



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 6c (Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: February 3, 2020

SUBJECT: Proposed Adoption of Policy on Unincorporated Islands

RECOMMENDATION

It is recommended the Commission adopt the Resolution of the Local Agency Formation Commission of Napa County Adopting a *Policy on Unincorporated Islands* and amending the *General Policy Determinations*, included as Attachment One.

BACKGROUND

The Commission's policies currently exist in both stand-alone documents and in the more comprehensive *General Policy Determinations* document. The Commission intends to revise its existing policies with a goal of creating a new, fully updated, single volume of policies. As part of this process, the *General Policy Determinations* will be superseded by a single volume of policies and procedures.

On February 6, 2017, the Commission established an ad hoc Policy Committee ("the Committee") to comprehensively review the agency's written policies and propose amendments as appropriate. Chair Rodeno and Commissioner Mohler currently serve with the Executive Officer on the Committee.

The Commission's existing policies related to unincorporated islands are currently included as part of Section VII of the *General Policy Determinations*. These policies are antiquated, incomplete, and should be updated prior to any city or town submitting an application for the annexation of one or more islands.

On June 5, 2017, the Commission received a report summarizing the background of local unincorporated island annexation outreach efforts, the service inefficiencies that islands perpetuate, financial considerations, and resources needed to pursue an island annexation program. The Commission established an islands ad hoc subcommittee for purposes of developing a strategy to pursue island annexation proceedings.

Kenneth Leary, Vice Chair
Councilmember, City of American Canyon

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st District

Gregory Rodeno, Chair
Representative of the General Public

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Diane Dillon, Commissioner
County of Napa Supervisor, 3rd District

Eve Kahn, Alternate Commissioner
Representative of the General Public

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

Ryan Gregory, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brendon Freeman
Executive Officer

On August 7, 2017, the Commission received a report from the islands ad hoc subcommittee summarizing characteristics of islands along with the costs and process to annex them. The report describes incentives for annexation, land use and municipal service considerations, annexation processing costs, and post-annexation financial considerations.

On October 2, 2017, the Committee presented a draft *Policy on Unincorporated Islands* (“policy”) for discussion and possible circulation to the general public for review and comment. The Commission directed the Committee to return with more information relating to unincorporated islands prior to public circulation of the draft policy.

On December 4, 2017, the Committee presented a draft policy and additional information to the Commission. The Commission directed the Committee to circulate the draft policy for public review and comment. The draft policy was made available for review and comment from December 6, 2017, through January 10, 2018. No comments were received.

On February 5, 2018, adopted the *Strategic Plan 2018-2022*, which includes an island annexation program as a goal of high priority spanning calendar years 2018 through 2020. Also on this date, the Committee presented the draft policy for formal adoption. The Commission continued the item to a date uncertain at the request of City of Napa staff and Napa County staff. Notably, City staff communicated that the timing was poor to pursue these efforts due to transition of key staff for both the City and the County at that time. In addition, City staff communicated that the City’s General Plan Update would address the islands and contemplate annexation.

In September 2019, staff was contacted by the Napa County Registrar of Voters to discuss the possibility of some or all islands in Napa County being annexed to their respective city or town. The inquiry relates to the 2020 United States Census and the County’s efforts related to redistricting and reprecincting. Annexation of some or all islands by June 30, 2021, would prove beneficial in these efforts. Specifically, annexation of islands by this date would help inform the new voting district boundaries in advance of the 2022 elections.

In December 2019, staff provided email notification to City of Napa staff and County staff that LAFCO would resume its island policy activities. In addition, staff reviewed island annexation programs and public outreach materials used by other LAFCOs.

On January 14, 2020, the Committee met and agreed to revise the previous version of the draft policy that was proposed for possible adoption on February 5, 2018. The Committee also agreed to present the revised draft policy for possible adoption at the next Commission meeting scheduled for February 3, 2020. The revisions to the draft policy are summarized on page three of this report.

On January 22, 2020, staff met with the County’s Director of Planning, Building, and Environmental Services and the City’s Community Development Director to discuss the draft policy and related island annexation concerns. The key issue raised during the meeting is the high volume of other planning and land use priorities facing the City and the County at this time. The City also reiterated that the City’s General Plan Update, which is still in progress, will address the islands and contemplate annexation.

SUMMARY

Governmental Issues Related to Islands

Islands are unincorporated areas that are surrounded, or “substantially surrounded,” by the incorporated territory of an adjacent city or town. The California Legislature has recognized that islands create municipal service delivery inefficiencies, result in incompatible land use planning, and increase jurisdictional confusion and costs in the provision of municipal services. Islands represent a perpetual and unnecessary statewide governmental inefficiency that could be resolved if the islands were annexed into the surrounding city. Specific benefits to island residents and landowners include improved services and programs that benefit their neighborhood, greater ability to influence the decisions that are most likely to affect quality of life in their neighborhood, and increased governmental accountability and transparency for the provision of municipal services.

Further, and as previously mentioned in this report, the Commission agreed during its most recent strategic planning session that a goal of high priority is to seek a partnership with local agencies on an island annexation program. The Commission’s adopted *Strategic Plan 2018-2022* identifies an island annexation program as a key initiative spanning calendar years 2018 through 2020. See item 7a on today’s agenda for additional information about the *Strategic Plan 2018-2022*.

Streamlined Island Annexation Proceedings

The streamlined island annexation proceedings are codified under California Government Code Section 56375.3, included as Attachment Two. This statute requires the affected city or town to initiate the annexation process by adopting a resolution of application proposing annexation of one or more entire islands. The Commission, after notice and hearing, would be *required* to approve the proposal and waive protest proceedings entirely. As an existing financial incentive, the Commission’s adopted *Schedule of Fees and Deposits* specifies that the Commission shall waive its proposal fees for island annexations.

It is important to note the requirements of the California Environmental Quality Act and Revenue and Taxation Code Section 99 still apply to island annexations. Therefore, a property tax exchange agreement between the County and the affected city or town must be adopted by both agencies prior to LAFCO processing an island annexation proposal.

Local Policies on Islands

The Committee reviewed the Commission’s existing policies relating to islands and determined comprehensive revisions are needed. The Commission’s existing policies relating to islands are included in the *General Policy Determinations* Section VII, Subsection A(2) and Section VII, Subsection B. These sections of the *General Policy Determinations* are inadequate with respect to clearly identifying which unincorporated areas are eligible for the streamlined island annexation process. A key issue is the term “island” is *referenced*, but not *defined*, in the Cortese-Knox-Hertzberg Act.

As part of this item, the Committee recommends the Commission adopt the draft resolution, included as Attachment One, adopting the proposed policy and amending the *General Policy Determinations*. The proposed policy is attached to the draft resolution and intended to address the aforementioned issues with the existing policies. Notably, the proposed policy includes references to relevant statutes and clearly defines “island” for purposes of utilizing the streamlined island annexation proceedings.

The proposed policy with tracked changes showing revisions from the February 5, 2018, version of the policy is included as Attachment Three. Revisions include the following:

- Addition of a header and content for Section I: “Background”
- Addition of a header and re-order existing content for Section II: “Purpose”
- Addition of a header and content for Section III: “Annexation Procedures”
- Addition of a header and re-order existing content for Section IV: “Local Policy Definition of ‘Island’”
- Reduce threshold for “substantially surrounded” from “more than 50%” to “50% or more” to expand upon the areas eligible for streamlined island annexation proceedings

The proposed amendment to delete Section VII, Subsection A(2) and Section VII, Subsection B of the *General Policy Determinations* showing tracked changes is included as Attachment Four. This proposed amendment would prevent duplication with the newly adopted policy.

Islands in Napa County

There are 14 total unincorporated areas in Napa County that appear to meet the definition of an “island” under the proposed policy. An inventory chart of the 14 islands is included as Attachment Five, and maps showing their location are included as Attachment Six. Two possible islands referred to as “Devita/Hilltop” and “Domaine Chandon” are approximately 50% surrounded by the City of Napa and the Town of Yountville, respectively, and their outer boundaries should be verified prior to the City of Napa or Town of Yountville initiating streamlined annexation proceedings for these possible islands.

ATTACHMENTS

- 1) Draft Resolution Adopting the Policy on Unincorporated Islands and Amending the General Policy Determinations
- 2) California Government Code Section 56375.3
- 3) Proposed Policy on Unincorporated Islands Showing Tracked Changes from February 5, 2020 Version
- 4) Proposed Amendment to General Policy Determinations Showing Tracked Changes
- 5) Inventory of Unincorporated Islands
- 6) Maps of Unincorporated Islands

RESOLUTION NO. _____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
ADOPTING A POLICY ON UNINCORPORATED ISLANDS AND
AMENDING THE GENERAL POLICY DETERMINATIONS**

WHEREAS, the Local Agency Formation Commission of Napa County (“Commission”) has adopted policies on the topic of unincorporated islands in its *General Policies Determinations*;

WHEREAS, the Commission desires to establish its policies on unincorporated islands into a single stand-alone policy and to amend the *Policy on Unincorporated Islands*;

WHEREAS, at its December 4, 2017, meeting, the ad hoc subcommittee on local policies (“Committee”) presented a draft *Policy on Unincorporated Islands* for discussion and the Commission directed the Committee to circulate the draft *Policy on Unincorporated Islands* for public review and comment;

WHEREAS, the draft *Policy on Unincorporated Islands* was made available for review and comment from December 6, 2017, through January 10, 2018. No comments were received;

WHEREAS, at its February 5, 2018, meeting, the Committee presented a draft *Policy on Unincorporated Islands* for possible adoption and the Commission continued the item to a date uncertain;

WHEREAS, at its February 3, 2020, meeting, the Committee presented a draft *Policy on Unincorporated Islands* for possible adoption;

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of Napa County hereby adopts the *Policy on Unincorporated Islands* attached hereto and concurrently deletes Section VII, Subsection A(2) and Section VII, Subsection B of the Commission’s *General Policy Determinations*.

This Resolution shall take effect immediately.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County at a meeting held on February 3, 2020, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

Gregory Rodeno
Commission Chair

ATTEST: _____
Brendon Freeman
Executive Officer

Recorded by: Kathy Mabry
Commission Secretary

DRAFT



LOCAL AGENCY FORMATION COMMISSION OF NAPA

Policy on Unincorporated Islands

(Adopted: February 3, 2020)

I. Background

Unincorporated islands (hereinafter “islands”) are areas of unincorporated territory that are completely or substantially surrounded by an incorporated city or town. The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 includes provisions for streamlining the annexation of islands to cities and towns ([California Government Code \(G.C.\) §56375.3](#)). CKH prohibits creation of new islands unless the Commission determines the prohibition would be detrimental to the orderly development of the community and that the area is located such that it could not reasonably be annexed to another city or town, or incorporated as a new city or town ([G.C. §56744](#)). As a condition of annexation to a city or town that includes territory located within an island, the Commission may require that the annexation include the *entire* island ([G.C. §56375\(a\)\(5\)](#)).

II. Purpose

It is the intent of the Commission to establish a policy that clearly defines the characteristics of islands in Napa County to allow for their streamlined annexation to cities and towns. This is consistent with the intent of the California Legislature when it enacted special legislation, originally adopted in 1977 and subsequently expanded, that made it possible for certain islands to be annexed *without* a protest hearing or election. In approving this legislation, the Legislature recognized the following:

- A) Islands continue to represent a serious and unnecessary statewide governmental inefficiency and that this inefficiency would be resolved if these islands were annexed into the appropriate surrounding city or town.
- B) Property owners’ ability to vote on boundary changes is a statutory privilege and not a constitutional right.
- C) Islands are inherently inefficient and that these inefficiencies affect not just residents within islands, but also those residing throughout the city or town and the county.

III. Annexation Procedures

In order to utilize the streamlined annexation provisions codified under [G.C. §56375.3](#), a city or town is required to initiate the process by adopting a resolution of application and submit the adopted resolution to the Commission. The Commission shall approve the annexation at a noticed public hearing and waive protest proceedings. The Commission may not disapprove the annexation. The Commission encourages any city or town to enter into tax sharing agreements for affected islands prior to adoption of a resolution of application.

IV. Local Policy Definition of “Island”

The Commission defines an “island” in Napa County to include unincorporated territory that meets all of the following criteria:

- A) Located entirely within a city or town’s sphere of influence;
- B) Does not exceed 150 acres in size;
- C) Does not contain prime agricultural land as defined in the Cortese-Knox-Hertzberg Act ([G.C. §56064](#));
- D) Does not contain lands subject to Measure P as reflected in the County of Napa General Plan Land Use Map;
- E) Designated for urban development in the general plan of the annexing city or town;
- F) Surrounded or substantially surrounded by the annexing city or town. Substantially surrounded territory is unincorporated territory with an outer boundary that is 50% or more contiguous to the annexing city or town’s jurisdictional boundary;
- G) The outer boundary is the annexing city or town’s jurisdictional boundary, the annexing city or town’s sphere of influence, and/or property owned by the State of California;
- H) The territory is developed or developing. This determination is based on the availability of public utilities, the presence of public improvements, or the presence of physical improvements on the parcels within the area; and
- I) The territory is currently receiving municipal service benefits from the annexing city or town, or would benefit from the city or town following annexation.

State of California

GOVERNMENT CODE

Section 56375.3

56375.3. (a) In addition to those powers enumerated in Section 56375, a commission shall approve, after notice and hearing, the change of organization or reorganization of a city, and waive protest proceedings pursuant to Part 4 (commencing with Section 57000) entirely, if all of the following are true:

(1) The change of organization or reorganization is initiated on or after January 1, 2000.

(2) The change of organization or reorganization is proposed by resolution adopted by the affected city.

(3) The commission finds that the territory contained in the change of organization or reorganization proposal meets all of the requirements set forth in subdivision (b).

(b) Subdivision (a) applies to territory that meets all of the following requirements:

(1) It does not exceed 150 acres in area, and that area constitutes the entire island.

(2) The territory constitutes an entire unincorporated island located within the limits of a city, or constitutes a reorganization containing a number of individual unincorporated islands.

(3) It is surrounded in either of the following ways:

(A) Surrounded, or substantially surrounded, by the city to which annexation is proposed or by the city and a county boundary or the Pacific Ocean.

(B) Surrounded by the city to which annexation is proposed and adjacent cities.

(4) It is substantially developed or developing. The finding required by this paragraph shall be based upon one or more factors, including, but not limited to, any of the following factors:

(A) The availability of public utility services.

(B) The presence of public improvements.

(C) The presence of physical improvements upon the parcel or parcels within the area.

(5) It is not prime agricultural land, as defined by Section 56064.

(6) It will benefit from the change of organization or reorganization or is receiving benefits from the annexing city.

(7) This subdivision does not apply to any unincorporated island within a city that is a gated community where services are currently provided by a community services district.

(8) Notwithstanding any other law, at the option of either the city or the county, a separate property tax transfer agreement may be agreed to between a city and a county pursuant to Section 99 of the Revenue and Taxation Code regarding an

annexation subject to this subdivision without affecting any existing master tax sharing agreement between the city and county.

(c) Notwithstanding any other provision of this subdivision, this subdivision shall not apply to all or any part of that portion of the development project area referenced in subdivision (e) of Section 33492.41 of the Health and Safety Code that as of January 1, 2000, meets all of the following requirements:

- (1) Is unincorporated territory.
- (2) Contains at least 100 acres.
- (3) Is surrounded or substantially surrounded by incorporated territory.
- (4) Contains at least 100 acres zoned for commercial or industrial uses or is designated on the applicable county general plan for commercial or industrial uses.

(d) The Legislature finds and declares that the powers set forth in subdivision (a) for territory that meets all the specifications in subdivision (b) are consistent with the intent of promoting orderly growth and development pursuant to Section 56001 and facilitate the annexation of disadvantaged unincorporated communities, as defined in Section 56033.5.

(Amended by Stats. 2015, Ch. 114, Sec. 10. (AB 1532) Effective January 1, 2016.)



LOCAL AGENCY FORMATION COMMISSION OF NAPA

Policy on Unincorporated Islands

(~~Draft Presented: December 4, 2017;~~ Proposed for Adoption: February ~~3-5, 2018~~ 2020)

I. Background

Unincorporated islands (hereinafter “islands”) are areas of unincorporated territory that are completely or substantially surrounded by an incorporated city or town. The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 includes provisions for streamlining the annexation of islands to cities and towns (California Government Code (G.C.) §56375.3). CKH prohibits creation of new islands unless the Commission determines the prohibition would be detrimental to the orderly development of the community and that the area is located such that it could not reasonably be annexed to another city or town, or incorporated as a new city or town (G.C. §56744). As a condition of annexation to a city or town that includes territory located within an island, the Commission may require that the annexation include the entire island (G.C. §56375(a)(5)).

II. Purpose

It is the intent of the Commission to establish a policy that clearly defines the characteristics of islands in Napa County to allow for their streamlined annexation to cities and towns. This is consistent with the intent of the California Legislature when it enacted special legislation, originally adopted in 1977 and subsequently expanded, that made it possible for certain islands to be annexed *without* a protest hearing or election. In approving this legislation, the Legislature recognized the following:

- A) Islands continue to represent a serious and unnecessary statewide governmental inefficiency and that this inefficiency would be resolved if these islands were annexed into the appropriate surrounding city or town.
- B) Property owners’ ability to vote on boundary changes is a statutory privilege and not a constitutional right.
- C) Islands are inherently inefficient and that these inefficiencies affect not just residents within islands, but also those residing throughout the city or town and the county.

III. Annexation Procedures

In order to utilize the streamlined annexation provisions codified under G.C. §56375.3, a city or town is required to initiate the process by adopting a resolution of application and submit the adopted resolution to the Commission. The Commission shall approve the annexation at a noticed public hearing and waive protest proceedings. The Commission shall not disapprove the annexation. The Commission encourages any city or town to enter into tax sharing agreements for affected islands prior to adoption of a resolution of application.

IV. Local Policy Definition of “Island”

The Commission defines an “island” in Napa County to include unincorporated territory that meets all of the following criteria:

- A) Located entirely within a city or town’s sphere of influence;
- B) Does not exceed 150 acres in size;
- C) Does not contain prime agricultural land as defined in the Cortese-Knox-Hertzberg Act (G.C. §56064);
- D) Does not contain lands subject to Measure P as reflected in the County of Napa General Plan Land Use Map;
- E) Designated for urban development in the general plan of the annexing city or town;
- F) Surrounded or substantially surrounded by the annexing city or town. Substantially surrounded territory is unincorporated territory with an outer boundary that is 50% or more contiguous to the annexing city or town’s jurisdictional boundary;
- G) The outer boundary is the annexing city or town’s jurisdictional boundary, the annexing city or town’s sphere of influence, and/or property owned by the State of California;
- H) The territory is developed or developing. This determination is based on the availability of public utilities, the presence of public improvements, or the presence of physical improvements on the parcels within the area; and
- I) The territory is currently receiving municipal service benefits from the annexing city or town, or would benefit from the city or town following annexation.

State Law

~~Several Government Code (G.C.) Sections of State law (Cortese-Knox-Hertzberg Act) are applicable to unincorporated islands. State law discourages the creation of new islands and has attempted to streamline their annexation. Applicable sections are summarized below.~~

~~*Creation of New Islands Prohibited (G.C. §56744)*~~

~~G.C. Section 56744 prohibits creation of new unincorporated islands. An exception can only be made if the Commission finds that it would be detrimental to the orderly development of the community and that the area is located such that it could not reasonably be annexed to another city or incorporated as a new city.~~

~~*Streamlined Annexation of Existing Islands (G.C. §56375.3)*~~

Policy on Unincorporated IslandsPage 3 of 3

~~The California Legislature enacted special legislation, originally adopted in 1977 and subsequently expanded, that made it possible for certain unincorporated islands to be annexed *without* a protest hearing or election. In approving this legislation, the Legislature recognized:~~

~~Unincorporated islands continue to represent a serious and unnecessary statewide governmental inefficiency and that this inefficiency would be resolved if these islands were annexed into the appropriate surrounding city.~~

~~Property owners' ability to vote on boundary changes is a statutory privilege and not a constitutional right.~~

~~Unincorporated islands are inherently inefficient and that these inefficiencies affect not just residents within islands, but also those residing throughout the city and the county.~~

~~Government Code §56375.3 outlines the requirements for approval of streamlined annexations.~~

~~Ability to Require Entire Island (G.C. §56375(a)(5))~~

~~As a condition of annexation to a city/town that includes territory located within an island, the Commission may require that the annexation include the *entire* island.~~

Local Policy Definition of "Island"

~~The Commission defines an "island" in Napa County to include unincorporated territory that meets all of the following criteria:~~

~~Is located within a city or town's sphere of influence;~~

~~Does not exceed 150 acres in size;~~

~~Does not contain prime agricultural land as defined in the Cortese-Knox-Hertzberg Act (G.C. §56064);~~

~~Does not contain lands subject to Measure P as reflected in the County of Napa General Plan Land Use Map;~~

~~Is designated for urban development in the general plan of the annexing city/town;~~

~~Is surrounded or substantially surrounded by the annexing city/town. Substantially surrounded territory is unincorporated territory with an outer boundary that is more than 50% contiguous to the annexing city/town's jurisdictional boundary;~~

~~The outer boundary is the annexing city/town's jurisdictional boundary, the annexing city/town's sphere of influence, and/or property owned by the State of California;~~

~~The territory is developed or developing. This determination is based on: the availability of public utilities, the presence of public improvements, or the presence of physical improvements on the parcels within the area; and~~

~~The territory is currently receiving benefits from the annexing city/town or would benefit from the city/town following annexation.~~



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

General Policy Determinations

(Adopted: August 9, 1972; Last Amended: February ~~5, 3,~~ 2020~~18~~)

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 specifies the Commission's principal objectives are discouraging urban sprawl, preserving open-space and agricultural resources, and encouraging the orderly formation and development of cities and special districts and their municipal services based on local conditions. Regulatory duties include approving or disapproving proposals involving the formation, reorganization, expansion, and dissolution of cities and special districts. The Commission's regulatory actions must be consistent with its adopted written policies and procedures. The Commission must also inform its regulatory duties through a series of planning activities, which includes establishing and updating spheres of influence.

II. General Policies

The intent of these policies is to serve as the Commission's constitution with regards to outlining clear goals, objectives, and requirements in uniformly fulfilling its prescribed duties. The Commission reserves discretion in administering these policies, however, to address special conditions and circumstances as needed.

A) Legislative Declarations

The Commission acknowledges and incorporates into its own policies, the policies of the Legislature regarding the promotion of orderly, well-planned development patterns that avoid the premature conversion of agricultural and open-space lands and ensure effective, efficient, and economic provision of essential public services. The Commission wishes to specifically note the following declarations and policies contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:

- (1) The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services. (G.C. §56000)
- (2) It is the intent of the Legislature that each commission, not later than January 1, 2002, shall establish written policies and procedures and exercise its powers pursuant to this part in a manner consistent with those policies and procedures, and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns. (G.C. §56300)

- (3) In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:
 - a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.
 - b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing sphere of influence of the local agency. (G.C. §56377)

B) Commission Declarations

The Commission declares its intent not to permit the premature conversion of designated agricultural or open-space lands to urban uses. The Commission shall adhere to the following policies in the pursuit of this intent, and all proposals, projects, and studies shall be reviewed with these policies as guidelines.

- (1) Use of County General Plan Designations:
In evaluating a proposal, the Commission will use the Napa County General Plan to determine designated agricultural and open-space lands. The Commission recognizes that inconsistencies may occur between the County General Plan and the affected city general plan with respect to agricultural and open-space designations. Notwithstanding these potential inconsistencies, the Commission will rely on the Napa County General Plan in recognition of the public support expressed in both the incorporated and unincorporated areas of Napa County for the County's designated agricultural and open-space lands through enactment of Measure "J" in 1990 and Measure "P" in 2008.
- (2) Location of Urban Development:
The Commission shall guide urban development away from designated agricultural or open-space lands until such times as urban development becomes an overriding consideration as determined by the Commission.

(3) Timing of Urban Development:

The Commission discourages proposals involving the annexation of undeveloped or underdeveloped lands to cities and special districts that provide potable water, sewer, fire protection and emergency response, or police protection services. This policy does not apply to proposals in which the affected lands are subject to a specific development plan or agreement under consideration by a land use authority. This policy does not apply to city annexation proposals in which the affected lands are part of an unincorporated island.

(4) Factors for Evaluating Proposals Involving Agricultural or Open-Space Lands:

The Commission recognizes there are distinct and varying attributes associated with agricultural and open-space designated lands. A proposal which includes agricultural or open-space designated land shall be evaluated in light of the existence of the following factors:

- a) "Prime agricultural land", as defined by G.C. §56064.
- b) "Open-space", as defined by G.C. §56059.
- c) Land that is under contract to remain in agricultural or open-space use, such as a Williamson Act Contract or Open-Space Easement.
- d) Land which has a County General Plan agricultural or open-space designation (Agricultural Resource or Agriculture, Watershed and Open-Space).
- e) The adopted general plan policies of the County and the affected city.
- f) The agricultural economic integrity of land proposed for conversion to urban use as well as adjoining land in agricultural use.
- g) The potential for the premature conversion of adjacent agricultural or open-space designated land to urban use.
- h) The potential of vacant non-prime agricultural land to be developed with a use that would then allow the land to meet the definition of prime agricultural land under the Williamson Act.

(5) Encouragement of Reorganizations:

The Commission encourages reorganization proposals as a means of coordinating actions of local governmental agencies involving, but not limited to, annexation of land to two or more public agencies. The Commission recognizes the usefulness of the reorganization concept as a vehicle designed to simplify and expedite such actions.

III. Policies Concerning Spheres of Influence

It is the intent of the Commission to establish spheres of influence that promote the orderly expansion of cities and special districts to ensure effective, efficient and economic provision of essential public services, including public sewer and water, fire protection and emergency response, and police protection.

A) Legislative Declarations

The Commission acknowledges and incorporates into its own policies, the policies of the Legislature as they relate to spheres of influence. The Commission wishes to specifically note the following declarations and policies contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000:

- (1) "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission. (G.C. §56076)
- (2) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere. (G.C. §56425(a)).
- (3) The Commission encourages cities and the County to meet and agree to sphere of influence changes. The Commission shall give "great weight" to these agreements to the extent they are consistent with its policies. (G.C. §56425(b) and (c))
- (4) On or before January 1, 2008, and every five years thereafter, the Commission shall, as necessary, review and update each sphere of influence. (G.C. §56425(g))

B) General Guidelines for the Review of Spheres of Influence

It is the intent of the Commission to consider the following factors whenever reviewing a proposal that includes the adoption, amendment, or update of a sphere of influence.

- (1) The Commission incorporates the following definitions:
 - a) An “establishment” refers to the initial development and determination of a sphere of influence by the Commission.
 - b) An “amendment” refers to a limited change to an established sphere of influence typically initiated by a landowner, resident, or agency.
 - c) An “update” refers to a comprehensive change to an established sphere of influence typically initiated by the Commission.
- (2) The Commission discourages proposals from residents, landowners, and agencies proposing amendments to spheres of influence unless justified by special conditions and circumstances.
- (3) The Commission shall consider the following land use criteria in establishing, amending, and updating spheres of influence:
 - a) The present and planned land uses in the area, including designated agricultural and open-space lands.
 - b) Consistency with the County General Plan and the general plan of any affected city.
 - c) Adopted general plan policies of the County and of any affected city that guide future development away from designated agricultural or open-space land.
 - d) Adopted policies of affected agencies that promote infill of existing vacant or underdeveloped land.
 - e) Amount of existing vacant or underdeveloped land located within any affected agency’s jurisdiction and current sphere of influence.
 - f) Adopted urban growth boundaries by the affected land use authorities.

- (4) The Commission shall consider the following municipal service criteria in establishing, amending, and updating spheres of influence:
 - a) The present capacity of public facilities and adequacy of public services provided by affected agencies within the current jurisdiction and the adopted plans of these agencies to improve any municipal service deficiency, including adopted capital improvement plans.
 - b) The present and probable need for public facilities and services within the area proposed for inclusion within the sphere of influence and the plans for the delivery of services to the area.
- (5) The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission, however, shall consider removal of land from an agency's sphere of influence if any of the two conditions apply:
 - a) The land is outside the affected agency's jurisdictional boundary but has been within the sphere of influence for 10 or more years.
 - b) The land is inside the affected agency's jurisdictional boundary, but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

C) City Spheres of Influence

The Commission shall adhere to the following policies in the establishment, amendment, or update of a city's sphere of influence.

- (1) Location of Urban Development:
It shall be a basic policy of the Commission is that the sphere of influence shall guide and promote the affected city's orderly urban growth and development.
- (2) Sphere of Influence to Reflect Service Capacities:
A city's sphere of influence should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission.
- (3) Use of County General Plan Agricultural and Open-Space Designations:
The Commission shall use the most recently adopted County General Plan as the basis to identify designated agricultural and open-space lands in establishing, amending, and updating a city's sphere of influence.

- (4) Avoidance of Inclusion of Agricultural and Open-Space Lands:
Land specifically designated as agricultural or open-space lands shall not be approved for inclusion within any city's sphere of influence for purposes of urban development unless exceptions are warranted based on the criteria outlined in Section B(3) and (4).
- (5) Preference for Infill:
The Commission will consider the amount of vacant land within the established sphere of influence of a city when considering amendments and updates. The Commission encourages sphere of influence proposals that promote the infill of existing vacant or underdeveloped land thereby maximizing the efficient use of existing city services and infrastructure as well as discouraging urban sprawl. Conversely, the Commission discourages sphere of influence proposals involving vacant or underdeveloped land that requires the extension of urban facilities, utilities, and services where infill is more appropriate.
- (6) Spheres of Influence as Guides for City Annexations:
A city's sphere of influence shall generally be used to guide annexations within a five-year planning period. Inclusion of land within a sphere of influence shall not be construed to indicate automatic approval of an annexation proposal; an annexation will be considered on its own merits with deference assigned to timing.
- (7) Joint Applications:
When an annexation is proposed outside a city's sphere of influence, the Commission may consider both the proposed annexation and the necessary change in the sphere of influence at the same meeting. The change to the sphere of influence to include the affected territory, however, shall be considered and resolved prior to Commission action on the annexation.
- (8) Cooperative Planning and Development:
Spheres of influence shall be developed by the Commission in cooperation with input from the cities and the County.
 - a) The urban areas as delineated by the spheres of influence or other boundary adopted by the Commission should be recognized and considered as part of planning and development programs of the affected cities as well as any affected special districts and the County.
 - b) The Commission shall encourage cities to first develop existing vacant and underdeveloped infill lands located within their jurisdictions and spheres of influence to maximize the efficient use of available services and infrastructure and discourage the premature conversion of agricultural and open-space lands to urban uses. The Commission shall encourage the development of vacant or underdeveloped infill lands located within cities' jurisdictions before the annexation of lands requiring the extension of urban facilities, utilities, and services.

- c) No urban development should be permitted by the County to occur on unincorporated lands within a city's sphere of influence. If approval of urban development in such areas is legally required of the County, such development should conform to applicable city standards and be the subject of a joint city-County planning effort.

D) Special District Spheres of Influence

The Commission shall adhere to the following policies in the establishment, review, amendment, or update of a special district's sphere of influence.

- (1) Urbanizing Effect of Services:
It shall be a basic policy of the Commission that the establishment, amendment, or update of a special district's sphere of influence serves to promote urban development with limited exceptions.
- (2) Sphere of Influence to Reflect Service Capacities:
A special district's sphere of influence should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission.
- (3) Exclusion of Agricultural and Open-Space Lands:
Land designated agricultural or open-space by the applicable city or County general plan shall not be approved for inclusion within any special district's sphere of influence for purposes of urban development through the extension of essential public services. Such designations shall be recognized by the Commission as designating the land as non-urban in character in regard to the existing use of the area or its future development potential. The Commission may consider exceptions to this policy based on evidence provided by the affected special district demonstrating all of the following:
 - a) The expansion is necessary in order to provide potable water or sewer to the territory to respond to a documented public health or safety threat.
 - b) The affected special district can provide adequate potable water or sewer service to the affected territory without extending any mainline more than 1,000 feet.
 - c) The expansion will not promote the premature conversion of agricultural or open-space land to urban use.

- (4) Sphere of Influence as a Guide to Special District Annexations:
A special district's sphere of influence shall generally be used to guide annexations within a five-year planning period. Inclusion of land within a sphere of influence shall not be construed to indicate automatic approval of an annexation proposal; an annexation will be considered on its own merits with deference assigned to timing.
- (5) Joint Applications:
When an annexation is proposed outside a special district's sphere of influence, the Commission may consider both the proposed annexation and the necessary change in the sphere of influence at the same meeting. The change to the sphere of influence to include the affected territory, however, shall be considered and resolved prior to Commission action on the proposed annexation.
- (6) Cooperative Planning and Development Programs:
Spheres of influence shall be developed by the Commission in cooperation with any affected cities and the County.
 - a) The service area of a special district as delineated by the sphere of influence or other boundary adopted by the Commission should be recognized and considered as part of the planning and development programs of any affected district, city, and the County.

IV. Policies Concerning the County Of Napa

A) Location of Urban Development

- (1) Development of an urban character and nature should be located within areas designated as urban areas by the County General Plan in close proximity to a city or special district which can provide essential public services.
- (2) Urban development should be discouraged if it is apparent that essential services necessary for the proposed development cannot readily be provided by a city or special district.
- (3) The Commission shall review and comment, as appropriate, on the extension of services or the creation of new service providers to furnish services into previously unserved territory within unincorporated areas.

B) Use of County Service Areas and Community Services Districts

- (1) In those unincorporated urban areas where essential urban services are being provided by the County, the Board of Supervisors should consider the establishment of county service areas or community services districts so that area residents and landowners pay their fair and equitable share for the services received.

V. Policies Concerning Cities

A) Incorporations

- (1) The Commission discourages proposals to incorporate communities unless substantial evidence suggests the County and any affected special district are not effectively meeting the needs of the community.
- (2) The Commission discourages proposals to incorporate communities involving land that is not already receiving essential public services from a special district.
- (3) Any community proposed for incorporation in Napa County shall have at least 500 registered voters residing with the affected area at the time proceedings are initiated with the Commission as required under G.C. §56043.

VI. Policies Concerning Special Districts

A) In Lieu of New District Creation

- (1) Where a limited-purpose special district exists and additional services are required for an unincorporated area designated as urban by the County General Plan, the Commission encourages reorganizations to provide the extended services of the existing limited services special district.

B) Preference for Districts Capable of Providing All Essential Services

- (1) All new special districts proposed for formation in the unincorporated urban areas as designated under the County General Plan should be capable of providing essential urban type services which include, but are not limited to, water, sanitation, fire protection, and police protection.

C) Establishing New Services or Divestiture of Existing Service Powers

- (1) Commission approval is required for a special district to establish new services or divest existing service powers within all or parts of its jurisdictional boundary. Requests by a special district shall be made by adoption of a resolution of application and include all the information required and referenced under G.C. §56824.12.
- (2) The Commission incorporates the following definitions in administering these policies:
 - a) “New” shall mean activating a latent service not previously authorized.
 - b) “Divestiture” shall mean deactivating a service power previously authorized.
- (3) The Commission shall consider the effect of the proposal in supporting planned and orderly growth within the affected territory.

VII. Policies Concerning Annexations

A) General Policies Concerning Annexations to a City

(1) Inclusion in Sphere of Influence:

The affected territory shall be included within the affected city sphere of influence prior to issuance of the Executive Officer's certificate of filing for the subject annexation proposal. The Executive Officer may amend both a sphere of influence amendment and annexation application for Commission consideration and action at the same meeting.

~~(2) Substantially surrounded:~~

~~For the purpose of applying the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act, most notably G.C. §56375, the affected territory of an annexation proposal shall be deemed "substantially surrounded" if the following two conditions apply:~~

~~a) The affected territory lies within the city's sphere of influence.~~

~~b) The affected territory is surrounded by no less than 66.6% by the city, as set forth in a boundary description accepted by the Executive Officer.~~

~~B) Policies Concerning Island Annexations~~

~~(1) Boundary of Areas Not 100% Surrounded by City:~~

~~The outside boundary of an unincorporated island less than 100% surrounded shall be the affected city sphere of influence boundary line.~~

~~(2) Criteria for Determining a Developed Island:~~

~~A developed island shall substantially meet all the following criteria:~~

~~a) The island shall have a housing density of at least 0.5 units per gross acre.~~

~~b) All parcels within the island can readily receive from the affected city or any affected special district basic essential services including but not limited to police protection, fire protection, potable water and sanitation.~~

~~(3) Policy Regarding Annexations Within an Identified Island Area:~~

~~When an annexation proposal includes territory within a developed island, the Commission shall invite the affected city to amend the boundary of the proposed annexation to include the entire island. To the extent permitted by law, the Commission reserves the right to expand the boundaries of the proposed annexation to include the entire island.~~

C) Policies Concerning Annexation of Municipally-Owned Land

- (1) Restricted Use Lands Owned by Public Agencies:
The Commission shall disapprove annexation of publicly-owned land designated agricultural or open-space or subject to a Williamson Act contract unless the land will be used for a municipal purpose and no suitable alternative site reasonably exists within the affected city's sphere of influence.
- (2) Facilities Exempt from Policy:
Municipal purpose shall mean a public service facility which is urban in nature such as water and sewage treatment facilities and public buildings, but shall not include land which is vacant or used for wastewater reclamation irrigation, a reservoir, or agricultural, watershed or open-space.

D) Concurrent Annexation Policies

It is the intent of the Commission to promote concurrent annexations to cities and special districts whenever appropriate. The Commission may waive its concurrent annexation policies based on unique conditions or circumstances surrounding the annexation proposal which make application of the policy impractical and will not result in the annexation of lands designated agricultural or open-space by the applicable city or County General Plan.

- (1) City of Napa and Napa Sanitation District
 - a) Annexations to the District:
All annexation proposals to the Napa Sanitation District located outside of the City of Napa shall first be required to annex to the City if the affected territory is located within the City's sphere of influence as adopted by the Commission, is located within the City Residential Urban Limit Line (RUL) as adopted by the City, and annexation is legally possible.
 - b) Annexations to the City:
All 100% consent annexation proposals to the City of Napa located outside of the Napa Sanitation District shall be required to annex to the Napa Sanitation District if the affected territory is located within the District's sphere of influence and if sanitation service is available.
- (2) City of American Canyon and American Canyon Fire Protection District
 - a) Annexations to the District:
All annexation proposals to the American Canyon Fire Protection District located outside of the City of American Canyon shall be required to annex to the City if the affected territory is located within the City's sphere of influence as adopted by the Commission and if annexation is legally possible.

b) Annexations to the City:

All annexation proposals to the City of American Canyon located outside of the American Canyon Fire Protection District shall be required to annex to the District if the affected territory is located within the District's sphere of influence.

(3) County Service Area No. 4

a) Annexations to Cities:

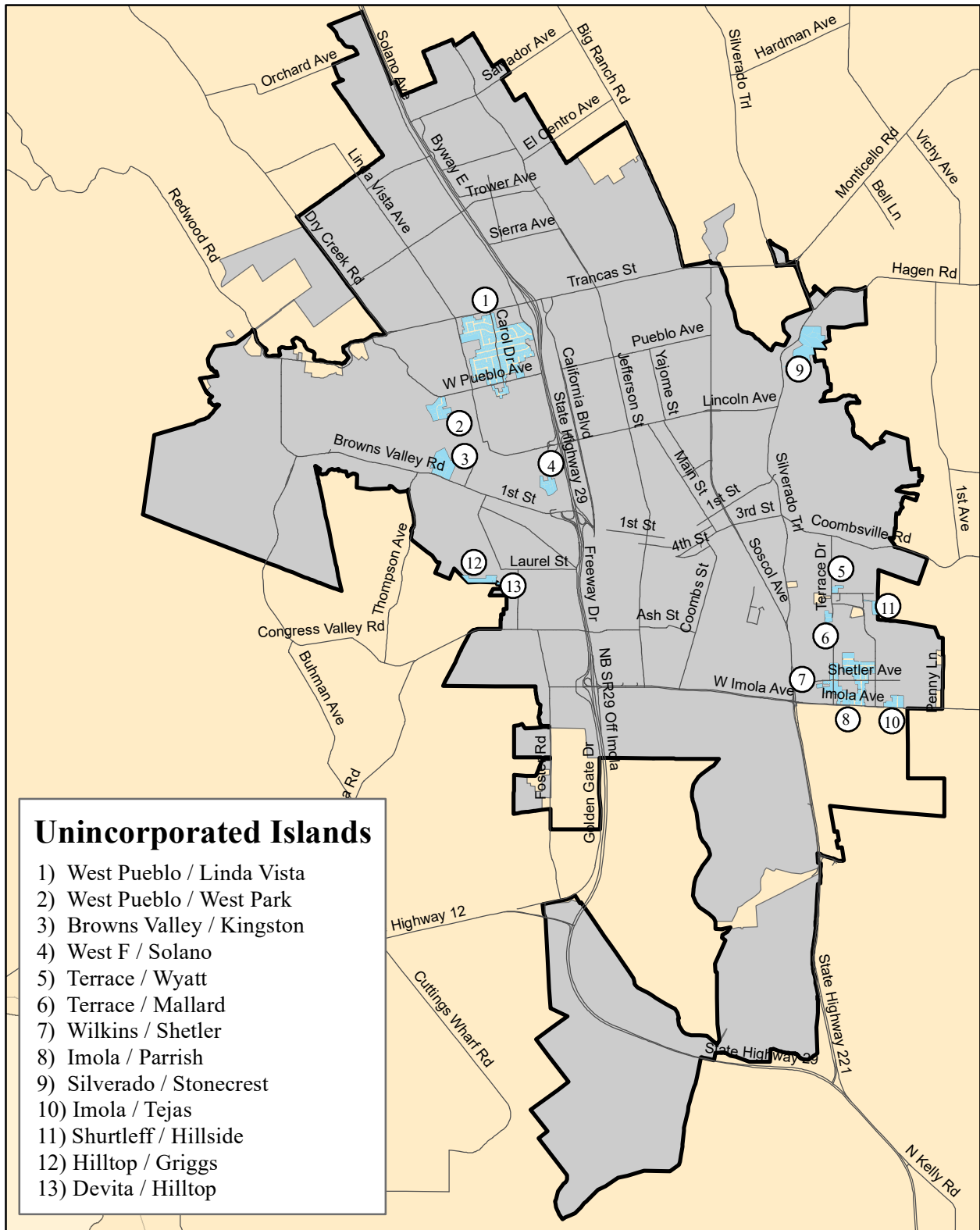
All annexation proposals to a city shall be required to concurrently detach from County Service Area No. 4 unless the affected territory has been, or is expected to be, developed to include planted vineyards totaling one acre or more in size.

Inventory of Unincorporated Islands

<i>Island Vicinity</i>	<i>Surrounding City/Town</i>	<i>Surrounded By City/Town (%)</i>	<i>Total Acres</i>	<i>Total Parcels</i>	<i>Developed Parcels</i>	<i>Estimated Population</i>
West Pueblo / Linda Vista	Napa	100	87.4	543	538	1399
West Pueblo / West Park	Napa	100	10.1	19	18	47
Browns Valley / Kingston	Napa	100	14.8	11	10	26
West F / Solano	Napa	100	6.7	13	13	34
Terrace / Wyatt	Napa	100	1.6	6	6	16
Terrace / Mallard	Napa	100	2.2	3	3	8
Wilkins / Shetler	Napa	100	0.6	2	2	5
Imola / Parrish	Napa	93	33.1	217	212	551
Silverado / Stonecrest	Napa	82	23.6	10	10	26
Imola / Tejas	Napa	71	5.3	16	16	42
Shurtleff / Hillside	Napa	70	2.5	3	2	5
Hilltop / Griggs	Napa	56	6.0	4	3	8
Devita / Hilltop	Napa	50	0.2	1	1	3
Domaine Chandon	Yountville	50	8.8	1	1	0
Totals		N/A	202.9	849	835	2168




Requires further study to determine exact % surrounded by city/town

City of Napa Unincorporated Islands



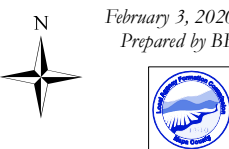
- Unincorporated Islands**
- 1) West Pueblo / Linda Vista
 - 2) West Pueblo / West Park
 - 3) Browns Valley / Kingston
 - 4) West F / Solano
 - 5) Terrace / Wyatt
 - 6) Terrace / Mallard
 - 7) Wilkins / Shetler
 - 8) Imola / Parrish
 - 9) Silverado / Stonecrest
 - 10) Imola / Tejas
 - 11) Shurtleff / Hillside
 - 12) Hilltop / Griggs
 - 13) Devita / Hilltop

Legend

-  City of Napa Jurisdictional Boundary
-  City of Napa Sphere of Influence
-  Unincorporated Islands

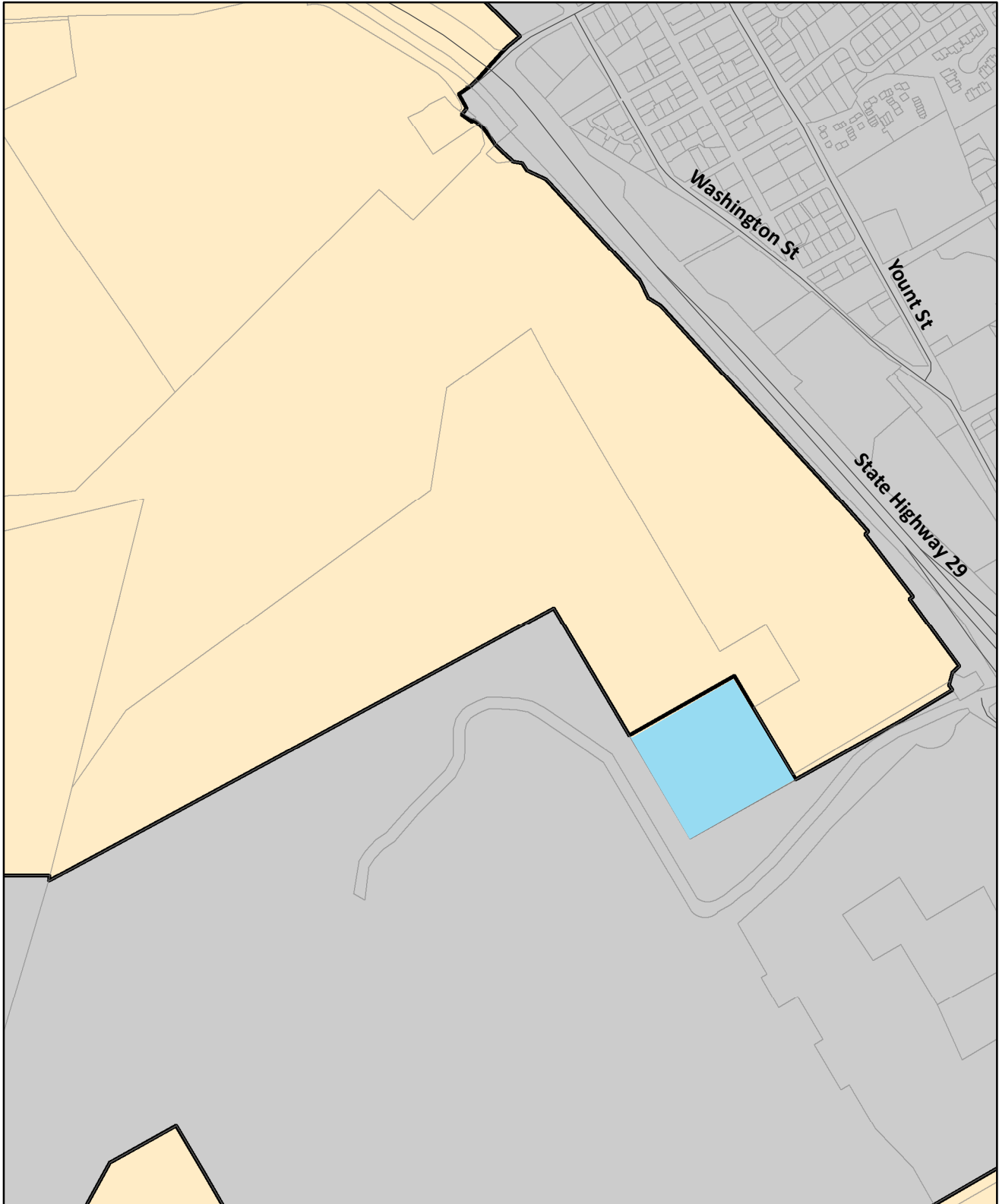


Not to Scale
 February 3, 2020
 Prepared by BF






LAFCO of Napa County
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Town of Yountville Possible Island




Legend

-  Town of Yountville Jurisdictional Boundary
-  Town of Yountville Sphere of Influence
-  Domaine Chandon Possible Island



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