

annexations simplified

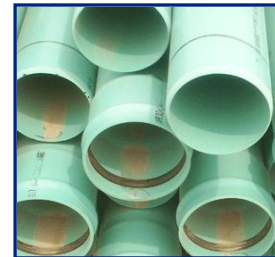
A practical workshop for city staff involved in processing annexations

April 8, 2014
LAFCO of Santa Clara County

What is LAFCO?

An independent local agency created by the state legislature with a mandate to:

- Encourage orderly boundaries
- Discourage urban sprawl
- Preserve agricultural and open space lands
- Ensure efficient delivery of services



What does LAFCO do?

LAFCO regulates:

- Boundary changes for special districts and cities
 - Annexations
 - Detachments
 - Formations
 - Incorporations
 - Consolidations / Mergers / Dissolutions *
- Expansion of services outside an agency's boundaries
- Exercise of new and different services for special districts

What gives LAFCO its authority?

California Government Code Section
56000, et seq., entitled:

**The Cortese-Knox-Hertzberg
Local Government Reorganization Act of 2000
(CKH Act)**

Who serves on LAFCO

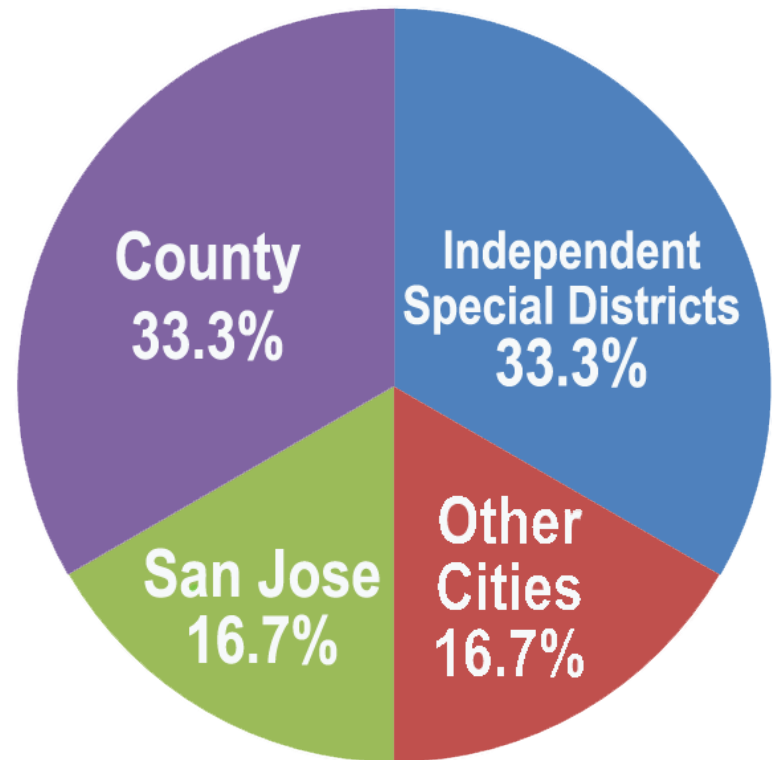


LAFCO Commissioners

- Two County supervisors
- One council member from the City of San Jose
- One council member from any other city
- Two independent special district board members
 - By agreement, one member from the SCVWD and the second member from any other independent special district
- One public member

Who pays for LAFCO?

- County
- San Jose
- Other Cities
- Special Districts



FY 2014 LAFCO's Budgeted Operating Expenses: \$608,897

Joint Urban Development Policies

Long-standing policies between LAFCO, the 15 cities and the County:

- Urban development should occur within cities
- County will not allow urban development in the unincorporated areas
- Cities to adopt urban service areas (USAs) to indicate lands that they are willing and able to provide urban services and facilities to within the next five years
- Islands should be annexed into their surrounding cities, so that cities have urban service responsibility and land use authority over all lands within their urban service area

Urban Service Areas (USAs)

- Proposed by cities and adopted by LAFCO in 1972 & 1973
- USA amendments are considered by LAFCO at city's request
- Growth management tool unique to Santa Clara County
- State law allows Santa Clara County cities to approve annexations of land within their USAs, without further LAFCO review or approval

Sphere of Influence (SOI)

A plan for the probable physical boundary and service area of a city or a special district

For cities in Santa Clara County:

- It is the USA and not the SOI that is an indication of areas that the city will annex or provide services
- SOI is a long range planning tool to help LAFCO evaluate USA amendments and annexation requests
- The SOI is sometimes an area where the city and county may have shared interests in preserving non-urban levels of land use

City Annexations in Santa Clara County

- Special Provision in Government Code (§56757)
- State Law does not allow LAFCO to review an annexation proposal located within the USA of a city if it is initiated by City Council resolution.
- The City Council is authorized to conduct such annexation proceedings and decide on them.

Boundary Changes

Annexation

Inclusion or addition of territory to a city or district

Detachment

Exclusion or removal of territory from a city or district

Change of Organization

Includes any one of these: city incorporation, district formation, annexation, detachment, consolidation, or dissolution

Reorganization

Two or more changes of organization in a proposal

Key Steps in LAFCO Process

1. Initiation of proceedings

- By petition (% varies) of registered voters or landowners
- By resolution of affected local agency

2. Processing application

- Certificate of Filing
- Staff evaluation and report

3. LAFCO public hearing/meeting to consider application

- Approve/approve with conditions/deny/modify

4. Protest proceeding and/or election, if necessary

- Protest rules/thresholds vary based on type of proposal

5. Final certification/recordation and filing with State

- Certificate of Completion

City Conducted Annexations/ Reorganizations

- Development/service related annexations requested by individual property owners and initiated by City Council:
 - Uninhabited territory with 100% landowner consent
 - Inhabited territory or uninhabited territory without 100% landowner consent
- Island annexations requested by neighborhoods and/or initiated by City Council:
 - Streamlined island annexation process

City Staff Initial Review/Analysis

- Consult County Surveyor initially regarding annexation boundaries
- Submit map and description for County Surveyor review
- Obtain County Surveyor's Report
 - Within USA?
 - Consistent with LAFCO's road annexation policies?
 - Does it create islands or areas difficult to serve?
 - Is it contiguous to existing city limits?
 - Is it a definite and certain proposal?
 - Approved map & description of proposed boundary?

City Staff Initial Review/Analysis

- Determine which special districts to detach
 - Obtain County Assessor's Report
 - Special districts within annexation boundary
 - Splits assessment lines?
 - Total assessed value
 - City public works staff
 - LAFCO maps for special districts
 - Special district staff
 - LAFCO staff

City Staff Initial Review/Analysis

- Establish a Pre-zoning designation
- Prepare CEQA analysis
 - City will be Lead Agency
- Determine if proposal includes Williamson Act lands
 - Annexation of these lands subject to §56753.5, §56754, §56856.5

§56757 Findings

1. Territory is within City's USA and the city has complied with all conditions of approval imposed by LAFCO for inclusion of territory in USA
2. Proposal is consistent with the City's adopted General Plan
 - City has applied a pre-zoning designation consistent with the city's General Plan
 - Designation cannot be changed for 2 years after annexation

§56757 Findings

3. County Surveyor has determined boundaries to be definite and certain and in compliance with LAFCO's road annexation policies.
4. Proposal does not create islands or areas in which it would be difficult to provide services
5. Territory is contiguous to existing city limits
6. Proposal does not split lines of assessment or ownership

LAFCO Filing Requirements

- Certified copy of City Council resolution with embossed seal including legal description & map
- County Surveyor's Report
- County Assessor's Report
- Completed SBE Statement of Boundary Change Form
 - Map of limiting addresses
 - Alphabetical list of all streets with beginning and ending street numbers
 - Estimated population
- LAFCO fees and SBE fees

LAFCO Certificate of Completion

- LAFCO staff prepares & records a certificate of completion
- Effective date of annexation is the date the Certificate of Completion is recorded by LAFCO or otherwise specified in the City Council resolution and indicated in the Certificate of Completion
- Service responsibility and land use jurisdiction transfers to city on effective date

Notification to State & Local Agencies

- Request TRA assignment from County Controller's Office
- File with SBE
 - SBE must receive documents prior to December 1 to ensure tax rates become effective on July 1 of the following year
- Notify Surveyor, Assessor, RoV and other County agencies
- Notify city, affected agencies & service providers
- Request County Planning Office to update cities and special districts layers in GIS

Island Annexations

In Santa Clara County, unincorporated lands within a city's USA are considered islands

LAFCO, County and cities policies encourage annexation of islands to:

- provide more efficient services and responsive local government
- provide greater consistency in planning and development of the area
- allow local residents to participate in the decisions that impact their neighborhoods

Streamlined Process for Island Annexations (§56375.3)

City Council shall approve an island annexation after notice and hearing, and waive protest proceedings provided the proposal:

- Is initiated on or after January 1, 2000
- Is initiated by City Council resolution
- Meets certain requirements

§56375.3 Island Requirements

- Does not exceed 150 acres and constitutes an entire island
- Surrounded or substantially surrounded by city
- Not a gated community served by a Community services District
- Substantially developed or developing based on availability of public services, public improvements, or presence of physical improvements on property
- Not prime agricultural land
- Will benefit from annexation or is receiving benefits from annexing city

Streamlined Process for Island Annexations

Available since January 1, 2000 (§56375.3)

Recent revision:

- Eliminates sunset date
- Qualifies territory that became an island prior to January 1, 2014 (§56375.4)

Island Annexation Program

- LAFCO will waive its processing fee, assist city staff with process and coordinate various County incentives.
- County incentives:
 - County will prepare the legal description and map for annexation and the Surveyor's report
 - County will prepare Assessor's report
 - County will pay State Board of Equalization Fee
 - County will consider road maintenance improvements in islands approved for annexation

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