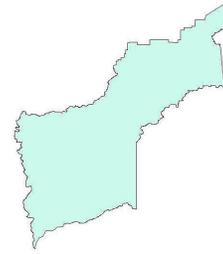


YUBA COUNTY LOCAL AGENCY FORMATION COMMISSION

JOHN BENOIT, EXECUTIVE OFFICER

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YUBA LOCAL AGENCY FORMATION COMMISSION

MEETING DATE: MAY 7, 2014, 6:00 p.m.

TO: Yuba Local Agency Formation Commission

FROM: John Benoit, Executive Officer

SUBJECT: LAFCO 2012-0007 - Annexation of the Johnson Rancho Property into the City of Wheatland.

LAFCO File No. 2012-0008 Hop Farm and Wheatland Parcels into the City of Wheatland

Attachments:

1. LAFCo Resolution approving the annexation of the Hop Farm/Wheatland Parcels Annexation
2. LAFCo Resolution approving the annexation of the Johnson Rancho Annexation
3. City Resolution 17-12 Hop Farm/Wheatland Parcels Initiating Resolution
4. City Resolution 18-12 Johnson Rancho Initiating Resolution
5. Fiscal Analysis
6. Plan for Services and Justification Hop Farm/Wheatland Parcels
7. Plan for Services and Justification Johnson Rancho
8. Development Agreement Johnson Rancho
9. Development Agreement Hop/Farm Wheatland Parcels.

EXECUTIVE OFFICER'S RECOMMENDATION:

It is recommended that the Commission deliberate on these items, review the policy analysis contained in the report, and consider adoption of the attached resolutions (Hop Farm & Wheatland Parcels and the Johnson Rancho) approving the proposed annexation of the Hop Farm and Wheatland Parcels and Johnson Rancho territory into the City of Wheatland, subject to the recommended terms and conditions stated in the attached resolutions (See Attachments #1 and #2 proposed LAFCo Annexation Resolutions (including a map and geographic description, CEQA findings and the Property Tax Exchange Agreement)).

Government Code Section 56666 states a hearing may be continued from time to time but not to exceed 70 days from the date specified in the original notice.

LAFCo's ROLE:

The Cortese-Knox-Hertzberg Act directs LAFCo's to achieve two main purposes:

1. Discourage sprawl.
2. Encourage orderly government.

LAFCo's regulate by reviewing and acting on proposals to change boundaries. LAFCo's control nine types of boundary changes including annexations.

State law forbids LAFCo's from making *direct land use decisions*. See Government Code Section 56886. LAFCo's cannot regulate the use of land, property development, or subdivisions design. For instance, Shasta LAFCo cannot force the Shasta County Board of Supervisors to zone land in the unincorporated Fall River Valley for agricultural use nor can the LAFCo overturn a subdivision decision made by the City of Redding city council. LAFCo's may control the timing and location of land use because LAFCo controls the boundaries of those local governments that make land use decisions and provide services for development.

1. INTRODUCTION:

LAFCo File No. 2012-0007 - Johnson Rancho The City of Wheatland has applied to LAFCo for an uninhabited annexation entitled the Johnson Rancho Annexation, which includes 3,461 acres located east of the City of Wheatland on property located north and south of Spenceville Road, east of the Wheatland Expressway alignment and Hop Farm and Wheatland Parcels Annexation. The proposed project is being processed in conjunction with LAFCO # 2012-0008 (Hop Farm and Wheatland Parcels) and must be annexed prior to the Johnson Rancho for contiguity purposes. The Johnson Rancho annexation includes APN's 015-080-020, 015-160-029,-095,-096, -098, 015-360-024,-025,-026,-028,-029,-030,-031,-032,-038, 015-370-001, 015-560-005 and 015-570-006. The Boundaries of the Plumas Brophy Fire Protection District or other service districts will remain unchanged by this proposal. The territory proposed for annexation is contiguous to the City's boundaries and is within LAFCo's adopted Sphere of Influence for the City.

The City of Wheatland approved Resolution 18-12 certifying the Environmental Impact Report with a statement of overriding considerations and mitigation monitoring program for both the Johnson Rancho and Hop Farm and Wheatland Parcels) and approving the application for annexation of the Johnson Rancho Property (See Attachment #3).

LAFCO File No. 2012-0008 Hop Farm and Wheatland Parcels The City of Wheatland has applied to LAFCo for an uninhabited annexation including approximately 688.4 acres of territory located south of Spenceville Road, between State Route 65 and the Wheatland Expressway Alignment and north of the Bear River consisting of APN's 015-191-006,-014, 015-213-009 and 015-360-001,-007,-033,-051,-052,-053. The proposed annexation territory is contiguous to the southeastern area of the City and within LAFCo's adopted Sphere of Influence. The Boundaries of the Plumas Brophy Fire Protection District or other service districts will remain unchanged by this proposal. The proposed project is being processed in conjunction with LAFCO #2012-0007 (Johnson Rancho).

The City of Wheatland approved Resolution No. 17-12 certifying an Environmental Impact Report with a statement of overriding considerations and mitigation monitoring and reporting program for these projects

including analysis of both the Hop Farm property (674 acres) and the Wheatland parcels (14.4 acres) and the 3,461-acre Johnson Rancho annexation (See Attachment #4).

The Plumas Brophy Fire Protection District and the City have entered into a Joint Powers Agreement in 2006 whereby the boundaries of the Plumas Brophy Fire Protection District will remain unchanged as a result of these annexations. Since there is a Joint Powers Authority, fire protection and emergency medical services (EMS) are proposed to be unchanged by these annexations. The Johnson Rancho, the Hop Farm and the Wheatland Parcels projects are being processed in conjunction with LAFCo 2012-0009, Nichols Grove annexation, which is a 500.4-acre uninhabited annexation. This report and action does not include the Nichols Grove Annexation proposal.

The following issues have been identified in staff's review of LAFCo's adopted policies:

Timely annexation. Due to the recession, there has been substantially reduced development throughout the county for the past 6 years leaving supply of lots exceeding inventory of lots. Yuba County has an inventory of 6,202 recorded residential lots, 3,486 lots in the checking process and 18,186 approved tentative subdivision lots. Most of these lots are in the Linda/Plumas Lakes/Olivehurst areas. Based on the number of potential lots in the Jones Ranch and Heritage Oaks annexations and the Island annexation, the City of Wheatland has 1,217 lots in various planning stages. The Commission should discuss and consider a finding regarding approving the annexations in light of the high inventory of vacant or potential vacant lots in the Yuba County area. It should be noted the planning process in California is lengthy, expensive and unpredictable. Should the Commission not approve the annexations, the City would need to re-evaluate its services plans and future plans and possibly begin a second planning process in the future. It should be noted the projects before LAFCo were contemplated prior to the recession and cities have the ability to provide a full complement of services.

Agricultural Lands. It is anticipated agricultural lands will be converted as a result of proposed development around the City of Wheatland and throughout the County. The CKH Act recognizes agricultural lands will be converted to non-agricultural uses. Under the County General Plan, many properties are designated as agriculture with an agricultural or resource conservation zoning designation. Many annexation areas are designated as "prime agricultural land" under the Farmland Mapping and Monitoring Program (FMMP) of the California Dept. of Conservation as well as meeting the LAFCO definition of prime agricultural lands described in this report. Among LAFCo's core purposes is preservation of open space and prime agricultural lands.

It is true that the imposition of a conservation easement on other agricultural lands does not reduce the direct impact of conversion since the land converted is permanently removed from agricultural production. What it does is to provide some protection for other agricultural lands that might otherwise face increased pressure for conversion as a result of each incremental project converting agricultural lands.

The Commission may wish to consider an additional term and condition regarding the protection of agricultural lands and consider the sufficiency of the mitigation measure adopted by the city. No changes to the EIR are suggested or required. The Commission may wish to ensure conservation easements are implemented both for city and county projects, which are forthcoming.

The City adopted Mitigation Measure 4.2-7, as follows:

"Prior to recording any final map for portions of the project site located on Prime Farmland, the project applicant shall obtain and dedicate a conservation easement for the purposes of ensuring continued agricultural viability of lands equal in acreage to the amount of land removed from agricultural operation within the project site. The lands

covered within this easement or easements shall be within Yuba County, and shall have equal or greater ratings under the Soil Classification System of the California Department of Conservation or its equivalent in the event that a County-wide program is developed. This easement shall remain in effect in perpetuity and shall be dedicated to Yuba County or a non-profit agricultural conservation association approved by the County. The location and amount of agricultural acreage would also be subject to the review and approval of the City Council.”

Mitigation Measure 4.2-7 does not include a specific amount of land or a conservation ratio nor is there an agreement in place with a conservancy, LAFCo or the County to ensure agricultural conservation easements are implemented. Perhaps terms and conditions should be added to the Resolution to read as follows:

For Example:

1. *That prior to the approval of any final subdivision map for any portion of the Hop Farm or Johnson Rancho annexation territory, a change of organization approving the detachment from the Camp Far West Irrigation District or the Wheatland Water District of that portion of the annexation property planned for urban development must be filed and approved by the Yuba Local Agency Formation Commission.*
2. *Prior to the recordation of a certificate of completion through LAFCo for the Hop Farm and Johnson Rancho Annexations, the applicant(s) and the Yuba Local Agency Formation Commission shall enter into an agreement to ensure preservation of prime farmland meeting LAFCo’s definition in Gov. Code 56064 at a ratio of 1-acre converted to dedication of a permanent easement of 1-acre within Yuba County having soils of Class II in productive value, or higher, through permanent agricultural easements, purchase of development rights or donation of mitigation fees to an agricultural land trust or a conservancy. Evidence of said farmland preservation shall be made prior to filing of any Final Subdivision Map with the City of Wheatland.*

Islands and Contiguity: Annexation of the Hop Farm will create islands if proceedings for “The Wheatland Parcels” annexation are not finalized for whatever reason. Likewise proceedings for the Hop Farm Annexation must be completed prior to completion of proceedings for the Johnson Rancho Annexation. Conditions have been added to ensure there will be no islands created and contiguity will be maintained.

EMS and Fire Protection: The Plumas Brophy Fire Protection District has entered into a Joint Powers Agreement (JPA) with the City for Fire and EMS services effective January 1, 2006. The proposal submitted by the City for this annexation states that lands within the Fire District will not be detached. Since this annexation will not have an adverse effect upon the fire district or their ability to provide services as a result of the JPA agreement, there does not appear to be cause for denial. However, the Commission should deliberate the need for a detachment from the District for purposes of maintaining logical boundaries. A term and condition of the proposed annexations reads: *“The boundaries of the Plumas-Brophy Fire Protection District shall remain unchanged by this annexation”*.

Property Tax Exchange Agreement: The Resolution of Tax Exchange was approved by the Board of Supervisors on September 24, 2013, County of Yuba Resolution 2013-102, and by the City of Wheatland on September 23, 2013, City of Wheatland Resolution 17-13. This Resolution included several items including: City Sphere of Influence, Transportation Infrastructure, Facility Impact Fees, and Prime Agricultural Land Preservation. The City currently has a General Plan Policy to establish a Memorandum of Understanding with the County in order to maintain agricultural preservation zoning on farmland surrounding the City. While issues identified in the Tax Exchange Agreement are critical to both the City and County, it would not be appropriate for LAFCo to require the City and County to enter into an agreement, but to encourage the City and County to continue discussions regarding the items brought up in the Tax Exchange Agreement.

2. PROPOSALS:

LAFCO File No. 2012-0007 - Johnson Rancho (see City Resolution 18-12)

LAFCO File No. 2012-0008 Hop Farm and Wheatland Parcels (see City Resolution 17-12)

3. ACREAGE AND LOCATION:

Johnson Rancho consists of 3,461 acres located east of the City of Wheatland located north and south of Spenceville Road east of the Wheatland Expressway alignment and the Hop Farm and Wheatland Parcels Annexation.

The Hop Farm and Wheatland parcels consist of a total of 688.4 acres of uninhabited territory located south of Spenceville Road between State Route 65 and the Wheatland Expressway alignment and north of the Bear River.

4. PURPOSE:

The purpose of these annexations is to provide urban services to the territory. The annexation of the Johnson Rancho, Hop Farm and Wheatland Parcels properties to the City of Wheatland at full build out would allow construction of approximately 14,396 dwelling units and 131 acres of commercial mixed use, 274 acres of employment use with 5,940,540 commercial (employment) square footage, 95 acres of school sites, 31 acres for the proposed Wheatland Expressway, as well as parks, recreation, and open space.

5. PRELIMINARY PROCEEDINGS INITIATED BY:

City of Wheatland Resolution No. 18-02 adopted August 14, 2012 and Resolution No 17-02 also adopted August 14, 2012.

6. ACCEPTED FOR FILING: April 2, 2014 and the LAFCo hearing was set for May 7, 2014.

7. PUBLICATION AND POSTING: April 10, 2014

8. COMPLIANCE WITH CEQA:

<u>LEAD AGENCY:</u>	City of Wheatland
<u>ENVIRONMENTAL FINDING:</u>	Environmental Impact Report (State Clearinghouse No. 2008082127)
<u>DATE OF FINDING:</u>	August 14, 2012

The environmental documents are attached and hereby incorporated into this report.

Staff examined the Environmental Impact Report process as stated in Section 15096 of the State CEQA Guidelines, prepared for the Johnson Rancho Hop Farm (Wheatland Parcels) project as a responsible agency under the California Environmental Quality Act (“CEQA”), exercised its independent judgment and recommends the findings contained in the adopting resolutions regarding these Annexations.

CEQA Guidelines Sections 15162 and 15163 provide that a subsequent or supplemental environmental impact report (EIR) shall be prepared if certain conditions or circumstances exist. In general, a subsequent or supplemental EIR must be prepared if there are changes in the project, changes in the circumstances, or

new information that require substantial changes to the previous environmental document because of new significant or more severe impacts. Having reviewed and considered all of the public comments, testimony and documentation submitted to the Commission in regard to this project staff believes that none of the factors or considerations requiring preparation of a subsequent or supplemental EIR have been identified.

CEQA Guidelines Section 15088.5 requires a lead agency to recirculate an EIR for further review and comment when significant new information is added to the EIR after public notice is given of the availability of the draft EIR but before certification. New information includes: (i) changes to the project; (ii) changes in the environmental setting; or (iii) additional data or other information. Section 15088.5 further provides that “[n]ew information added to an EIR is not ‘significant’ unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative) that the project’s proponents have declined to implement.” Having reviewed the information contained in the EIR and in the City’s administrative record as well as the requirements under CEQA Guidelines §15088.5, staff believes no new significant information was added to the EIR (or was required to have been added) following public review and thus recirculation of the EIR is not required by CEQA.

As a responsible agency LAFCo was afforded the opportunity to review the Draft EIR and provided comments, which the City addressed. If LAFCo believed the EIR was deficient or inadequate for its use, LAFCo was required by CEQA to have taken the issue to court within 30 days after the filing of the Notice of Determination in 2012, prepare a subsequent EIR if permissible under CEQA Guideline 15162, assume the Lead Agency Role or be deemed to have waived any objection to the adequacy of the EIR. As indicated above, staff believes that the Final EIR as certified by the City of Wheatland adequately analyzes the impacts of the proposed annexation and LAFCo’s comments, and should be relied upon by LAFCo as a responsible agency under CEQA.

LAFCo’s purview is narrow. Comments received must constitute substantial changes and provide significant information that was not known or could not have not been known at the time the EIR was certified as complete. All feasible mitigation for traffic, drainage and other identified impacts of the project have been incorporated into the FEIR, and are enforceable by the City of Wheatland and other agencies with regulatory authority. Staff reviewed the draft and final EIR for the Hop Farm and Wheatland Parcels and Johnson Rancho project and wrote letter dated July 19, 2011. The City prepared a final EIR and certified the environmental impact report prepared for the projects in August 2012. LAFCo staff sees no changes warranting additional review as described in CEQA Guidelines sections 15162 and 15163 for the Commission to consider this annexation.

9. COMPLIANCE WITH GENERAL PLANS:

The territory is designated in the Yuba County General Plan as Natural Resources. Since the Hop Farm and Wheatland Parcels and Johnson Rancho projects are located within the City’s Sphere of Influence, the City is the principal jurisdiction and the City’s General Plan will be the controlling general plan.

On August 14, 2012, the City of Wheatland City Council approved a General Plan Amendment for the 3,461-acre Johnson Rancho annexation area to redesignate the area from Urban Reserve to the following designations: Very Low Density Residential (VLDR), Low Density Residential (LDR), Low-Medium Density Residential (LMDR), Medium Density Residential (MDR), Employment (EMP), Commercial (COM), PUBLIC, and PARK.

Also on August 14, 2012 the City of Wheatland City Council approved a General Plan Amendment for the 688.4-acre Hop Farm annexation area, including the five Wheatland Parcels. These areas are included in the Wheatland General Plan Update Study Area and have been assigned various General Plan Land Use Designations, including Low Density Residential (LDR), Low-Medium Density Residential (LMDR), Medium Density Residential (MDR), High Density Residential (HDR), Employment (EMP), Commercial (C), Civic Center, Park (P), and School (S). The General Plan designations for the five Wheatland Parcels are LDR, MDR, and Commercial. The existing General Plan Land Use Designations for the Hop Farm annexation area will not be changed as part of the proposed project because the development proposed for this area is consistent with the type and intensity of development anticipated for the annexation area in the General Plan Update.

10. COMPLIANCE WITH SPHERE OF INFLUENCE:

A sphere of influence is a planning document adopted by LAFCo that shows a city or special district's future boundary and service area. In effect, a sphere of influence tells landowners, residents, and public officials where the LAFCo believes a city or district will annex in the future. The City's sphere of influence anticipates both agricultural land and urban land within its boundaries, as well as the extension of municipal services once the area is annexed and developed. The sphere includes provisions for the city to either contract for services or expand city staffing levels. The EIR prepared for this project anticipates future growth consistent with the determinations contained within the adopted sphere of influence.

All boundary changes must be consistent with spheres of influence. Only cities and counties can designate land uses. The proposed Hop Farm and Johnston Rancho annexations are within the Sphere of Influence for the City of Wheatland. As long as the land is under County jurisdiction, the County will designate the land use. When the land becomes part of the City, the City of Wheatland will designate the land use. In accordance with our policies, for the purposes of reviewing a LAFCo proposal, the City is the principal jurisdiction and the proposed land uses within the City need to be considered. Land Use issues were addressed in the EIR prepared for the Hop Farm and Johnson Rancho projects. The Sphere for the City of Wheatland was approved by LAFCo in 2011. In 2000 the Legislature amended state law to require spheres of influence to be adopted as deemed necessary every 5 years with the first update to be completed in 2008. See Government Code § 56425 (g). Yuba LAFCo's policies were updated in August 2005, prior to the 2008 statutory deadline for updates to the sphere of influence. The certificate of filing for these Annexations was issued on April 2, 2014 after the adoption of revised LAFCo policies, which took place on May 1, 2013. The intention of the updated policies was not to prevent LAFCo from taking actions but to comply prospectively with updated provisions to state law. LAFCo has re-examined the City's Sphere of Influence (adopted April 14, 2011), which took place after the adoption of a new city General Plan. Yuba LAFCo policy encourages Sphere revisions to coincide with the development of new city general plans therefore, which was the case.

The land is included within the LAFCo approved Sphere of Influence for the City of Wheatland as adopted by LAFCo on April 14, 2011 (LAFCo Resolution 2011-0004). The Sphere of Influence for the city overlaps the Plumas-Brophy Fire Protection District, the RD-2103, the Yuba County Water Agency, the Wheatland Water District and Camp Far West Irrigation District, the Wheatland Cemetery District, the Yuba County Resource Conservation District and the Sutter-Yuba Mosquito and Vector Control District. During the Sphere of Influence adoption process Yuba LAFCo found no duplication of services provided by these agencies. Of interest is the water (irrigation) agencies do not have LAFCo's authorization to provide domestic water services. Government Code Section 56133 (e) states "...prior to extending surplus water services to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county." In addition, since the provision of domestic water is a new and different service LAFCo approval may be needed for an agency to authorize the new and different services (i.e. domestic water).

The City and Plumas Brophy FPD have formed a Joint Powers Authority. It is anticipated there will be no need for any changes of organization between the City and the Plumas Brophy Fire Protection District.

11. EXISTING LAND USE FOR AFFECTED TERRITORY:

The affected territory is agricultural land in various agricultural uses.

Johnson Rancho

Generally, the Johnson Rancho area primarily consists of open cattle grazing land as well as a large walnut orchard on the AKT portion of the property, which has several accompanying operations-related structures. Natural habitats occur on-site in limited extent. The Johnson Rancho area has three distinct woodland riparian corridors. A portion of the Johnson Rancho's northern boundary contains a riparian corridor along the southern bank of Dry Creek, and two riparian corridors occur along each branch of Grasshopper Slough in the central portion of Johnson Rancho. The creek and slough support a scattered riparian canopy of valley oak, Oregon ash, and California buckeye with patches of sparse seasonal wetland vegetation, which include Himalayan blackberry, tall flatsedge, dallies grass, barnyard grass, sedge, buttonbrush, and willow.

Hop Farm

Generally, the Hop Farm property primarily consists of agricultural land currently in production and a recently planted walnut orchard not yet in production with an associated complex of residential structures and outbuildings. Natural habitats occur on-site in limited extent. The Hop Farm property has two distinct woodland riparian corridors – two riparian corridors along each branch of Grasshopper Slough in the northern/northwestern portion of the Hop Farm property. The slough supports a scattered riparian canopy of valley oak, Oregon ash, and California buckeye with patches of sparse seasonal wetland vegetation, which include Himalayan blackberry, tall flatsedge, dallies grass, barnyard grass, sedge, buttonbrush, and willow.

Wheatland Parcels

The existing five Wheatland Parcels consist of vacant land, rural residential uses, and commercial uses (i.e., PG&E substation). The Wheatland Parcels are currently designated for urban development by the Wheatland General Plan, including Low Density Residential, Medium Density Residential, and Commercial.

Wheatland General Plan Designation for the Johnson Rancho: Very Low Density Residential (VLDR), Low Density Residential (LDR), Low-Medium Density Residential (LMDR), Medium Density Residential (MDR), Employment (EMP), Commercial (COM), PUBLIC, and PARK.

Wheatland General Plan Designation for the Hop Farm and Wheatland Parcels: Low Density Residential (LDR), Low-Medium Density Residential (LMDR), Medium Density Residential (MDR), High Density Residential (HDR), Employment (EMP), Commercial (C), Civic Center, Park (P), and School (S). The General Plan designations for the five Wheatland Parcels are LDR, MDR, and Commercial.

Pre-zoning Johnson Rancho: On August 14, 2012, Wheatland City Council adopted Ordinance 445 rezoning the 3,461-acre Johnson Rancho annexation area to the Planned Development (PD) zone and approving the Stage One Development Plan for the Johnson Rancho property.

Hop Farm Pre-zoning: On August 14, 2013, the Wheatland City Council adopted Ordinance 443 approving the pre-zoning of the Hop Farm Property to Planned Development and pre-zoned the Wheatland Parcels to R-1, R-2 and C-2.

Dwellings: none
Population: none
Registered voters: less than 12

Landowners: JOHNSON RANCHO

- 1) Gibson Ranch, LLC
- 2) Brian Vail C. et al
- 3) Spenceville 25 LLC et al
- 4) AKT Wheatland Ranch, LLC
- 5) Browne Cattle Company, LLC

Landowners – HOP FARM:

- 1) Mueller, Verna B et al
- 2) Soliz Gregory T and Jennifer E. Peters-Soliz CP
- 3) Enita Elphick v. Trustee
- 4) Doris Barnett
- 5) P G & E
- 6) Bear River Walnut Ranch, LLC

12. EXISTING LAND USE FOR SURROUNDING TERRITORY:

Johnson Rancho:

Existing land uses within Johnson Rancho:

The Johnson Rancho area primarily consists of open cattle grazing land as well as a large walnut orchard on the AKT portion of the property, which also has several accompanying agricultural operations-related structures. Natural habitats occur on-site in limited extent. The Johnson Rancho area has three distinct woodland riparian corridors. A portion of the Johnson Rancho's northern boundary contains a riparian corridor along the southern bank of Dry Creek, and two riparian corridors occur along each branch of Grasshopper Slough in the central portion of Johnson Rancho. The creek and slough support a scattered riparian canopy of valley oak, Oregon ash, and California buckeye with patches of sparse seasonal wetland vegetation, which include Himalayan blackberry, tall flatsedge, dallies grass, barnyard grass, sedge, buttonbrush, and willow.

Johnson Rancho Surrounding land uses:

The land uses surrounding the Johnson Rancho annexation area can be summarized as follows:

North: Existing agricultural land and Dry Creek.

South: Wheatland SOI limit line, Yuba County/Placer County line, existing agricultural land, and Bear River.

West: Existing agricultural land (i.e., Hop Farm annexation area).

East: Existing agricultural land and rural residences.

Hop Farm:

Existing land uses within the Hop Farm annexation area:

The Hop Farm property primarily consists of agricultural land currently in production, and a recently planted orchard with an associated complex of residential structures and outbuildings. Natural habitats occur on-site in limited extent. The Hop Farm property has two distinct woodland riparian corridors – two riparian corridors along each branch of Grasshopper Slough in the northern/northwestern portion of the Hop Farm property. The slough supports a scattered riparian canopy of valley oak, Oregon ash, and California buckeye with patches of sparse seasonal wetland vegetation, which include Himalayan blackberry, tall flatsedge, dallies grass, barnyard grass, sedge, buttonbrush, and willow.

Wheatland Parcels

The existing five Wheatland Parcels consist of vacant land, rural residential uses, and commercial uses (i.e., PG&E substation). The Wheatland Parcels are currently designated for urban development by the Wheatland General Plan, including Low Density Residential, Medium Density Residential, and Commercial.

Surrounding land uses:

The land uses surrounding the Hop Farm annexation area can be summarized as follows:

North: Single-family residential development, multi-family residential, commercial uses, employment and parks.

South: Wheatland SOI limit line, Yuba County/Placer County line, and Bear River and Bear River levee system.

West: UPRR tracks, SR 65, and existing agricultural land.

East: Existing agricultural land (i.e. Johnson Rancho annexation area)

13. PROPOSED DEVELOPMENT:

The proposed development at full buildout would allow for construction of approximately 14,396 dwelling units and 131 acres of commercial mixed use, 274 acres of employment use with 5,940,540 commercial (employment) square footage, 95 acres of school sites, 31 acres for the proposed Wheatland Expressway, as well as parks, recreation, and open space.

14. FISCAL DATA:

PROPERTY TAX AND SALES TAX REVENUE EXCHANGE:

The Resolution of tax exchange was approved by the Board of Supervisors on September 24, 2013, County of Yuba Resolution 2013-102, and by the City of Wheatland on September 23, 2013, City of Wheatland Resolution 17-13.

In Summary, the base property tax is to remain with Yuba County. Property tax increment: 50% of the County's share of the property tax will be transferred to the City of Wheatland for every fiscal year after completion of the annexation. There will be no changes with other agencies receiving a portion of the property tax dollar.

After annexation, there will be a sales tax exchange of 12.5% of the sales tax received by the city from retailers in the annexation area.

Summaries of other provisions included in the Property Tax Exchange Agreement are briefly described below:

Sphere of Influence:

Notwithstanding LAFCo requirements, the City and the County agree the City's Sphere of Influence will be reasonably sized to correlate with reasonably foreseeable growth for a period of time not to exceed 20 years. The City and County agreed and the Ostrom Road Landfill will remain outside any future City Sphere of Influence unless both the City and County agree in writing for the landfill to be in the City's Sphere of Influence.

Cooperation regarding transportation planning and infrastructure:

Other issues discussed in the Property Tax Sharing agreement include provisions for cooperation in the development of transportation improvements, both locally and regionally; the City will consider traffic improvements relative to the County General Plan.

County Impact Fees:

The City and County have agreed the method of establishment and collection of County Facility Impact fees.

Prime Agricultural Land Preservation: The property tax exchange agreement also included various provisions for the preservation of agricultural lands. Preservation measures are briefly described below:

- a) Encourage development in non-prime (Soil Classification and Department of Conservation Criteria) areas first through city ordinances such as zoning. However, this encouragement is limited to lands that are not needed for the efficient delivery of services.
- b) Promote protection of the operation of farms on prime agricultural lands via disclosures and mechanisms such as zoning ordinances and development agreements.
- c) Agricultural land conversion to be preserved and mitigated in areas designated as Natural Resources in the Yuba County General Plan and outside the City's Sphere of Influence. If adequate mitigation is not feasibly available on these parcels as determined by the City or County requiring the mitigation, then land outside of Yuba County can be pursued.
- d) Cooperate in Good Faith to establish a uniform process under which prime agricultural land mitigation will occur.

Other Obligations and Limitations included in the Property Tax Exchange Agreement:

- a) Annexed areas shall include the full road right of way and the city will be obligated to provide full municipal services to the annexation area.
- b) The County will no longer be obligated to provide any additional road improvements, beyond routine maintenance and customary road repair and replacement on adjacent roads not within the annexation area.
- c) If the City desires to contract with another agency for municipal services, the City shall contact the County first and negotiated a City-County services agreement in good faith.
- d) The City or County may request an audit of the Property or Sales Tax Revenue allocated to the City and (or) County. Payment for the Audit shall be by the requesting agency and any adjustments to be made in a timely manner.

ASSESSED VALUE:

<u>Parcel</u>	<u>Land</u>	<u>ImprovementsTotal</u>	
Hop Farm and Wheatland Parcels:			
015-191-006	3,034		
015-191-014	35,984	133,897	162,881
015-009-000	114,303	15,966	130,269
015-360-001	21,471	69,747	91,218
015-360-007	N/A	N/A	N/A
015-360-000	315,000		315,000
015-360-051	1,970,300	129,700	2,100,000
015-360-052	2,291,900		2,291,000
015-360-053	4,506,600	200,000	4,706,600
Johnson Rancho:			
015-080-020	2,925,000		2,925,000
015-160-029	2,173,030	131,280	2,310,310
015-160-095	549,017		549,017
015-160-096	416,157		416,157
015-160-098	1,142,992		1,142,922
015-360-024	369,049		369,049
015-360-025	180,885		180,885
015-360-026	50,936		50,936
015-360-028	167,525		167,525
015-360-029	172,053	46,407	218,460
015-360-030	2,094,046	1,043,266	3,137,312
015-360-031	717,656	353,728	1,071,384
015-360-032	47,539	74,705	122,244
015-360-038	1,254,164	565,694	1,796,938
015-370-001	2,249,068		2,249,068
015-560-005	37,651		37,651
015-570-006	8,182		8,182

15. EXISTING SERVICE AGENCIES:

FIRE PROTECTION:

Plumas Brophy Fire Protection District through a JPA with the City of Wheatland.

SCHOOL DISTRICTS:

Wheatland School District,
711 West Olive Street, Wheatland, CA 95692

POLICE PROTECTION:

Yuba County Sheriff

RECREATION:

None

WATER:

None

SEWER:

None

DRAINAGE: None
GENERAL GOVERNMENT: Yuba County

16. SERVICE AND IMPROVEMENT PLAN:

FIRE PROTECTION: Plumas Brophy Fire Protection District through a JPA with the City of Wheatland
SCHOOL DISTRICT: Wheatland School District, 711 West Olive Street, Wheatland, CA 95692
POLICE PROTECTION: City of Wheatland
RECREATION: City of Wheatland
WATER: City of Wheatland
SEWER: City of Wheatland
DRAINAGE: City of Wheatland
GENERAL GOVERNMENT: City of Wheatland and Yuba County

17. POLICY ANALYSIS: Governing Law and LAFCO Policy

17.1 Governing Law

LAFCo is charged with applying the policies and provisions of the Cortese-Knox-Hertzberg Act to its decisions regarding annexations, incorporations, reorganizations, and other changes of government. Section 56668 of the Government Code states the following:

Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

- (a) Population, and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.
- (b) Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation; formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services, which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.
- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns, of urban development, and the policies and priorities set forth in Section 56377.
- (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
- (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- (g) A regional transportation plan adopted pursuant to Section 65080, and consistency with city or county general and specific plans.
- (h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

- (i) The comments of any affected local agency or other public agency.
- (j) The ability of the newly formed or receiving entity to provide the services which area the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.
- (k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5
- (l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with section 65580) of Chapter 3 of Division 1 of Title 7.
- (m) Any information or comments from the landowner or owners, voters, or residents of the affected territory
- (n) Any information relating to existing land use designations.
- (o) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

These factors will be reviewed with regard to the annexation to the City of Wheatland.

- (a) Population, and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

According to the SACOG MTP 2035 produced in March 2008, the City of Wheatland was expected to grow by 18,753 between 2005-2035. The projected growth rate has slowed since the 2008 SACOG projections.

Yuba County / City of Wheatland Population Change*

<u>Year</u>	<u>Jan 1, 2012</u>	<u>Jan 1, 2013</u>	<u>Percent Change</u>
City of Wheatland	3,470	3,493	+ 0.7
County of Yuba	57,064	57,696	+1.1

*California Dept. of Finance Table E-1 Nov 1, 2013

In January 2013 the population of Yuba County was divided as follows:

City of Marysville	12,250
City of Wheatland	3,493
Unincorporated Area	57,064

State of California, Department of Finance, Demographic Research Unit, 916-322-4651, www.dof.ca.gov

Land use surrounding the project is compatible with the proposed project.

A fiscal analysis of the Johnson Rancho and Hop Farm projects was prepared in 2014. The purpose of this analysis is to analyze the anticipated impacts of development of the Annexation area on the City and County General Funds, and to inform the City, County and LAFCo regarding revenue neutrality. The full analysis is included as Attachment #5. Conclusions of the analysis are as follows:

City of Wheatland Fiscal Impact

Revenue estimates for the City are based on existing revenue factors, statutory allocations, provisions agreed upon by the City and County for property tax and sales tax revenues, and development potential in the Annexation Area.

Expenditure estimates are based on a benchmark survey of service costs incurred in six cities in the region with populations similar to future the Wheatland population. In addition, some service costs, such as road and park maintenance, are based on typical unit costs incurred by cities. The Fiscal Impact Analysis uses the benchmark costs and unit costs to calculate the full cost of service at build-out of the Annexation Area.

The Fiscal Impact Analysis indicates that Community Facility District fees will be required to achieve fiscal neutrality for the City. The amount of the Community Facility Fees per residential unit and per commercial square foot would be in the range of fees that the City of Wheatland is establishing for current development in the City. Table ES-2 below summarizes the fiscal impact of development at build-out of the Annexation Area.

Table ES- 2 City of Wheatland Fiscal Impact Summary			
Expenditure Category	Johnson Rancho	Nichols Grove	Annexation Area Total
Annual revenue	\$21,502,100	\$2,513,400	\$24,015,500
CFD fees	\$ 8,651,800	\$1,121,700	\$ 9,773,500
Total Revenue	\$30,153,900	\$3,635,100	\$33,789,000
Annual expense	\$30,153,900	\$3,635,100	\$33,789,000

Yuba County Fiscal Impact

Revenue estimates for the County are based on existing revenue factors, statutory allocations, provisions agreed upon by the City and County for property tax and sales tax revenues, and development potential in the Annexation Area.

Yuba County will continue to provide countywide services to the Annexation Area, including general government, judicial services, health and sanitation and other services. The expenditure estimates in the Fiscal Impact Analysis include only those functions that serve the entire county. The analysis relies on the adopted County FY 2013/14 budget plus a five percent factor to adjust for the current reduced County service levels.

The following table presents the estimated annual General Fund revenues and expenditures at build-out of the Annexation Area. The Fiscal Impact Analysis indicates a positive fiscal impact on the County of approximately \$4.6 million per year.

Table - 3 Yuba County Fiscal Impact at Buildout of the Annexation Area			
	Johnson Rancho	Nichols Grove	Annexation Area Total
Annual revenue	\$14,965,300	\$1,761,000	\$16,726,300
Annual expenditure	\$10,873,000	\$1,256,100	\$12,129,000
Net fiscal impact	\$ 4,092,300	\$ 504,900	\$ 4,597,300

Drainage

Chapter 4.10 of the Environmental Impact Report describes drainage and hydrology.

The City of Wheatland is relatively flat, sloping gently down toward the west. Soils in the City of Wheatland generally have a low infiltration rates. The primary natural drainages in the Wheatland area is Dry Creek and Bear River. The Dry Creek and Bear River flow in a northeast to southwest direction. The Johnson Rancho and Hop Farm Annexations are located east of SR 65 and are directly adjacent to the eastern City limits. The project drainage is generally divided into four areas, Tributaries of Bear River, Tributaries of Dry Creek, Tributaries of Grasshopper Slough to Dry Creek, and Grasshopper Slough North and South Wheatland.

Currently surface runoff on the project site enters into the Bear River, Dry Creek, Grasshopper Slough Tributaries, and Grasshopper Slough. The Johnson Rancho and Hop Farm Annexation project involves the development of approximately 4,149 acres of agricultural land. Approximately 14,396 dwelling units (dus) are proposed for the entire project area, consisting of 13,330 single-family dus, 556 multi-family dus, and an additional 500 dus within non-residential land uses. The total proposed acreage consists of approximately 3,249 acres of residential, 131 acres of commercial, 274 acres of employment, 55 acres of elementary schools, 40 acres of middle schools, 24 acres of civic center, 50 acres of parks, 57 acres of linear parkway, approximately 238 acres of open space/drainage, and 31 acres of potential Wheatland Expressway. The project site currently consists of active farmland and grazing land with only a two percent impervious area, and development in the Johnson Rancho and Hop Farm Annexation territory would add impervious surfaces to the area. Chapter 4.10 of the EIR addresses Hydrology and Water Quality and describes existing and future drainage and hydrology. Source documentation include the City General Plan, and materials found in Appendix "R", *the Johnson Rancho and Hop Farm Annexation Project Master Plan* and Appendix "S", *Background, Constraints and Opportunities Analysis for Drainage*. Measures to mitigate the impacts to drainage are included in the Environmental Impact Report prepared for these projects.

- (b) Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation; formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.
"Services," as used in this subdivision, refers to governmental services whether or not the services are services, which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

There is a need for organized community services to serve the growth that will come to Yuba County in the next several decades. As development occurs, the City of Wheatland will need to provide a full complement of services to serve development in the annexation territory. The city has prepared a Plan for Services for both the Johnson Rancho and the Hop Farm properties. In summary, the city Plan for Services includes an enumeration of the services to be provided by the City including: Water distribution and source of water provided by the City, Wastewater collection and treatment provided by the City, Police and Roads through the City, Fire through the Wheatland Fire Authority. The Plans for Service and Justification Statement are included as Attachments #6 and #7.

The Water Supply Assessments (WSA) prepared for these projects determined that the amount of groundwater needed to meet the calculated buildout demand of the proposed project, as well as

Wheatland General Plan buildout, is available in the groundwater basin. The conclusion in the EIR is that water demand for the Johnson Rancho and Hop Farm Annexations would be 12,780 acre feet per year. The WSA included as Appendix U in the EIR and the EIR itself concludes while there is adequate groundwater available in the groundwater basin to serve the city and the annexation area, the Wheatland Dept. of Public Works Department would likely need to extract groundwater from geographic areas within and extending beyond the aerial extent of its current service area. Mitigation in the EIR calls for monitoring plans and programs prior to the first zoning and tentative map for development, a Water Verification Analysis (SB-221) to ensure adequate supply in conjunction with each tentative map, payment of development impact fees and updating of the City's financing plan as a condition of each tentative subdivision map.

- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

The effect of the proposed Hop Farm and Johnson Rancho annexations on adjacent areas would be that the entire Sphere of Influence for the City of Wheatland would have been annexed. Development in a City would be an effective way to provide urban services for future population growth of Yuba County.

The effect of the proposed Hop Farm and Johnson Rancho annexations on mutual social and economic interests will be beneficial because there will be a way to pay for the governmental services needed. The economic trend is that it takes a greater number of people to support commercial or governmental services. The larger population will allow the City of Wheatland to continue to provide urban services and effectively plan for these services in an orderly manner.

The effect of the proposed Jones Ranch annexation on the local governmental structure of Yuba County will be beneficial because there will be a way to pay for the services required for residential development without the creation of additional small special districts that are chronically bound to have financial difficulties.

As previously discussed, these annexations will not result in an adverse financial impact upon the county at full build out. The city will need to augment tax revenue to provide essential services. Revenue will be generated within the annexation areas by a Community Facilities District or other funding mechanism as determined by the City.

- (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns, of urban development, and the policies and priorities set forth in Section 56377.

The Hop Farm and Johnson Ranch annexation proposals and their anticipated effects conform to both the adopted Commission Policies on providing planned, orderly, efficient patterns, of urban development, and with the policies and priorities set forth in California Government Code Section 56377. Section 56377 states that land within the existing sphere of influence of a jurisdiction should be developed before lands outside the sphere of influence should be developed.

The adopted Commission policies are examined below. The City has prepared a vision statement, a General Plan, Rezoning, EIR and a Development Agreement for both the Hop Farm and Johnson Rancho Annexation. Table 4.2-5 on page 4.2-60 through page 4.2-67 provides a discussion of LAFCo Policies and a statement by the EIR's authors of consistency with LAFCo's Policies. Likewise, LAFCo is discussed in the regulatory setting beginning on page 4.2-18. It should be noted Yuba LAFCo Policies were updated as of May 1, 2013 ((see LAFCo's Policy Analysis below)

- (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

The territory is in agricultural production at this time albeit a portion of the Johnson Rancho is used for grazing activities. Likewise a significant portion of the annexation territory is in recently planted walnuts. Ultimately, the land will be converted to non-agricultural use as the annexation area develops. LAFCo requested an analysis of Government Code Section 56064 in the EIR, Gov. Code Section 56064 is LAFCo's definition of prime farmland.

Section 56064 contains a broad definition of prime agricultural land—far broader than that used in many other such characterizations. Basically under Section 56064, land is considered prime agricultural land if it meets any of the following definitions:

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

As concluded in the EIR, a substantial portion of the project site contains prime agricultural land meeting LAFCo's definition and remains a significant and unavoidable impact. A Mitigation Measure was added in the FEIR calling for agricultural conservation easements to mitigate the loss of Prime Agricultural Land (MM 4.2-7)

- 4.2-7 Prior to recording any final map for portions of the project site located on Prime Farmland, the project applicant shall obtain and dedicate a conservation easement for the purposes of ensuring continued agricultural viability of lands equal in acreage to the amount of land removed from agricultural operation within the project site. The lands covered within this easement or easements shall be within Yuba County, and shall have equal or greater ratings under the Soil Classification System of the California Department of Conservation or its equivalent in the event that a County-wide program is developed. This easement shall remain in effect in perpetuity and shall be dedicated to Yuba County or a non-profit agricultural conservation association approved by the County. The location and amount of agricultural acreage would also be subject to the review and approval of the City Council.*

If the land in a proposed annexation territory falls within LAFCo's "prime agricultural land" definition, it triggers a "heightened scrutiny" under CKH and Yuba LAFCo's adopted policies, especially where, as here, the annexation will result in permanent removal of the land from agricultural production. Under CKH, Section 56377, LAFCo is required to do the following:

56377. Open Space Land Conversion. *In reviewing and approving or disapproving proposals, which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands*

to uses other than open-space uses, the commission shall consider all of the following policies and priorities:

(a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

(b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency.

Yuba LAFCo's Policies Section 2-P implements the above statutory direction by imposing a number of requirements in consideration of any change of organization that proposes to convert prime agricultural land. Chief among these is a determination that "insufficient vacant non-prime or open space land exists within the existing agency boundaries or applicable sphere of influence that is planned and developable for the same general type of use". (Section 2-P 1(d)).

Yuba LAFCo Policy Section II-P

1. Conditions for Approval of Prime Ag/Open Space Land Conversion.

Yuba LAFCo will apply a heightened level of review when considering proposals for changes of organization or reorganization which are likely to result in the conversion of prime agricultural/open space land use to other uses, and will approve such proposals only when the Commission finds that the proposal will lead to planned, orderly, and efficient development. For purposes of this standard, a proposal leads to planned, orderly, and efficient development only if all of the following criteria are met:

- a) The land subject to the change of organization or reorganization either is contiguous to lands developed with an urban use or lands which have received all discretionary approvals for urban development.*
- b) The proposed development of the subject lands is consistent with the Spheres of Influence Plan, including the municipal services review of the affected agency or agencies and the land subject to the change of organization is within the sphere of influence boundary as established by Yuba LAFCo.*
- c) The land subject to the change of organization is likely to be developed within 5 years. In the case of very large developments, annexation should be phased wherever feasible. If the Commission finds that phasing is not feasible for specific reasons, it may approve annexation if all or a substantial portion of the subject land is likely to develop within a reasonable period.*
- d) Insufficient vacant non-prime or open space land exists within the existing agency boundaries or applicable sphere of influence that is planned and developable for the same general type of use.*
- e) The proposal will have no significant adverse effect on the physical and economic integrity of other adjacent or nearby agricultural/open space lands.*

1. Territory within the Hop Farm, Wheatland Parcels and Johnson Rancho has received all discretionary approvals from the city with the exception of tentative subdivision maps. It is appropriate to receive Tentative Map approvals after annexation. The City has rezoned all the territory within the Hop Farm and Jones Ranch annexation territory to Planned Development providing for a mixture of land uses. The development

of lands contiguous with the city will promote orderly development and not leap frog development.

2. Territory within the Hop Farm, Wheatland Parcels and Johnson Rancho are within the LAFCo Established Sphere of Influence and consistent with the Service Review for the City of Wheatland.

3. Due to the recession land may not be developed within the next 5 years. Phasing annexations could result in higher development costs including numerous CEQA updates and additional processing costs. The Commission has the authority to approve a portion of the annexation territory should it choose. The Hop Farm and Wheatland Parcels must be annexed prior to the Johnson Rancho for contiguity purposes.

4. The City previously annexed the Jones Ranch (194 acres and 602 units including the Islands Annexation portion) and Heritage Oaks (254 acres and 565 units). These annexations are significantly smaller than the Hop Farm, Wheatland Parcels and Johnson Rancho proposals at 4,329 acres. Lands to the west of the City have many development constraints and are located adjacent to prime agricultural lands. The Jones Ranch and Heritage Oaks projects do not contain mixed-use development and could be considered to not be for the same general type of land use.

5. No adverse effects on the physical or economic integrity of adjacent agricultural lands are anticipated. As stated in the EIR, potential incompatibilities could occur.

2. *Approved Sphere of Influence Plan Required. Yuba LAFCo will not make the affirmative findings that the proposed development of the subject lands is consistent with the Spheres of Influence in the absence of an approved Spheres of Influence Plan, containing all of the elements required by Section III.B, below.*

Yuba LAFCo adopted a Sphere of Influence Plan on April 14, 2011 containing the required elements.

3. *Finding with Respect to Alternative Sites. Yuba LAFCo will not make the affirmative findings that insufficient vacant non-prime or open space land exists within the Spheres of Influence plan unless the applicable jurisdiction has:*
- a) *Identified within its Sphere of Influence all "prime agricultural land" and "open space land".*
 - b) *Enacted measures to preserve prime ag/open space land identified within its Sphere of Influence for agricultural or open space use.*
 - c) *Adopted as part of its General Plan specific measures to facilitate and encourage in-fill development as an alternative to the development of prime ag/open space lands.*

The City adopted a General Plan and enacted policy measures for efficient and orderly development and has certified an EIR including mitigation for the loss of Agricultural Lands. Development of non-prime territory within the Hop Farm Johnson Rancho Area would result in leap frog, non-contiguous development and inefficient delivery of services should non-prime agricultural land be developed prior to development of prime agricultural lands.

4. Determining Impact on Adjacent Ag/Open Space Lands. In making the determination, whether conversion will adversely impact adjoining prime agricultural or open space lands, Yuba LAFCo will consider the following factors:
- a) The prime ag/open space significance of the subject and adjacent areas relative to other ag/open space lands in the region.
 - b) The use of the subject and the adjacent areas.
 - c) Whether public facilities related to the proposal would be sized or situated so as to facilitate the conversion of adjacent or nearby prime ag/open space land, or will be extended through or adjacent to any other prime ag/open space lands which lie between the project site and existing facilities.
 - d) Whether natural or man-made barriers serve to buffer adjacent or nearby prime ag/open space land from the effects of the proposed development.
 - e) Applicable provisions of the General Plan open space and land use elements, applicable growth-management policies, or other statutory provisions designed to protect agriculture or open space land.

This proposal should not impact adjacent agricultural lands since there are barriers between the annexation area and the annexation territory, the city plans to size infrastructure and has established measures in its General Plan and the EIR to reduce impacts to adjacent agricultural lands.

5. Comments on Prime Ag/Open Space Projects. Yuba LAFCo will comment upon, whenever feasible, a Notice of Preparation for Environmental Impact Reports for projects which involve the development of large tracts of open space or agricultural land.

Yuba LAFCo provided comments at the Notice of Preparation Stage and on the Draft Environmental Impact Report stages for the Hop Farm and Johnson Rancho annexations.

6. Agricultural Buffer Policy. LAFCO will normally disapprove an annexation of territory to a City or District or the formation of a district that will facilitate urban development where the territory to be annexed or formed is adjacent to agricultural lands unless adequate protections are included in the proposal to protect agricultural activities on nearby agricultural lands. Adequate protection shall normally be provided for an open space buffer of adequate width along the boundary (for example, 300 feet in width) so as to protect adjacent agricultural lands and activities. The Commission will consider other methods after making a finding, based on thorough environmental analysis and substantial evidence in the record, or that a buffer of reduced width and (or) an alternative are equally effective in protecting adjacent agricultural land and activities. Any protections shall be in the form of long-term legally enforceable restrictions such as a restrictive covenant or open space easement enforceable by the public as well as the annexing or forming agency.

The City has adopted policies in its General Plan to lessen the impact upon adjacent agriculture. To comply with policies in its General Plan, the City may establish specific buffers on a case-by-case basis at the Tentative Subdivision Map stage.

- (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

The boundaries are definite and certain. The land will adjoin other land in the City provided the Hop Farm Annexation territory is annexed prior to the Johnson Rancho annexation territory since the Johnson Rancho annexation territory is not contiguous with the city.

- (g) Consistency with city or county general and specific plans.

The proposed annexations are consistent with the City of Wheatland's General Plan. LAFCo policies designate the principal jurisdiction as the jurisdiction where the annexation territory is within its Sphere of Influence. In this case the principal jurisdiction is the City of Wheatland.

The Yuba County general plan identifies the annexation territory as Natural Resources. This designation in the residential allowable density and intensity category allows *"up to one unit per parcel and one second unit per parcel is allowed except for agricultural employee housing, which does not have a specific density limit, but is dependent on environmental site conditions, health and safety regulations, and availability of water, sewer, and other utilities"* (Page 14, Community Development Element of the Yuba County General Plan adopted on June 7, 2011 Resolution 2011-46). Prior to any development, a County General Plan Amendment would be required so the territory could be included in the County's Valley Growth Boundary. This action would require a 4/5 vote of the Board of Supervisors.

Note: CEQA requires that EIRs "discuss" any inconsistencies with applicable land use plans, but does not explicitly require that an EIR reach a conclusion that a conflict exists. See CEQA Guidelines §15125(d). CEQA does not set forth any standard for determining consistency with the General Plan, as the final determination of consistency is made by the agency responsible for approving the project. Courts will defer to an agency's decision on consistency with its own plans unless, based upon the evidence before the decision-making body, a "reasonable person" could not have found the project to be consistent. See *No Oil, Inc. v. City of Los Angeles*, 196 Cal.App.3d 223 (1987).

- (h) The sphere of influence of any local agency, which may be applicable to the proposal being reviewed.

The proposal is consistent with the Sphere of Influence adopted for the City of Wheatland, which was adopted by LAFCo on April 14th 2011. As development occurs, territory within the various proposed subdivisions may need to be detached from the Camp Far West Irrigation District or the Wheatland Water District and their current Sphere of Influence. These districts provide agricultural water for farming and grazing operations east of the City of Wheatland. LAFCo approval will also be needed to use agricultural irrigation water for urban uses provided from these districts. LAFCo would need to authorize these districts to provide domestic water as a new service. Detachments from these districts would therefore be required prior to urban development (subdivision maps) being processed by the city when agricultural irrigation water is no longer needed.

- (i) The comments of any affected local agency.

Comments from all agencies were reviewed, considered and responded to during the City's Environmental Impact Report review process.

No comments from any other agency have been submitted to LAFCo.

- (j) The ability of the newly formed or receiving entity to provide the services which area the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

The City of Wheatland has prepared a plan for services for both the Hop Farm Annexation and the Johnson Rancho annexation (see Attachments #6 and #7). In addition the City has prepared a City Water Master Plan and Sewer Collection Sewer Master Plan, prepared for the City's 2006 General Plan have been updated to identify backbone infrastructure needed. The city also has entered into development agreements (see Attachment #8, Ordinance 446 Johnson Rancho Development Agreement and Attachment #9, Ordinance 444 Hop Farm Development Agreement) and have implemented developer impact fees.

- (k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5

The City provided a Water Supply Assessment (WSA) for the Hop Farm and Johnson Rancho projects meeting the requirements of SB 610 (10910-10915 of the California Water Code) in 2011. The assessment is provided as Appendix U of the EIR. The city must also comply with SB-221 and its General Plan Policy calling for long-term reliable water supply and verification of the water supply prior to approval of a subsequent subdivision. Briefly, the WSA concludes the city will need to provide additional wells and other infrastructure to meet water demands in the annexation territory. Source water is available based on DWR projections and existing agricultural water use in the area. Water is potentially available from the Yuba County Water Agency through the Wheatland Water District, should this water be used, LAFCo approval would be required to authorize the Wheatland Water District to provide domestic water.

Hop Farm and Johnson Rancho Mitigation Measures 4.13-1(a) through 4.13-1(e) include measures to ensure there is adequate water supply and delivery for new residents. A discussion and conclusion with mitigation measures is included on pages 4.13.1 through 4.13-6 of the Johnson Rancho – Hop Farm EIR includes a general discussion, Pages 4.13-18 – 4.13-19 includes the regulatory environment and pages 4.13-22 through 4.13.33 include the impacts and mitigation measures regarding water supply.

Water demand for the Johnson Rancho and Hop Farm Annexation project would be approximately 12,730 AF/year based on an average daily demand of 780 gpd. The Water Supply Assessment for the Johnson Rancho and Hop Farm Annexation project concludes that the amount of groundwater needed to meet the calculated buildout demand of the proposed project, as well as Wheatland General Plan buildout, is available in the groundwater basin. However, the groundwater cannot be provided without the development of additional infrastructure to extract and deliver it to the users. If groundwater alone is used to supply the 20-year buildout sustainable demand for water needed for existing uses, the Johnson Rancho and Hop Farm Property project, and the other projects identified in the City's General Plan, the Wheatland Public Works Dept. would likely need extract groundwater from geographic areas within and extending beyond the aerial extent of the current Wheatland Public Works Dept. service area, the Johnson Rancho and Hop Farm Properties area and the other developments listed in the City's General Plan. Without the construction and installation of additional water supply infrastructure to serve the project, a potentially significant impact to water supply delivery will occur.

It should be noted that portions of the territory north of Spenceville Road are located within the Wheatland Water District. Prior to development in those areas (Dave Browne and the Browne Cattle Company) detachment from the Wheatland Water District should be required. Likewise a detachment should be required for territory within the Camp Far West Irrigation District, as well.

(l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with section 65580) of Chapter 3 of Division 1 of Title 7.

California Planning law requires each city and county to have land zoned to accommodate a fair share of the regional housing need. The share is known as the Regional Housing Needs Allocation (RHNA) and is based on a Regional Housing Needs Plan (RHNP) developed by Councils of Government. SACOG is the lead agency for developing the RHNP for a six county area that includes Yuba County and the City of Wheatland. The latest housing allocation was adopted on September 20, 2012. The jurisdiction is not required to make development occur; however, the jurisdiction must facilitate housing production by ensuring that land is available and that unnecessary development constraints have been removed.

The City of Wheatland Housing Element and other portions of the General Plan were updated in 2005 and 2006. The County's Housing Element was adopted in 2014. As the territory is planned for Natural Resources, there is little possibility this annexation will affect the county in achieving its fair share of regional housing.

The proposed projects will help the City of Wheatland meet its fair share of the regional housing needs as determined by the State Department of Housing and Community Development.

(m) Any information or comments from the landowner or owners.

The landowners are in favor of this district formation because they want to develop the property. No comments from others have been received.

(n) Any information relating to existing land use designations.

The proposed project conforms to the City of Wheatland's General Plan. The land use designations are as follows:

Wheatland General Plan Designation Johnson Rancho: Very Low Density Residential (VLDR), Low Density Residential (LDR), Low-Medium Density Residential (LMDR), Medium Density Residential (MDR), Employment (EMP), Commercial (COM), PUBLIC, and PARK.

Wheatland General Plan Designation Hop Farm and Wheatland Parcels: Low Density Residential (LDR), Low-Medium Density Residential (LMDR), Medium Density Residential (MDR), High Density Residential (HDR), Employment (EMP), Commercial (C), Civic Center, Park (P), and School (S). The General Plan designations for the five Wheatland Parcels are LDR, MDR, and Commercial.

(o) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

There appears to be no environmental justice issues associated with the conversion of vacant agricultural land to urban development at this time.

LAFCo is charged with applying the policies and provisions of the Cortese-Knox-Hertzberg Act to its decisions regarding annexations, incorporations, reorganizations, and other changes of government. LAFCo’s review of projects must be consistent with the policy directives of the LAFCo Act. Specifically, LAFCo’s policies are designed to:

- a) Provide Information. Give applicants for changes of organization guidance as to the information LAFCo needs to make appropriate determinations concerning their applications and provide information and notice to elected officials, governmental staff, and members of the general public as to the standards and procedures that LAFCo will use in evaluating applications.
- b) Set Criteria. Provide applicants for changes of organization with explicit guidance as to the criteria LAFCo will use in approving, disapproving, amending, or conditionally approving applications for changes of organization.
- c) Ensure Greater Consistency in LAFCo's decision-making process.
- d) Facilitate Communication among local agencies in the region.
- e) Minimize Adverse Impacts of the social, economic, and environmental results of growth.
- f) Provide for Planned, Well-Ordered Efficient Urban Development Patterns with appropriate consideration of preserving open space lands within those patterns.

Yuba LAFCo General Policies

Policy		Comment
Communication between local agencies is encouraged.	Consistent	The City of Wheatland has referred documents to LAFCo and has communicated with LAFCo throughout the annexation and environmental review process. The proposed Annexations are a good example of communication between local agencies. The tax exchange agreement has been worked out with the County including many provisions for further discussion between the two agencies. The Wheatland Parcels (part of these annexations) proposal is proposed to be developed to comply with LAFCo requirements. The City and the Plumas-Brophy Fire Protection District previously signed a Joint Powers Agreement and operate a Joint Powers Agency.
Urban development proposals shall include annexation to a city where possible.	Consistent	This is a large development project to be implemented in phases over several years. This policy states “LAFCO will encourage proposals that result in urban development to include annexation to a city wherever reasonably possible, and discourage proposals for urban development without annexation to a city.” This Annexation clearly conforms to this policy.

LAFCo will normally deny proposals that result in urban sprawl.	Consistent, this proposal is located within the city's Sphere of Influence and will be developed upon approval of tentative subdivision maps.	The Hop Farm Annexation is adjacent to the City of Wheatland, the Hop Farm Annexation must be approved first than the Johnston Rancho annexation can be approved. These annexations will be developed according to the City of Wheatland General Plan. This is not a case of "leap-frog" development.
Environmental consequences (CEQA) shall be considered.	Consistent	The City of Wheatland had an extensive Environmental Impact Report (EIR) prepared for the Hop Farm and Johnson Rancho annexations. The Final EIR included responses to all comments. The environmental impacts of this development will be mitigated to the fullest possible extent and the City has adopted a Statement of Overriding Considerations in support of its conclusion that the benefits of the project outweigh the remaining significant and unavoidable environmental impacts. There have been no changes to the project, and especially within the purview of LAFCo, thus additional environmental review is not permitted under CEQA Guidelines 15162. The EIR was a programmatic EIR as permitted by CEQA and was intended to be used by LAFCo and other agencies, as a responsible agencies and subsequent actions as opposed to piece-mealing the environmental documentation. LAFCo did not believe the EIR was deficient in 2011 and did not pursue actions in CEQA Guideline Section 15095 (e).
LAFCo will consider the impact of a proposal on the regional supply of housing for all income levels.	Consistent	The City of Wheatland will work on the balance of jobs and housing although it is difficult to have a perfect balance in a small community within a large regional market for both jobs and housing.
Disadvantaged Unincorporated Communities	Consistent	There are no disadvantaged communities contiguous to the Annexation territory meeting the criteria in LAFCo Policy.
LAFCo will favor proposals that promote compact urban form and	N/A	The Hop Farm Annexation to the City of Wheatland will achieve a compact urban

infill development.		form because the property is directly adjacent to the City of Wheatland. This is preferable to rampant development in the unincorporated area. Likewise after the Hop Farm Annexation is annexed the Johnson Rancho annexation will be directly adjacent to the City.
Government structure should be simple, accessible, and accountable.	Consistent	There is no indication of unnecessary complexity or lack of accessibility or accountability. The new residents of the City will have accessibility to the City Council. The Council has a regular schedule of public meetings. This is a much better situation than residents of the unincorporated area face where they may have to deal with five or six special districts including County Service Areas where decisions are made at the Board of Supervisor's meetings in Marysville.
Agencies must provide documentation that they can provide service within a reasonable period of time.	N/A	The City of Wheatland will supply adequate services to the residents of the Hop Farm and Johnson Rancho Annexations. The services section contained in the public services section of the EIR and the Plan for Services in the application was used by LAFCo staff for its review. The larger number of people will make it more economical to supply public services. The City has the ability to charge monthly fees for certain services in addition to tax revenue. The City has also provided development agreements to LAFCo. Timing of the services and development is based on market conditions and cannot be predicted with any degree of accuracy. The city must ensure it has the ability to provide various services as discussed in the fiscal analysis through the imposition of special taxes, Community Facilities Districts or other acceptable method of raising funds to provide for city services.
Efficient services are obtained when proposals: Utilize existing public agencies. Consolidate activities and	Consistent	The City will provide all services in the territory to be annexed. No other service district is required. A detachment from the Wheatland Water District and the Camp Far West Water District will occur upon

<p>services. Restructure agency boundaries to provide more logical, effective, and efficient services.</p>		<p>processing of individual subdivisions.</p>
<p>Adverse impacts on adjacent areas, social and economic interests and the local government structure must be mitigated.</p>	<p>Consistent with Mitigation added in the EIR</p>	<p>Impacts related to traffic, agriculture, drainage, flooding, aesthetics are analyzed in the EIR prepared for the Hop Farm and Johnson Rancho projects.</p>
<p>Conformance with general & specific plans required.</p>	<p>Consistent</p>	<p>The Hop Farm and Johnson Rancho projects are consistent with the adopted Wheatland General Plan as amended on August 14, 2012. The territory has been rezoned approved ordinance #443 for the Wheatland Parcels and Hop Farm on August 28, 2012 and approved ordinance #445 for the Johnson Rancho also on August 28, 2012.</p>
<p>Boundaries: Definite boundaries are required. Boundaries that are favored: Create logical boundaries & eliminate islands or illogical boundaries. Follow natural or man-made features and include logical service areas. Boundaries that are disfavored: Split neighborhoods or communities. Result in islands, corridors, or peninsulas. Drawn for the primary purpose of encompassing revenue-producing territories. Create areas where it is difficult to provide services.</p>	<p>Consistent</p>	<p>The annexation maps and descriptions have been reviewed by the County Assessor and County Surveyor for consistency with this policy. The boundaries are definite, do not contain islands and do not split neighborhoods and do not encompass just revenue producing territory and will not create territory where it is difficult to provide services.</p>
<p>Revenue neutrality required for all proposals.</p>	<p>Consistent</p>	<p>A fiscal analysis was completed. The City of Wheatland will need to provide a revenue source. The Fiscal Impact Analysis indicated the city would need to impose Community Facility District fees to achieve fiscal neutrality for the City. The amount of the Community Facility Fees per residential unit and per commercial square foot is in the range of fees the City of Wheatland is establishing (see fiscal analysis – Attachment #5).</p>

<p>Levee Maintenance and Flood Planning</p>	<p>Consistent</p>	<p>The Bear River Levee improvements were completed in 2009. Mitigation Measures in the EIR include Master Drainage Planning and long-term maintenance for territory within the Hop Farm and Johnson Rancho projects. In addition to master drainage plans, the city shall require site-specific drainage plans for each zoning change or tentative map approval. Long-term maintenance and funding strategies will also be required for drainage improvements. In addition the City shall coordinate with the two reclamation districts (RD 2103 and 817) in the Wheatland Area and comply with the requirements of SB-5, as applicable.</p>
<p>Agricultural and Open Space Land Conservation Standards: Must lead to planned, orderly & efficient development. Approved Sphere of Influence Plan required. Findings with respect to alternative sites required. Impact on adjacent agricultural/open space lands assessed.</p> <p>Agricultural Buffers</p>	<p>Generally Consistent given the requirement to mitigate agricultural land conversions and adherence to General Plan policies for orderly development.</p> <p>Consistent, the city will analyze the need to provide buffers at the Tentative Map Stage.</p>	<p>See discussion above regarding Agricultural Lands</p>
<p>Need for services exists when: Public health and safety threat exists. The residents have requested</p>	<p>Consistent</p>	<p>There is no health and safety threat</p>

extension of non-growth-inducing community services. Subject area is likely to be developed for urban use within 5 years.		
Exceptions are justified on the following grounds: Unique. Standards Conflicts. Quality/Cost. No Alternative.	Consistent	No policy exceptions are needed

Annexation and Detachment Policies—Yuba LAFCo

Policy		Comment
Proposals must be consistent with LAFCo general policies.	Consistent	This annexation contiguous with the district bounds
A proposal must be consistent with the agency’s Municipal Service Review and Sphere Plan.	Consistent	
Plan for Services required.	A plan for services for both the Hop Farm and Johnson Rancho are attached.	
Subject territory must be contiguous to the agency’s boundaries if required by law, or if necessary for efficient service delivery.	Yes	This territory is contiguous with the existing city boundary provided the Hop Farm & Wheatland Parcels are annexed first.
LAFCo will favor orderly, phased annexation program by an agency for territory within its Sphere of Influence. Yuba LAFCo may modify small, piece-meal annexations within the sphere, to include additional territory in order to promote orderly annexation and logical boundaries.	Consistent as piece meal annexations could result in non-contiguous development and inconsistent plans for providing services.	The City of Wheatland has policies for phased development. Phasing annexation may require substantial additional costs for the City and not result in timely or orderly development
Proposals to annex islands and that otherwise correct illogical distortion of boundaries will be approved unless they would violate another provision of these standards. An annexation will not be approved if it will result in the creation of islands of incorporated or unincorporated territory or otherwise cause or further the distortion of existing boundaries.	Consistent N/A	The Hop Farm Annexation must occur prior to the Johnson Rancho Annexation otherwise a non-contiguous boundary would be created.
An annexation or attachment shall not be approved	Consistent	The City provides a full

<p>merely to facilitate the delivery of one or a few services to the detriment of either existing or future delivery of a larger number of services or services more basic to public health and welfare.</p>		<p>compliment of urban services or will have the ability to provide services as provided for in the development agreements and plan for services.</p>
<p>An annexation will normally not be approved unless an agency can demonstrate there is a demand and need for services in the short-term and that the annexation will not be premature</p>	<p>Inconsistent, unless LAFCo allows an extension.</p>	<p>The recession has extinguished any demand for urban development. Allowing annexation would result in significantly improved quality and overall lower cost of service since predictability would be enhanced.</p>
<p>Action options include: Approval. Conditional approval to require only a portion of the area to be detached. Denial.</p>		
<p>Exceptions</p> <p>Yuba LAFCo may make exceptions to any of the policies and standards in this Chapter if the Commission determines that such exceptions can be justified under one or more of the following grounds:</p> <ol style="list-style-type: none"> 1. <u>Unique.</u> The project has a unique physical constraint that is so unusual and inconsistent with other similar locations that granting an exception would not constitute a grant of a special privilege. 2. <u>Standards Conflicts.</u> The exception is required to resolve conflicts between standards of the policies set forth herein. 3. <u>Quality/Cost.</u> Making an exception results in significantly improved quality or substantially lower cost of service. 4. <u>No Alternative.</u> The exceptions are required because no feasible or logical alternative exists. 		<p>The recession has curtailed development throughout California including Yuba County. An exception for Policy II-Q which would allow annexation would be consistent with the City's General Plan. Allowing annexation to continue at this time would result in an improved quality at a lower cost of service such as infrastructure costs.</p>

The following table is provided as a guide for the Commission to consider for a project's consistency with Government Code Section 56668, the broader legislative direction of LAFCo in Government Code Section 56001 as well as those adopted by Lake LAFCo.

18. COMMENTS FROM THE PUBLIC AND PUBLIC AGENCIES:

None Received

19. ENVIRONMENTAL REVIEW:

In accordance with the requirements of the California Environmental Quality Act (CEQA), an Environmental Impact Report and Statement of Overriding Considerations was adopted by the City of Wheatland on August 14, 2012.

20. PROCEDURE

The Commission has the following alternatives for action at this hearing, after receiving public testimony:

- **Approval as recommended:** If the Commission concurs with the recommended terms and conditions as proposed, it may approve this annexation by adopting the proposed LAFCo Resolution (see attached).
- **Approval:** The Commission may modify the proposed terms and conditions and conditionally approve the proposal. Your Commission may wish to adopt a motion of intent and provide specific direction for staff to include in an amended resolution.
- **Refer the proposal back to the City.** The Commission may refer this back to the City to explore alternatives to comply with LAFCo policies as so determined.
- **Denial.** Commission may deny this proposal. No similar proposal may be submitted within a year; unless the Commission makes a finding that the year-long prohibition period is detrimental to the interests of the public.
- **Continuation** Your Commission may also continue the hearing to resolve concerns about any portion of the proposal. A decision is required within 70 days of May 7, 2014.