



## **HUGHSON PLANNING COMMISSION**

### **A G E N D A**

**February 21, 2012**

**REGULAR SESSION 6:00 P.M.**

Council Chambers  
City Hall  
7018 Pine Street

February 21, 2012  
Regular Meeting

#### **CALL TO ORDER:**

#### **ROLL CALL:**

Chair Alan McFadon  
Commissioner Julie Ann Strain  
Commissioner Kyle Little  
Commissioner Jared Costa  
Commissioner Karen Minyard

#### **PLEDGE OF ALLEGIANCE:**

#### **AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT NOTIFICATION FOR THE CITY OF HUGHSON**

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

**Disabled or Special needs Accommodation:** In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a Planning Commission meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

#### **RULES FOR ADDRESSING THE PLANNING COMMISSION**

Members of the audience who wish to address the Planning Commission may complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the City Clerk. Completion of the form is voluntary.

#### **PUBLIC COMMENT**

Members of the Audience may address the Planning Commission on any item of interest to the public pertaining to the City and may step to the podium, state their name and City of Residence for the record (requirement of Name and City of Residence is optional) and make their presentation. Please limit presentations to five minutes. Since the Planning Commission cannot take action on matters not on the Agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature, can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

- 1) Review and Discuss the Governor's Office of Planning and Research (OPR) Paper Titled *LAFCOs, General Plans and City Annexation*.  
(Information Only)(No Action Required)
- 2) Review and Discuss article entitled *Cities Vehicle License Fee Revenues* from CaliforniaCityFinance.com.  
(Information Only)(No Action Required)
- 3) Review and Discuss article entitled *Study: dense downtowns = higher tax yield*, by John Stroud.  
(Information Only)(No Action Required)
- 4) Review and Discuss the Annual Annexation Summary.  
(Information Only)(No Action Required)
- 5) Review and Discuss the Memorandum from the Governor's Office of Planning and Research entitled *New California Environmental Quality and General Plan Requirements*.  
(Information Only)(No Action Required)

**PUBLIC HEARING**

The Public Hearing process includes a staff presentation, a presentation by the applicant and public testimony (in favor, opposed & rebuttal). Following closure of the Public Hearing, the Planning Commission will respond to questions raised during the hearing.

**PUBLIC HEARING TO CONSIDER:**

No Public Hearing was scheduled.

**COMMUNITY DEVELOPMENT DIRECTOR REPORT:**

**PLANNING COMMISSIONER REPORTS/COMMENTS:**

**ADJOURNMENT:**

*The next regularly scheduled meeting of the Planning Commission is **March 20, 2012** at 6:00 p.m. at the **Hughson City Hall, 7018 Pine Street, Hughson, CA. 95326***

**\*\*Special Note:**

**The City does not transcribe its proceedings. Anyone who desires a verbatim record of this meeting should arrange for attendance by a court reporter or for other acceptable means of recordation. Such arrangement will be at the sole expense of the Individual requesting the recordation. Questions about this Agenda will be directed to City Hall.**

**CERTIFICATION**

I, Dominique Spinale, or his/her designee, do hereby declare under penalty of perjury that the foregoing Agenda was posted on the outdoor bulletin board at the Hughson City Hall, 7018 Pine Street, Hughson, CA, and made available for Public Review, prior to or on this 17<sup>th</sup> day of February 2012, at or before 6:00 p.m.

Dominique Spinale, Deputy City Clerk

# CITY OF HUGHSON

## Executive Summary Planning Commission

**Presented By:** Thom Clark, Community Development Director  
**Meeting Date:** February 21, 2012  
**Agenda Item:** 1  
**Subject:** Review of Annexation Laws  
**Enclosures:** Governor's Office of Planning and Research (OPR) Paper  
Titled *LAFCOs, General Plans and City Annexations*  
**Desired Action:** Review and Discuss

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### **Background:**

None.

### **Discussion:**

There are two concepts within the OPR paper I would like to point out so the Commission will be aware of both while perusing the paper: the first is the concept of prime farmland preservation and the second is the affect of the annexation on the adequacy and cost of services in the jurisdiction.

#### **FARMLAND**

Regarding farmland preservation, there is a provision in the California Environmental Quality Act (CEQA) that allows for governing bodies to certify an Environmental Impact Report (EIR), even though the project's impact to the environment cannot be mitigated. When the City of Hughson adopted the EIR for our General Plan in 2005, it was determined that conversion of prime farmland was unavoidable and not mitigatable, and so a Statement of Overriding Consideration was adopted by the City Council to enable the General Plan adoption. That is a legal way of saying – we know this is not a good thing (or the right thing) to do but we are going to do it anyway. Every city within Stanislaus County has adopted a Statement of Overriding Consideration for farmland upon adoption of the EIR related to their respective general plan adoptions. Although CEQA law requires a governmental agency to mitigate an impact to the fullest extent possible before adopting a Statement of Overriding

Under the heading **Consistent Annexations** there is a section that reads:

*Under Government Code Section 56375(a), a LAFCO is required to approve a city's request to annex land adjacent to its borders when the commission finds that either of the following circumstances exist:*

- 1. The land is substantially surrounded by the city or the Pacific Ocean, is substantially developed or developing, is not prime agricultural land, is designated for urban growth on the city's general plan, and is not within the sphere of influence of another city.*
- 2. The land is located within an urban service area designated by the LAFCO, is not prime agricultural land, and is designated for urban growth on the city's general plan.*

Note that any annexation to the City of Hughson will be upon prime farmland; it is inescapable. So LAFCO is not required by law to approve an annexation request from the City of Hughson based on the conversion of prime farmland alone.

#### COST OF SERVICES

Regarding the adequacy and cost of services in the jurisdiction, under the same heading as noted above, **Consistent Annexations**, there is a section that reads:

*The factors that the LAFCO must consider in reviewing annexation proposals include, but are not limited to, the following (Section 56841):*

- 2. Need for organized community services, present cost and adequacy of government services and controls, probable future needs, probable effect of the annexation and of alternative courses of action on the cost and adequacy of services and controls in the area and vicinity.*

So consideration must be made for cost and adequacies of services within the jurisdiction prior to annexation. In fact, a report called a Municipal Services Review is usually required to prove adequacy of services upon annexation.

Staff has a related PowerPoint presentation that will expand upon this line of thought and will show it tonight following this item.

#### **Recommendation:**

Review and discuss.



# LAFCOs, General Plans, and City Annexations

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**Governor's Office of Planning and Research**  
1400 Tenth Street  
Sacramento, CA 95814  
916-445-0613

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## Introduction

*"It is the intent of the Legislature that each commission establish policies and exercise its powers ... in a manner that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns.*

*"Among the purposes of a commission are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies based upon local conditions and circumstances."*

Cortese-Knox Local Government Reorganization Act of 1985, Title 5, Division 3, Part 2, California Government Code

One product of the 1985 legislative year was the Cortese-Knox Local Government Reorganization Act (Government Code Section 56000, et seq.) which combined the Knox-Nisbet, Municipal Organization, and District Reorganization Acts into a single statute. The Cortese-Knox Act, while not altering existing policies to a great extent, has spotlighted the role of the Local Agency Formation Commission in annexation proceedings.

In response to this legislation, the Governor's Office of Planning and Research (OPR) has prepared this advisory memo relating the city annexation process to CEQA and local general plans. The streamlined Cortese-Knox Act provides opportunities for dovetailing the requirements of the Planning and Zoning, CEQA and annexation laws which, in turn, can promote efficiency in processing applications.

Although the Cortese-Knox Act addresses district formation, incorporation, and other types of government organization, this memo will exclusively concern itself with city annexations. Consequently, it is primarily aimed at the non-LAFCO planner and city official and is not intended to be an in-depth, technical discussion of the Cortese-Knox Act. It is based upon OPR's reading of current state statute, recent case law and the *General Plan Guidelines*. References are to the California Government Code unless otherwise indicated.

For a comprehensive review of the Cortese-Knox Act, refer to *Longtin's California Land Use*, 2nd Edition. This general reference addresses planning, zoning, subdivisions, sign controls, and exactions as well as LAFCO activities.

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## **Background: The Role of the LAFCO**

Until January 1, 1986, the authority for local boundary changes and municipal reorganizations such as annexations, incorporations, and the creation of special districts came from three separate, but interrelated State laws: the Knox-Nisbet Act, the Municipal Organization Act (MORGA), and the District Reorganization Act. Long-standing difficulties in implementing and reconciling these distinct, and at times incompatible, laws led the Legislature to adopt the Cortese-Knox Local Government Reorganization Act. The Act combines these statutes into a single law which eliminates duplicate, seldom used, and incompatible sections.

The Cortese-Knox Act is the framework within which proposed city annexations, incorporations, consolidations, and special district formations are considered. This law establishes a Local Agency Formation Commission (LAFCO) in each county, empowering it to review, approve or deny proposals for boundary changes and incorporations for cities, counties, and special districts. The Act mandates specific factors which the LAFCO must address when considering annexation proposals. The LAFCO in turn establishes the ground rules by which the affected city will process the annexation. Each LAFCO is made up of elected officials from the county, local cities, special districts, and a member of the general public. The specific membership of each LAFCO depends upon the statutory requirements of the Cortese-Knox Act.

The state has delegated to each LAFCO the power to review and approve or disapprove with or without amendment proposed annexations, reorganizations, and incorporations. In granting these powers, the state has occupied the field of annexation law to the exclusion of local legislation. Therefore, a city or county cannot take actions which frustrate or conflict with state annexation procedures. For this reason, a city cannot adopt a local ordinance which would allow city voters to pass sole judgment on proposed annexation proceedings (*Ferrini v. City of San Luis Obispo* (1983) 150 Cal.App.3d 239 and *L.I.F.E. v. City of Lodi* (1989) 213 Cal.App.3d 1139).

Each LAFCO operates independently of the state. However, it is expected to act within a set of state-mandated parameters encouraging "planned, well-ordered, efficient urban development patterns," the preservation of open-space lands, and the discouragement of urban sprawl. The Legislature has taken care to guide the actions of the LAFCOs by providing statewide policies and priorities for the consideration of annexations (Section 56844), and by establishing criteria for the delineation of spheres of influence (Section 56425).

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## **The City's Role in Planning and Regulating Land Use**

Local governments have the primary responsibility for the planning and regulation of land uses. State law requires that each city and county prepare and adopt a "comprehensive, long-term general plan for the physical development" of the community. This general plan must cover all incorporated territory and should go beyond the city limits to include "any land outside its boundaries which...bears relation to its planning." (Section 65300)

The way in which a city plans its surrounding area can be an important statement of its future intent. It is one means by which city officials can indicate to state and local governments their concerns for the future of surrounding unincorporated lands. Since the general plan is a policy

document with a long-term perspective, a city's general plan may logically include adjacent territory which the city ultimately expects to annex or to serve, as well as that which is of particular interest to the city. The city's "sphere of influence" (which is established by the LAFCO) describes its probable physical boundaries and service area and can therefore be used as a benchmark for the minimum extent of the planning area. The city may choose to plan for land uses beyond its sphere when coordinating plans with those of other jurisdictions. (1990 *General Plan Guidelines*)

Through legislation and through case law, the general plan has assumed the status of the "constitution for all future development" (*Citizens of Goleta Valley v. Board of Supervisors of the County of Santa Barbara* (1990) 52 Cal.3d 553). As a result, most local land use decisionmaking now requires consistency with the general plan. The same is true of public works projects (*Friends of B Street v. City of Hayward* (1980) 106 Cal.App.3d 988), conditional use permits (*Neighborhood Action Group v. County of Calaveras* (1984) 156 Cal.App.3d 1176) and, in several recent cases, voter zoning initiatives (*Leshar Communications, Inc. v. City of Walnut Creek* (1990) 52 Cal.3d 531, *Goleta, supra* and *Marblehead v. City of San Clemente* (1991) 226 Cal.App.3d 1504).

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## Annexations

Annexation is the means by which an existing city extends its corporate boundaries. In its most basic form, annexation can be considered a four part process. The steps are generally outlined below.

**Prefiling.** An application may be filed with the LAFCO by petition of affected landowners or registered voters, or by resolution from the involved city. Prior to filing, the proponent should meet with the LAFCO's executive officer to establish the minimum requirements for processing, then meet with any affected special districts and agencies to agree upon a taxation scheme and needed property tax transfers. Commission action is subject to CEQA and an initial study will be required. In many cases, the LAFCO will require rezoning of the site by the affected city. This makes the city lead agency for CEQA documents and the LAFCO a responsible agency. In most cases, the city (or the private proponent) will be responsible for preparing the initial study and the environmental document under LAFCO direction.

**Filing and LAFCO consideration.** LAFCO has 30 days in which to review an annexation application and determine that it is complete for processing. Once the application has been accepted as complete, the LAFCO will analyze the proposed annexation in light of the commission's state mandated evaluation criteria and responsibilities and its own adopted policies. Before the executive officer issues a certificate of filing, the involved city, county, and affected special districts are required to negotiate the allocation of property tax revenues during a 30-day mandatory negotiation period, but are not required to reach agreement (Rev & Tax Code Section 99 and 71 Ops. Cal. Atty. Gen. 344 (1988)). Nonetheless, the executive officer is prohibited from issuing a certificate of filing if an agreement has not been reached, which is a precondition to LAFCO's hearing on an application for annexation (*Greenwood Addition Homeowners Association v. City of San Marino* (1993) 14 Cal.App.4th 1360).

LAFCO may approve, conditionally approve or deny the proposed annexation. The lead agency, whether it is the LAFCO or the involved city, must comply with CEQA requirements prior to the LAFCO's action. The conditions set by the commission's resolution will be the ground rules for

the conducting authority's subsequent action (Section 56851). Within 30 days of the LAFCO's resolution, any person or affected agency may file a written request with the executive officer for reconsideration of the annexation proposal (Section 56857).

**Proceedings of the Conducting Authority.** The involved city, acting as the "conducting authority" in accordance with the requirements of the Cortese-Knox Act and LAFCO, will hold a public protest hearing to determine whether the proposed annexation must be approved without an election, terminated, or whether an election must be called to determine the proposal's outcome. The number of protests received before and during the hearing will determine which of these options the city must follow. If the annexation is approved, the city will forward a resolution containing the results of its activities to the LAFCO for final review and ratification. If the proposal is terminated, a resolution to this effect will be forwarded to the LAFCO and no new annexation may be proposed on the site for at least one year, unless the LAFCO waives the limitation upon finding that the limitation is detrimental to the public interest (Sections 56855 and 56851). When an election is held, only residents of the proposed city or territory have a right to vote on the issue of annexation (Sec. 57103 and *Board of Supervisors v. LAFCO* (1992) 3 Cal.4th 903).

**Final Certification.** When the LAFCO executive officer is satisfied that all elements of the Act have been properly addressed, that the annexation approved by the city conforms to the annexation proposal approved by the Commission, and that all conditions have been met, he or she will certify that the annexation is complete. If the executive officer finds the city's submittal to be incomplete, then it will be returned to the city for completion. The annexation is not complete until it has been certified by the executive officer. The commission may establish an "effective date" for the annexation. Alternatively, the effective date will be the date the certificate of completion is recorded by the County Recorder.

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## Consistent Annexations

State Law does not mandate that annexations conform to local general plans beyond requiring that the LAFCO consider "consistency with the city or county general and specific plans" (Section 56841(g)). Nonetheless, the statutes contain numerous references that attempt to link local land use and open-space policies to the annexation process (Sections 56300, 56375, 56377, 56425, and 56841). Accordingly, the Commission should attempt to harmonize local planning policies with the intent of the State legislation. Where there is a clear conflict, such as incompatibility between city and county general plans, the State precepts should prevail.

The factors that the LAFCO must consider in reviewing annexation proposals include, but are not limited to, the following (Section 56841):

1. Population, population density, land area and use, per capita assessed valuation, topography, natural boundaries, drainage basins, proximity to populated areas, and the likelihood of significant growth during the next ten years.
2. Need for organized community services, present cost and adequacy of government services and controls, probable future needs, probable effect of the annexation and of alternative courses of action on the cost and adequacy of services and controls in the area and vicinity.

3. The effect of the proposed annexation and of alternative actions on adjacent areas, on mutual social and economic interests and on the local government structure of the county.
4. Conformity of the proposal and its effects with LAFCO policies on providing planned, orderly, efficient patterns of urban development and with state policies and priorities in conversion of open-space lands to other uses.
5. Effect of the proposal on maintaining the physical and economic integrity of lands in an agricultural preserve in open-space use.
6. Clarity 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.
7. Consistency with appropriate city or county general and specific plans.
8. The sphere of influence of any agency which may be applicable to the proposal being reviewed.
9. The comments of any affected agency.

Under Government Code Section 56375(a), a LAFCO is required to approve a city's request to annex land adjacent to its borders when the commission finds that either of the following circumstances exist:

1. The land is substantially surrounded by the city or the Pacific Ocean, is substantially developed or developing, is not prime agricultural land, is designated for urban growth on the city's general plan, and is not within the sphere of influence of another city.
2. The land is located within an urban service area designated by the LAFCO, is not prime agricultural land, and is designated for urban growth on the city's general plan.

Both of these conditions require review of the annexing city's general plan by the LAFCO. A general plan which reflects the proposed annexation improves the chances that the annexation will be approved.

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## **Sphere of Influence**

LAFCOs exercise both regulatory and planning functions. While annexations are a regulatory act, LAFCOs' major planning task is the establishment of "spheres of influence" for the various governmental bodies within their jurisdictions. As described by Section 56076, the sphere is to be "a plan for the probable physical boundaries and service area of a local government agency." In preparing the written study required to establish each sphere, a LAFCO must consider and make written determinations with regard to the following factors (Section 56425):

1. The present and planned uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.

3. The present capacity of public facilities and the adequacy of public services which the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The sphere of influence is an important benchmark because it defines the primary area within which urban development is to be encouraged (Sections 56377(b) and 56841). In a 1977 opinion, the California Attorney General stated that sphere of influence should "serve like general plans, serve as an essential planning tool to combat urban sprawl and provide well planned efficient urban development patterns, giving appropriate consideration to preserving prime agricultural and other open-space lands" (60 Ops. Cal. Atty. Gen. 118).

Along this same line of reasoning, the California Appellate Court has held that spheres of influence must be adopted before an annexation to the affected city or district can be considered. (*Resource Defense Fund v. LAFCO* (1983) 138 Cal.App.3d 987). Section 56650.5 limits the validity of annexation proposals in specified urban areas unless the request is consistent with the applicable spheres of influence. Section 57025 requires LAFCO to send notice of pending annexation hearings to those affected agencies whose spheres contain territory within the proposal.

LAFCO has sole responsibility for establishing a city's sphere of influence. Further, the LAFCO is not required to establish a sphere that is greater than the city's existing boundaries. LAFCO may take joint action to approve an annexation while at the same time amending the city's sphere of influence. (*City of Agoura Hills v. LAFCO* (1988) 198 Cal.App.3d 480).

LAFCO officials and local decision-makers recognize the logical assumption that the lands lying within the sphere are those that the city may someday propose to incorporate. If the city finds that annexing an area outside its sphere would be in the public interest, it should request that its sphere be amended to include that area.

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## **Prezoning**

A city may choose to prezone unincorporated territory that it expects to annex in the future. The proposed zones must be consistent with the city general plan and a public hearing must be held just as with a common rezoning proposal. Additionally, the LAFCO may require that the city prezone the area within a proposed annexation. It may not, however, dictate the specific zoning to be applied by the city.

There are two advantages to prezoning. First, the city will have zoning in effect immediately upon annexation. Local residents will thereby have prior knowledge of the land use regulations that would affect them should annexation occur. Secondly, prezoning acts to serve notice to the LAFCO of the city's intentions regarding its adjacent areas. In circumstances where development purposes are not made known to the LAFCO at the time of the annexation proposal, the Commission will review the request on the basis of the adopted plans and policies of the affected cities and county. Prezoning will be considered a part of this review.

In order to be effective, the prezoning must be consistent with the city general plan. In at least one instance, the Appellate Court has upheld a LAFCO's authority to deny an annexation where a city

had rezoned a site agricultural, but where the "ultimate intended use" as represented on the general plan was residential and industrial. The conversion to agricultural land had conflicted with adopted LAFCO policy. (*City of Santa Clara v. LAFCO* (1983) 139 Cal.App.3d 923.)

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## Environmental Review

Both case law and the CEQA guidelines support the applicability of CEQA to annexations and to related sphere of influence amendments. The environmental document should be prepared early in the process and should address all aspects of the project, not merely the annexation.

In 1975, the California Supreme Court held in a Ventura County case that annexations are to be considered projects under CEQA and subject to environmental analysis. Where the LAFCO had "proceeded as if CEQA did not exist" its decision was enjoined until an EIR could be prepared. The Supreme Court drew similarities between the purposes of CEQA and the annexation laws then in effect, requiring that the LAFCO harmonize these purposes through the preparation of an EIR (*Bozung v. LAFCO* (1975) 13 Cal.3d 263).

The CEQA Guidelines defines a project as the whole of an action, not the separate governmental actions that may be necessary to complete it. Ideally, a single environmental document will be prepared to address the annexation as well as all related general plan amendment, rezoning, sphere of influence or other proposals. The document should address, among other concerns, the policy issues raised in Sections 56301, 56375, and 56841. If an EIR has been prepared and the annexation is approved, the LAFCO and the city will be responsible for making findings pursuant to Sections 15091 and 15093 of the CEQA Guidelines justifying their actions.

The courts have had differing opinions over the application of CEQA to sphere of influence determinations. In *City of Livermore v. LAFCO* (1986) 183 Cal.App.3d 681, the court held that CEQA was invoked when the Alameda County LAFCO changed the guidelines it used for determining spheres of influence. However, the court in *City of Agoura Hills v. LAFCO* (1988) 198 Cal.App.3d 480 concluded that establishing a sphere was not automatically a project under CEQA. According to that court, "the fact that spheres of influence are recognized as important factors in annexations does not compel the conclusion that they are per se 'projects' subject to CEQA." The *Agoura* court did not dismiss the possibility that under other circumstances, a sphere of influence determination could be a project.

Environmental documents prepared for annexations should also address all related rezonings or general plan amendments as well. (*Bozung v. LAFCO, supra; Pistorosi v. City of Madera* (1982) 138 Cal.App.3d 284.) Conversely, when rezoning is proposed the environmental document should discuss the effects of annexation. For example, in *Rural Landowners Association v. City Council* (1983) 143 Cal.App.3d 1013, the court held that an EIR prepared for a rezoning and general plan amendment was insufficient because it failed to consider the issue of the related annexation that was then in progress. Amending the sphere of influence may also be subject to CEQA if significant effects are possible. (63 Ops. Cal. Atty. Gen. 758 (1980)). The city proposing an annexation must provide the LAFCO sufficient information to satisfy the environmental analysis requirements. (*City of Santa Clara v. LAFCO, supra.*)

When rezoning is proposed as part of an annexation request, the city is deemed the lead agency for CEQA purposes (Section 15051 of the CEQA Guidelines). As lead agency, it will be responsible for preparing the necessary environmental document.

Local agencies using the categorical exemption that Section 15319 of the CEQA Guidelines provides for annexations should use it carefully. If the annexation will result in extending utilities beyond the level required to serve existing development, this exemption cannot be employed (*Pistoresi v. City of Madera, supra*; *City of Santa Clara v. LAFCO, supra*). Use of Section 15319 is limited to those instances where: (1) development already exists at the density allowed by the current zoning or rezoning; (2) the utilities which may be required for the ultimate use will not serve more than the development in existence at the time of annexation; and (3) the annexation consists of individual small parcels of the minimum size for those facilities which are included in Section 15303 of the CEQA Guidelines.

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## Summary

This summarizes the preceding points:

### **1. General Plan Consistency**

Annexations should be part of the community's comprehensive plan for its future. Annexation should occur in an orderly and logical manner; consistent with both the city general plan and with state mandates regarding service delivery and the conservation of agricultural and open-space lands.

If the annexation area has not been included or addressed in the city general plan, then an amendment to the plan should be considered. When evaluating the proposal for consistency with the plan, special consideration should be given to the annexation's impacts on existing and planned public services, agricultural and open-space lands, city housing supplies for all economic levels, and the adopted sphere of influence.

### **2. Sphere of Influence**

If the area proposed for annexation by the city lies outside its sphere of influence, then the city must request an amendment to its sphere prior to filing the annexation request with the LAFCO. The sphere proposal should be addressed in the environmental document.

### **3. Environmental Analysis**

The environmental document prepared for the annexation should be comprehensive in scope. That is, necessary rezoning and related applications should be evaluated as part of the project even though they may not be under consideration for some time. It should be possible to use a single environmental document to address the whole project.

### **4. Rezoning**

If the city is initiating the annexation, the site should be rezoned to be consistent with the city general plan. Rezoning hearings can alert the city to opposition or to issues of particular concern prior to its filing an application with the LAFCO. The rezoning, general plan amendment (if necessary), and comprehensive environmental document should be completed before the annexation proposal is submitted to the LAFCO for consideration. When rezoning is involved, the city is the lead agency for purposes of CEQA.

## 5. LAFCO Application

When the city initiates an annexation, it should provide the LAFCO with as much information about the project as possible. This would include general plan, rezoning, and environmental analysis data. If the environmental document prepared for rezoning or general plan amendment proposal is comprehensive, the LAFCO should be able to use it for the annexation, thereby streamlining the process. We suggest that annexation proponents meet with the LAFCO executive officer prior to filing in order to review the LAFCO's application requirements.

## 6. Public Review

The city should encourage public review and comment at every stage of the process. While the Cortese-Knox Act provides opportunities for review at the LAFCO and city hearing levels, the general plan and rezoning procedures offer additional possibilities for input. Early public response is helpful in assessing public sentiment and identifying areas of concern.

Hearings should be coordinated if feasible. Addressing more than one topic at each hearing may clarify the intent and the ramifications of the overall project. Candidates for combined hearings are: rezoning and general plan amendment; and rezoning, general plan, and annexation (by the city as conducting authority). Ask the involved LAFCO whether it is possible to combine hearings.

At the same time, hearings can be educational. They offer an opportunity to explain annexation procedures and the responsibilities of the city and the LAFCO. For example: residents are often confused over the ability of a city, under certain circumstances, to annex territory without an election (Section 56375(d)).

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## Conclusion

Both the city and the LAFCO have a responsibility to see that the proposed expansion of corporate limits complies with the procedures laid out in the Cortese-Knox Act, adopted LAFCO policies, and the two state policies iterated at the beginning of this memo. At the same time, it is important that they recognize that it is their responsibility to coordinate the annexation process through cooperation and mutual discussion. The LAFCO can provide the city with a great deal of information about the annexation process and the enabling legislation.

Finally, when considering the annexation proposal, both the city and LAFCO must look beyond the immediate to the future impact of the total project on city services, sources of tax revenue, historic growth trends, the city center, and neighboring communities and cities. Annexation does not occur in a vacuum. The land's inter-relationship with the surrounding world and the community changes that could occur as a result of annexation should be considered.

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## Table of Cases Cited

*Board of Supervisors v. LAFCO*  
(1992) 3 Cal.4th 903

[Bozung v. LAFCO](#)

[2]

(1975) 13 Cal.3d 263

[Citizens of Goleta Valley v. Board of Supervisors of the County of Santa Barbara](#)

(1990) 52 Cal.3d 553 2

[City of Agoura Hills v. LAFCO](#)

[2]

(1988) 198 Cal.App.3d 480

[City of Livermore v. LAFCO](#)

(1986) 183 Cal.App.3d 681

[City of Santa Clara v. LAFCO](#)

[2]

(1983) 139 Cal.App.3d 923

[Ferrini v. City of San Luis Obispo](#)

(1983) 150 Cal.App.3d 239

[Friends of B Street v. City of Hayward](#)

(1980) 106 Cal.App.3d 988

[Greenwood Addition Homeowners Association v. City of San Marino](#)

(1993) 14 Cal.App.4th 1360

[Leshar Communications, Inc. v. City of Walnut Creek](#)

(1990) 52 Cal.3d 531

[L.I.F.E. v. Lodi](#)

(1989) 213 Cal.App.3d 1139

[Marblehead v. City of San Clemente](#)

(1991) 226 Cal.App.3d 1504

[Neighborhood Action Group v. County of Calaveras](#)

(1984) 156 Cal.App.3d 1176

[Pistoresi v. City of Madera](#)

(1982) 138 Cal.App.3d 284

[Resource Defense Fund v. LAFCO](#)

(1983) 138 Cal.App.3d 987

[Rural Landowners Association v. City Council](#)

(1983) 143 Cal.App.3d 1013

## **Opinions of the Attorney General**

[60 Ops.Cal.Atty.Gen 118 \(1977\)](#)

[63 Ops.Cal.Atty.Gen 758 \(1980\)](#)

[71 Ops.Cal.Atty.Gen 344 \(1988\)](#)



# FINANCIAL SUSTAINABILITY

UNDERSTANDING THE COST OF ANNEXATION



# FINANCIAL SUSTAINABILITY

## Presentation Outline

- Overview of Hughson's three main revenue sources
- General Fund expenditures per household
- Financial effects of property taxes at annexation
- Financial effects of sales taxes
- Scenario regarding property tax for a home compared to the same size home after annexation
- Scenario regarding property taxes compared to street maintenance
- Reasons for annexations
- Conclusions



# FINANCIAL SUSTAINABILITY

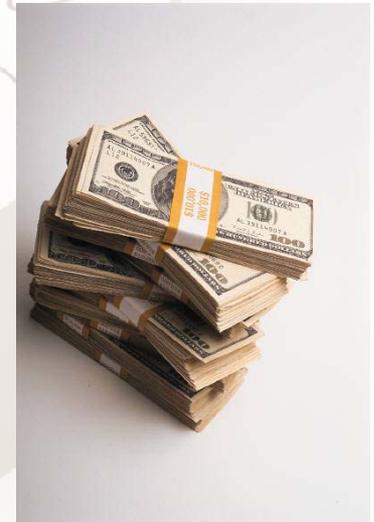
Where Does the City Get it's Revenue?

## ➤ Sales Tax and Where it Goes

- ✓ \$100 in taxable sales yields \$7.38 of sales tax
- ✓ Of the \$7.38 in sales tax, \$0.95 stays local - \$6.43 to State
- ✓ Hughson anticipates \$3,176,400 in sales tax in FY 1/12
- ✓ Of the \$3,176,400 in sales tax, \$410,000 stays local



- ✓ \$2,766,000 will go to the State





# FINANCIAL SUSTAINABILITY

## Where Does the City Get it's Revenue?

- Property Tax and Where it Goes
  - ✓ Hughson anticipates receiving about \$196,000 in FY 11/12
  - ✓ We retain about 11% of property taxes generated in Hughson inside the County
  - ✓  $\$196,000 / 11\% = \$1,781,800$
  - ✓ \$1,781,800 of property tax is generated in Hughson
  - ✓ We get to keep \$196,000
  - ✓ The remaining \$1,585,800 is allocated to schools, special districts and various County programs





# FINANCIAL SUSTAINABILITY

Where Does the City Get it's Revenue?

- Motor Vehicle In Lieu Tax
  - ✓ We no longer receive vehicle license fees (VLF) on a per capita basis like we did prior to 2004
  - ✓ Instead, in a complicated formula called "The Triple Flip", the State moved money around in a shell game and we now get an in lieu fee based on our assessed property values.
  - ✓ We anticipate receiving about \$415,000 from VLF in FY 11/12
  - ✓ This is a disincentive to growing our population base by annexation
  - ✓ SB89, effective July 1, 2011 will take an additional \$22,500 from Hughson



# FINANCIAL SUSTAINABILITY

How Do We Spend Our Money?

- \$1,967,164 General Fund budget in FY 11/12
- 6,268 citizens within city limits
- Hughson spends \$313.85 per year per person - Or **\$973 per year per household** (3.1 persons) on:
  - ✓ Police services
  - ✓ Street maintenance
  - ✓ Parks maintenance
  - ✓ City Hall functions such as administration, finance, planning, building inspection, public works, vehicle abatement, animal control and code enforcement





# FINANCIAL SUSTAINABILITY

## What Happens When We Annex Land?

- Hughson, like other cities in Stanislaus County, has a property tax sharing agreement with the County
- Upon annexation into the City limits, new land's base property tax stays with the County
- When the property develops, the tax increment will be split 30% to the City and 70% to the County
- This means instead of receiving 11% of property taxes, we will only get 3.3%, at the most, for lands that are annexed
- This is insufficient to pay for the services needed for that land





# FINANCIAL SUSTAINABILITY

## What Happens When We Annex Land?

- What about sales taxes?
  - ✓ In the event that a sales tax producing business was annexed into the City, we would gain additional revenue
  - ✓ There are no major sales tax producing businesses within our Sphere of Influence so this becomes a moot issue
  - ✓ Sales tax generating uses have become highly desirable to have within a jurisdiction, causing the phenomenon commonly known as the fiscalization of land use. So, for cities and counties:





# FINANCIAL SUSTAINABILITY

Two Real Life Scenarios – (Property Taxes are Not Enough)

1. Assume a fairly new home with an assessed value of \$150,000 inside City limits
  - Home pays 1% or \$1,500 per year in property tax
  - Hughson will receive about \$165 per year of that tax
2. Assume bare land is annexed with value of \$50,000, then home built to total assessed value of \$150,000
  - County gets \$55 for land and about \$108 for home
  - Hughson gets \$46.20 per year
  - We spend about \$973 per year on that home)





# FINANCIAL SUSTAINABILITY

## Street Maintenance with Property Taxes

- 12 homes per block @ \$150,000 assessed value each = \$1,980 per year property taxes available to City
- Actual 2010 cost for street reconstruction is \$180 per sq ft or about \$125,000 per block (20 yr life cycle)
- Total revenue for street = \$41,184 (@ 4% adjustment)
- Revenue gap for maintenance of one residential street = \$83,816/12/12 or \$582 per home per year
- Need 3 ½ more homes on the block for property taxes to offset street maintenance costs (higher density)
- Or subsidize with sales tax, VLF \$, or Mello Roos district





# FINANCIAL SUSTAINABILITY

## Why We Annex Land

- Reasons we might want to annex land:
  - ✓ To bring a sales tax producer into the City
  - ✓ To make commercial or industrial land available for future sales tax or job creation opportunities
  - ✓ To fulfill our Regional Housing Needs number
  - ✓ Because a developer asked us to
  - ✓ Because we don't know any better
  - ✓ Just to grow larger
  - ✓ Politics





# FINANCIAL SUSTAINABILITY

## Understanding the Cost of Annexation - Conclusions

- Property taxes alone cannot support non-sales tax producing land uses
- Property taxes alone do not even pay for street maintenance costs
- There is no financial incentive to annex land into the City unless it produces sales taxes or has the potential to produce sales taxes
- We should discourage, to the highest degree possible, County development within our Sphere of Influence – the more they develop, the worse our tax revenue suffers upon annexation



## Shared Revenue Estimates: California State Revenue Allocations to Cities City Vehicle License Fee Revenues

SB89 of 2011 eliminates, effective July 1, 2011, Vehicle License Fee (VLF) revenue allocated under California Revenue and Taxation Code 11005 to cities. As a part of the Legislature's efforts to solve the state's chronic budget problems, the bill shifted all city VLF revenues to fund law enforcement grants that previously had been paid by a temporary state tax and – prior to that – by the state general fund. The League of California Cities has challenged this action in court as a Constitutional violation. Cities should expect zero VLF revenues in 2011-12 and in subsequent years unless and until there is a change in law.

### A Brief History of California's Car Tax: The Vehicle License Fee

Californians have paid the vehicle license fee (VLF), also called the “motor vehicle in-lieu tax,” with their vehicle registrations since 1935. Until that time, many city and county governments levied personal property taxes on motor vehicles and collected these taxes as a part of the county administered property tax system. In adopting the statewide vehicle license fee (legally a tax) in 1935, the Legislature sought greater efficiency and uniformity in a statewide system of assessment and collection and it expressly preempted locally levied property taxes on vehicles.

By the 1970s, the state was collecting and allocating these funds to cities and counties without restriction on use. In 1981, 1982 and 1983, in the wake of Proposition 13, the Legislature included among its budget solutions the temporary shifting of hundreds of millions of dollars of VLF from cities and counties. In 1986, the voters of California passed Proposition 47<sup>i</sup> with over 80 percent approval, a Constitutional amendment requiring that VLF revenues be allocated to cities and counties only. But the Legislature retained the authority to alter the tax rate, the assessment schedule, and the allocation of revenues among cities and counties.

From 1948 through 2004, the VLF tax rate was 2 percent. In 1998, Governor Pete Wilson signed a bill “offsetting”<sup>ii</sup> the tax by 25 percent to 1.5 percent effective January 1, 1999, with deeper cuts possible in future years (35 percent, 46.5 percent, 55 percent, 67.5 percent) depending on the adequacy of state General Fund revenues.<sup>iii</sup> In 1999, the law was amended, accelerating the tax cut to 35 percent in year 2000.<sup>iv</sup> In 2000, the “offset” was further accelerated to 67.5 percent commencing January 1, 2001.<sup>v</sup> From 1998 through 2004 when the rate was less than 2 percent, the Legislature “offset” the reduction in VLF to cities and counties by a contribution from the General Fund equal to the amount of the reduction.

As a part of the 2004 budget agreement, the state Legislature repealed the offset system and instead reduced the VLF maximum tax rate to 0.65 percent effective January 1, 2005. The offset revenue (also known as “backfill”) to cities and counties was replaced with additional property tax revenue for cities and counties. These new property tax amounts grow annually with the change in assessed valuation in each jurisdiction.<sup>vi</sup>

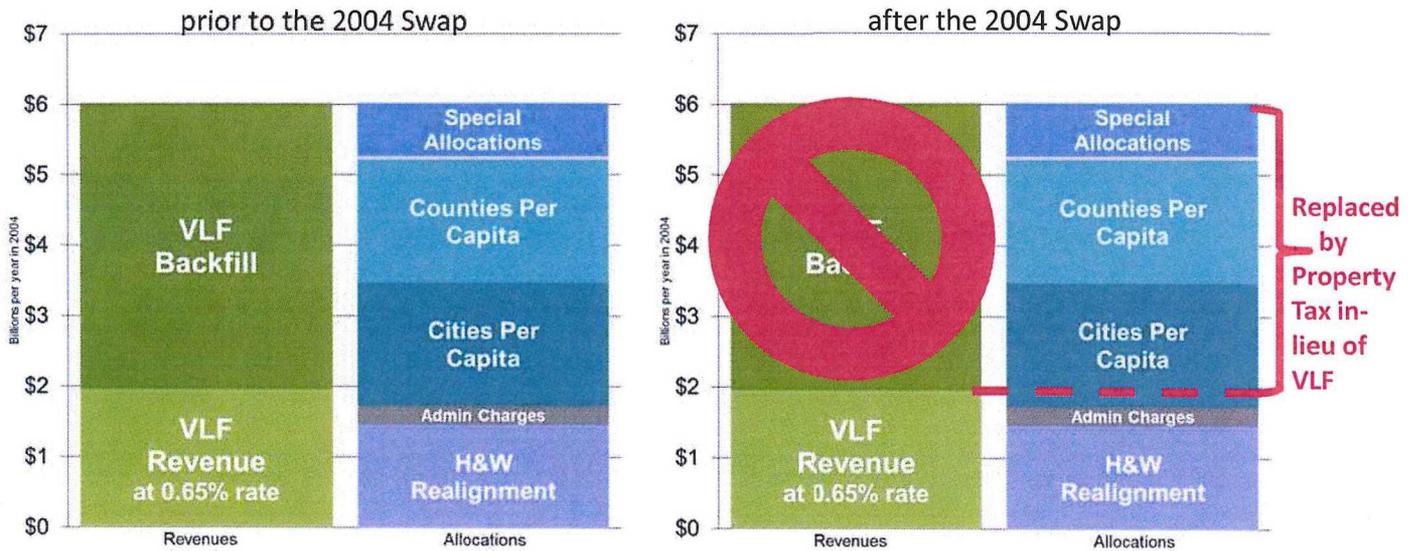
In November 2004 the voters of California approved Proposition 1A. Provisions of Proposition 1A prevent the Legislature from reducing the additional property tax received by cities and counties in lieu of VLF. Proposition 1A also prevents the Legislature from reducing the VLF below 0.65 percent without providing a compensating amount of revenues to cities and counties. In

November 2010, the voters passed Proposition 22 which, among other things, prohibits the state from changing property tax or VLF allocations “to reimburse a local government when the legislature or any state agency mandates a new program or higher level of service on that local government.”

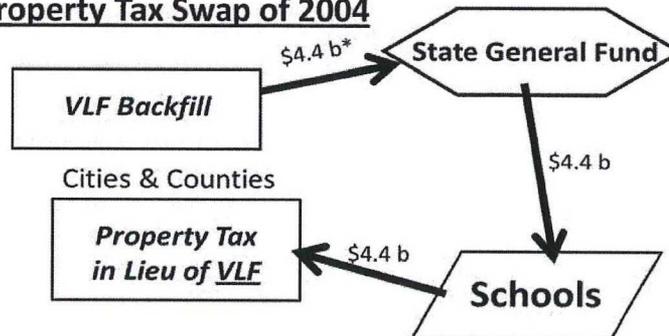
### Allocation of VLF Revenues

Until July 2004, 24.33 percent of VLF funds were allocated to counties to fund certain health and welfare programs under a state-local program realignment that began in 1992. Of the remaining amount, about \$280 million went to reimburse state agencies (Department of Motor Vehicles, Franchise Tax Board and State Controller’s Office) for costs of VLF revenue collection, accounting and allocation. Of the amount remaining after realignment and administrative charges were taken out, 18.75 percent was allocated for special payments including supplemental funds for cities that did not levy a property tax in 1977- 78, eligible low property tax cities incorporated prior to 1987, and supplemental funds for counties. The 81.25 percent was allocated half to cities and half counties on a population basis.

### VLF revenues and Allocations



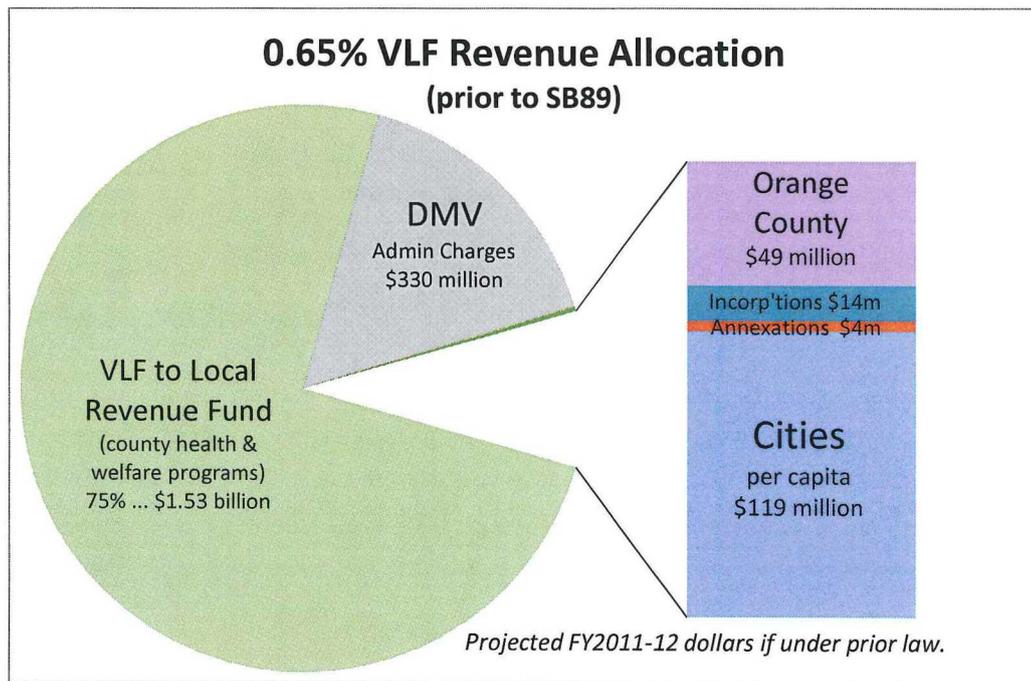
### The VLF for Property Tax Swap of 2004



\* in FY2004-05

Subsequent to the VLF-Property tax swap of 2004, 74.9 percent of revenues from the 0.65 percent VLF are transferred to the state's Local Revenue Fund to pay counties for various health and welfare services. This essentially maintains the same amount of VLF funding from VLF for county health and welfare programs. Under the law through FY2010-11, the state Department of Motor Vehicles took annually about 15 percent of total VLF revenues for administrative charges (over \$300 million per year), leaving just over \$180 million for cities and counties. In FY2010-11, the funds were allocated as follows:

- \$45 million to Orange County. When VLF allocations were restructured in 2004, the County continued to receive these revenues from VLF rather than receiving this amount in the form of additional property tax share. The payments are first dedicated to the repayment of bankruptcy debt and then as a general county revenue.
- Special allocations to newly incorporated cities of \$9 million (would have grown to over \$15 million in 2011-12 with the incorporation of the City of Jurupa Valley). These special allocations compensate cities that have incorporated since 2004 due to an inequity resulting from the VLF-Property Tax Swap of 2004.
- Special allocations to inhabited annexations of over \$4 million. These special allocations balance the fiscal disincentive of cities annexing inhabited areas as a result of the VLF – Property Tax Swap of 2004 due to an inequity resulting from the VLF-Property Tax Swap of 2004.
- Remainder on a per capita basis to city general funds of about \$103 million (would have been about \$114 million in FY2011-12).



In late June 2011, just hours before the legislative floor votes on the state budget, SB89 was revealed in print. Without committee hearings or deliberation, and over the strident objection of cities, the two houses passed this bill terminating the allocation to cities and counties of VLF revenues under

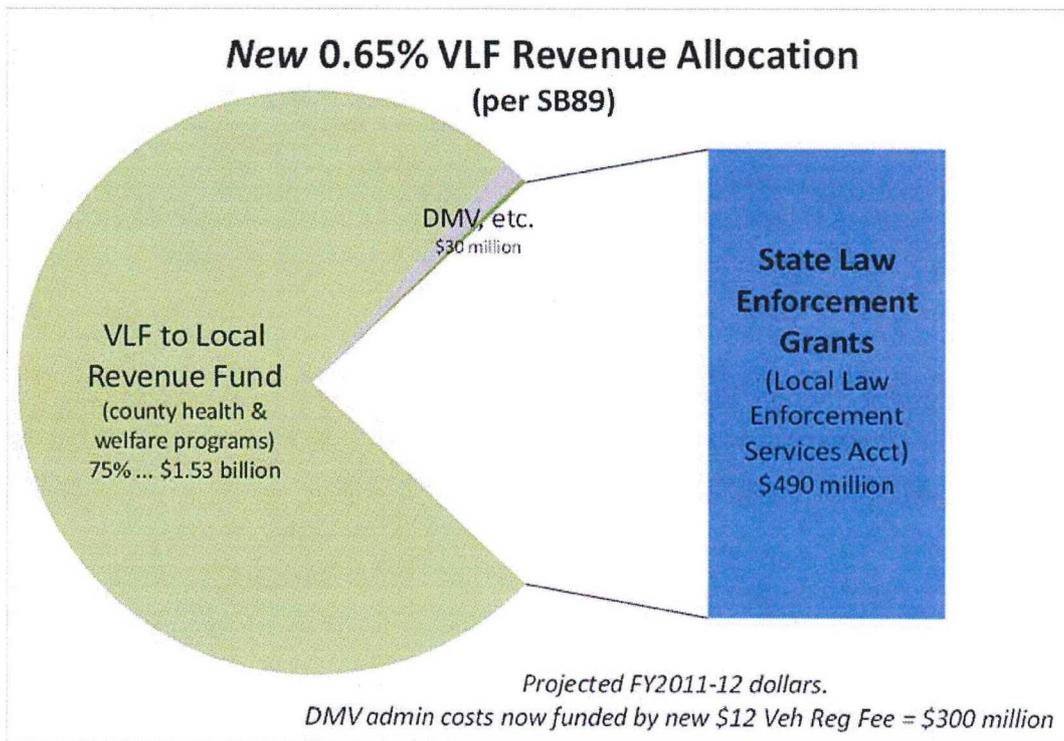
Section 11005 of the Revenue and Taxation Code and instead diverting these moneys to fund state law enforcement grants previously funded by an expired state tax and prior to that, the state general fund.

In summary, SB89 does the following effective July 1, 2011:

- Eliminates MVLF allocations to the County of Orange and cities after July 1, 2011 and instead transfers these amounts (around \$190 million), together with the \$300 million above to a new Local Law Enforcement Services Account to fund the law enforcement grants.
- Imposes an increase in the “Vehicle License Registration Fee” of \$12 to produce approximately \$300 million in FY2011-12. This is a true fee for service that funds state DMV vehicle license registration operations.
- Provides for DMV charges to the MVLF for administrative services, limited to \$25 million in FY2011-12.

AB118 creates a number of accounts and establishes a number of programs to facilitate the realignment of various public safety programs from the state to the local level. In relation to SB89, the bill:

- Establishes the Community Corrections Grant Program and various specific accounts within a new Local Revenue Fund 2011 including the Local Law Enforcement Services Account.
- Provides for allocations totaling up to \$489,900,000 from the Local Law Enforcement Services Account to fund various local law enforcement grant programs. These programs and allocation formulas essentially mirror those funded by the 0.15% temporary state VLF rate that ended June 30, 2011. Among these programs are two of particular importance to cities: the Supplemental Law Enforcement Services Fund (SLESF) or Citizens Option for Public Safety (COPS) grant program and the Jail Detention Facility Grant program which relates to county booking fees.



## **Impacts of SB89**

### **1. The SB89 VLF Shift Impacts Public Safety Services**

MVLF revenues go to city general funds. An average of over 60% - and often 2/3 or more—of city general fund revenues are spent on police and fire services. The recent economic downturn has forced most cities to make significant budget reductions. Having already made substantial reductions in non-safety programs (parks, libraries, streets), cities throughout California are now cutting police and fire staffing and service levels.

SB89 takes \$130 million of city general revenue (VLF) and shifts it to save state law enforcement grant programs. Less than \$100 million of these grant funds will come back to cities, earmarked for police services. But these funds will be entirely offset by the loss of city VLF.

### **2. SB89 Makes New City Incorporations Fiscally Unviable and Severely Imperils Four Recently Incorporated Cities.**

Following the VLF Swap in 2004, special legislation was enacted to remedy a fiscal disincentive for new incorporations created by the swap. The law did not provide a property tax in lieu of VLF share for cities incorporating after 2004. A special allocation from city VLF funds was established to compensate for this. Newly incorporated cities ALSO receive an artificially inflated population factor in the VLF allocation during their first five years for start-up costs. Consequently, VLF is an especially critical revenue source for these new cities.

The elimination of discretionary MVLF revenue for cities and these special allocations has the effect of making these new cities fiscally unviable.

### **3. SB89 Makes Annexations of Inhabited Areas Fiscally Unviable**

Prior to the VLF swap, the additional population added to a city as a result of the annexation of an inhabited area provided the city with greater per capita VLF revenue. This is critical funding for the municipal services that must be provided to the area (police, fire, parks, library, planning, streets, etc.). A provision of the 2004 VLF Swap law denies cities the growth in property tax revenue<sup>viii</sup> attributable to the development pre-existing in an annexation. Special legislation was enacted after the 2004 swap to remedy this disincentive to annex inhabited areas with a special ongoing additional allocation of revenues for annexations.

### **4. SB89 Unfairly Costs Orange County \$50 million per year.**

In the 2004 VLF - Property Tax Swap, the state's backfill to local governments for the VLF tax cut was eliminated and instead counties and cities received additional property tax share. Counties gave up all of their discretionary per capita VLF for property tax share, except Orange County. Because a portion of their VLF revenue allocation was pledged to bonded debt related to the county's bankruptcy proceedings, Orange County did NOT receive \$54 million per year in property tax revenue, but instead continued to receive these funds from the VLF. (Under the law, the \$54 million amount is adjusted for the change in VLF revenue collections, which have declined since 2004.)

**“VLF in Excess”: Revenue and Taxation Code Sec 11001.5(b)**

Vehicle License Fee revenues collected by the Department of Motor Vehicles as a result of certain compliance procedures are allocated under Revenue and Taxation Code Section 11001.5(b). Half of these revenues go to counties and half go to cities apportioned on a population basis. SB89(2011) does not alter these revenues which amount to \$13 million to \$20 million per year for cities and are allocated by the State Controller’s Office in a single distribution each year.

mjgc

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<sup>i</sup> Section 15 of Article XI of the California State Constitution.

<sup>ii</sup> The program is generally referred to as an “offset” rather than a tax cut or tax credit, because the total amount of VLF legally due from the taxpayer was not changed. Instead, the state pays or “offsets” a portion of the amount due, and taxpayers pay the remaining balance.

<sup>iii</sup> AB 2797 (Cardoza) Chapter 322, Statutes of 1998

<sup>iv</sup> AB 1121 (Nakano) Chapter 74, Statutes of 1999

<sup>v</sup> Chapters 106 and 107 Statutes of 2000. This includes a 35 percent offset and a 32.5 percent rebate. In 2001, legislation replaced the rebate program with a direct offset commencing year 2002.

<sup>vi</sup> This “property tax in lieu of VLF” is properly categorized as property tax – not VLF.

<sup>vii</sup> Specifically the property tax in lieu of VLF amount.

## Estimated VLF Revenue Allocations

*Revised October 6, 2011*

	<u>Actual</u> <u>FY2006-07</u>	<u>Actual</u> <u>FY2007-08</u>	<u>Actual</u> <u>FY2008-09</u>	<u>Actual</u> <u>FY2009-10</u>	<u>Estimated</u> <u>FY2010-11</u>	<u>Projected</u> <u>absent SB89</u> <u>FY2011-12</u>	<u>Projected</u> <u>per SB89</u> <u>FY2011-12</u>
Gross MVLF Revenues*	574,456,000	567,364,000	516,882,000	486,460,000	465,428,000	511,718,469	511,718,469
DMV Admin Costs	325,423,000	368,357,000	358,679,000	329,093,990	298,457,000	325,053,000	25,000,000
FTB Admin Costs	4,048,000	4,409,000	5,346,000	4,176,953	5,153,000	5,662,000	5,662,000
SCO Admin Costs	576,000	447,000	563,000	(256,422)	182,000	200,000	200,000
Other Charges	81,000	89,000	82,000	70,919	-	-	-
Net MVLF after admin charges	\$ 199,324,000	\$ 194,063,000	\$ 153,204,000	\$ 153,374,559	\$ 161,636,000	\$ 180,803,469	\$ 480,856,469
Orange County R&T11005(a)	55,862,000	54,934,000	49,997,000	47,777,000	45,421,000	47,119,745	0
Recent New Cities R&T11005(b)	6,667,000	2,713,000	1,415,000	569,000	-	-	0
Newly Incorporated R&T11005(c)	-	-	7,767,000	6,634,000	8,828,000	15,483,063	0
Annexing Cities R&T11005(d)	1,530,000	3,606,000	3,964,000	4,463,000	4,160,000	4,316,095	0
Local Law Enforcement Services Account							480,856,469
Net to Cities under R&T11005(e)	\$ 135,265,000	\$ 132,810,000	\$ 90,061,000	\$ 93,931,559	\$ 103,227,000	\$ 113,884,566	0
Cities Population**	31,138,012	31,138,012	31,591,553	31,807,364	32,077,881	32,283,782	0
R&T11005(e) per capita	\$ 4.34	\$ 4.27	\$ 2.85	\$ 2.95	\$ 3.22	\$ 3.53	0

\*net of County Health & Welfare allocations

*CaliforniaCityFinance.com*

\*\*includes R&T11003 "bumped" populations

\*\*\*adjusted based on latest revenue allocations released by the California State Controller. Due to the effects of SB94, which delayed the issuance of motor vehicle registration billings to vehicle owners for the months of July and August 2011, VLF revenues in June 2011 were substantially down. This resulted in zero revenue allocations to cities for that month. The subsequent enactment of SB89/AB118 eliminated VLF allocations in subsequent months. Consequently, the FY2010-11 figure includes some lost revenue as well.

**Loss of City Vehicle License Fee (VLF) Revenues Due to SB89 (2011)  
Estimated FY2011-12 Impact**

City	County	Population*	Lost Motor Vehicle License Fee (general purpose)				Actual VLF Allocation per SB89
			New Incorp R&T11005(c)	New Annex R&T11005(d)	Per Capita R&T11005(e)	Total	
ALAMEDA	Alameda	75,823	-	-	267,473	267,473	0
ALBANY	Alameda	17,021	-	-	60,043	60,043	0
BERKELEY	Alameda	108,119	-	-	381,401	381,401	0
DUBLIN	Alameda	48,821	-	-	172,221	172,221	0
EMERYVILLE	Alameda	10,227	-	-	36,077	36,077	0
FREMONT	Alameda	218,128	-	-	769,468	769,468	0
HAYWARD	Alameda	153,104	-	13,439	540,090	553,529	0
LIVERMORE	Alameda	85,312	-	136	300,947	301,082	0
NEWARK	Alameda	44,380	-	-	156,555	156,555	0
OAKLAND	Alameda	430,666	-	-	1,519,217	1,519,217	0
PIEDMONT	Alameda	11,262	-	-	39,728	39,728	0
PLEASANTON	Alameda	70,711	-	136	249,440	249,576	0
SAN LEANDRO	Alameda	83,183	-	-	293,436	293,436	0
UNION CITY	Alameda	75,054	-	-	264,760	264,760	0
AMADOR	Amador	216	-	-	762	762	0
IONE	Amador	7,842	-	-	27,663	27,663	0
JACKSON	Amador	4,371	-	-	15,419	15,419	0
PLYMOUTH	Amador	1,074	-	-	3,789	3,789	0
SUTTER CREEK	Amador	2,945	-	181	10,389	10,570	0
BIGGS	Butte	1,809	-	543	6,381	6,924	0
CHICO	Butte	88,228	-	471,461	311,233	782,694	0
GRIDLEY	Butte	6,454	-	4,480	22,767	27,247	0
OROVILLE	Butte	14,687	-	38,191	51,810	90,001	0
PARADISE	Butte	26,725	-	91	94,275	94,366	0
ANGELS	Calaveras	3,593	-	-	12,675	12,675	0
COLUSA	Colusa	5,947	-	-	20,979	20,979	0
WILLIAMS	Colusa	5,349	-	-	18,869	18,869	0
ANTIOCH	Contra Cost	102,330	-	-	360,979	360,979	0
BRENTWOOD	Contra Cost	52,492	-	272	185,171	185,442	0
CLAYTON	Contra Cost	10,990	-	-	38,768	38,768	0
CONCORD	Contra Cost	125,864	-	136	443,998	444,134	0
DANVILLE	Contra Cost	43,574	-	-	153,712	153,712	0
EL CERRITO	Contra Cost	23,666	-	-	83,484	83,484	0
HERCULES	Contra Cost	24,693	-	-	87,107	87,107	0
LAFAYETTE	Contra Cost	24,411	-	-	86,112	86,112	0
MARTINEZ	Contra Cost	36,892	-	-	130,140	130,140	0
MORAGA	Contra Cost	16,525	-	-	58,294	58,294	0
OAKLEY	Contra Cost	35,646	-	7,104	125,745	132,849	0
ORINDA	Contra Cost	17,866	-	-	63,024	63,024	0
PINOLE	Contra Cost	19,604	-	-	69,155	69,155	0
PITTSBURG	Contra Cost	64,967	-	-	229,178	229,178	0
PLEASANT HILL	Contra Cost	33,844	-	-	119,388	119,388	0
RICHMOND	Contra Cost	105,630	-	-	372,620	372,620	0
SAN PABLO	Contra Cost	32,131	-	-	113,345	113,345	0
SAN RAMON	Contra Cost	64,860	-	334,806	228,800	563,606	0
WALNUT CREEK	Contra Cost	66,584	-	-	234,882	234,882	0
CRESCENT CITY	Del Norte	7,762	-	-	27,381	27,381	0
PLACERVILLE	El Dorado	10,429	-	91	36,789	36,880	0
SOUTH LAKE TAHOE	El Dorado	24,087	-	-	84,969	84,969	0
CLOVIS	Fresno	96,868	-	22,173	341,712	363,884	0
COALINGA	Fresno	19,109	-	-	67,409	67,409	0

**Loss of City Vehicle License Fee (VLF) Revenues Due to SB89 (2011)  
Estimated FY2011-12 Impact**

City	County	Population*	Lost Motor Vehicle License Fee (general purpose)				Actual VLF Allocation per SB89
			New Incorp R&T11005(c)	New Annex R&T11005(d)	Per Capita R&T11005(e)	Total	
FIREBAUGH	Fresno	6,941	-	-	24,485	24,485	0
FOWLER	Fresno	5,764	-	272	20,333	20,605	0
FRESNO	Fresno	502,303	-	32,671	1,771,924	1,804,595	0
HURON	Fresno	8,082	-	-	28,510	28,510	0
KERMAN	Fresno	14,381	-	2,398	50,730	53,129	0
KINGSBURG	Fresno	11,504	-	-	40,582	40,582	0
MENDOTA	Fresno	9,966	-	-	35,156	35,156	0
ORANGE COVE	Fresno	11,049	-	-	38,976	38,976	0
PARLIER	Fresno	13,658	-	181	48,180	48,361	0
REEDLEY	Fresno	26,227	-	67,513	92,518	160,032	0
SAN JOAQUIN	Fresno	4,071	-	-	14,361	14,361	0
SANGER	Fresno	25,664	-	1,312	90,532	91,845	0
SELMA	Fresno	23,435	-	5,566	82,669	88,235	0
ORLAND	Glenn	7,501	-	7,647	26,461	34,108	0
WILLOWS	Glenn	6,505	-	-	22,947	22,947	0
ARCATA	Humboldt	17,712	-	-	62,481	62,481	0
BLUE LAKE	Humboldt	1,178	-	-	4,156	4,156	0
EUREKA	Humboldt	27,208	-	-	95,979	95,979	0
FERNDALE	Humboldt	1,444	-	-	5,094	5,094	0
FORTUNA	Humboldt	11,374	-	-	40,123	40,123	0
RIO DELL	Humboldt	3,295	-	136	11,623	11,759	0
TRINIDAD	Humboldt	323	-	-	1,139	1,139	0
BRAWLEY	Imperial	27,743	-	-	97,866	97,866	0
CALEXICO	Imperial	40,075	-	-	141,369	141,369	0
CALIPATRIA	Imperial	8,233	-	-	29,043	29,043	0
EL CENTRO	Imperial	45,365	-	8,688	160,030	168,718	0
HOLTVILLE	Imperial	6,641	-	-	23,427	23,427	0
IMPERIAL	Imperial	13,374	-	453	47,178	47,631	0
WESTMORLAND	Imperial	2,444	-	-	8,621	8,621	0
BISHOP	Inyo	3,643	-	-	12,851	12,851	0
ARVIN	Kern	16,918	-	-	59,680	59,680	0
BAKERSFIELD	Kern	338,952	-	40,725	1,195,687	1,236,412	0
CALIFORNIA CITY	Kern	15,014	-	-	52,963	52,963	0
DELANO	Kern	54,447	-	3,258	192,067	195,325	0
MARICOPA	Kern	1,153	-	-	4,067	4,067	0
MCFARLAND	Kern	13,942	-	-	49,182	49,182	0
RIDGECREST	Kern	28,726	-	-	101,334	101,334	0
SHAFTER	Kern	16,208	-	1,720	57,175	58,895	0
TAFT	Kern	9,264	-	-	32,680	32,680	0
TEHACHAPI	Kern	13,886	-	317	48,984	49,301	0
WASCO	Kern	25,541	-	-	90,098	90,098	0
AVENAL	Kings	16,737	-	-	59,041	59,041	0
CORCORAN	Kings	26,047	-	79,867	91,883	171,750	0
HANFORD	Kings	53,266	-	6,109	187,901	194,010	0
LEMOORE	Kings	25,461	-	-	89,816	89,816	0
CLEARLAKE	Lake	14,390	-	-	50,762	50,762	0
LAKEPORT	Lake	5,146	-	3,575	18,153	21,728	0
SUSANVILLE	Lassen	18,600	-	45	65,613	65,659	0
AGOURA HILLS	Los Angeles	23,387	-	-	82,500	82,500	0
ALHAMBRA	Los Angeles	90,561	-	-	319,463	319,463	0
ARCADIA	Los Angeles	56,719	-	-	200,082	200,082	0

**Loss of City Vehicle License Fee (VLF) Revenues Due to SB89 (2011)  
Estimated FY2011-12 Impact**

City	County	Population*	Lost Motor Vehicle License Fee (general purpose)				Actual VLF Allocation per SB89
			New Incorp R&T11005(c)	New Annex R&T11005(d)	Per Capita R&T11005(e)	Total	
ARTESIA	Los Angeles	17,608	-	-	62,114	62,114	0
AVALON	Los Angeles	3,559	-	-	12,555	12,555	0
AZUSA	Los Angeles	49,207	-	-	173,583	173,583	0
BALDWIN PARK	Los Angeles	81,604	-	-	287,866	287,866	0
BELL	Los Angeles	38,982	-	-	137,513	137,513	0
BELL GARDENS	Los Angeles	47,002	-	-	165,804	165,804	0
BELLFLOWER	Los Angeles	77,513	-	-	273,435	273,435	0
BEVERLY HILLS	Los Angeles	36,224	-	-	127,784	127,784	0
BRADBURY	Los Angeles	963	-	-	3,397	3,397	0
BURBANK	Los Angeles	108,469	-	-	382,635	382,635	0
CALABASAS	Los Angeles	23,788	-	-	83,915	83,915	0
CARSON	Los Angeles	98,329	-	-	346,865	346,865	0
CERRITOS	Los Angeles	55,074	-	-	194,279	194,279	0
CLAREMONT	Los Angeles	37,780	-	-	133,273	133,273	0
COMMERCE	Los Angeles	13,581	-	-	47,908	47,908	0
COMPTON	Los Angeles	99,769	-	-	351,945	351,945	0
COVINA	Los Angeles	49,720	-	-	175,392	175,392	0
CUDAHY	Los Angeles	26,029	-	-	91,820	91,820	0
CULVER CITY	Los Angeles	40,870	-	-	144,173	144,173	0
DIAMOND BAR	Los Angeles	61,019	-	6,833	215,251	222,083	0
DOWNEY	Los Angeles	113,715	-	-	401,141	401,141	0
DUARTE	Los Angeles	23,124	-	-	81,572	81,572	0
EL MONTE	Los Angeles	126,464	-	-	446,114	446,114	0
EL SEGUNDO	Los Angeles	17,076	-	-	60,237	60,237	0
GARDENA	Los Angeles	61,947	-	-	218,524	218,524	0
GLENDALE	Los Angeles	207,902	-	-	733,395	733,395	0
GLENDORA	Los Angeles	52,830	-	-	186,363	186,363	0
HAWAIIAN GARDEN	Los Angeles	15,922	-	-	56,166	56,166	0
HAWTHORNE	Los Angeles	90,145	-	-	317,996	317,996	0
HERMOSA BEACH	Los Angeles	19,608	-	-	69,169	69,169	0
HIDDEN HILLS	Los Angeles	2,040	-	-	7,196	7,196	0
HUNTINGTON PARK	Los Angeles	64,929	-	-	229,044	229,044	0
INDUSTRY	Los Angeles	804	-	-	2,836	2,836	0
INGLEWOOD	Los Angeles	119,212	-	-	420,532	420,532	0
IRWINDALE	Los Angeles	1,727	-	-	6,092	6,092	0
LA CANADA FLINTR	Los Angeles	21,608	-	-	76,224	76,224	0
LA HABRA HEIGHTS	Los Angeles	6,193	-	-	21,846	21,846	0
LA MIRADA	Los Angeles	50,477	-	-	178,063	178,063	0
LA PUENTE	Los Angeles	43,360	-	-	152,957	152,957	0
LA VERNE	Los Angeles	34,051	-	-	120,118	120,118	0
LAKEWOOD	Los Angeles	83,674	-	-	295,168	295,168	0
LANCASTER	Los Angeles	145,875	-	-	514,589	514,589	0
LAWNDALE	Los Angeles	33,641	-	-	118,672	118,672	0
LOMITA	Los Angeles	21,153	-	-	74,619	74,619	0
LONG BEACH	Los Angeles	494,709	-	-	1,745,135	1,745,135	0
LOS ANGELES	Los Angeles	4,094,764	-	-	14,444,689	14,444,689	0
LYNWOOD	Los Angeles	73,295	-	-	258,555	258,555	0
MALIBU	Los Angeles	13,765	-	-	48,557	48,557	0
MANHATTAN BEACH	Los Angeles	36,843	-	-	129,967	129,967	0
MAYWOOD	Los Angeles	30,034	-	-	105,948	105,948	0
MONROVIA	Los Angeles	39,984	-	-	141,048	141,048	0

**Loss of City Vehicle License Fee (VLF) Revenues Due to SB89 (2011)  
Estimated FY2011-12 Impact**

City	County	Population*	Lost Motor Vehicle License Fee (general purpose)				Actual VLF Allocation per SB89
			New Incorp R&T11005(c)	New Annex R&T11005(d)	Per Capita R&T11005(e)	Total	
MONTEBELLO	Los Angeles	65,781	-	-	232,049	232,049	0
MONTEREY PARK	Los Angeles	65,027	-	-	229,389	229,389	0
NORWALK	Los Angeles	110,178	-	-	388,664	388,664	0
PALMDALE	Los Angeles	152,622	-	-	538,389	538,389	0
PALOS VERDES ES	Los Angeles	14,208	-	-	50,120	50,120	0
PARAMOUNT	Los Angeles	58,109	-	-	204,985	204,985	0
PASADENA	Los Angeles	151,576	-	-	534,699	534,699	0
PICO RIVERA	Los Angeles	67,288	-	-	237,365	237,365	0
POMONA	Los Angeles	163,683	-	-	577,408	577,408	0
RANCHO PALOS VE	Los Angeles	43,525	-	-	153,539	153,539	0
REDONDO BEACH	Los Angeles	68,105	-	-	240,247	240,247	0
ROLLING HILLS	Los Angeles	1,983	-	-	6,995	6,995	0
ROLLING HILLS EST	Los Angeles	8,191	-	-	28,895	28,895	0
ROSEMEAD	Los Angeles	57,756	-	-	203,740	203,740	0
SAN DIMAS	Los Angeles	37,011	-	-	130,560	130,560	0
SAN FERNANDO	Los Angeles	25,366	-	-	89,481	89,481	0
SAN GABRIEL	Los Angeles	42,984	-	-	151,630	151,630	0
SAN MARINO	Los Angeles	13,673	-	-	48,233	48,233	0
SANTA CLARITA	Los Angeles	177,641	-	390,916	626,646	1,017,562	0
SANTA FE SPRINGS	Los Angeles	17,997	-	-	63,486	63,486	0
SANTA MONICA	Los Angeles	92,703	-	-	327,019	327,019	0
SIERRA MADRE	Los Angeles	11,146	-	-	39,319	39,319	0
SIGNAL HILL	Los Angeles	11,465	-	-	40,444	40,444	0
SOUTH EL MONTE	Los Angeles	22,627	-	-	79,819	79,819	0
SOUTH GATE	Los Angeles	102,816	-	-	362,694	362,694	0
SOUTH PASADENA	Los Angeles	25,881	-	-	91,298	91,298	0
TEMPLE CITY	Los Angeles	35,892	-	-	126,613	126,613	0
TORRANCE	Los Angeles	149,717	-	-	528,142	528,142	0
VERNON	Los Angeles	96	-	-	339	339	0
WALNUT	Los Angeles	32,659	-	-	115,208	115,208	0
WEST COVINA	Los Angeles	112,953	-	-	398,453	398,453	0
WEST HOLLYWOOD	Los Angeles	38,036	-	-	134,176	134,176	0
WESTLAKE VILLAG	Los Angeles	8,905	-	-	31,413	31,413	0
WHITTIER	Los Angeles	87,250	-	-	307,783	307,783	0
CHOWCHILLA	Madera	19,051	-	3,394	67,204	70,598	0
MADERA	Madera	58,243	-	17,783	205,458	223,241	0
BELVEDERE	Marin	2,175	-	-	7,673	7,673	0
CORTE MADERA	Marin	9,816	-	-	34,627	34,627	0
FAIRFAX	Marin	7,492	-	-	26,429	26,429	0
LARKSPUR	Marin	12,398	-	-	43,735	43,735	0
MILL VALLEY	Marin	14,144	-	272	49,894	50,166	0
NOVATO	Marin	53,357	-	91	188,222	188,313	0
ROSS	Marin	2,422	-	-	8,544	8,544	0
SAN ANSELMO	Marin	12,744	-	-	44,956	44,956	0
SAN RAFAEL	Marin	58,822	-	-	207,500	207,500	0
SAUSALITO	Marin	7,596	-	-	26,796	26,796	0
TIBURON	Marin	9,000	-	-	31,748	31,748	0
FORT BRAGG	Mendocino	7,104	-	-	25,060	25,060	0
POINT ARENA	Mendocino	501	-	-	1,767	1,767	0
UKIAH	Mendocino	15,959	-	-	56,297	56,297	0
WILLITS	Mendocino	5,102	-	-	17,998	17,998	0

**Loss of City Vehicle License Fee (VLF) Revenues Due to SB89 (2011)  
Estimated FY2011-12 Impact**

City	County	Population*	Lost Motor Vehicle License Fee (general purpose)				Actual VLF Allocation per SB89
			New Incorp R&T11005(c)	New Annex R&T11005(d)	Per Capita R&T11005(e)	Total	
SARATOGA	Santa Clara	31,997	-	8,371	112,873	121,244	0
SUNNYVALE	Santa Clara	140,450	-	-	495,451	495,451	0
CAPITOLA	Santa Cruz	10,198	-	-	35,974	35,974	0
SANTA CRUZ	Santa Cruz	59,684	-	-	210,541	210,541	0
SCOTTS VALLEY	Santa Cruz	11,903	-	-	41,989	41,989	0
WATSONVILLE	Santa Cruz	52,543	-	181	185,351	185,532	0
ANDERSON	Shasta	10,826	-	2,941	38,190	41,131	0
REDDING	Shasta	91,561	-	-	322,991	322,991	0
SHASTA LAKE	Shasta	10,325	-	-	36,422	36,422	0
LOYALTON	Sierra	888	-	-	3,133	3,133	0
DORRIS	Siskiyou	890	-	-	3,140	3,140	0
DUNSMUIR	Siskiyou	1,923	-	-	6,784	6,784	0
ETNA	Siskiyou	781	-	91	2,755	2,846	0
FORT JONES	Siskiyou	675	-	-	2,381	2,381	0
MONTAGUE	Siskiyou	1,523	-	-	5,373	5,373	0
MOUNT SHASTA	Siskiyou	3,706	-	91	13,073	13,164	0
TULELAKE	Siskiyou	1,024	-	-	3,612	3,612	0
WEED	Siskiyou	3,030	-	-	10,689	10,689	0
YREKA	Siskiyou	7,443	-	-	26,256	26,256	0
BENICIA	Solano	28,086	-	-	99,076	99,076	0
DIXON	Solano	17,644	-	136	62,241	62,377	0
FAIRFIELD	Solano	106,753	-	-	376,582	376,582	0
RIO VISTA	Solano	8,324	-	-	29,364	29,364	0
SUISUN CITY	Solano	28,962	-	1,403	102,166	103,569	0
VACAVILLE	Solano	97,305	-	3,665	343,253	346,918	0
VALLEJO	Solano	121,435	-	-	428,374	428,374	0
CLOVERDALE	Sonoma	8,636	-	-	30,464	30,464	0
COTATI	Sonoma	7,535	-	-	26,580	26,580	0
HEALDSBURG	Sonoma	11,931	-	1,539	42,088	43,626	0
PETALUMA	Sonoma	58,401	-	-	206,015	206,015	0
ROHNERT PARK	Sonoma	43,398	-	-	153,091	153,091	0
SANTA ROSA	Sonoma	163,436	-	14,887	576,537	591,424	0
SEBASTOPOL	Sonoma	7,943	-	407	28,020	28,427	0
SONOMA	Sonoma	10,078	-	453	35,551	36,004	0
WINDSOR	Sonoma	26,955	-	272	95,086	95,358	0
CERES	Stanislaus	43,219	-	634	152,459	153,093	0
HUGHSON	Stanislaus	6,240	-	407	22,012	22,419	0
MODESTO	Stanislaus	211,536	-	10,905	746,214	757,120	0
NEWMAN	Stanislaus	10,824	-	-	38,183	38,183	0
OAKDALE	Stanislaus	19,854	-	7,059	70,037	77,096	0
PATTERSON	Stanislaus	21,251	-	6,199	74,965	81,164	0
RIVERBANK	Stanislaus	22,201	-	1,810	78,316	80,126	0
TURLOCK	Stanislaus	71,181	-	12,761	251,098	263,859	0
WATERFORD	Stanislaus	8,860	-	2,534	31,255	33,789	0
LIVE OAK	Sutter	8,791	-	-	31,011	31,011	0
YUBA CITY	Sutter	65,372	-	22,082	230,606	252,688	0
CORNING	Tehama	7,409	-	1,584	26,136	27,720	0
RED BLUFF	Tehama	13,828	-	362	48,780	49,142	0
TEHAMA	Tehama	438	-	-	1,545	1,545	0
DINUBA	Tulare	21,542	-	22,354	75,992	98,345	0
EXETER	Tulare	10,752	-	-	37,929	37,929	0

**Loss of City Vehicle License Fee (VLF) Revenues Due to SB89 (2011)  
Estimated FY2011-12 Impact**

City	County	Population*	Lost Motor Vehicle License Fee (general purpose)				Actual VLF Allocation per SB89
			New Incorp R&T11005(c)	New Annex R&T11005(d)	Per Capita R&T11005(e)	Total	
FARMERSVILLE	Tulare	10,971	-	362	38,701	39,063	0
LINDSAY	Tulare	11,800	-	3,665	41,626	45,291	0
PORTERVILLE	Tulare	52,960	-	237,744	186,822	424,566	0
TULARE	Tulare	59,535	-	97,243	210,016	307,258	0
VISALIA	Tulare	125,971	-	146,248	444,375	590,624	0
WOODLAKE	Tulare	7,927	-	181	27,963	28,144	0
SONORA	Tuolumne	4,804	-	91	16,947	17,037	0
CAMARILLO	Ventura	66,690	-	6,154	235,256	241,410	0
FILLMORE	Ventura	15,787	-	-	55,690	55,690	0
MOORPARK	Ventura	37,576	-	-	132,553	132,553	0
OJAI	Ventura	8,226	-	-	29,018	29,018	0
OXNARD	Ventura	200,004	-	-	705,534	705,534	0
PORT HUENEME	Ventura	22,445	-	-	79,177	79,177	0
SAN BUENAVENTURA	Ventura	109,946	-	226	387,846	388,072	0
SANTA PAULA	Ventura	30,048	-	1,855	105,997	107,853	0
SIMI VALLEY	Ventura	126,902	-	181	447,659	447,840	0
THOUSAND OAKS	Ventura	130,209	-	4,254	459,325	463,579	0
DAVIS	Yolo	66,570	-	-	234,832	234,832	0
WEST SACRAMENT	Yolo	48,426	-	-	170,828	170,828	0
WINTERS	Yolo	7,098	-	-	25,039	25,039	0
WOODLAND	Yolo	57,288	-	-	202,089	202,089	0
MARYSVILLE	Yuba	12,867	-	-	45,390	45,390	0
WHEATLAND	Yuba	3,558	-	-	12,551	12,551	0
<b>32,283,782</b>			<b>15,483,063</b>	<b>4,316,095</b>	<b>113,884,270</b>	<b>133,683,427</b>	<b>-</b>

Note: Recently incorporated cities received a special boosted population for purposes of these revenue allocations.

150% of actual in the first year, 140% in second, 130% in third, 120% in fourth, 110% in fifth and actual from then on.

The R&T11005(b) allocation continues for these new cities indefinitely even after their 5 year "bump" ends.

**Loss of City Vehicle License Fee (VLF) Revenues Due to SB89 (2011)  
Estimated FY2011-12 Impact**

City	County	Population*	Lost Motor Vehicle License Fee (general purpose)				Actual VLF Allocation per SB89
			New Incorp R&T11005(c)	New Annex R&T11005(d)	Per Capita R&T11005(e)	Total	
ATWATER	Merced	27,755	-	272	97,909	98,180	0
DOS PALOS	Merced	5,041	-	-	17,783	17,783	0
GUSTINE	Merced	5,311	-	-	18,735	18,735	0
LIVINGSTON	Merced	14,051	-	181	49,566	49,747	0
LOS BANOS	Merced	36,421	-	-	128,479	128,479	0
MERCED	Merced	80,985	-	15,114	285,683	300,796	0
ALTURAS	Modoc	2,925	-	-	10,318	10,318	0
MAMMOTH LAKES	Mono	7,717	-	-	27,222	27,222	0
CARMEL-BY-THE-SEA	Monterey	4,102	-	-	14,470	14,470	0
DEL REY OAKS	Monterey	1,654	-	-	5,835	5,835	0
GONZALES	Monterey	9,114	-	181	32,151	32,332	0
GREENFIELD	Monterey	17,898	-	634	63,137	63,770	0
KING CITY	Monterey	12,140	-	-	42,825	42,825	0
MARINA	Monterey	28,136	-	-	99,253	99,253	0
MONTEREY	Monterey	30,641	-	-	108,089	108,089	0
PACIFIC GROVE	Monterey	15,683	-	-	55,323	55,323	0
SALINAS	Monterey	156,516	-	317	552,126	552,443	0
SAND CITY	Monterey	329	-	-	1,161	1,161	0
SEASIDE	Monterey	34,918	-	-	123,177	123,177	0
SOLEDAD	Monterey	28,361	-	181	100,046	100,227	0
AMERICAN CANYON	Napa	16,836	-	1,448	59,391	60,839	0
CALISTOGA	Napa	5,370	-	-	18,943	18,943	0
NAPA	Napa	78,791	-	6,380	277,943	284,323	0
SAINT HELENA	Napa	6,041	-	-	21,310	21,310	0
YOUNTVILLE	Napa	4,072	-	-	14,364	14,364	0
GRASS VALLEY	Nevada	13,031	-	8,824	45,968	54,792	0
NEVADA CITY	Nevada	3,088	-	45	10,893	10,938	0
TRUCKEE	Nevada	16,280	-	-	57,429	57,429	0
ALISO VIEJO	Orange	46,123	-	-	162,703	162,703	0
ANAHEIM	Orange	353,643	-	-	1,247,511	1,247,511	0
BREA	Orange	40,377	-	-	142,434	142,434	0
BUENA PARK	Orange	84,141	-	-	296,816	296,816	0
COSTA MESA	Orange	117,178	-	-	413,357	413,357	0
CYPRESS	Orange	49,981	-	-	176,313	176,313	0
DANA POINT	Orange	37,326	-	-	131,671	131,671	0
FOUNTAIN VALLEY	Orange	58,741	-	-	207,215	207,215	0
FULLERTON	Orange	138,610	-	14,073	488,961	503,033	0
GARDEN GROVE	Orange	175,618	-	-	619,510	619,510	0
HUNTINGTON BEACH	Orange	203,484	-	2,670	717,810	720,480	0
IRVINE	Orange	217,686	-	-	767,909	767,909	0
LA HABRA	Orange	63,184	-	14,571	222,888	237,458	0
LA PALMA	Orange	16,304	-	-	57,514	57,514	0
LAGUNA BEACH	Orange	25,354	-	-	89,439	89,439	0
LAGUNA HILLS	Orange	33,811	-	-	119,272	119,272	0
LAGUNA NIGUEL	Orange	67,666	-	-	238,699	238,699	0
LAGUNA WOODS	Orange	18,747	-	-	66,132	66,132	0
LAKE FOREST	Orange	78,720	-	-	277,693	277,693	0
LOS ALAMITOS	Orange	12,270	-	-	43,284	43,284	0
MISSION VIEJO	Orange	100,725	-	-	355,318	355,318	0
NEWPORT BEACH	Orange	86,738	-	63,938	305,977	369,915	0
ORANGE	Orange	142,708	-	-	503,417	503,417	0

**Loss of City Vehicle License Fee (VLF) Revenues Due to SB89 (2011)  
Estimated FY2011-12 Impact**

City	County	Population*	Lost Motor Vehicle License Fee (general purpose)				Actual VLF Allocation per SB89
			New Incorp R&T11005(c)	New Annex R&T11005(d)	Per Capita R&T11005(e)	Total	
PLACENTIA	Orange	52,305	-	-	184,511	184,511	0
RANCHO SANTA MARÍA	Orange	49,945	-	-	176,186	176,186	0
SAN CLEMENTE	Orange	68,763	-	3,349	242,568	245,917	0
SAN JUAN CAPISTRANO	Orange	37,233	-	-	131,343	131,343	0
SANTA ANA	Orange	357,754	-	-	1,262,013	1,262,013	0
SEAL BEACH	Orange	26,010	-	-	91,753	91,753	0
STANTON	Orange	39,799	-	-	140,395	140,395	0
TUSTIN	Orange	75,773	-	-	267,297	267,297	0
VILLA PARK	Orange	6,307	-	-	22,249	22,249	0
WESTMINSTER	Orange	94,294	-	-	332,632	332,632	0
YORBA LINDA	Orange	69,273	-	-	244,367	244,367	0
AUBURN	Placer	13,578	-	-	47,898	47,898	0
COLFAX	Placer	1,993	-	-	7,031	7,031	0
LINCOLN	Placer	41,111	-	1,131	145,023	146,154	0
LOOMIS	Placer	6,743	-	-	23,787	23,787	0
ROCKLIN	Placer	56,019	-	-	197,613	197,613	0
ROSEVILLE	Placer	115,781	-	181	408,429	408,610	0
PORTOLA	Plumas	2,248	-	-	7,930	7,930	0
BANNING	Riverside	28,751	-	-	101,422	101,422	0
BEAUMONT	Riverside	34,217	-	12,987	120,704	133,691	0
BLYTHE	Riverside	22,625	-	-	79,812	79,812	0
CALIMESA	Riverside	7,555	-	-	26,651	26,651	0
CANYON LAKE	Riverside	11,225	-	-	39,597	39,597	0
CATHEDRAL CITY	Riverside	52,841	-	226	186,402	186,628	0
COACHELLA	Riverside	42,591	-	1,086	150,244	151,330	0
CORONA	Riverside	150,416	-	-	530,607	530,607	0
DESERT HOT SPRINGS	Riverside	26,811	-	-	94,578	94,578	0
EASTVALE	Riverside	<b>67,803</b>	3,068,104	-	239,183	3,307,287	0
HEMET	Riverside	75,820	-	2,806	267,463	270,268	0
INDIAN WELLS	Riverside	5,144	-	-	18,146	18,146	0
INDIO	Riverside	83,675	-	27,557	295,172	322,729	0
JURUPA VALLEY	Riverside	<b>145,020</b>	6,562,155	-	511,573	7,073,728	0
LA QUINTA	Riverside	44,421	-	6,742	156,700	163,442	0
LAKE ELSINORE	Riverside	50,983	-	3,801	179,848	183,649	0
MENIFEE	Riverside	<b>84,408</b>	3,819,469	-	297,758	4,117,227	0
MORENO VALLEY	Riverside	188,537	-	-	665,083	665,083	0
MURRIETA	Riverside	101,487	-	-	358,006	358,006	0
NORCO	Riverside	27,370	-	-	96,550	96,550	0
PALM DESERT	Riverside	52,067	-	-	183,672	183,672	0
PALM SPRINGS	Riverside	48,040	-	-	169,466	169,466	0
PERRIS	Riverside	55,133	-	-	194,487	194,487	0
RANCHO MIRAGE	Riverside	17,180	-	-	60,604	60,604	0
RIVERSIDE	Riverside	304,051	-	71,948	1,072,570	1,144,518	0
SAN JACINTO	Riverside	36,933	-	407	130,285	130,692	0
TEMECULA	Riverside	105,029	-	428,745	370,500	799,245	0
WILDOMAR	Riverside	<b>44,936</b>	2,033,335	-	158,515	2,191,850	0
CITRUS HEIGHTS	Sacramento	88,115	-	-	310,834	310,834	0
ELK GROVE	Sacramento	143,885	-	-	507,569	507,569	0
FOLSOM	Sacramento	72,590	-	-	256,068	256,068	0
GALT	Sacramento	24,264	-	-	85,594	85,594	0
ISLETON	Sacramento	844	-	-	2,977	2,977	0

**Loss of City Vehicle License Fee (VLF) Revenues Due to SB89 (2011)  
Estimated FY2011-12 Impact**

City	County	Population*	Lost Motor Vehicle License Fee (general purpose)				Actual VLF Allocation per SB89
			New Incorp R&T11005(c)	New Annex R&T11005(d)	Per Capita R&T11005(e)	Total	
RANCHO CORDOVA	Sacramento	62,899	-	-	221,883	221,883	0
SACRAMENTO	Sacramento	486,189	-	-	1,715,080	1,715,080	0
HOLLISTER	San Benito	37,301	-	453	131,583	132,036	0
SAN JUAN BAUTIST.	San Benito	1,895	-	-	6,685	6,685	0
ADELANTO	San Bernard	28,540	-	-	100,678	100,678	0
APPLE VALLEY	San Bernard	70,297	-	-	247,980	247,980	0
BARSTOW	San Bernard	24,281	-	10,453	85,654	96,106	0
BIG BEAR LAKE	San Bernard	6,278	-	-	22,146	22,146	0
CHINO	San Bernard	84,742	-	1,765	298,936	300,701	0
CHINO HILLS	San Bernard	78,971	-	-	278,578	278,578	0
COLTON	San Bernard	51,918	-	9,231	183,146	192,377	0
FONTANA	San Bernard	190,356	-	759,071	671,500	1,430,571	0
GRAND TERRACE	San Bernard	12,717	-	-	44,860	44,860	0
HESPERIA	San Bernard	88,479	-	12,127	312,119	324,246	0
HIGHLAND	San Bernard	52,503	-	-	185,210	185,210	0
LOMA LINDA	San Bernard	22,760	-	-	80,288	80,288	0
MONTCLAIR	San Bernard	37,535	-	33,847	132,408	166,256	0
NEEDLES	San Bernard	5,809	-	-	20,492	20,492	0
ONTARIO	San Bernard	174,536	-	-	615,693	615,693	0
RANCHO CUCAMON	San Bernard	178,904	-	136	631,102	631,238	0
REDLANDS	San Bernard	71,926	-	362	253,726	254,088	0
RIALTO	San Bernard	100,260	-	-	353,677	353,677	0
SAN BERNARDINO	San Bernard	205,493	-	112,944	724,897	837,841	0
TWENTYNINE PALM	San Bernard	30,832	-	-	108,763	108,763	0
UPLAND	San Bernard	76,106	-	2,534	268,472	271,006	0
VICTORVILLE	San Bernard	112,097	-	-	395,433	395,433	0
YUCAIPA	San Bernard	52,063	-	-	183,657	183,657	0
YUCCA VALLEY	San Bernard	21,292	-	-	75,110	75,110	0
CARLSBAD	San Diego	106,804	-	-	376,762	376,762	0
CHULA VISTA	San Diego	237,595	-	-	838,140	838,140	0
CORONADO	San Diego	26,973	-	-	95,150	95,150	0
DEL MAR	San Diego	4,660	-	-	16,439	16,439	0
EL CAJON	San Diego	99,637	-	272	351,479	351,751	0
ENCINITAS	San Diego	65,171	-	226	229,897	230,123	0
ESCONDIDO	San Diego	147,514	-	4,480	520,370	524,850	0
IMPERIAL BEACH	San Diego	28,680	-	-	101,172	101,172	0
LA MESA	San Diego	58,150	-	91	205,130	205,220	0
LEMON GROVE	San Diego	26,131	-	-	92,180	92,180	0
NATIONAL CITY	San Diego	63,773	-	1,674	224,966	226,640	0
OCEANSIDE	San Diego	183,095	-	-	645,886	645,886	0
POWAY	San Diego	52,056	-	-	183,633	183,633	0
SAN DIEGO	San Diego	1,376,173	-	-	4,854,588	4,854,588	0
SAN MARCOS	San Diego	84,391	-	1,765	297,698	299,462	0
SANTEE	San Diego	58,044	-	-	204,756	204,756	0
SOLANA BEACH	San Diego	13,783	-	-	48,621	48,621	0
VISTA	San Diego	97,513	-	543	343,987	344,530	0
SAN FRANCISCO	San Francis	856,095	-	-	3,019,961	3,019,961	0
ESCALON	San Joaquin	7,185	-	-	25,346	25,346	0
LATHROP	San Joaquin	17,969	-	4,706	63,387	68,093	0
LODI	San Joaquin	63,549	-	5,204	224,175	229,379	0
MANTECA	San Joaquin	68,847	-	19,910	242,865	262,775	0

**Loss of City Vehicle License Fee (VLF) Revenues Due to SB89 (2011)  
Estimated FY2011-12 Impact**

City	County	Population*	Lost Motor Vehicle License Fee (general purpose)				Actual VLF Allocation per SB89
			New Incorp R&T11005(c)	New Annex R&T11005(d)	Per Capita R&T11005(e)	Total	
RIPON	San Joaquin	15,468	-	2,534	54,565	57,099	0
STOCKTON	San Joaquin	292,133	-	2,941	1,030,528	1,033,470	0
TRACY	San Joaquin	82,107	-	-	289,641	289,641	0
ARROYO GRANDE	San Luis Ob	17,145	-	-	60,481	60,481	0
ATASCADERO	San Luis Ob	28,590	-	-	100,854	100,854	0
EL PASO DE ROBLE	San Luis Ob	30,072	-	2,353	106,082	108,435	0
GROVER BEACH	San Luis Ob	13,276	-	-	46,832	46,832	0
MORRO BAY	San Luis Ob	10,608	-	-	37,421	37,421	0
PISMO BEACH	San Luis Ob	8,716	-	-	30,747	30,747	0
SAN LUIS OBISPO	San Luis Ob	44,948	-	3,711	158,559	162,269	0
ATHERTON	San Mateo	7,554	-	-	26,647	26,647	0
BELMONT	San Mateo	26,507	-	-	93,506	93,506	0
BRISBANE	San Mateo	3,993	-	-	14,086	14,086	0
BURLINGAME	San Mateo	29,342	-	-	103,507	103,507	0
COLMA	San Mateo	1,637	-	-	5,775	5,775	0
DALY CITY	San Mateo	108,383	-	136	382,332	382,468	0
EAST PALO ALTO	San Mateo	33,524	-	-	118,259	118,259	0
FOSTER CITY	San Mateo	30,719	-	-	108,364	108,364	0
HALF MOON BAY	San Mateo	13,371	-	-	47,168	47,168	0
HILLSBOROUGH	San Mateo	11,537	-	-	40,698	40,698	0
MENLO PARK	San Mateo	32,185	-	-	113,536	113,536	0
MILLBRAE	San Mateo	21,968	-	-	77,494	77,494	0
PACIFICA	San Mateo	40,431	-	-	142,624	142,624	0
PORTOLA VALLEY	San Mateo	4,725	-	-	16,668	16,668	0
REDWOOD CITY	San Mateo	78,568	-	-	277,156	277,156	0
SAN BRUNO	San Mateo	44,294	-	-	156,252	156,252	0
SAN CARLOS	San Mateo	29,155	-	91	102,847	102,938	0
SAN MATEO	San Mateo	97,535	-	-	344,064	344,064	0
SOUTH SAN FRANC	San Mateo	65,872	-	-	232,370	232,370	0
WOODSIDE	San Mateo	5,738	-	-	20,241	20,241	0
BUELLTON	Santa Barba	4,833	-	-	17,049	17,049	0
CARPINTERIA	Santa Barba	14,586	-	91	51,454	51,544	0
GOLETA	Santa Barba	31,099	-	-	109,705	109,705	0
GUADALUPE	Santa Barba	6,570	-	-	23,176	23,176	0
LOMPOC	Santa Barba	43,079	-	-	151,965	151,965	0
SANTA BARBARA	Santa Barba	94,154	-	226	332,138	332,364	0
SANTA MARIA	Santa Barba	93,225	-	32,173	328,861	361,033	0
SOLVANG	Santa Barba	5,555	-	-	19,596	19,596	0
CAMPBELL	Santa Clara	40,860	-	37,558	144,138	181,695	0
CUPERTINO	Santa Clara	56,431	-	2,308	199,066	201,374	0
GILROY	Santa Clara	52,027	-	1,041	183,530	184,571	0
LOS ALTOS	Santa Clara	28,863	-	-	101,817	101,817	0
LOS ALTOS HILLS	Santa Clara	9,042	-	8,371	31,897	40,268	0
LOS GATOS	Santa Clara	30,802	-	3,032	108,657	111,689	0
MILPITAS	Santa Clara	71,552	-	453	252,407	252,859	0
MONTE SERENO	Santa Clara	3,666	-	-	12,932	12,932	0
MORGAN HILL	Santa Clara	40,246	-	11,448	141,972	153,420	0
MOUNTAIN VIEW	Santa Clara	75,787	-	91	267,346	267,437	0
PALO ALTO	Santa Clara	65,408	-	-	230,733	230,733	0
SAN JOSE	Santa Clara	1,023,083	-	339,648	3,609,028	3,948,675	0
SANTA CLARA	Santa Clara	118,830	-	-	419,185	419,185	0

## Study: dense downtowns = higher tax yield

Per-acre comparison made for Glenwood, Rifle

**John Stroud**

Post Independent Staff

Glenwood Springs, CO Colorado



[ENLARGE](#)

*Joe Minicozzi, author of a new study commissioned by the Sonoran Institute comparing tax yields for downtown mixed-use development to suburban-style mall developments, such as Glenwood Meadows, points out that the walk across the parking lot from Chili's restaurant to Target at the Meadows is equivalent to about a two-block walk in downtown Glenwood Springs, past numerous storefronts.*

*Kelley Cox Post Independent*

GLENWOOD SPRINGS, Colorado — A new economic study commissioned by a regional land planning institute says local governments have the potential to get more bang for their tax-return buck down on Main Street than at the big-box retail centers.

When compared on a basis of tax revenue per acre, the dense, mixed-use urban development pays better dividends than its large-format suburban mall counterpart, concludes the study prepared for the Sonoran Institute's Colorado program, which is based in Glenwood Springs.

“Public finances are being hammered in so many communities, and economic development has taken on renewed importance,” said Clark Anderson, director of the institute's Western Colorado Legacy Program.

“With many of our local communities already working to try to create vibrant, walkable downtowns, we thought it would be good to look at that from a tax revenue perspective,” he said.

Anderson was familiar with the work of Public Interest Projects, a for-profit real estate developer in downtown Asheville, N.C., which had taken its research in that community and applied it to other places around the country.

He contacted the author of the study, Joe Minicozzi, and arranged for him to run the numbers for Glenwood Springs and Rifle, as well as in Mesa County.

“It really turns on its head the conventions we have in looking at development decisions, and that the big-box development brings the big tax revenue potential,” Anderson said.

“When you look at it on a value-per-acre basis, it's really striking.”

In the local comparison, Minicozzi uses 2010 Garfield County property taxes as the basis in coming up with a yield-per-acre for property taxes, as well as both actual and potential sales taxes.

As an example, the Denver Centre mixed-use building at the corner of Seventh and Blake in downtown Glenwood Springs generates \$44,000 in total local taxes on just one-sixth of an acre, according to the study.

That includes both property and sales taxes for the city of Glenwood Springs and Garfield County government, Minicozzi explains in the study.

The Glenwood Meadows development, by comparison, obviously generates far more outright annual tax benefit, at \$6.23 million, using 43 acres to do so.

So on a per-acre comparison, it would take nine acres of mixed-use buildings similar to the Denver Centre to yield as much total local tax income as 43 acres of Glenwood Meadows type of development, Minicozzi's report concludes.

Across the board, other downtown commercial and mixed-use buildings outperform their big-box counterparts using the per-acre tax revenue comparison, both in Glenwood Springs and Rifle.

It's like comparing the value of a vehicle based on miles per tank (large-format commercial mall) versus miles per gallon (mixed-use downtown development).

“Many communities have tended to look at real estate on a miles per tank basis,” Minicozzi said in a recent interview. “But if you look at it on a miles-per-gallon basis, all of a sudden the data on that vehicle changes.”

“New urbanist” style downtown redevelopment, with its focus on mixing high-density residential with retail and commercial office space in a pedestrian-friendly setting, also tends to yield higher property values, he said.

Add the cost of public services to accommodate the needs of a large mall development compared to a dense downtown area, and the cost-versus-benefit numbers are even more telling, Minicozzi said.

“A lot of people say local governments should be run like a business,” adds the Sonoran Institute's Anderson. “If that's the case, then it's important to understand where money is coming in, and where it's going out.”

“What this study also shows is that what's good for the cities and towns in terms of infill development and creating more walkable, mixed-use development is also great for the county,” by way of higher property tax yields, Anderson said.

The study was recently presented in both Glenwood Springs and Rifle in cooperation with the downtown development authorities in those cities, the Roaring Fork Business Resource Center and the Rifle Area Economic Development Corp.

Additional presentations of the study are expected to follow, Anderson said.

Stanislaus LAFCO  
**ANNUAL CITY ANNEXATION SUMMARY**  
**2001-2011**

CITY	TOTAL ACRES W/in CITY LIMITS 2001	NUMBER OF ACRES ANNEXED BY YEAR										TOTAL ACRES ANNEXED (2002-2011)	TOTAL ACRES W/in CITY LIMITS 2011	Percent Change	Avg. Annual Growth Rate
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011				
Ceres	4,848.34	--	--	87.33	--	1.00	23.48	--	58.08	--	10.09	179.98	5,028.32	3.71%	0.37%
Hughson	989.90	--	--	--	62.15	26.57	127.48	--	33.00	--	--	249.20	1,239.10	25.17%	2.27%
Modesto	23,166.72	24.40	18.33	95.56	20.00	--	--	476.91	32.08	--	4,707.11	5,374.39	28,541.11	23.20%	2.11%
Newman	1,396.57	--	--	--	--	--	--	--	--	--	--	0.00	1,396.57	0.00%	0.00%
Oakdale	3,205.81	--	--	--	--	--	688.58	--	--	--	--	688.58	3,894.39	21.48%	1.96%
Patterson	1,835.29	--	337.66	--	943.45	--	703.57	--	--	173.20	--	2,157.88	3,993.17	117.58%	8.08%
Riverbank	2,462.47	--	--	1.07	48.46	150.60	--	--	--	--	--	200.13	2,662.60	8.13%	0.78%
Turlock	8,608.96	380.58	--	282.15	--	116.89	1,312.66	--	--	--	--	2,092.28	10,701.24	24.30%	2.20%
Waterford	1,085.51	--	--	--	--	--	--	474.30	--	--	--	474.30	1,559.81	43.69%	3.69%
<b>TOTAL</b>	<b>47,599.57</b>	<b>404.98</b>	<b>355.99</b>	<b>466.11</b>	<b>1,074.06</b>	<b>295.06</b>	<b>2,855.77</b>	<b>951.21</b>	<b>123.16</b>	<b>173.20</b>	<b>4,717.20</b>	<b>11,416.74</b>	<b>59,016.31</b>	<b>23.98%</b>	<b>2.17%</b>

Source: Stanislaus LAFCO Files  
 Report Date: 12/31/2011

I:\LAFCO\Admin\Annexation Summaries\2011\Annual City Annexation Summary



EDMUND G. BROWN JR.  
GOVERNOR

STATE OF CALIFORNIA  
GOVERNOR'S OFFICE *of* PLANNING AND RESEARCH



KEN ALEX  
DIRECTOR

MEMORANDUM

**Date:** December 21, 2011  
**To:** City and County Planning Directors and Interested Parties  
**From:** Scott Morgan, State Clearinghouse Director  
**Subject:** **New California Environmental Quality Act and General Plan Requirements**

The Governor's Office of Planning and Research (OPR) would like to notify city and county planning staff of recent changes in state law that affect local government planning processes and California Environmental Quality Act (CEQA) compliance.

This memo summarizes three bills passed in the 2011 legislative session related to CEQA compliance (Assembly Bill (AB) 209, AB 320, Senate Bill (SB) 226, and Assembly Bill (AB) 900), and one bill containing key new general plan requirements (SB 244). See Attachment 1 for a full list of bills related to land use passed in 2011. These new requirements go into effect January 1, 2012.

AB 209

AB 209 (Ammiano), signed August 4, 2011, amends section 21092 of the Public Resources Code. The law requires a lead agency publishing a Draft Environmental Impact Report (EIR) or Negative Declaration to include in its public notice a description of how the Draft EIR or Negative Declaration is being provided electronically for public review.

AB 320

AB 320 (Hill), signed October 8, 2011 amends sections 21108, 21152, and 21167.6.5 of the Public Resources Code. The changes require a lead agency to identify the project applicant on the notice of determination (NOD) or notice of exemption (NOE) form.

Sections 15075 and 15094, as well as Appendices D (NOD form) and E (NOE form) of the State CEQA Guidelines have been revised to incorporate these new requirements.

The attached NOE and NOD forms comply with the new statutory requirements. OPR is currently working with the California Natural Resources Agency and the Office of Administrative Law to update the forms through the regulatory process.

SB 226

SB 226 (Simitian), signed October 4, 2011, amends Section 65919.10 of the Government Code, amends Sections 21083.9 and 21084 of the Public Resources Code, and adds Sections 21080.35, 21094.5, 21094.5.5, and 25500.1 to, the Public Resources Code. Specific provisions include:

- A change in a zoning code does not require referral to an affected city or county if it is consistent with a general plan that has been referred to the affected city or county.
- Rooftop solar projects are exempt from CEQA.
- A proposed adoption or substantial amendment to a general plan of a city or county may be referred pursuant to the Government Code concurrently with a CEQA scoping meeting.
- A project's greenhouse gas emissions, by themselves, will not trigger an exception to the use of a categorical exemption.

SB 226 also creates a new streamlining tool for infill projects meeting specified criteria and that satisfy a set of performance standards. The statute requires OPR to develop guidelines and performance standards for that new streamlined process by July 1, 2012, and the California Natural Resources Agency must adopt those guidelines and performance standards by January 1, 2013. The streamlined review procedures will go into effect once those guidelines and performance standards have been adopted.

#### SB 244

SB 244 (Wolk), signed October 7, 2011, amends sections 56375, 56425, and 56430 of, and adds sections 53082.5, 56033.5, and 65302.10 to the Government Code, and adds section 13481.7 to the Water Code. The changes require local agencies to plan for disadvantaged unincorporated communities through the Local Agency Formation Commission (LAFCO) planning process and General Plan updates. Specific provisions include:

- Requirement that, on or before the next adoption of its housing element, a city or county must review and update the land use element of its general plan to include an analysis of the presence of island, fringe, or legacy unincorporated communities, as well as water, wastewater, stormwater drainage, and structural fire protection deficiencies in those communities and financially feasible ways to extend those services.
- Requirement that LAFCOs must consider the present and probable need for public facilities and services of disadvantaged unincorporated communities when determining a local agency's sphere of influence.
- Allowance for a city, county, or special district providing or intending to provide wastewater services to borrow money and incur indebtedness pursuant to provisions in the Water Code related to the State Water Pollution Control Revolving Fund.
- Requirements for annexation of territory including or adjacent to a disadvantaged unincorporated community.

#### AB 900

AB 900, the "Jobs and Economic Improvement Through Environmental Leadership Act" requires the Governor to establish procedures for projects to apply for streamlined litigation process. The bill sets up specific criteria which must be met by large projects. The Governor's Office released draft guidelines for review and comment which are available on the OPR website at [www.opr.ca.gov](http://www.opr.ca.gov) under California Jobs.

More information on these bills can be found on the OPR web page at [www.opr.ca.gov](http://www.opr.ca.gov) under Announcements and Technical Advisories, and fillable versions of the attached forms can be found under Publications. For additional questions, please contact the State Clearinghouse at (916) 445-0613 or [state.clearinghouse@opr.ca.gov](mailto:state.clearinghouse@opr.ca.gov).

**Attachments:**

- 1) 2011 Land Use Bills
- 2) Notice of Determination – Appendix D
- 3) Notice of Exemption – Appendix E

## 2011 Land Use Bills

**AB 147 (Dickinson) Subdivisions.**

Authorizes a local ordinance to require the payment of a fee subject to the Mitigation Fee Act, as a condition of approval of a final map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing other transportation facilities.

**Status: Chapter 228, Statutes of 2011**

**AB 208 (Fuentes) Land use: subdivision maps: expiration dates.**

Extends the expiration date by 24 months for specified subdivision maps that will expire on or before January 1, 2014, and for any legislative, administrative or other approval by a state agency relating to a development project in the subdivision.

**Status: Chapter 88, Statutes of 2011**

**AB 418 (Ammiano) Tidelands/submerged lands: City/County of San Francisco: Pier 70.**

Authorizes the State Lands Commission to approve and effectuate a land exchange involving public trust lands within the Pier 70 area in San Francisco for the purpose of facilitating the Port of San Francisco's redevelopment plans; Frees the public trust restrictions from Seawall Lot 330 in San Francisco and authorizes the transfer of the property to a private party.

**Status: Chapter 477, Statutes of 2011**

**AB 936 (Hueso) Redevelopment: debt forgiveness.**

Requires a public body or a redevelopment agency to adopt a resolution prior to forgiving a loan, advance, or indebtedness.

**Status: Chapter 226, Statutes of 2011**

**AB 1103 (Huffman) Land use: housing element.**

Adds units on foreclosed property to the types of existing units a local government can count towards meeting housing element obligations if the local government provides funding to make the units affordable to low- and very low-income households for at least 40 years.

**Status: Chapter 210, Statutes of 2011**

**AB 1265 (Nielsen) Local government: Williamson Act.**

Authorizes a county, until January 1, 2015, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue from Williamson Act contracts is less than one-half of the county's actual foregone general fund property tax revenue, to revise the terms for new contracts.

**Status: Chapter 90, Statutes of 2011**

**AB 1338 (Hernández) Redevelopment.**

Requires, on or after January 1, 2012, a redevelopment agency (RDA) obtain an appraisal from a qualified independent appraiser to determine the fair market value of property before the RDA acquires or purchases property.

**Status: Chapter 299, Statutes of 2011**

**SB 152 (Pavley) Public lands: general leasing law: littoral landowners.**

Requires the State Lands commission to charge rent for a private recreational pier constructed on state lands.

**Status: Chapter 585, Statutes of 2011**

**SB 226 (Simitian) Land use planning.**

Revises the scoping procedure, under the California Environmental Quality Act (CEQA), by authorizing referral of a proposed action to adopt or substantially amend a general plan to a city or county to be conducted concurrently with a scoping meeting and establishes exemption and limits to environmental review under CEQA for specific projects and provides that the thermal power plant certification process will be applicable to owners or specific proposed solar thermal power plants who are proposing to convert the facility from solar thermal to photovoltaic technologies.

**Status: Chapter 469, Statutes of 2011**

**SB 244 (Wolk) Land use: general plan: disadvantaged unincorporated communities.**

Requires cities, counties, and local agency formation commissions (LAFCOs) to plan for disadvantaged unincorporated communities.

**Status: Chapter 513, Statutes of 2011**

**SB 267 (Rubio) Water supply planning: renewable energy plants.**

Excludes a proposed photovoltaic or wind energy generation facility approved on or after the effective date of this measure from the definition of a "project" subject to a water supply assessment if the facility would demand no more than 75 acre feet of water annually.

**Status: Chapter 588, Statutes of 2011**

**SB 310 (Hancock) Local development.**

Allows cities and counties to create incentives for transit priority projects.

**Status: Chapter 446, Statutes of 2011**

**SB 436 (Kehoe) Land use: mitigation lands: nonprofit organizations.**

Authorizes a state or local agency to allow a qualified and approved nonprofit organization or special district to hold property and long-term stewardship funds to mitigate adverse impacts to natural resources caused by a permitted development project.

**Status: Chapter 590, Statutes of 2011**

**SB 551 (DeSaulnier) State property: tidelands transfer: City of Pittsburg.**

Repeals the 2006 public trust grant made to the City of Pittsburg and makes a new grant that includes the lands from the 2006 grant as well as lands annexed to the City in 2009.

**Status: Chapter 422, Statutes of 2011**

**SB 618 (Wolk) Local government: Williamson Act: solar-use easement.**

Allows a city or county and a landowner to concurrently rescind a Williamson Act contract on marginally productive or physically impaired lands and enter into a solar-use easement that restricts the use of land to photovoltaic solar facilities.

**Status: Chapter 596, Statutes of 2011**

**SB 668 (Evans) Local government: Williamson Act.**

Allows a city or county, in order to compensate for a reduction in state subvention payments for the Williamson Act, to accept contributions from a nonprofit, a land-trust organization, a nonprofit entity, or a public agency for specific land that is under a Williamson Act contract to supplement the city or county's foregone property tax revenues.

**Status: Chapter 254, Statutes of 2011**

# Notice of Determination

Appendix D

**To:**

Office of Planning and Research  
For U.S. Mail: Street Address:  
P.O. Box 3044 1400 Tenth St., Rm 113  
Sacramento, CA 95812-3044 Sacramento, CA 95814

County Clerk  
County of: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

**From:**

Public Agency: \_\_\_\_\_  
Address: \_\_\_\_\_

Contact: \_\_\_\_\_  
Phone: \_\_\_\_\_

Lead Agency (if different from above):  
Address: \_\_\_\_\_

Contact: \_\_\_\_\_  
Phone: \_\_\_\_\_

**SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.**

State Clearinghouse Number (if submitted to State Clearinghouse): \_\_\_\_\_

Project Title: \_\_\_\_\_

Project Applicant: \_\_\_\_\_

Project Location (include county): \_\_\_\_\_

Project Description:

1. The project [ will  will not] have a significant effect on the environment.
2.  An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.  
 A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [ were  were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [ was  was not] adopted for this project.
5. A statement of Overriding Considerations [ was  was not] adopted for this project.
6. Findings [ were  were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:

\_\_\_\_\_  
Signature (Public Agency): \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date Received for filing at OPR: \_\_\_\_\_

# Notice of Exemption

To: Office of Planning and Research  
P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044

County Clerk  
County of: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

From: (Public Agency): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Address)

Project Title: \_\_\_\_\_

Project Applicant: \_\_\_\_\_

Project Location - Specific:

Project Location - City: \_\_\_\_\_ Project Location - County: \_\_\_\_\_

Description of Nature, Purpose and Beneficiaries of Project:

Name of Public Agency Approving Project: \_\_\_\_\_

Name of Person or Agency Carrying Out Project: \_\_\_\_\_

Exempt Status: **(check one)**:

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: \_\_\_\_\_
- Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

Lead Agency  
Contact Person: \_\_\_\_\_ Area Code/Telephone/Extension: \_\_\_\_\_

**If filed by applicant:**

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?  Yes  No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Title: \_\_\_\_\_

Signed by Lead Agency  Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_