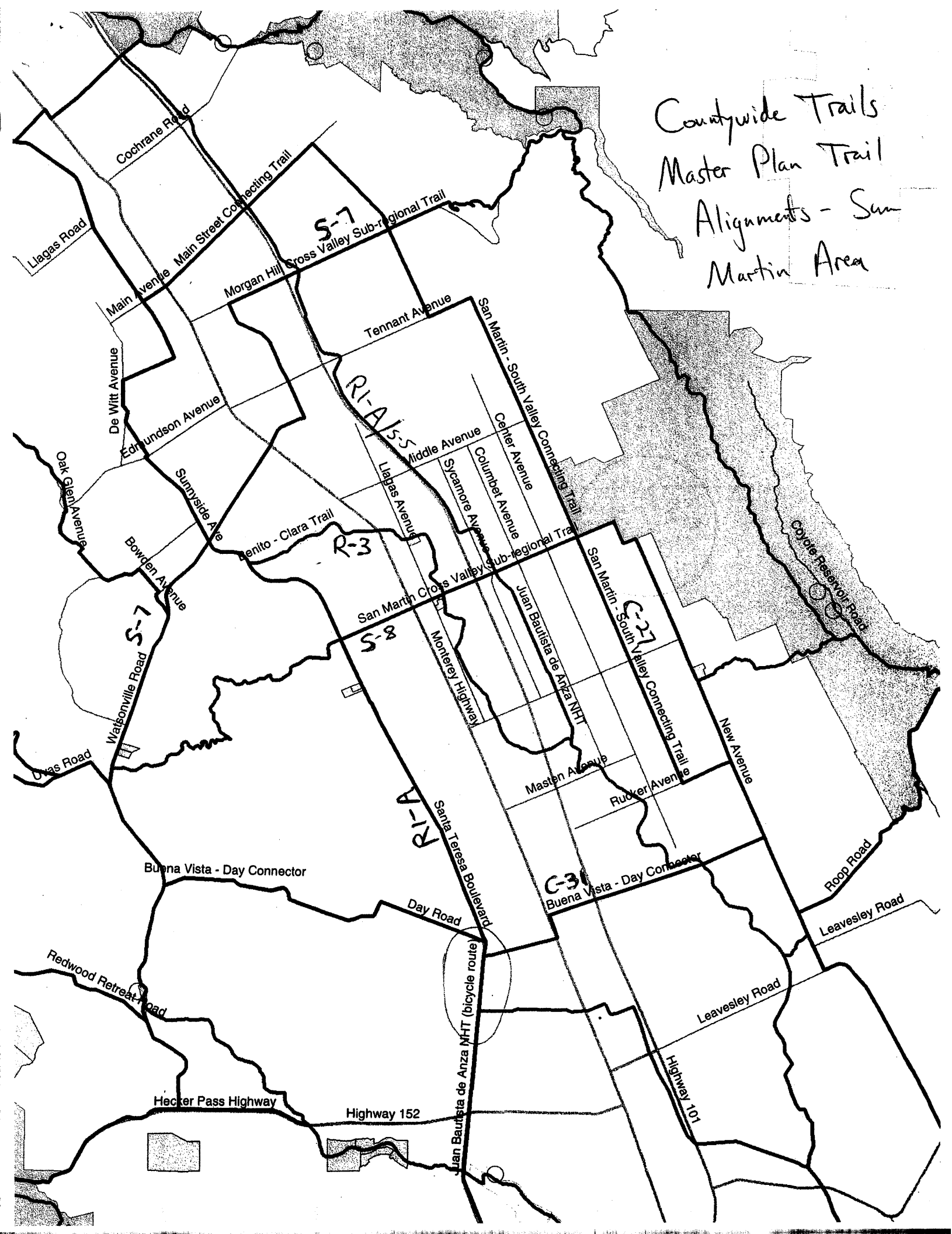
SANTA CLARA COUNTY
Acres: 107.030405
82547021
KWONG, SAMUEL C & HIN P
Acres: 13.740519
82533105


Countywide Trails Master Plan Trail Alignments - San Martin Area
Cochrane Road
Llagas Road
Main Avenue
Main Street Connecting Trail
S-7
Morgan Hill Cross Valley Sub-regional Trail
Tennant Avenue
San Martin - South Valley Connecting Trail
De Witt Avenue
Edmundson Avenue
R1-A
S-5
Middle Avenue
Center Avenue
Sycamore Avenue
Columbet Avenue
Llagas Avenue
Oak Glen Avenue
Sunnyside Ave
Bowden Avenue
Benito - Clara Trail
R-3
San Martin Cross Valley Sub-regional Trail
Juan Bautista de Anza NHT
San Martin - South Valley Connecting Trail
C-2
Coyote Reservoir Road
S-7
S-8
Monterey Highway
Watsonville Road
Dias Road
Masten Avenue
Rucker Avenue
New Avenue
R1-A
Santa Teresa Boulevard
Buena Vista - Day Connector
C-3
Buena Vista - Day Connector
Roop Road
Day Road
Leavesley Road
Redwood Retreat Road
Leavesley Road
Highway 101
Hecker Pass Highway
Highway 152
Juan Bautista de Anza NHT (bicycle route)

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 8.1

LAFCO Meeting: **December 5, 2007**

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst

SUBJECT: **Update on the Proposed San Martin Incorporation**

Agenda Item # 8.1

For Information Only

LAFCO staff, the proponents and the County agencies are in the process of reviewing the Administrative Draft Comprehensive Fiscal Analysis (CFA) for the San Martin incorporation prepared by Economic Planning Systems (EPS). Following this internal review and any necessary revisions, a Draft CFA will be issued in early December and will be the basis for revenue neutrality negotiations between the County and the proponents. The revenue neutrality negotiations will begin in December 2007 and continue through February 2008. The Draft CFA will be presented to LAFCO as an informational item at the next LAFCO meeting.

The project is on schedule and LAFCO staff will continue to provide LAFCO with updates on the CFA as it progresses.

LAFCO
Local Agency Formation Commission of Santa Clara County

ITEM NO. 8.2

LAFCO Meeting Date: December 5, 2007

TO: LAFCO

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

SUBJECT: **Consideration of Potential Modifications to the Proposed Incorporation Boundaries of the Town of San Martin**

Agenda Item # 8.2

STAFF RECOMMENDATION

Accept report and provide direction as necessary.

BACKGROUND

Project is the Proposed Incorporation of the Town of San Martin

LAFCO is processing an incorporation proposal for the Town of San Martin which is located in southern Santa Clara County between the cities of Morgan Hill and Gilroy. The incorporation, if approved by LAFCO and supported by a majority vote of registered voters in the area, would transfer general governance and jurisdiction over service provision and land use decisions from the County of Santa Clara to the new Town of San Martin. The project also involves the establishment of planning boundaries such as an urban service area and a sphere of influence for the new Town of San Martin. No new development or new services or change in the level of services is associated with the proposed project.

As indicated by the project proponents (San Martin Neighborhood Alliance), one of the intents of the incorporation is to maintain the current rural residential character and small-scale agricultural activities of the community.

Proposed Incorporation Boundary for the New Town of San Martin

The proposed incorporation boundary of the Town of San Martin, as submitted by the proponents, roughly encompasses a 10,473-acre (16.36 square miles) area bounded by Maple Avenue on the north, New Avenue on the east, Masten Avenue on the south, and Watsonville Road on the west. The northern portion of the proposed incorporation boundaries is coterminous with the City of Morgan Hill's Sphere of Influence Boundary (SOI) and the southern portion of the proposed incorporation boundaries is coterminous with the City of Gilroy's Sphere of Influence Boundary (SOI). The western and eastern portion of the

boundary includes lands up to the foothills. (see **Attachment A** for a map of the proposed incorporation boundaries)

In comparison, the neighboring cities of Morgan Hill (34,000 population) and Gilroy (43,000 population) encompass approximately an area of 11.67 square miles and 16.53 square miles respectively.

Other LAFCO Boundaries for the New Town of San Martin

Urban Service Area Boundary (USA)

The USA is an area in which a city (with LAFCO approval) designates where and when urban development should occur based on the concept that cities should plan for the provision of urban services and facilities within a 5-year time span and annex the area within a 5-year time span.

The proponents have requested that the proposed new Town not have an USA boundary, because the intent of the incorporation is to retain the rural character and to not provide urban services. There is no requirement that an incorporating city must establish an USA boundary at the time of incorporation. However, each city in Santa Clara County has an urban service area boundary. Under LAFCO Policies, a city without an USA boundary would not be able to annex additional lands.

Therefore, LAFCO staff believes that an USA should be established that is coterminous with the city limits. Such a boundary would not create any expectations with regard to the provision of urban services. The provision of urban services within such USA/city limits will be determined by the city.

Sphere of Influence Boundary (SOI)

In Santa Clara County, a SOI boundary for a city serves multiple purposes including:

- A long-range planning tool to help LAFCO evaluate USA boundary changes and annexation requests,
- The area designated as a city's planning area or area covered by a city's General Plan,
- Areas that will not necessary be annexed by a city or will not necessarily receive services from the city, but are areas in which the County and a city may have shared interested in preserving non-urban levels of land use,
- Areas where a city and a county have significant interaction, and
- Areas that contain social or economic communities of interest to a city.

State law defines the SOI as the probable physical boundaries and service areas of a local agency. In Santa Clara County, the USA functions in the same manner as SOIs. When evaluating proposed urban expansions, LAFCO utilizes the city's existing USA as a more important factor than the city's existing SOI, because the USA is a shorter-term growth boundary that is directly linked to the city's ability to provide services.

LAFCO may either approve a SOI for a new city at the time of LAFCO's hearing on the proposed incorporation or postpone consideration of the SOI for up to one year (Government Code Section 56426.5) after voter approval.

LAFCO Must Also Consider Alternate Incorporation Boundary Alignments

LAFCO is required to consider alternative boundaries and is empowered to modify boundaries in its review of proposals in accordance with Government Code 56668 and 56375(a) and (l) and LAFCO Policies. As part of LAFCO's review of the proposed incorporation, LAFCO must consider whether the proposed incorporation boundaries are consistent with State law, LAFCO Policies, and Santa Clara County General Plan Policies. Modifying boundaries is one means by which LAFCO can eliminate conflicts with LAFCO Policies and the CKH Act. The LAFCO Executive Officer must evaluate boundary issues and present a recommended boundary for the Commission's consideration.

Although the new Town will adopt the Santa Clara County General Plan and Zoning Ordinance after incorporation, there is no guarantee that the Town will continue to use this General Plan and Zoning Ordinance long term. LAFCO has no authority over lands located in a city. Therefore, LAFCO would be concerned about how the Town's decisions could impact agricultural lands that are included in the city's boundaries as well as adjacent agricultural lands. The Santa Clara County General Plan contains policies that support urban buffers and or greenbelt concepts between the South County cities and San Martin in order to maintain community identity, avoid encroachment into agricultural lands and to minimize land use conflicts. Both the Cities of Morgan Hill and Gilroy contain unincorporated lands within their respective SOI boundaries that serve as an urban buffer/greenbelt .

The proposed incorporation boundaries include:

- Approximately 2,132 acres of Prime Farmland, 257 acres of Unique Farmland, and 577 acres of Farmland of Statewide Importance
- Approximately 1,004 acres of land designated Agricultural Medium Scale

- 187 properties that are under the Williamson Act totaling 2,200 acres. However, 126 of 187 are under non-renewal and set to expire in years 2016 or 2017. The remaining 61 properties are primarily located within the southwestern and northern parts of the proposed boundaries for San Martin.

Lastly, the majority of the adjacent lands just north and south of the proposed incorporation boundary are designated by the California Department of Conservation as "prime farmland' and "farmland of statewide importance." These lands also meet LAFCO's definition of "prime farmland."

POTENTIAL MODIFICATIONS TO PROPOSED INCORPORATION BOUNDARY

LAFCO should consider modifying the proposed incorporation boundaries in order to address these issues and to specifically:

- Encourage compact orderly growth and development
- Avoid creating islands and areas difficult to serve
- Guide development away from open space and agricultural lands
- Avoid negatively impacting adjacent agricultural lands
- Maintain urban buffers, greenbelts, and community separators consisting of land outside of a city

LAFCO staff has developed the following potential modifications to the proposed incorporation boundaries of the new Town of San Martin (see **Attachment B** for Map of these Areas 1 through 7):

AREA 1: Exclude the County of Santa Clara's Parklands and lands designated "Ranchlands" in the Santa Clara County General Plan.

The proposed incorporation boundaries include 253 acres of parklands (i.e. the County of Santa Clara's Coyote Lake Harvey Bear Ranch County Park) and 356 acres of lands designated "Ranchlands" in the County General Plan. LAFCO Policies discourage the inclusion of open space lands in the incorporation boundary. Therefore, including County parklands and lands designated "Ranchlands" in the city limits is not appropriate.

AREA 2: Include area along California Avenue.

Including this area would ensure that the incorporation boundaries do not create an island. An island is an unincorporated area that is substantially surrounded by a city or cities. LAFCO is prohibited from creating islands because islands are inefficient to serve and create illogical boundaries. This area is currently in

Morgan Hill's SOI and outside of Morgan Hill's USA. However, this area is topographically and geographically better suited to be within San Martin. This modification of the proposed boundary will require LAFCO to amend Morgan Hill's SOI and to remove this area from Morgan Hill's SOI. The City of Morgan Hill has indicated that they, on a preliminary basis, support this alternative.

AREA 3: Exclude the Crowner Subdivision.

The Crowner Subdivision and surrounding area along Monterey Road is substantially developed to urban densities. The 25 homes in the area rely on individual septic systems and share a water system that relies on a few wells that are located within the subdivision. At least one well has been taken off-line in the past to address bacterial contamination issues. This area may require urban services in the future in order to address a public health and safety issue. As the intent of the proposed incorporation is not to provide urban services or to change the level of existing services that the area receives, LAFCO staff believes it is not appropriate to include this area in the incorporation boundaries.

Staff will discuss this with the City of Morgan Hill and obtain their support for placing this area within Morgan Hill's SOI since the City is the nearest urban service provider. Including the area within Morgan Hill's SOI will not commit Morgan Hill to provide the area with urban services. The City of Morgan Hill can determine if and when to request inclusion of the area within its USA boundary and eventually annex the area. Once annexed, the City can provide the area with urban services.

AREA 4: Exclude area north of Middle Avenue designated "Agriculture Medium Scale" under the Santa Clara County General Plan

This area and the lands directly north of it make up a large agricultural area. State law and LAFCO Policies discourage the inclusion of agricultural lands in a city and require LAFCO to consider such factors as the proposal's effects on adjacent lands and effects on the economic integrity of agricultural lands. Similarly, various policies of the Santa Clara County General Plan call for the use of urban buffers, greenbelts, and community separators between cities in South County in order to maintain community identity, avoid encroachment into agricultural lands, and to minimize land use conflicts. Therefore, including the area in the city limits is not appropriate.

However, LAFCO could consider including the area within the Town's SOI boundary, but outside of the city limits. This would allow the Town to include this area in its General Plan, facilitate joint planning with the County for this

area, and allow the Town to participate in the County's development review process for this area through the informal County/City referral process.

AREA 5: Exclude areas in southwest

This area includes some lands that are located west of Turlock Avenue that are designated "Agriculture Medium Scale" in the County General Plan and are adjacent to lands with the same designation as well as lands designated "Open Space Reserve." In addition, the area also consists of larger size parcels relative to the other areas within the proposed incorporation boundaries. This area also includes lands identified as "prime agricultural lands" by the California Department of Conservation. This area also has a high concentration of lands that hold a Williamson Act contract.

State law and LAFCO Policies discourage the inclusion of agricultural lands in a city and require LAFCO to consider such factors as the proposal's effects on adjacent lands and effects on the economic integrity of agricultural lands. Similarly, various policies of the Santa Clara County General Plan call for the use of urban buffers, greenbelts, and community separators between cities in South County in order to maintain community identity, avoid encroachment into agricultural lands, and to minimize land use conflicts. Therefore, including this area in the city limits is not appropriate.

However, LAFCO could consider including the area within the Town's SOI boundary, but outside of the city limits. This would allow the Town to include this area in its General Plan, facilitate joint planning with the County for this area, and allow the Town to participate in the County's development review process for this area through the informal County/City referral process.

AREA 6 (For Further Study): Lands under an Open Space Conservation Easement in the Southwest section of the CordeValle Development

This area is being identified at this time for further study by LAFCO and includes unincorporated lands that are under an open space conservation easement that is held by the County of Santa Clara. LAFCO Policies discourage the inclusion of open space lands in the incorporation boundary. Therefore, including these lands in the city limits may not be appropriate. LAFCO staff is studying the ramifications of including these lands in the proposed incorporation boundaries. The proponents of the incorporation have also indicated that it may be appropriate to exclude this area from the proposed incorporation boundaries due to concerns about the adequacy of wildland fire protection services to this Area. LAFCO staff is conducting further research on this issue.

AREA 7 (For Further Study): Lands Designated "Agricultural Medium Scale" in the Santa Clara County General Plan, specifically located on the west side of the Proposed Incorporation Boundary

This area is being identified at this time for further study by LAFCO. This area and the lands directly west of it make up a medium size agricultural area and are designated "Agricultural Medium Scale" in the Santa Clara County General Plan. State law and LAFCO Policies discourage the inclusion of agricultural lands in a city and require LAFCO to consider such factors as the proposal's effects on adjacent lands and effects on the economic integrity of agricultural lands. Therefore, including these lands in the city limits may not be appropriate.

However, LAFCO could consider including the area within the Town's SOI boundary, but outside of the city limits. This would allow the Town to include this area in its General Plan, facilitate joint planning with the County for this area, and allow the Town to participate in the County's development review process for this area through the informal County/City referral process.

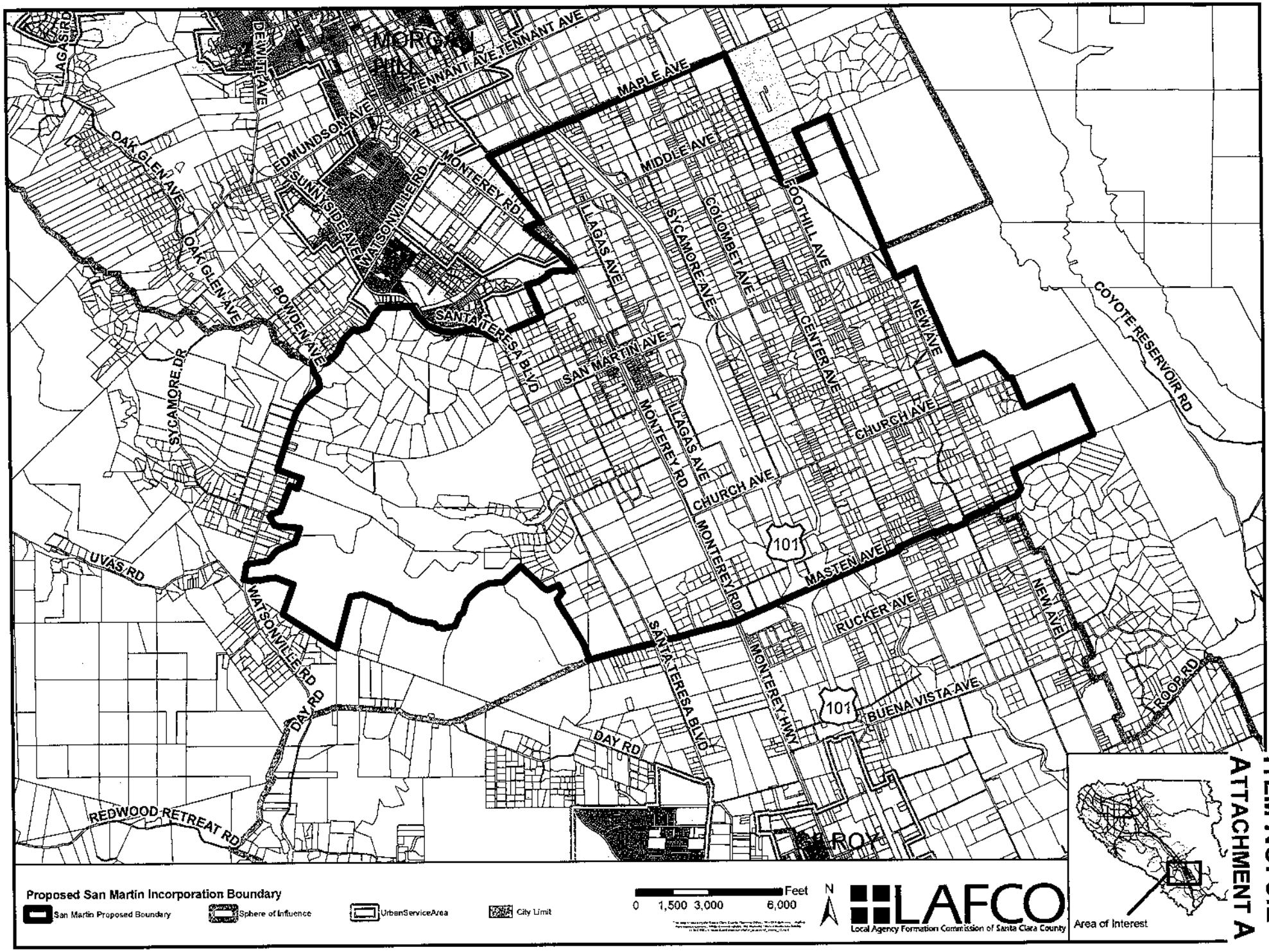
NEXT STEPS

These are LAFCO staff's preliminary recommendations regarding potential modifications to the proposed incorporation boundaries of the Town of San Martin. LAFCO staff will work with the Comprehensive Fiscal Analysis (CFA) consultant to determine the financial and service impacts of these potential modifications. LAFCO staff will also consider whether any of the potential boundary modifications affect the proposed CEQA analysis.

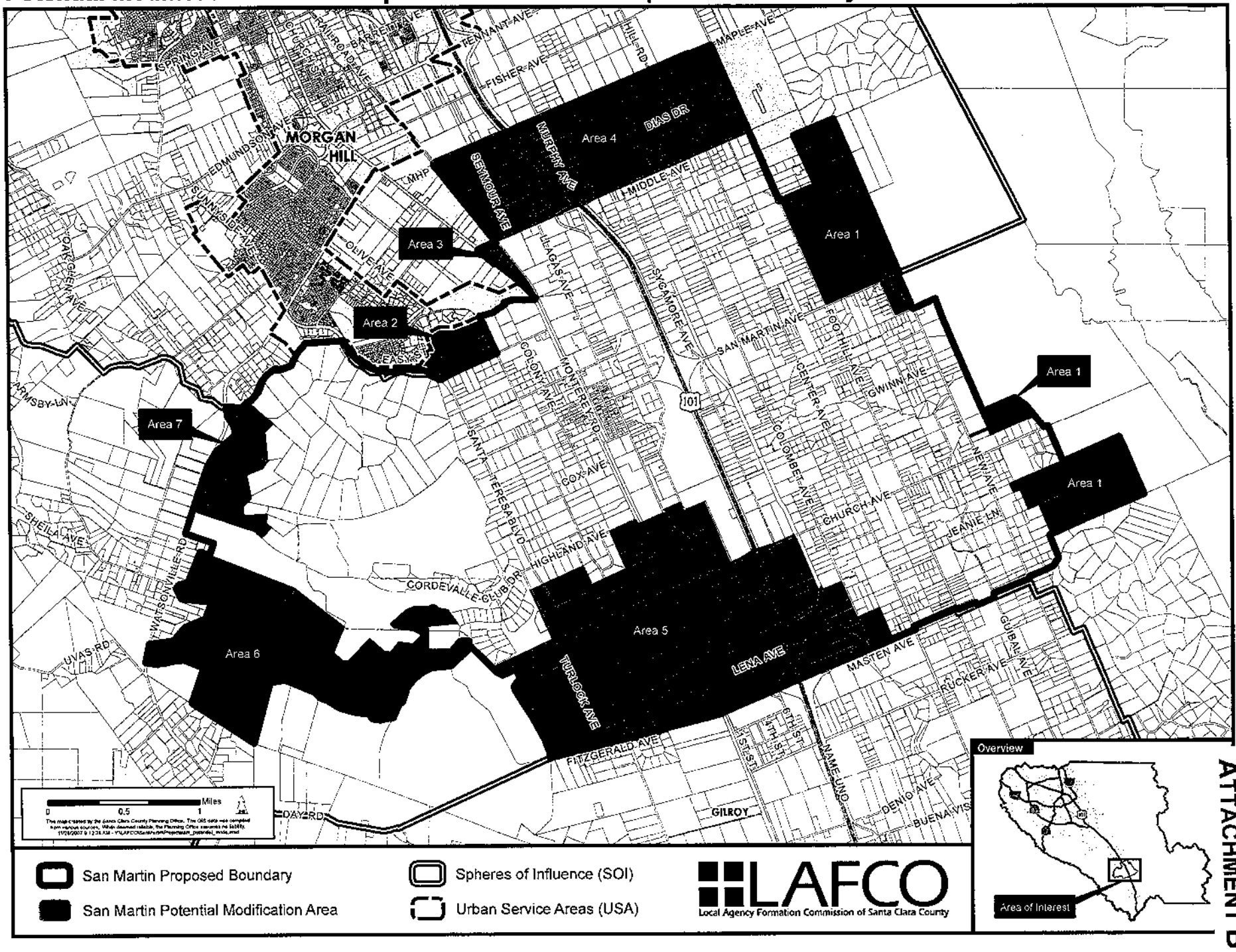
ATTACHMENTS

Attachment A: Map of Proposed San Martin Incorporation Boundary

Attachment B: Map of Potential Modification to the Proposed San Martin Incorporation Boundary


ITEM NO. 8.2
ATTACHMENT A
MORGAN HILL
LLAGAS RD
DEWITT AVE
TENNANT AVE
MAPLE AVE
MIDDLE AVE
EDMUNDSON AVE
SUNNYSIDE AVE
WATSONVILLE RD
MONTEREY RD
OAK GLEN AVE
BOWDEN AVE
SANTA TERESA BLVD
LLAGAS AVE
SYCAMORE AVE
COLOMBET AVE
FOOTHILL AVE
CENTER AVE
NEW AVE
COYOTE RESERVOIR RD
SAN MARTIN AVE
CHURCH AVE
SYCAMORE DR
UVAS RD
WATSONVILLE RD
DAY RD
MASTEN AVE
RUCKER AVE
BUENA VISTA AVE
TROP RD
MONTEREY HWY
101
REDWOOD RETREAT RD
Proposed San Martin Incorporation Boundary
San Martin Proposed Boundary
Sphere of Influence
UrbanServiceArea
City Limit
0 1,500 3,000 6,000 Feet
N
LAFCO
Local Agency Formation Commission of Santa Clara County
Area of Interest

Potential Modifications to the Proposed San Martin Incorporation Boundary



ITEM NO. 8.2
ATTACHMENT B

Additional Document
ITEM NO. 8.2

San Martin Neighborhood Alliance

"Together We Make A Difference"

Friday, October 5, 2007

Neelima Palacherla, Executive Officer
Local Agency Formation Commission
70 West Hedding Avenue
11th Floor, East Wing
San Jose, California 95110

RE: San Martin Incorporation Boundaries

Dear Ms. Palacherla:

SMNA is concerned by the potential exclusion of portions of the proposed incorporation boundaries presented in our Application for Incorporation to create a buffer in the form of unincorporated Spheres of Influence between Morgan Hill and San Martin on the north and Gilroy and San Martin on the south. It is the primary stated purpose of the incorporation to allow local control of land use decisions in order to preserve the rural residential quality of San Martin. SMNA does not believe that excluding these areas furthers that goal.

As you may recall, the proposed boundaries were conceived jointly between LAFCo and the proponent prior to the circulation of the petition. These boundaries were created with the express understanding that boundaries that are coterminous with the sphere of influence would further the goal of keeping San Martin rural residential. We believe that creation of buffers between San Martin and the neighboring cities would actually be counter productive to the stated goal and may actually be growth inducing. San Martin is the buffer between Morgan Hill and Gilroy. Creation of the buffer could be growth inducing because it will create the impression that a buffer is needed between San Martin and the neighboring cities. Because San Martin is the buffer between Morgan Hill and Gilroy, creation of an additional boundary would imply that San Martin intends to become urban. This is a false impression. Thus an alternative with buffers would have a greater potential impact than the proposed boundary.[1] There is simply no purpose served in leaving any land out to create a buffer.

In addition to the impression that creation of a buffer will leave, creation of the buffer will leave a section of the town with no voice in the community. First, they will be left as fragments of the San Martin

[1] Proponent does not concede that the incorporation constitutes a "project" under CEQA nor does incorporation alone have any impact or growth inducing potential. Proponent believes an incorporation constitutes only a "change of organization or personnel," the only environmental impact of which is the replacement of one group of managers by others who might hold different views on the future use of the land in question. That is not a project under the reasoning explained in Simi Valley Recreation & Park Dist. v. Local Agency Formation Com. (1975) 51 Cal.App.3d 648, 663. Accord, Prentiss v. Board of Education (1980) 111 Cal.App.3d 847, 852, questioned on another point in Fullerton Joint Union High School Dist. v. State Bd. of Education (1982) 32 Cal.3d 779, 796, fn. 16.

Planning Area which will likely be dissolved upon incorporation of the town. There will be no advisory committee to advocate their needs to the county. Further, there will be no possibility of becoming annexed into San Martin so they could never vote in San Martin elections. Santa Clara County has a unique provision that requires a city to utilize most of the land in its "urban service area" for urban development before additional land can be considered for annexation into the city. However, San Martin will not create an urban service area in connection with the incorporation. In fact, creation of an urban service area, we believe, would be inconsistent with a rural residential city and will likely never be created.[2] This would effectively leave these people in the north and south areas disenfranchised with no real opportunity to participate in land use decisions affecting their property.

Another more visual consideration is that the areas in question are virtually identical to the rest of San Martin. In the area south of Church Avenue, the land use and zoning is identical to the rest of San Martin. In the area north of Middle Avenue, although zoned Agricultural, the land use is also identical to the rest of San Martin. The agricultural uses in San Martin are widely scattered. This makes it difficult to create areas to preserve any agricultural use without creating islands or irregular or illogical boundaries.

Finally, our informal polling of the area suggests that few, if any, of the residents in the north and south areas want to be excluded from the town. We have had numerous requests to keep these areas in the incorporation boundaries.

For these reasons, among others, we believe excluding the north and south parts of the town from the incorporation boundaries does not represent prudent planning.

Sincerely,

SAN MARTIN NEIGHBORHOOD ALLIANCE

Richard van't Rood

RVR/djk

[2] Creation of an urban service area would in any event require an EIR.

LAFCO
Local Agency Formation Commission of Santa Clara County

Item No. 8.3

PROPOSED INCORPORATION OF THE TOWN OF SAN MARTIN

STATEMENT OF LAFCO STAFF COSTS

Statement Period: September 2007

Beginning Balance	AMOUNT
BALANCE FROM THE PREVIOUS STATEMENT	$ 8,058.22

Staff Time for September 2007					
LAFCO Staff	Hours	Hourly Rate	Cost		
LAFCO Clerk	1.25	$ 93.00	$ 116.25	$	1,559.25
LAFCO Analyst	3.00	$ 139.00	$ 417.00		
LAFCO Counsel	0.00	$ 198.00	$ -		
LAFCO Executive Officer	6.75	$ 152.00	$ 1,026.00		
Expenses					
None				$	-
TOTAL DUE FOR THE CURRENT STATEMENT				$	1,559.25

BALANCE DUE TO DATE	$ 9,617.47

NOTE: Pursuant to the Fee Agreement for the San Martin Incorporation Proposal, the payment for LAFCO staff costs is due prior to the first LAFCO public hearing, which is expected to occur in May 2008. An invoice will be provided thirty days prior to the first hearing.

70 West Hedding Street ▪ 11th Floor, East Wing ▪ San Jose, CA 95110 ▪ (408) 299-5127 ▪ (408) 295-1613 Fax ▪ www.santaclara.lafco.ca.gov
COMMISSIONERS: Blanca Alvarado, Don Gage, John Howe, Linda J. LeZotte, Susan Vicklund Wilson EXECUTIVE OFFICER: Neelima Palacherla

SEPTEMBER 2007

STAFF	DATE	ACTIVITY/TASK	HOUR UNITS	MONTHLY TOTAL
EXECUTIVE OFFICER	9/3/2007	Phone conversation with Sylvia Hamilton	0.17	6.75
	9/4/2007	Email Jenkins on data from Roads and Airports Department	0.33	
	9/6/2007	Email Berkson re. update on data requests	0.33	
	9/10/2007	Emails and phone conversation with Vinod Sharma, County Controller's Office, and Paul, EPS, regarding sales tax and review of Roads and Airports Department info.	0.67	
	9/11/2007	Phone conversation with Berkson re. sales tax information, and fire and library serviecs; and review of Jenkins's Draft Initial Study.	1.50	
	9/12/2007	Sales tax data meeting with Vinod Sharma/HDL and phone conversation/email to Berkson.	1.00	
	9/18/2007	Sales tax and Business List emails from Berkson and to proponents.	0.50	
	9/27/2007	Update from Jenkins and Berkson.	0.25	
	9/28/2007	Review of Draft Initial Study	2.00	
LAFCO ANALYST	9/28/2007	Review of Draft Initial Study and comments to Neelima regarding content and overall structure.	3.00	3.00
LAFCO COUNSEL		No activity.	-	0.00
LAFCO CLERK	9/17/2007	Various admin tasks (e.g., maintain file, prepare monthly staff time billing tc.)	0.50	1.25
	9/20/2007	Copy files, mail correspondence, etc.	0.75	

LAFCO
Local Agency Formation Commission of Santa Clara County

PROPOSED INCORPORATION OF THE TOWN OF SAN MARTIN

STATEMENT OF LAFCO STAFF COSTS

Statement Month: October 2007

Beginning Balance	AMOUNT
BALANCE FROM THE PREVIOUS STATEMENT	$ 9,617.47

Staff Time for October 2007					
	LAFCO Staff	Hours	Hourly Rate	Cost	
	LAFCO Clerk	6.25	$ 93.00	$ 581.25	$ 8,845.01
	LAFCO Analyst	18.00	$ 139.00	$ 2,502.00	
	LAFCO Counsel	6.20	$ 198.00	$ 1,227.60	
	LAFCO Executive Officer	29.83	$ 152.00	$ 4,534.16	
Expenses					
	None				$ -
TOTAL DUE FOR THE CURRENT STATEMENT					$ 8,845.01

BALANCE DUE TO DATE	$ 18,462.48

NOTE: Pursuant to the Fee Agreement for the San Martin Incorporation Proposal, the payment for LAFCO staff costs is due prior to the first LAFCO public hearing, which is expected to occur in May 2008. An invoice will be provided thirty days prior to the first hearing.

70 West Hedding Street ▪ 11th Floor, East Wing ▪ San Jose, CA 95110 ▪ (408) 299-5127 ▪ (408) 295-1613 Fax ▪ www.santaclara.lafco.ca.gov

OCTOBER 2007

STAFF	DATE	ACTIVITY/TASK	HOUR UNITS	MONTHLY TOTAL
EXECUTIVE OFFICER	10/1/2007	Discussion with Dunia Noel and Meeting with Jenkins re. Draft Initial Study.	3.00	29.83
	10/2/2007	Phone conversation with Berkson re. sales tax information, Matt Thompson re. Maps, Comments on Draft Initial Study to Jenkins.	1.33	
	10/4/2007	Provide update on incorporation to Brian Stott, Morgan Hill.	0.25	
	10/5/2007	Phone conversation with Richard van'tRood; Continue review and comment on Initial Study.	1.00	
	10/8/2007	Discuss with Matt Thompson re. Williamson Act lands maps. Email from R. Van'tRood and discuss further.	1.50	
	10/9/2007	Continue work on Williamson Act lands maps with S Borgstorm.	3.00	
	10/10/2007	Discuss Williamson Act lands with Berkson.	0.25	
	10/11/2007	Verify San Martin business list with V. Sharma, County Controller's Office.	0.50	
	11/15/2007	Williamson Act lands data and maps follow-up with M. Thompson.	3.00	
	11/17/2007	Revision to Jenkins on Initial Study	2.00	
	10/24/2007	Review of second draft.	3.00	
	10/25/2007	Continue review of the draft.	3.00	
	10/29/2007	Initial review of the CFA and review maps and draft Initial Study	3.00	
	10/30/2007	Meeting to discuss Initial Study	3.00	
	10/31/2007	Meeting to discuss Initial Study.	2.00	
LAFCO ANALYST	10/1/2007	Discussion with Neelima and Meeting with S. Jenkins re Draft Initial Study, particularly the following sections: Project Description, Agricultural Resources, Biological Resources, Hydrology/Water Quality, Land Use, Population/Housing, Public Services, Utilities/Service Systems, Mandatory Findings of Significance.	3.00	

STAFF	DATE	ACTIVITY/TASK	HOUR UNITS	MONTHLY TOTAL
LAFCO ANALYST (Continued)	10/23/2007	Review of Revised Draft Initial Study, particularly the following sections: Project Description, Agricultural Resources, Biological Resources, Hydrology/Water Quality, Land Use, Population/Housing, Public Services, Utilities/Service Systems, and Mandatory Findings of Significance. Preparation of comments and revisions.	6.00	18.00
	10/25/2007	Review of the entire Revised Draft Initial Study. Preparation of additional comments and revisions. Complete major revision of the Project Description.	4.00	
	10/30/2007	Meeting to discuss Initial Study and potential revisions, particularly to the following sections: Project Description, Agricultural Resources, Land Use, Population/Housing, and Mandatory Findings of Significance	3.00	
	10/31/2007	Meeting to discuss Initial Study and potential additional revisions to the following sections: Project Description, Agricultural Resources, Land Use, and Mandatory Findings of Significance	2.00	
LAFCO COUNSEL	10/1/2007	Issue regarding process for approval of CEQA documents	0.20	6.20
	10/16/2007	Review communication from Van'tRood regarding environmental review, discussion with staff regarding environmental review	1.00	
	10/30/2007	Review and comment on Initial Study, discussion with LAFCO staff regarding draft language	3.00	
	10/31/2007	Meeting with LAFCO staff to discuss Initial Study and resulting CEQA document.	2.00	
LAFCO CLERK	10/5/2007	Prepare monthly staff time invoice for September	0.75	6.25
	10/15/2007	Provide to Neelima a list re. data on Williamson Act lands	2.50	
	10/31/2007	Prepare mailers and labels for Notice of Intent to Adopt Negative Declaration	3.00	

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What Grows Around, Comes Around

The tech industry once ravaged the Valley of Heart's Delight, but in a weird twist of fate, tech giants like Google, Yahoo! and eBay are now the catalyst for an agricultural rebirth.

By Stett Holbrook

ONCE UPON a time, the Santa Clara Valley was a blossom-scented land of fruit orchards and verdant farms. But then two guys named Hewlett and Packard invented something called an audio oscillator in their Palo Alto garage and sparked the valley's electronics industry. In time, some other smart guys came along and invented things like the integrated circuit, the microprocessor, the personal computer, computer software, search engines and other high tech stuff that forever changed the valley and the world.

HORN OF PLENTY OF IRONY: Tech giants, committed to providing local produce to their employees, have helped area farmers make a comeback.

Santa Clara Valley became Silicon Valley, and all those cherry and apricot orchards were plowed under to make way for shopping malls, office parks and faux-Tuscan-style housing developments. Santa Clara Valley's transformation into the world's high-tech HQ made the region one of the most dynamic, profitable and desirable places on earth.

Unless, of course, you were a farmer.

The surging demand for housing and commercial development pushed farmers to the fringes of Santa Clara County or to more rural, farmer-friendly enclaves. But even in agricultural redoubts like Watsonville and Salinas, Silicon Valley's roaring economy made farmland increasingly expensive and the attraction of selling off the family farm hard to resist. Add in cheap imports from south of the border and an agricultural system that favors government-subsidized agribusiness over small family farmers and it's a wonder any of the little guys are left.

But in an ironic example of Silicon Valley's dynamic nature, the same high-tech economy that contributed to the expulsion of farmers from the area is throwing the remaining growers a lifeline.

Employees at IPO-mad start-ups and cubicle-chained programmers who never see daylight will probably always be fueled by Red Bull and Doritos, but an increasing number of Silicon Valley's tech firms are demanding high-quality, seasonal food grown by local farmers in the meals served in corporate cafeterias. Their buying power is making local agriculture part of Silicon Valley again and giving farmers a lucrative market they never had.

"It could conceivably change the look of agriculture in this area," says Watsonville farmer Ken Kimes. "The potential is huge."

By some estimates, half of the meals we eat are consumed outside the home. That figure includes restaurants, of course, but also corporate cafeterias and institutional settings like universities, museums and hospitals. Except for restaurants, until recently local farmers weren't reaching many of those markets, says Kimes.

"We've been missing out on a huge part of the market," he says.

Farmers markets, once seen as the savior for small farms facing thin margins, are almost tapped out, he says. Anybody who's going to shop at a farmers market probably already is and the proliferation of farmers markets is reducing sales for individual farmers.

"They're starting to dilute each other," he says.

But farmers' fortunes could change as corporate and institutional consumers come to appreciate locally grown produce, and small-scale growers and distributors figure out new ways to combine forces to bring their products to market.

Kimes owns New Natives with partner Sandra Ward, a greenhouse operation that specializes in microgreens—sunflower sprouts, wheat grass, tat soi, radish sprouts, pea shoots and other tiny plants destined for salads, sandwiches and fancy garnishes. Kimes is also on the board of directors of the Community Alliance with Family Farmers (CAFF), a nonprofit group that advocates for small-scale agriculture that's environmentally sound, sustains local economies, and promotes social justice.

In an effort to link the small family farmers CAFF represents with corporate customers who've developed a taste for local, sustainably farmed produce, the organization formed the Growers Collaborative, a side business of sorts that combines the fruit and vegetable crops grown by small growers into a large-scale distribution system that supplies corporate cafeterias and institutional clients. The program began in Ventura County and Sacramento and is now expanding into the Bay Area.

"This is opening up new markets for us and they're volume markets," says Kimes, although he admits the program still has a long way to go.

CAFF was not the first to rope together small growers to serve hungry techies in Silicon Valley. Bon Appetít Management Co., BAMCO for short, is corporate Silicon Valley's biggest connection to local farms. The Palo Alto–based food service company was a pioneer in the corporate food world for its commitment to serving fresh, locally sourced and sustainably produced food. BAMCO works with a who's who of Silicon Valley's corporate elite including eBay, Yahoo!, Cisco, Oracle and Palm. The company serves about 55,000 meals a day to high-tech workers across the Bay Area.

In the Bay Area, BAMCO developed a "farm to fork" program in coordination with America Fresh, a Watsonville-based distributor that helps small farmers distribute their products to Silicon Valley clients. The program strives to source produce from within 150 miles of where its served to ensure freshness, support local agriculture, and reduce the environmental cost associated with shipping produce over large distances. Through the program, BAMCO spends about $55 million per year on local produce.

Since organic agriculture has gone global, local can be a better choice than organic because the environmental costs of shipping organic strawberries from, say, Chile can outweigh the benefits, BAMCO chefs say. Advocates say buying locally keeps the local agricultural economy alive and treads lighter on the earth whether crops are organic or not. Sustainable, not organic, has evolved into the word of choice for many farmers and chefs, a loosely defined term that has come to mean local, small-scale and environmentally sound practices that are sustainable for the long term.

On their own, many growers wouldn't be able to provide BAMCO with all the produce it needs, but collectively they can. America Fresh gives BAMCO chefs with a list of what's available from its growers several times a week so chefs can get the pick of what's in season and have it delivered to their door often the day after it was picked. Growers get the benefit of advance orders and set prices so they know the crops they plant will have buyers come picking time.

"The farmers don't risk anything," says America Fresh owner Juan Medina.

Erick Stonebarger, co-owner of Maristone farm, grows 14 acres of organic and conventionally raised herbs and greens under greenhouse glass and in the field in Watsonville. He started the business in 2003 with his wife and in-laws with half an acre, and it remains a strictly family affair. He's just the kind of grower BAMCO likes to work with.

"Our philosophy is to produce the food where it's consumed," he says.

"There's a push upstream to go out and source local products," he says, especially in the past two years. "I've definitely felt that."

His Genovese basil, thyme, tarragon and other herbs are served at eBay, Yahoo! and other Silicon Valley corporations.

It's not yet noon on Thursday at eBay's employee cafeteria, and the place is filing up quickly. There's a big line forming at a salad bar that features tomatoes, sprouts, snow peas, lettuce greens and other vegetables from local farms. Stickers with the green "farm to fork" logo let workers know they're choosing local items. Other logos inform diners what dishes are made with sustainably harvested seafood, what's vegan, and what's particularly nutritious. Across the dining room is a grill where grass-fed beef burgers and sustainably caught ahi are being grilled. Next to it is the "international" food station where stir-fried Painted Hills Ranch beef and locally sourced broccoli are on the menu.

There are 13 different food stations in all and the offerings at each change daily based on what's available. The dining room serves about 700 meals a day.

"It's easier to be healthy," says Gary Briggs, a senior marketing executive at eBay, as he finishes his lunch.

Before he came aboard eBay six years ago, lunch was plastic-wrapped sandwiches or fast food. In addition to eating better, Briggs says the high quality of food served at eBay promotes a better working environment, which is one of the goals of the company's food service program.

"A lot of business gets done over lunch, just like at any good restaurant."

Executive Chef Bob Clark oversees the kitchen at eBay for BAMCO as well as the approximately 800 meals served each workday at PayPal's First Street campus in downtown San Jose. As a chef, Clark says his reliance on local growers makes sense for several reasons. It tastes better, it helps keeps the local agricultural economy in business, and it cuts down on eBay's carbon footprint, he says.

Clark prefers the term cafe to cafeteria, and the upmarket word really is more fitting. You won't find sloppy Joe's, Tater Tots or other classics of institutional fare here. The food is made with ingredients as good as or better than any restaurant outside eBay's doors. A list of the purveyors that supply the cafeteria reads like the suppliers for white tablecloth restaurants, not an industrial food setting. There's goat cheese from Pescadero's Harley Farms, organic produce from Lakeside Organics in Watsonville and honey from Silicon Valley's Baker's Bees.

eBay spokesperson Catherine England says BAMCO's locally focused, green-minded food program fits eBay's corporate culture because like its online auctions, it's self-sustaining, treats vendors large and small on the same level playing field, and rewards environmental awareness.

"eBay has a really distinct personality, and they get us," she says.

At Yahoo! in nearby Sunnyvale, BAMCO chef Bob Hart oversees six cafes that serve about 3,000 meals a day.

"We've got to compete with the local restaurants," he says. "We want people to stay in."

But just as important to him is keeping local farms in business. In many cases, it's a lot more profitable for farmers to sell their land to build condos than continue farms but Hart believes he's helping the small farmer make a stand.

"We can make a difference," he says. "It's really sustaining the local economies."

In addition to serving premium quality produce, Yahoo! subsidizes the cost of meals so getting employees to eat on campus isn't difficult. Of course, giving food away for free is even more attractive. That's what Google does in Mountain View.

The search engine giant has gotten a lot of press about its free meals, but less is said about the company's commitment to small-scale, local agriculture. Unlike many other Silicon Valley technology companies, Google has its own food service staff, although food service director John Dickman is a BAMCO alum.

Dickman oversees 17 cafes on Google's campus that serve a whopping 16,000 meals a day. He says Google has made locally sourced food a priority because of its quality and the environmental benefits. One of the company's most popular eateries is Cafe 150, a cafe that serves food only made with ingredients that come from within 150 miles. That means no bananas, no coffee and no salt. But hungry Googlers don't feel deprived. Even though it's located on the edge of campus, it's one of the three most popular eateries, Dickman says.

"They love the concept and the food," he says.

Google's food service program has about a 125 percent participation rate because of the number of hungry friends and family that Google employees bring in.

Like America Fresh and the Growers Collaborative, the Fruit Guys are produce distributors who seek out the small fry farmers because of the quality and diversity of their crops to corporate clients. The Fruit Guys, as you might guess, specialize in fruit. Since home produce deliveries were a well-established market, Fruit Guys founder Chris Mittelstaedt hit upon the idea of bringing farm-fresh fruit to doorsteps of businesses. The idea was a hit. Since beginning with just a few clients in 1998, Mittelstaedt says his clients now number in the thousands. Based in South San Francisco, the family-run business serves corporate and institutional clients throughout the Bay Area, Arizona and Nevada and they're expanding into Philadelphia.

The company offers customers a wide range of fruit to choose from so not all of it is local but Mittelstaedt says the wealth of fresh fruit that grows around the Bay Area makes local fruit a large part of his business. In the summer, 90 percent of the company's fruit comes from local sources, an area Mittelstaedt defines as within 200 miles of Silicon Valley.

"The amazing thing about the Bay Area is you have an incredible variety of food within a small area," he says.

In addition to showcasing fresh and unique fruit varieties, Mittelstaedt says he's out to promote wellness and highlight what he calls the "hero farmer" and the unique products they grow.

"Because we give farmers a lot of volume business they benefit from that," he says. "The more we grow our business, the more the farmers benefit."

Cyberfarmer Disgraced tech CEO finds second life as local grower

IN AN only-in-Silicon Valley twist, a fallen Silicon Valley high-tech executive has created a second life as a gentleman farmer who's doing his part to keep local agriculture alive.

Phil and Cindie White bought Portola Valley's Jelich Ranch in 2000.

The 14-acre historic orchard dates back to 1909. The ranch buildings had slipped into disrepair when the former Informix CEO bought the property. Leaving aside his controversial tenure at Informix and his conviction for securities fraud, Phil White's vision is to restore the ranch to what it looked like in its prime and to make the orchard productive again. The Whites also host summer camps for children on the ranch.

"With local high-tech companies buying local organic, it makes it worthwhile to grow," says Phil White, who still has a hand in several Silicon Valley tech firms.

Thanks to his deep pockets and ranch manager Skip Parodi's hard work, Jelich Ranch is bearing fruit—organic apples, pears, quince, stone fruit and other orchard crops. One of Parodi's favorite varieties on the ranch is the "Winter Nellis" pear.

"It's the ugliest pear you've ever seen, but it's like eating candy," he says.

Jelich Ranch fruit is sold at local markets like Draeger's and Robert's and distributed by the Fruit Guys to high-tech lunchrooms across Silicon Valley. It's more of a hobby for the White's than a money maker, even though the Fruit Guys bought 70 percent of the crop this year.

"This is for the love of the land," says Parodi. "You just don't see orchards like this in Portola Valley anymore."