

To: Olin Woods, Chair, and Members of the
Yolo County Local Agency Formation Commission

From: Christine Crawford, Executive Officer

Date: January 23, 2012

Subject: Discussion Regarding Future Adoption of LAFCO Policy Defining "Inhabited
Territory" in Accordance with SB 244

Recommended Action

Discuss and provide staff direction as noted below.

Background

SB 244 (Wolk) will go into effect July 1, 2012 and requires local agencies to consider providing public services to "disadvantaged unincorporated communities" (DUCs) through the LAFCo planning process and the County General Plan and Housing Element update process. More specifically, it requires that LAFCo consider these DUC's when conducting Municipal Service Reviews/Sphere of Influence (MSR/SOI) updates of any agency that provides water, sewer or fire protection services and make a written determination regarding the feasibility of providing such services to any DUC within or adjacent to its SOI. In addition, "a commission shall not approve an annexation to a city for any territory greater than 10 acres, or as determined by commission policy, where there exists a DUC that is contiguous to the areas of proposed annexation, unless an application to annex the DUC to the subject city has been filed with the executive officer."

For LAFCo's, SB 244 defines the term "disadvantaged unincorporated community" to mean inhabited territory with 12 or more registered voters, or as determined by LAFCO policy, that constitutes all or a portion of a "disadvantaged community," which is defined in the Water Code to be "a community with an annual median household income that is

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less than 80 percent of the statewide annual median household income." Thus, Yolo LAFCo has discretion to adopt its own definition of what an "inhabited territory" is in Yolo County. CALAFCO was successful in inserting this discretion during the legislative review process to alleviate concerns from LAFCo agencies across the state.

To help illustrate how the definitions of "uninhabited territory" and "disadvantaged unincorporated community" relate to each other, staff offers the following crude and non-mathematical formula:

$$\text{"Uninhabited Territory"} \times X \leq 80\% \text{ statewide median income} = \text{DUC}$$

At its December 12, 2011 meeting, Cindy Tuttle prepared a legislative update on SB 244 expressing staff's concern, and the Commission concurred, that the direct application of the state definition (12 or more voters in any given project area) to Yolo County may cast a wider net than what was intended by the bill and what is feasible in terms of constructing such infrastructure at a reasonable cost. Correspondingly, the Commission directed staff to return at its January meeting to discuss a policy to better define "inhabited territory" for LAFCo purposes.

Policy Discussion

The intent of SB 244 is to promote annexations of DUCs into cities and districts that can provide them with public water, public sewer and fire protection services. For Yolo County, the entire County is within the boundary of a fire district, so providing access to fire protection under SB 244 is a non-issue. But for water and sewer service in Yolo County, 12 or more voters in any given project area is not necessarily a community consistent with the intent of SB 244, especially considering the agricultural nature of the County where residences are often spread out over very low densities.

Among LAFCOs, there are two distinct approaches evolving on how to define an "inhabited territory" for a DUC, either by a verbal definition (i.e. 20 or more units clustered at a density greater than 1 unit per acre) or by adopting a map (i.e. "we'll know it when we see it" type of approach). Staff recommends that in this case having a map would be preferable for several reasons. A map is more clear and transparent. It can be created as a data layer within GIS (Geographic Information System) and used as an overlay when considering SOIs and annexations. All the cities and special districts can look at the same map on the LAFCo website or County GIS and know the "inhabited territories" SB 244 applies to. Also, the determination of an inhabited territory can be done once (with updates as necessary of course) rather than with every SOI or annexation project. With a verbal policy, staff would need to test any written definition to make sure the outcome makes sense and there is always a risk that such a "one size fits all" approach might not produce a reasonable result.

It is advantageous that Yolo County recently updated its General Plan and went through an extensive process to inventory its "Unincorporated Areas" defined for policy purposes within the General Plan. This list represents clusters of unincorporated residential parcels outside of agricultural areas. Staff spoke with county planning and housing/CDBG (Community

Development Block Grant) staff and they concur that this list of communities is a good starting point for defining an “inhabited territory”. These communities include:

Binning Farms	Guinda	West Plainfield
Capay	Knights Landing	Willow Oak
Clarksburg	Madison	Willowbank
Dunnigan	Monument Hills	Yolo
El Macero	North Davis Meadows	Zamora
El Rio Villa	Patwin Road	
Esparto	West Kentucky	

Another consideration in providing water and sewer infrastructure is density. If residences are too spread out, it will be cost prohibitive to construct the infrastructure required to bring water and/or sewer to a community. Staff recommends that parcels would need to have a density of at least 1 unit per acre or more in order for water and sewer infrastructure to be considered financially feasible.

Mapping these communities will also highlight their proximity to existing service providers which is a significant consideration in terms of the feasibility of extending infrastructure. Staff is actively working with County GIS to produce maps with these communities listed above overlaid with city/district boundary lines. Then, those areas with densities less than 1 unit per acre will be removed. To screen these areas with income information, it has proven difficult to manipulate census data to screen these areas for 80% statewide median income or below per SB 244 because census blocks frequently include a much larger area than a distinct community so the data is frequently not accurate and applicable. Staff will continue to refine the maps and have them available at the Commission meeting for discussion.

Staff is requesting Commission discussion and consensus on the following items to help craft the policy defining “inhabited territory” for LAFCo use:

- Does the Commission agree with a map approach to defining “inhabited territory”?
- Does the list of communities appear exhaustive?
- Does the Commission concur with the notion that the areas should be further screened to remove those communities that are not dense enough to support water and/or sewer infrastructure?
- Any other important factors that should be considered?

Staff will revise the policy approach as directed. Staff anticipates scheduling this policy for action at the February or March Commission meeting depending on the Commission’s discussion. The goal is to have a policy in place before SB 244 goes into effect July 1, 2012.