

## **CHAPTER 3. URBAN SERVICE AREA POLICIES**

### **3.1 INTRODUCTION**

In Santa Clara County, Urban Service Areas (USAs) are geographic planning areas that encompass all lands, incorporated or unincorporated, intended to be urbanized and provided with urban services and infrastructure upon annexation to a city.

The definition and application of USAs in Santa Clara County are unique and are part of a long-standing countywide growth management framework referred to as the Countywide Urban Development Policies (CUDPs). Under these policies, urban expansion is to occur in an orderly, efficient, and planned manner within cities, which are solely responsible for planning and accommodating urban development within explicitly adopted USA boundaries whose location and expansion is subject to Santa Clara LAFCO approval.

The USAs were first proposed by each of the 15 cities and adopted by Santa Clara LAFCO in 1972-1973 as further documented in the Countywide Urban Development Policy # 1.4. With the continued implementation of the CUDPs since the early 1970s, Santa Clara LAFCO assumed a critical role as the arbiter of urban area expansion through the review and amendment of USAs. This role gives Santa Clara LAFCO the responsibility to protect natural resource lands while facilitating the development of vibrant, more sustainable communities. Santa Clara LAFCO's ongoing mission creates public value across Santa Clara County, limiting unnecessary urban expansion, promoting appropriate infill and redevelopment, minimizing public service costs, and preserving the remaining vital natural and open space resources from which the county as a whole benefits.

Because of its advance review and determination of USA boundaries, Santa Clara LAFCO does not review proposals for city annexation of unincorporated lands located within a city's USA. State law [Government Code (GC) §56757] gives cities in Santa Clara County the authority to conduct and approve such annexations within their USA boundaries if the proposals are initiated by city resolution and meet certain conditions.

### **3.2 URBAN SERVICE AREAS DEFINED**

In Santa Clara County, USA boundaries delineate and differentiate those areas intended to be urbanized from those areas not intended to be urbanized. USAs include lands currently urbanized and annexed to cities and provided with urban services, as well as unincorporated lands that a city intends to annex in order to develop those lands and provide them with urban services within five years.

USAs intentionally exclude natural resource lands, such as agricultural and open space lands; and lands deemed generally unsuited for urban development, such as bay lands, floodplains, wetlands, hillsides and mountainous lands, seismic and/or geologic hazard areas, and very high fire hazard areas.

### 3.3 URBAN SERVICE AREA AMENDMENT PROCEDURAL POLICIES

The following procedures apply for processing of urban service area amendment proposals:

1. **Initiation.** All USA amendments require Santa Clara LAFCO approval. An USA amendment request must be initiated by city council resolution and application to LAFCO.
2. **City Evaluation.** While a city may process requests for USA amendments on behalf of property owners, it is the city's responsibility as the LAFCO applicant to first evaluate whether the request is consistent with the applicable city, county, and LAFCO policies and determine whether the city supports the request.
3. **Pre-Application Meeting.** In order to aid the city's evaluation of an USA amendment request, LAFCO encourages the city to have a pre-application meeting with LAFCO staff as early as possible to discuss its USA amendment plans and obtain more information on the LAFCO policies and procedures that may apply to the specific proposal.
4. **Major General Plan Updates.** LAFCO requires that a city establish a stable baseline of its service plans and land use designations for LAFCO's evaluation of its USA amendment request. Therefore, LAFCO will not accept an USA amendment request from a city that is in the process of conducting a major General Plan update which involves changes to land use designations and service plans. LAFCO staff may consider limited exceptions on a case-by-case basis.
5. **USA Amendment Request Frequency.** Each city may submit an USA amendment request to LAFCO once in a calendar year. The date the application is heard by LAFCO shall determine the calendar year. USA amendment requests shall be limited to once a year in order to encourage a city to consider and understand the comprehensive impacts of USA amendments on its services, facilities / infrastructure, fiscal health, and the environment; and to ensure that LAFCO considers such requests in a similarly comprehensive manner. Until a city's application has been heard and acted upon by LAFCO, no further USA amendment requests will be accepted for filing from that city.
6. **Exception to Once-a-Year Rule.** The Commission may make an exception to the once-a-year limitation for USA amendment requests when such amendment is needed to carry out some special institutional development or activity that is in the public interest. Such exceptions shall not normally be extended in connection with proposed residential, commercial, or industrial development.
7. **CEQA.** An USA amendment proposal is considered a project under the California Environmental Quality Act (CEQA). Pursuant to CEQA, a city would be the Lead Agency for such a proposal and LAFCO would be a Responsible Agency. Therefore, LAFCO is required to rely on the city's CEQA documentation (initial study, negative/mitigated negative declaration, environmental impact report, etc.), with few exceptions. Cities must consult with LAFCO on the scoping of CEQA documentation for the potential proposal.

### 3.4 URBAN SERVICE AREA AMENDMENT POLICIES AND EVALUATION CRITERIA

Review and amendment of USA boundaries is Santa Clara LAFCO's primary vehicle for ensuring orderly city growth. Therefore, Santa Clara LAFCO shall carefully consider all USA amendment requests, consistent with LAFCO policies and State law.

USA amendment proposals may involve expansion of an USA to accommodate future growth; retraction of an USA to better align with city's growth and open space / agricultural land preservation plans, and adjustments between cities' USA boundaries to facilitate island annexations and logical boundaries; and enhance service delivery and governance efficiencies.

Consistent with the CUDPs, it is the goal of Santa Clara LAFCO that future urban development and other necessary public facilities such as schools and recreational facilities should be planned and accommodated within existing urban areas, through infill and redevelopment, rather than through the expansion of USA boundaries. Such city-centered, climate-smart growth policies play a critical role in preventing sprawl, ensuring efficient delivery of services, promoting more efficient use of existing urbanized areas, and preserving open space and agricultural lands.

A complementary goal is that where expansion is necessary, it should be done to accommodate the demonstrated need for urban growth in as compact and efficient manner as possible, supportive of the above goal and rationale.

To further these goals and in accordance with GC §56668, Santa Clara LAFCO must take into account many factors when considering an USA amendment proposal. Certain factors may be more applicable or more critical than others, depending on the specific proposal and circumstances. The following are Santa Clara LAFCO's policies and evaluative criteria for considering USA amendment proposals:

1. **Infill and Efficient Development Patterns.** In order to promote efficient development patterns and compact infill development and prevent the ~~premature~~ conversion of agricultural land in accordance with GC §56377, Santa Clara LAFCO shall discourage amendment proposals that seek to expand the USA when a city has a more than 5-year supply of vacant land within its existing USA or when a city does not clearly demonstrate the need for the USA amendment. LAFCO will consider the following evaluative criteria:
  - a. The city's explanation for why the USA amendment is necessary, why infill development is not undertaken first, and how an orderly, efficient growth pattern, consistent with LAFCO mandates will be maintained
  - b. The city's current vacant lands inventory for the same or similar proposed uses prepared in accordance with Santa Clara LAFCO's Vacant Lands Methodology included as Exhibit A. The vacant lands inventory is an informational tool to help evaluate the availability of vacant lands within the city. If a city has special conditions that do not align with LAFCO's methodology, it may also prepare an alternate vacant lands inventory and explain why the alternate analysis is more appropriate, for LAFCO's consideration.

- c. Whether the city has a more than 5-years supply of vacant lands that can be developed for the same or similar proposed uses as determined by the LAFCO Vacant Lands Methodology. If the city has more than 5-years supply, LAFCO shall consider the city's explanation for the need for more lands at this time, along with all the other factors for considering USA amendment proposals.
- d. Whether and to what extent the city has developed and successfully implemented targeted strategies such as fiscal and regulatory incentives to generate active and more efficient use of vacant and underutilized lands within its existing boundaries
- e. Whether the city has planned for and implemented policies for encouraging higher density development in order to use land more efficiently
- f. Whether the City has applied an appropriate general plan and pre-zoning designation to the proposal area
- g. Whether the proposed urban development is imminent or is likely to occur within the proposal area within the next 5 years
- h. Whether the city has planned for locating its community's facility needs such as schools, and recreational facilities, within its existing boundaries

2. **Impacts to Agricultural and Open Space Lands.** In order to preserve agricultural and open space lands, Santa Clara LAFCO shall discourage amendment proposals that include or adversely impact agricultural lands and open space, consistent with GC §56377(a). LAFCO will consider:

- a. Whether the proposal will result in the ~~premature~~ conversion of prime agricultural lands. As defined in GC §56064, "prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:
  - i. Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible
  - ii. Land that qualifies for rating 80 through 100 Storie Index Rating
  - iii. Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003
  - iv. Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre

- v. Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years
- b. Pursuant to [GC §56668 and GC §56668\(e\)](#), whether the proposal will adversely impact the continued [agricultural](#) productivity and viability of [the](#) proposal area, and/or adjacent/surrounding [agricultural](#) lands, including but not limited to the following factors:
  - i. Whether the proposal area, and/or adjacent/surrounding lands are located within an Agricultural Resource Area or Agricultural Preservation Area designated by the County, a city, or another public land conservation entity
  - ii. Whether the proposal area, and/or adjacent/surrounding lands are located within a designated Agricultural Zoning District in an adopted County and/or City Zoning Ordinance
  - iii. Whether the proposal area, and/or adjacent/surrounding lands are designated “Agriculture” in an adopted County and/or City General Plan
  - iv. Whether the proposal would introduce incompatible land uses into an agricultural area, generate urban/agricultural conflicts, or promote land speculation and disinvestment in agriculture – disrupting the conditions necessary for agriculture to thrive
  - v. Whether public facilities or infrastructure (e.g. such as roads, sanitary sewers, water lines, stormwater drainage facilities) related to the proposal would be sized or situated as to facilitate conversion of agricultural lands located outside of the proposal area, or will be extended through adjacent/surrounding agricultural lands
  - vi. Whether natural or man-made barriers serve to buffer agricultural or existing open space lands outside of the proposal area from the effects of the proposal
  - vii. Whether the proposal area, and/or adjacent/surrounding lands include lands that are subject to a Williamson Act contract or Farmland Security Zone contract
  - viii. Whether the proposal area, and/or adjacent/surrounding lands are under an agricultural or open space conservation easement
  - [ix. Whether the proposal area, and/or adjacent/surrounding lands are designated in the Department of Conservation’s Farmland Mapping and Monitoring Program as Prime Farmland, Farmland of Statewide Importance, Unique Farmland, or Farmland of Local Importance](#)
- c. The city’s explanation for why the conversion of agricultural lands and/or open space is necessary to promote the planned, orderly, efficient development of the city
- d. Whether the city has developed and successfully implemented measures/plans to first avoid and minimize the conversion of agricultural or

open space lands prior to bringing forward a proposal that involves conversion of agricultural or open space lands; and in instances where it is not possible to avoid or minimize conversion, whether the proposal contains mitigation for the conversion of any such lands consistent with LAFCO policies

- e. If an amendment proposal includes agricultural or open space lands for the purpose of preservation, LAFCO will require an explanation of why the inclusion of agricultural or open space lands is necessary and a demonstration that effective measures have been adopted for permanently protecting the agricultural or open space status of the affected territory. Such measures may include:
  - i. Acquisition and transfer of ownership of agricultural land or transfer of agricultural conservation easements to an agricultural conservation entity for permanent protection of the agricultural land
  - ii. Acquisition and transfer of ownership of open space or transfer of open space easements to a conservation entity for permanent protection of the open space land

3. **Logical, Orderly Boundaries.** LAFCO shall discourage amendment proposals that will not result in logical and orderly boundaries. LAFCO will consider:

- a. Whether the boundaries of the proposal are contiguous with the current USA [GC §56757(c)(6) and GC §56668(f)]
- b. Whether the proposal will result in islands, flags, peninsulas, corridors or other irregular boundary configurations which are illogical and/or difficult to serve [GC §56757(c)(4)]
- c. Whether the boundaries of the proposal follow natural and man-made features, such as ridge lines, drainage areas, watercourses, edges of right-of-way, and lines of assessment or ownership [GC §56668(a)]
- d. Whether the proposed boundaries would result in a ~~premature~~ intrusion of urbanization into a predominantly agricultural or rural area [GC §56668(d)]

4. **Avoid Natural Hazard Lands.** In order to minimize public exposure to risks associated with natural hazards and limit unplanned public costs to maintain and repair public infrastructure, LAFCO shall discourage USA expansions into lands designated very high fire hazard zones and into lands subject to other natural hazards such as geologic / seismic hazards, flood hazards, and fire hazards, Pursuant to GC §56668(q), LAFCO will consider maps and information related to fire hazards, FEMA flood zones, earthquake fault zones and landslide hazard zones contained in:

- a. ~~Information contained in a~~ local hazard mitigation plan
- b. ~~A~~Information contained in a safety element of a general plan
- c. Any maps that identify land as a very high fire hazard severity zone pursuant to GC §51178 or maps that identify land determined to be in a state responsibility area pursuant to §4102 of the Public Resources Code

5. **Availability of Adequate Water Supply.** In order to ensure timely availability of water supplies adequate for existing and planned future needs, LAFCO shall discourage amendment proposals that do not clearly demonstrate that an adequate water supply is available to the proposal area(s) pursuant to GC §65352.5, and that water proposed to be provided to new areas does not include supplies needed for unserved properties already within the city, the city's USA or other properties already charged for city water services. In determining water availability pursuant to GC §56668(l), LAFCO will consider the following:
- a. The city's plan for providing water service to the area and its statement of existing water supply including:
    - i. The current version of the city's or water supplier's urban water management plan and capital improvement program or plan, and the current version of the groundwater management agency's groundwater sustainability plan
    - ii. A description of the source or sources of the water supply currently available to the city taking into account historical data concerning wet, normal, and dry runoff years
    - iii. The quantity of surface and groundwater that was purveyed by the city / water supplier in each of the previous five years including a description of the number of service units available; number of service units currently allocated; number of service units that are anticipating future service within the city and its current USA boundary and number of service units needed for the proposal area
  - b. Whether the city is able to provide adequate water supply to the proposal area in the next 5 years, including drought years, while reserving capacity for areas within the city and USA that have not yet developed
  - c. Whether the city is capable of providing adequate services when needed to areas already in the city, in the city's USA or to other properties entitled to service
  - d. If capacity is not reserved for unserved property within the city and its USA, the current estimate of potential unserved properties and related water supply needs
  - e. Whether additional infrastructure and or new water supplies are necessary to accommodate future development or increases in service demand. If so, whether plans, permits and financing plans are in place to ensure that infrastructure and supply are available when necessary, including compliance with required administrative and legislated processes, such as CEQA review, CEQA mitigation monitoring plans, or State Water Resources Board allocation permits. If permits are not current or in process, or allocations approved, whether approval is expected
  - f. Whether facilities or services comply with environmental and safety standards so as to permit acquisition, treatment, and distribution of necessary water

6. **Ability to Provide and Fund Public Services and Infrastructure.** In order to ensure efficient service provision, LAFCO shall discourage amendment proposals that do not clearly demonstrate that the city has the ability to provide and fund services to the proposal area without detracting from current service levels within the city, and in areas that the city has already committed to serve. Consistent with GC §56668(b) and (k), LAFCO will consider:
- a. The city's plan for providing services (such as sewer, water, police, fire, stormwater, garbage disposal, library, lighting, parks, and street maintenance) within the proposal area prepared in accordance with LAFCO's Guide for preparing a Plan for Service included as Exhibit B, and which pursuant to GC §56653 shall include:
    - i. An enumeration and description of services currently provided and/or to be provided and the corresponding service provider
    - ii. The level and range of those services as well as detailed information on the size, location, and capacity of infrastructure both existing and required
    - iii. Estimated time frame for service delivery
    - iv. A statement indicating capital improvements, or upgrading of structures, roads, sewers, water facilities or other conditions that the city would require in the affected territory prior to providing service
    - v. A description of how the services will be financed
  - b. Whether the proposal is expected to result in any significant increase in service needs and/or new facilities, personnel, apparatus or equipment as a result of adding the proposal area
  - c. Whether the anticipated increase in service needs (e.g. increase in calls for fire and police services) and/or new facilities are likely to result in an increase in service costs and how the city plans to finance the anticipated increase in service costs
  - d. Whether the proposal will require the construction of new infrastructure (e.g. sanitary sewers, water mains, stormwater drainage facilities) and/or expansion of existing infrastructure (e.g. wastewater treatment plant, water treatment plant) and how the city plans to address the associated fiscal impacts
  - e. The ability of school districts to provide school facilities and whether there would be sufficient school capacity available to serve the affected territory at the time of development
7. **Fiscal Sustainability.** In order to ensure fiscal sustainability, LAFCO shall discourage amendment proposals that would have adverse financial impacts on the provision of government services. Consistent with GC §56668(c) & (k), LAFCO will consider the following:



- a. Financial impacts to the County, and to the affected city, special districts, and school districts and the feasibility of measures identified to mitigate any adverse impacts
  - b. Existence of any significant citywide infrastructure maintenance funding gaps and feasibility of the measures identified by the city to address such gaps
  - c. The city's anticipated need for major capital improvement projects related to water, wastewater, stormwater, roads, fire, and police services, and the feasibility of funding measures to address these needs
  - d. City's reliance on reserves to address financial impacts and consistency with the city's adopted reserve policy
8. **Island Annexations.** In order to ensure efficient service provision and orderly growth and development, LAFCO shall discourage USA amendment proposals that seek to add new lands to a city's USA when a city has unincorporated islands existing within its current USA. LAFCO will consider:
- a. Whether the city has initiated and completed annexation proceedings and / or adopted annexation plans and taken appropriate actions to annex its islands as recommended in LAFCO's Island Annexation Policies
  - b. The city's explanation of why annexation of the island(s) is not undertaken first
9. **Conformance with Service Reviews and Spheres of Influence.** In accordance with GC §56668(i), LAFCO shall consider the applicable service reviews and shall discourage amendment proposals that are inconsistent with adopted service review determinations and recommendations, or that are inconsistent with the LAFCO adopted sphere of influence for an affected local agency.
10. **Conformance with City and County General Plans.** In accordance with GC §56668(h), LAFCO shall consider whether the proposed USA amendment is consistent with the current city and county general plans and policies.
11. **Conformance with Regional Transportation Plan.** Consistent with GC §56668(g), LAFCO shall discourage USA amendment proposals that undermine the goals of the Regional Transportation Plan and Sustainable Communities Strategy prepared by the Metropolitan Transportation Commission (MTC) for the nine-county San Francisco Bay Area.
12. **Impacts on Housing.** LAFCO shall discourage USA amendment proposals that undermine Regional Housing Needs Allocation plans, reduce affordable housing stock, or propose additional urbanization without attention to affordable housing needs. LAFCO will consider:
- a. The extent to which the proposal will affect a city or county in achieving their respective Regional Housing Needs Allocation plans as determined by Association of Bay Area Governments (ABAG), consistent with GC §56668(m)

- b. Whether the proposal introduces urban uses into rural areas thus increasing the value of currently affordable rural area housing and reducing regional affordable housing supply
  - c. Whether the proposal directs growth away from agricultural/open space lands towards infill areas and encourages development of vacant land within existing urban areas thus decreasing infrastructure costs and potentially housing construction costs
  - d. Whether funding of infrastructure to support development in the proposal area imposes an unfair burden on residents or customers within the existing boundaries thus impacting housing construction costs in the proposal area and within existing boundaries
13. **Environmental Justice.** In accordance with GC §56668(p), LAFCO will consider the extent to which the amendment proposal will promote environmental justice, specifically the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins with respect to the location of public facilities and the provision of public services in order to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.
14. **Public Comments.** In accordance with GC §56668(j) and (n), LAFCO shall consider comments from any affected public agencies or other public agency, proponents, landowners, voters, interested parties and members of the public.
15. **Agricultural Worker Housing Needs.** In order to promote efficient development patterns and compact infill development and prevent the ~~premature~~ conversion of agricultural land in accordance with GC §56377, Santa Clara LAFCO shall encourage, to the extent possible, agricultural worker housing to be located within cities or their urban service areas, where necessary infrastructure, services, support resources, and the broader community already exists.

~~a. However, given that a~~ Agricultural workers are an essential component of Santa Clara County's agricultural industry. ~~Santa Clara LAFCO will give special consideration to USA amendment proposals that are for agricultural worker housing which~~ and agricultural worker housing supports the preservation of open space and agricultural lands, continued sustainability of agriculture, delivery of agricultural produce, and continued viability of Santa Clara County's food system. Santa Clara LAFCO will give special consideration to USA amendment proposals that consist solely of agricultural worker housing and that meet both the following requirements:

- i. The city seeking USA amendment has methods (e.g., requirements for recordation of deed restrictions and/or affordability covenants on the property) currently in place to ensure affordability and occupancy of the proposed agricultural worker housing for eligible agricultural workers over the long term and for not less than 55 years.
- ii. The proposed agricultural worker housing will be maintained and operated by a qualified affordable housing organization that has been certified

pursuant to Health & Safety Code §17030.10, a public agency, or an employer providing housing.

b. Santa Clara LAFCO shall, and shall consider the following in evaluating such proposals:

a. i. Whether the proposal fulfills the established need for agricultural worker housing and whether it is consistent with the city and/or County's long-term agricultural land conservation plans

b. ii. Whether the proposed development of agricultural worker housing is imminent or is likely to occur within the proposal area within the next 5 years in accordance with Policy #3.4.1(g)

c. iii. Whether the proposal will result in logical and orderly boundaries in accordance with Policy #3.4.3, and whether the city has the ability to provide and fund necessary public services and infrastructure in accordance with Policy #3.4.6

~~d. Whether the city has methods currently in place (e.g., deed restrictions and/or affordability covenants) to ensure that the proposed agricultural worker housing remains affordable and occupied by eligible agricultural workers at affordable rents and sales prices over the long term~~

~~Whether the proposed agricultural worker housing will be maintained and operated by a qualified and certified affordable housing organization pursuant to Health & Safety Code §17030.10, including a public agency, or an employee housing provider~~

~~e.~~



# Exhibit A

## SANTA CLARA LAFCO's METHODOLOGY FOR PREPARING A VACANT LANDS INVENTORY

### Policy objective that LAFCO seeks to achieve through the Vacant Lands Inventory

LAFCO will use the information contained in a Vacant Lands Inventory to promote efficient use of land within a city's current boundaries prior to expanding its boundaries.

### What should a Vacant Lands Inventory Include?

A vacant lands inventory provides information on the rate of development within the city and the amount of vacant land located within the city's USA.

The vacant lands inventory is a one-time snapshot of vacant and underutilized lands for the same or similar land uses within the city's urban service area and it must include the following:

- A map showing the location of vacant lands. In terms of scale, a city's general plan land-use diagram or map is appropriate.
- A corresponding table listing the vacant lands with APNs, parcel sizes, current general plan designation, allowed density etc.

### Methodology for Preparing the Inventory

The following definitions and methodology shall apply for the preparation of a vacant lands inventory:

- Vacant lands are undeveloped and/or underutilized lands (i.e., lands developed to less than their ~~maximum~~-~~minimum~~ development potential as identified in the city's current general plan and zoning ordinance) located within the city's Urban Service Area, that have no active building permit.
- The city's current general plan/zoning designations shall define the maximum development potential for the vacant lands.
- The calculation of the rate of absorption of vacant lands within a city shall be based on the average number of building permits issued by the city in the previous 10 years.

**Sample Table of Residential Vacant lands Inventory for City XYZ**

RESIDENTIAL LAND USES	VACANT <b>ACREAGE</b> <b>LANDS</b> (ACRES)	ALLOWED DENSITY (UNITS/ACRE)	MAX. POTENTIAL UNITS
Rural Residential	150	1-2	300
Residential Neighborhood	115	3-8	920
Medium Density Residential	30	8-20	600
High Density Residential	25	21-40	1,000
Mixed Use Neighborhood	12	30-50	600
Specific Plan	52	500 units	500
<b>TOTALS</b>	<b>384</b>		<b>3,920 (A)</b>

**Sample Table of # of Residential Building permits issued by City XYZ in the last 10 years**

Years	# of Building Permits
Year 1	290
Year 2	277
Year 3	301
Year 4	329
Year 5	297
Year 6	318
Year 7	320
Year 8	412
Year 9	422
Year 10	450
Average # of Building Permits	341.6 (B)

**Sample Calculation of the Rate of Absorption of Vacant Land**

Years of residential development that City XYZ can accommodate within its existing vacant land = A/B

$$= 3,920/341.6$$

$$= \mathbf{11.5 \text{ years}}$$

# Exhibit B

## SANTA CLARA LAFCO's GUIDE FOR PREPARING A PLAN FOR SERVICES

### Policy objective that LAFCO seeks to achieve through the Plan for Services

LAFCO will use the information contained in a Plan for Services to ensure that the proposed service provider is able to adequately provide services to the proposal area without detracting from current service levels within the service providers' current service area or in the areas the service provider has already committed to serve.

### What should a Plan for Service Contain?

A Plan for Service describes the services that would be provided to the proposal area upon LAFCO approval of the proposal. It explains how and when the service provider would provide the services, how much the services would cost and how those costs would be financed and whether the services and costs are considered in the service providers' long range master plans, Capital Improvement Plans, and budgets. The Plan for Service should also include information on whether the service provider is able to **adequately** meet its current service demand and describe any ongoing service or infrastructure deficiencies and the service provider's plan for addressing the deficiencies as specified in its master plans, Capital Improvement Plans, and budgets.

GC §56653 outlines the information that a Plan for Service must contain. Further clarification of the specific requirements is provided below:

1. An enumeration of current and proposed services (including but not limited to water, sewer, storm drainage, solid waste collection, fire, police, lighting, parks, library services, roads and schools) in the proposal area. A description of who currently provides the service and who would provide the service to the proposal area upon LAFCO's approval.
2. The level and range of the service provider's existing services/facilities/ infrastructure that will be used to provide the desired services to the proposal area including detailed information on the extent, size, location and capacity of existing facilities and infrastructure that will be used to provide desired services to the proposal area.
  - 2.a. For each service, the capacity analysis should include:
    - The total capacity / service units of the current system
    - Number of service units already allocated
    - Number of service units within current boundaries anticipating future service
    - Number of service units within the system available after providing service to areas within current boundaries that anticipate future service
    - Number of service units required to serve the proposed project and whether there is enough capacity within the current system
    - Number of service units proposed to be added to meet the demand

- 2.b. In the event there is a need to add service units to serve the proposed project, the applicant shall provide a plan for obtaining the capacity necessary to provide the service which must include the following information:
- Number of service units proposed to be added to meet the demand from the proposal area
  - A description of the required facility or infrastructure (new or expansions), or additional personnel or equipment
  - The viability and likely schedule for completion of the expanded capacity project, its viability, and its relation to the proposal and the proposal timeline
  - A list of required administrative and legislated processes, such as CEQA review or State Water Resources Board allocation permits, including assessment of likelihood of approval of any permits and existence of pending or threatened legal or administrative challenges if known
  - The planned total additional capacity
  - The size and location of needed capital improvements
  - The proposed project cost, financing plan and financing mechanisms including a description of the persons or properties who will be expected to bear project costs, and how much the costs will be
  - Any proposed alternative projects if the preferred project cannot be completed.
3. The estimated time frame for service delivery to the proposal area
  4. A statement indicating any capital improvements, or upgrading of structures, roads, sewer or water treatment facilities or other conditions the agency would impose or require within the affected territory prior to providing service if proposal is approved
  5. A description of the cost of services and how the services will be financed
  6. Agency's general statement of intent to provide services to the affected territory, indicating the agency's capability of providing the necessary services in a timely manner to the affected territory while being able to serve all areas within its current boundaries and without lowering the level of service provided to areas currently being served by the agency