

October 20, 2004

Members of the Coyote Valley Specific Plan Task Force
c/o Sal Yakubu, Principal Planner
City of San Jose
801 N. First Street
San Jose, CA 95110-1704

Re: Preliminary Comments on San Jose's Coyote Valley Specific Plan (CVSP)

Dear Coyote Valley Specific Plan Task Force Members:

At its October 13, 2004 meeting, the Local Agency Formation Commission of Santa Clara County (LAFCO) directed staff to provide preliminary comments to the City of San Jose regarding the issues that LAFCO will consider during the urban service area amendment and annexation process for Coyote Valley.

BACKGROUND

LAFCO staff has been attending the Coyote Valley Specific Plan community workshops and participating on the CVSP Technical Advisory Committee in order to stay informed about the development of the specific plan and to provide input where appropriate.

According to City staff:

- The City Council is tentatively expected to consider adopting the CVSP in December 2005. Once the CVSP is adopted, the City then plans to apply to LAFCO to expand its Urban Service Area boundary and to annex the mid-Coyote Urban Reserve in early 2006,
- The City will be preparing an Environmental Impact Report (EIR) for the CVSP and expects to start the scoping and preparation of the Draft Environmental Impact Report (DEIR) for CVSP this fall (October 2004), and to circulate the DEIR for public review and comment in Spring 2005, and
- The City also plans to use the CVSP Final EIR when they apply to LAFCO for an Urban Service Area amendment and annexation.

LAFCO believes that the current scoping and preparation period for the Draft Environmental Impact Report provides an opportunity for LAFCO to inform the City about the issues that LAFCO will be considering as part of the Urban

Service Area amendment and annexation process. LAFCO provides these preliminary comments to the City at this time, so that the City can consider them during the fiscal and environmental impacts analysis process and address them in the Coyote Valley Specific Plan.

ISSUES OF CONCERN TO LAFCO BASED ON PRELIMINARY REVIEW

Project's Consistency With LAFCO's Objectives

As part of the USA and annexation review process, LAFCO staff will be evaluating whether the project is consistent with LAFCO's four primary objectives. These objectives are as follows:

- Encourage the orderly formation of local governmental agencies,
- Preserve agricultural land and open space resources,
- Discourage urban sprawl, and
- Encourage the efficient provision of services.

LAFCO of Santa Clara County has adopted local policies based on the above objectives. Furthermore, LAFCO has adopted specific policies for Urban Service Area (USA) amendments and annexations (See attachment). The following are its comments in light of LAFCO's Urban Service Area amendment policies:

Loss of Agricultural Lands and City's Plans for Mitigating That Loss

Development of the Coyote Valley will result in the conversion of thousands of acres of prime agricultural land. LAFCO policies discourage USA expansions that include agricultural and open space land. LAFCO strongly encourages the city to develop effective mitigation measures to address the loss of the agricultural and open space lands. As part of the USA amendment process, LAFCO will require an explanation of why the inclusion of agricultural and open space lands is necessary and how the loss of such lands will be mitigated.

LAFCO's policies state that mitigation measures could include, but are not limited to: the acquisition and dedication of farmland, development rights, open space and conservation easements to permanently protect adjacent and other agricultural lands within the county, participation in other development programs such as transfer or purchase of development rights, payments to recognized government and non-profit organizations for such purposes, and establishment of buffers to shield agricultural operations from the effects of development.

Evidence That An Adequate Water Supply is Available to USA Amendment Area

City staff has indicated that discussions are occurring between the City and potential water suppliers to determine water supply options for the CVSP. LAFCO will require evidence that an adequate water supply is available to the amendment area and that water proposed to be provided to the new area does not include supplies needed for unserved properties already within the city, the city's Urban Service Area or other properties already committed for city water services.

Addressing Local and Regional Impacts of Proposed USA Amendment

LAFCO will consider factors included in Government Code section 56668 as well as factors such as the following to determine the local and regional impacts of a proposed USA amendment:

- The ratio of lands planned for residential use to lands planned for employment-producing use;
- The existence of adequate regional and local transportation capabilities to support the planned city growth;
- Ability of the city to provide urban services to the growth areas (both lands within the city, as well as, lands within San Jose's USA boundary) without detracting from current service levels; and
- The project's fiscal impact on schools and the ability of school districts to provide school facilities.

Addressing Affordable Housing Needs as Part of the CVSP

LAFCO will discourage proposals that undermine regional housing needs plans, reduce affordable housing stock, or propose additional urbanization without attention to affordable housing needs. Specifically, LAFCO will consider whether the proposal creates conditions that promote local and regional policies and programs intended to remove or minimize impediments to fair housing including city/county general plan housing elements, Analysis of Impediments to Fair Housing or Consolidated Plans for Housing and Community Development and ABAG's regional housing needs assessment and related policies.

City's Inventory of Vacant Lands Within its Urban Service Area

LAFCO will require current information on the amount of vacant lands located in San Jose's Urban Service Area for the various zoning designations. If a city has a substantial supply of vacant land within its Urban Service Area and applies for an USA expansion, LAFCO will require an explanation of why the expansion is

necessary, why infill development is not undertaken first, and how an orderly, efficient growth pattern, consistent with LAFCO mandates, will be maintained.

LAFCO WILL CONTINUE TO PROVIDE INPUT WHERE APPROPRIATE

LAFCO staff will continue to attend the Coyote Valley Specific Plan community workshops and participate on the CVSP Technical Advisory Committee in order to stay informed and to provide input where appropriate. If you have any questions regarding these comments, you can reach me at (408) 299-5127. Thank you.

Sincerely,



Neelima Palacherla, LAFCO Executive Officer
LAFCO of Santa Clara County

Cc: Coyote Valley Specific Plan Task Force
LAFCO Members

Attachment

LAFCO's Urban Service Area Amendment Policies

URBAN SERVICE AREA POLICIES

A. General Guidelines

1. Review and amendment of Urban Service Area (USA) boundaries is the Commission's primary vehicle for encouraging orderly city growth.
2. LAFCO will review/amend a city's Urban Service Area once a year, if such review is desired by the city and initiated by city resolution and application. Until a city's application has been heard and acted upon by the Commission, no further Urban Service Area amendments will be accepted for filing from that city. LAFCO may make an exception to the once a year limitation upon Urban Service Area amendment requests where amendment is needed to carry out some special institutional development or activity that is in the public interest. Such exceptions shall not normally be extended in connection with proposed residential, commercial, or industrial development.
3. Within the Urban Service Areas, LAFCO does not review city annexations and reorganizations if the proposals are initiated by city resolution and meet certain conditions. State law gives cities in Santa Clara County the authority to approve such reorganizations.

B. Urban Service Area Amendment Policies

1. LAFCO will require application of an appropriate general plan designation to territory proposed for inclusion in an Urban Service Area.
2. LAFCO encourages contractual agreements and/or plans between the cities and the County which define:
 - a. Growth at the urban fringe; and
 - b. Potential new growth areas.
3. LAFCO will consider factors included in Government Code section 56668 as well as factors such as the following to determine the local and regional impacts of a proposed Urban Service Area amendment:
 - a. The ratio of lands planned for residential use to lands planned for employment-producing use
 - b. The existence of adequate regional and local transportation capabilities to support the planned city growth;

- c. Ability of the city to provide urban services to the growth areas without detracting from current service levels;
 - d. The ability of school districts to provide school facilities;
 - e. Whether the conversion of agricultural and other open space lands is premature, or if there are other areas into which to channel growth;
 - f. The role of special districts in providing services;
 - g. Environmental considerations which may apply;
 - h. The impacts of proposed city expansion upon the County as a provider of services;
 - i. Fiscal impacts on other agencies;
 - j. Regional housing needs;
 - k. Availability of adequate water supply; and
 - l. Consistency with city or county general and specific plans.
4. LAFCO will consider the applicable service reviews and discourage urban service area amendments that undermine adopted service review determinations or recommendations.
 5. When a city with a substantial supply of vacant land within its Urban Service Area applies for an Urban Service Area expansion, LAFCO will require an explanation of why the expansion is necessary, why infill development is not undertaken first, and how an orderly, efficient growth pattern, consistent with LAFCO mandates, will be maintained.
 6. The Commission will discourage Urban Service Area expansions which include agricultural or other open space land unless the city has accomplished one of the following:
 - a. Demonstrated to LAFCO that effective measures have been adopted for protecting the open space or agricultural status of the land. Such measures may include, but not limited to, the establishment of agricultural preserves pursuant to the California Land Conservation Act, the adoption of city/County use agreements or applicable specific plans, the implementation of clustering or transfer-of-development-rights policies; evidence of public acquisition; or
 - b. Demonstrated to LAFCO that conversion of such lands to other than open space uses is necessary to promote the planned, orderly, efficient development of the city.

7. The Commission will consider whether an Urban Service Area amendment leading to the conversion of agricultural or other open space land, will adversely affect the agricultural or open space resources of the County. Factors to be studied include, but are not limited to:
 - a. The agricultural significance of the amendment area relative to other agricultural lands in the region (soil, climate, water-related problems, parcel size, current land use, crop value, Williamson Act contracts, etc.)
 - b. The economic viability of use of the land for agriculture;
 - c. Whether public facilities, such as roads, would be extended through or adjacent to other agricultural lands in order to provide services to anticipated development in the amendment area or whether the public facilities would be sized or situated to impact other agricultural lands in the area
 - d. Whether the amendment area is adjacent to or surrounded by existing urban or residential development.
8. If an Urban Service Area proposal includes the conversion of open space lands or agricultural lands, LAFCO strongly encourages the city to develop effective mitigation measures to address the loss of the agricultural and open space lands. LAFCO will require an explanation of why the inclusion of agricultural and open space lands is necessary and how the loss of such lands will be mitigated.

Mitigation measures include, but are not limited to: the acquisition and dedication of farmland, development rights, open space and conservation easements to permanently protect adjacent and other agricultural lands within the county, participation in other development programs such as transfer or purchase of development rights, payments to recognized government and non-profit organizations for such purposes, and establishment of buffers to shield agricultural operations from the effects of development.
9. Where appropriate, LAFCO will consider adopted policies advocating maintenance of greenbelts or other open space around cities in reviewing Urban Service Area amendments.
10. LAFCO will require evidence that an adequate water supply is available to the amendment areas and that water proposed to be provided to new areas does not include supplies needed for unserved properties already within the city, the city's Urban Service Area or other properties already charged for city water services. In

determining water availability, LAFCO will evaluate, review and consider:

- a. The city's plan for water service to the area and statement of existing water supply in terms of number of service units available; service units currently allocated; number of service units within city (and current USA) boundaries that are anticipating future service and service units needed for amendment area.
 - b. Whether the city is able to provide adequate water supply to the amendment area in the next 5 years, including drought years, while reserving capacity for areas within the city and Urban Service Area that have not yet developed.
 - c. Whether the city is capable of providing adequate services when needed to areas already in the city, in the city's Urban Service Area or to other properties entitled to service.
 - d. If capacity is not reserved for unserved property within the city and its Urban Service Area boundary, the current estimate of potential unserved properties and related water supply needs
 - e. Whether additional infrastructure and or new water supplies are necessary to accommodate future development or increases in service demand. If so, whether plans, permits and financing plans are in place to ensure that infrastructure and supply are available when necessary including compliance with required administrative and legislated processes, such as CEQA review, CEQA mitigation monitoring plans, or State Water Resources Board allocation permits. If permits are not current or in process, or allocations approved, whether approval is expected.
 - f. Whether facilities or services comply with environmental and safety standards so as to permit acquisition, treatment, and distribution of necessary water.
11. LAFCO will discourage proposals that undermine regional housing needs plans, reduce affordable housing stock, or propose additional urbanization without attention to affordable housing needs. LAFCO will consider:
- a. Whether the proposal creates conditions that promote local and regional policies and programs intended to remove or minimize impediments to fair housing including city/ county general plan housing elements, Analysis of Impediments to Fair Housing or Consolidated Plans for Housing and Community Development and ABAG's regional housing needs assessment and related policies.

- b. Whether the proposal introduces urban uses into rural areas thus increasing the value of currently affordable rural area housing and reducing regional affordable housing supply.
- c. Whether the proposal directs growth away from agricultural / open space lands towards infill areas and encourages development of vacant land adjacent to existing urban areas thus decreasing infrastructure costs and potentially housing construction costs.
- d. Whether funding of infrastructure to support development in the amendment area imposes an unfair burden on residents or customers within the existing boundaries thus impacting housing construction costs in the area.