



**Lou Ann Teixeira**  
*Executive Officer*

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February 8, 2012 (Agenda)

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Agenda Item 7

Contra Costa Local Agency Formation Commission  
651 Pine Street, Sixth Floor  
Martinez, CA 94553

### Island Annexations

Dear Members of the Commission:

In August 2011, Commissioners participated in a strategic planning workshop at which time the Commission discussed several priority issues, including the annexation of small islands. This report provides a discussion of island annexations and some ideas for the Commission's consideration.

#### BACKGROUND

**History of Island Annexation Law** – Included among LAFCOs' charges are discouraging urban sprawl and encouraging logical and orderly local agency boundaries to promote the efficient extension of municipal services.

Since the enactment of the Knox-Nesbitt Act in 1963, unincorporated islands have been a concern for LAFCOs in that islands result in illogical boundaries and difficulty and confusion in the delivery of municipal service. Annexation of islands to cities is usually preferred, as it often results in a higher level of local service for the island residents. Cities generally provide a range of local services, such as police, fire, road/street maintenance, planning, code enforcement, garbage, cable television, park and recreation. The county's role is to provide more regional services, such as social services, health care, courts and judicial services, flood control, housing and community development on a countywide basis.

In 1977, legislation was enacted (Municipal Organization Act – MORGA) that allowed for an expedited process to annex small islands to cities (not exceeding 100 acres) without a protest vote for a limited time period (1978 – 1983). During this time, thousands of islands were annexed throughout the State. As reported in *Growth Within Bounds – Report of the Commission on Local Governance in the 21<sup>st</sup> Century* (January 2000), Santa Clara LAFCO alone processed the annexation of 3,791 islands during this period, moving 26,400 residents into cities.

While there were significant successes in efforts to eliminate islands during this period, reluctance and resistance continued. Counties and cities remained reluctant to initiate annexations because of political and financial issues, and residents within the islands typically saw little urgency or advantage to annex to cities.

In 2000, legislation (AB 1555, Longville) was enacted to restore for another limited period the expedited island annexation process. This legislation included several restrictions, including a 75-acre limitation. The Commission on Local Governance in the 21<sup>st</sup> Century voted to support AB 1555, and asked that future consideration be given to increasing or eliminating the size restriction and making the island provisions permanent.

Since 2000, other legislation was enacted to increase the size of unincorporated islands that can be annexed using the expedited process (without protest proceedings) from 75 to 150 acres, and extending the time period to January 1, 2014. Under current law, the expedited process applies to island annexation initiated on or after January 1, 2000 and before January 1, 2014. Following January 1, 2014, the small island provisions will remain in the statute except for the provisions waiving the protest proceedings.

The current law pertaining to island annexations provides that the Commission *shall* approve annexation of an island if the island meets certain conditions, including size (150 acres or less) and characteristics (i.e., surrounded or substantially surrounded by a city or by a city and adjacent cities). See Attachment 1 for the full text of the statute (Government Code Section 56375.3). The terms “surrounded or substantially surrounded” are not defined by statute, and interpretations are left to the discretion of each LAFCO.

There has been other recent legislation that supports the annexation of islands and the promotion of service efficiencies. SB 375 was enacted in 2008 and relates to regional land use and transportation planning policies. In the most general sense, SB 375 requires regional transportation planning agencies (e.g., ABAG, BAAQMD, BCDC and MTC in our area) to carry out transportation planning with California’s statewide greenhouse gas (GHG) emissions goals in mind. Each region will develop its own unique Sustainable Communities Strategy for meeting its GHG targets through a locally driven process. SB 375 is predicated on the premise that GHG reductions from the regional land use and transportation plans required by the statute will result in more compact development and Californians driving fewer miles as a consequence of changes in land use patterns and improved transportation systems.

SB 244 was enacted in 2011 and requires counties, cities, and LAFCOs to plan for disadvantaged communities. This legislation requires cities and counties to identify and analyze islands, fringe and legacy communities as part of their general plans, to identify which of these areas are disadvantaged, and encourages the annexation and extension of services to these disadvantaged communities.

Unincorporated islands continue to be a problem throughout the State. LAFCOs were recently surveyed regarding the number of small islands within each county and the timing of future annexations in the wake of the upcoming sunset on the island provisions. Of the 57 member LAFCOs, 28 responded to the survey.

Based on the responses, there are hundreds of small islands that could be annexed to cities via the expedited process contained in Government Code section 56375.3. The majority of LAFCOs who responded to the survey indicated that they would benefit from an extension of the January 1, 2014 sunset date. In addition, nearly 40% indicated they would benefit from increasing the acreage from the current 150 acres to 300 acres. The CALAFCO Legislative Committee is currently discussing possible legislation in 2013 relating to the extension of the island annexations provisions.

**Property Taxes and Proposition 13** – Property tax is an *ad valorem* (i.e., “according to value”) tax that property owners are required to pay on their property. In terms of municipal property tax,

property owners in California have their property assessed annually (or upon sale) by the public tax assessor. The assessed value is then used to compute the annual tax, which is levied by the county.

Prior to the passage of Proposition 13, local governments were authorized to set the property tax rates. The tax rate to an individual parcel was the total of the separate rates levied by each local agency serving the property (i.e., County, city, school district, special districts). As of 1978, with the passage of Proposition 13, the California ad valorem property tax rate was limited by the State Constitution to 1% plus any voter-approved bonded indebtedness, special taxes or benefit assessments. State and local governments were then prohibited from setting tax rates for ad valorem taxes on real property above the 1% level without voter approval.

AB 8 - Following the passage of Proposition 13, a new method was necessary to allocate taxes since taxing jurisdictions now had to share a piece of the finite pie. In 1979, Assembly Bill 8 (AB 8) was adopted to provide procedures for counties to allocate taxes. The base year for AB 8 was fiscal year 1978-79. The basic premise of AB 8 was to allocate to each taxing jurisdiction the amount it received in the prior year, plus a share of any additional revenues above the prior year that occurred within the agency's boundaries. This established the *property tax increment allocation* percentage for each agency within a Tax Rate Area (TRA).

Tax Rate Area - A TRA is a geographical area composed of a unique combination of taxing jurisdictions that provide services to the property. As a result of changes of organization (i.e., annexations, detachments, district formations, city incorporations, etc.) a property may move from one TRA to another. Currently, Contra Costa County has approximately 1,100 TRAs. The TRAs are maintained statewide by the State Board of Equalization in conjunction with information filed by LAFCOs, schools and other taxing jurisdictions.

**Annexation and Property Tax Exchange Process** – Property tax exchange provisions relating to annexations are generally covered by Sections 99 and 99.01 of the California Revenue and Taxation Code (R&T) Code. Upon annexation, a city takes over service responsibilities for the area and is entitled to a portion of the revenues previously allocated to the county to offset service costs. Transferring the islands to cities will eliminate the need for most county services in those areas, thus saving the county money in the long run.

Once an annexation application has been filed, LAFCO provides notice to the County Assessor and Auditor. Within 30 days of receipt of notice, the Assessor provides the Auditor with a report identifying the TRAs subject to the jurisdictional change. Within 45 days, the Auditor estimates the total amount of tax revenue generated within the annexation area. Agencies have a specified period of time to negotiate a property tax exchange. A property tax exchange must be approved by both the county and the annexing city prior to LAFCO taking formal action on the annexation.

Master Property Tax Exchange Agreements – Under R&T Code Section 99, counties, cities and special districts may negotiate master tax sharing agreements in order to gain consistency and speed in the property tax exchange negotiation process. Master tax sharing agreements establish a formula regarding the split of the property tax. In Contra Costa County, 18 of the 19 cities have negotiated master property tax agreements with the County (Orinda does not). Most of these agreements were approved in the early 1980s.

The master agreements provide a formula for property tax exchange. If the annexation is relatively uncomplicated (i.e., assessed value under \$10 million, little/no sales tax), then the vast majority of annexations rely on the master agreement. However, if there are other factors (e.g., power plant, big-

box retail, assessed value in excess of \$10 million, permit processing, etc.), then further negotiations on sales tax and other deal points is involved.

For example, in the past 10 years (2001-2010), Contra Costa LAFCO has approved 35 annexations/reorganizations to cities. Of these, nine involved included Dougherty Valley annexations to the City of San Ramon which are subject to a settlement agreement and special provisions. Of the remaining 26 annexations to cities, approximately 20 (77%) relied on the master tax sharing agreements, and approximately six (23%) involved special tax sharing provisions.

In addition, a number of the special districts in Contra Costa County, primarily water, sewer and fire, have master tax sharing agreements. Under the R&T Code, in the absence of a master tax exchange agreement, the county negotiates the property tax exchange on behalf of special districts.

## DISCUSSION

**Islands in Contra Costa County** – Contra Costa County has a number of unincorporated islands and pockets that result in service confusion and inefficiencies. LAFCO staff, with the help of County planning/GIS staff, has compiled an inventory of islands. The list includes 16 islands that are less than 150 acres, plus five islands that are greater than 150 acres but less than 300 acres as shown on the attached map (Attachment 2). Of the 21 islands identified, nearly all are urbanized and over half are built out or nearly built out. A brief description of each island is provided in Attachment 3.

The Cortese-Knox-Hertzberg Act encourages the annexation of islands (56375, 56375.3, 56668, and discourages the creation of islands (56744, 56757).

Contra Costa LAFCO's current policies relating to islands are consistent with state law as follows:

### 2.1. POLICIES AND STANDARDS

#### *D. Policy on Spheres of Influence and Annexations*

*Annexation proposals should avoid creation of "islands" or corridors of territory not served by the annexing agency, and boundaries that are not definite and certain or do not conform to lines of assessment or ownership.*

#### *E. Island Annexation Policies*

*Recognizing that cities are the most logical providers of municipal services, and that unincorporated islands can be more effectively and efficiently served by surrounding cities, LAFCO is committed to the annexation of urban island areas.*

*LAFCO will collaborate with the County and cities in facilitating annexation of unincorporated urban islands.*

*LAFCO encourages the County and cities to coordinate development standards in urban island areas to facilitate the annexation of urban islands.*

*The Government Code contains special provisions for annexing small islands, which facilitate the annexation of islands of less than 150 acres (§56375.3).*

*In the interest of orderly growth and development, cities should annex urban unincorporated islands within their current SOIs before seeking to add new lands to their boundaries.*

In 2008-09, LAFCO completed three sub-regional Municipal Service Reviews (MSRs) - East, Central and West County. These sub-regional MSRs covered services provided by all 19 cities and a number of community service districts. The island issues were discussed in the MSRs, and as part of the MSR process, cities were encouraged to pursue annexation of their islands.

Cities are generally reluctant to take on the provision of service for these islands, without additional revenues, as most of these areas have little or no commercial base, and some of the areas require infrastructure improvements. Consequently, there has been little interest or effort on the part of most cities in Contra Costa County to annex unincorporated islands.

### **Ideas for Addressing Islands**

The Government Code provides an expedited process for annexing small islands that meet the statutory criteria. The expedited process provided in the law is scheduled to sunset on January 1, 2014.

Although there are provisions in the LAFCO law to help facilitate the annexation of small islands, there are other challenges including financial and political.

LAFCOs throughout the State have developed policies and programs to facilitate the annexation of small islands. The examples below are a representative sample and not a complete list.

*What Can LAFCO do to Facilitate Island Annexations?* – Many LAFCOs have policies and programs for addressing island annexations.

Some Commissions have adopted **quantitative standards defining “substantially surrounded”** – for example 50% surrounded (Orange), 52% (San Bernardino) 66.6% (Alameda, Napa), 75% (Butte, Sonoma).

Some LAFCOs offer a **fee reduction or waiver** to facilitate the annexation of small islands (e.g., Alameda, Riverside, San Bernardino, Santa Clara, Stanislaus).

Some LAFCOs require that the city conduct a **public relations/education effort** in conjunction with an island annexation (e.g., San Bernardino).

Some LAFCOs **encourage/require cities to annex urban unincorporated islands** before seeking to add new territory to their boundaries (e.g., Fresno, San Luis Obispo, Santa Clara, Sonoma, Ventura).

Some LAFCOs **encourage cities to “grandfather in”** unincorporated island areas (e.g., San Bernardino, Santa Clara).

There are several LAFCOs that have implemented **comprehensive island annexation programs**, including Butte, Fresno, Orange and Santa Clara.

Orange LAFCO has one of the most comprehensive and successful island annexation programs, which began in 2000. To date, 38 of the 50 islands identified have been annexed to cities, and more are currently under consideration. The program is a collaborative effort of LAFCO, the County and the cities, and includes a Stakeholder Plan, island inventory, and LAFCO staff support (e.g., assistance with fiscal and infrastructure assessments, application material, city council and community meetings).

*What Can Cities and the County do to Facilitate Island Annexations?* - There are also options the county and cities might consider to facilitate annexation of islands, including fiscal considerations, options to enhance public support and other ideas, such as:

- Public relations/education effort to facilitate island annexations, including a Frequently Asked Questions (FAQ) handout similar to the one developed by the City of Concord and Contra Costa LAFCO staff (see Attachment 4) – Experience with annexations throughout the State has shown that educating the public about the benefits of annexation is key to obtaining residents’ support
- Political support of city and county officials
- City “grandfathering” of existing legal county uses into the city
- City costs concessions to the affected residents/taxpayers (e.g., waive special taxes for annexing area)
- City and county entering into joint agreements to identify needs within the island, shared expenses and potential revenue sources
- City and county entering into non-traditional tax sharing agreements (e.g., tiered, cost-sharing, etc.)

*What Can Residents do to Facilitate Island Annexations?* Oftentimes there is a lack of information regarding the effects of annexation. Residents may not have adequate information regarding the costs/benefits of annexation to a city. Further, cities may be unaware of the residents’ desire to annex to a city. Residents can contact LAFCO and/or the city to obtain information regarding annexation.

#### RECOMMENDATION

The Commission may wish to consider policies, fee waivers/reductions and other means to facilitate/encourage annexation of small islands.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

#### Attachments

1. Government Code Section 56375.3
2. Map of Islands in Contra Costa County Under 300 Acres
3. Description of Islands in Contra Costa County Under 300 Acres
4. Sample Frequently Asked Questions (FAQ) Relating to Annexation to a City

**shall be subject to the state and federal constitutional prohibitions against the taking of private property without the payment of just compensation. This subdivision shall not impair the authority of a public agency or public utility to exercise eminent domain authority.**  
**(Amended by Stats. 2011, Ch. 300, Ch. 512 and Ch. 513)**

**Reorganization or consolidation of the Sewerage Agency of Southern Marin**

**56375.2.** (a) In addition to those powers enumerated in Section 56375, the Marin Local Area Formation Commission may initiate and approve, after notice and hearing, a reorganization or consolidation of the Sewerage Agency of Southern Marin and its members districts, without protest hearings.

(b) If the commission initiates and approves the reorganization or consolidation pursuant to subdivision (a), the commission may impose terms and conditions on the reorganization or consolidation that would require the Sewerage Agency of Southern Marin and its member agencies to be responsible for the payment of the commission's costs incurred in association with the reorganization or consolidation.

(c) This section shall become effective on January 1, 2011.

**Island annexations without protest proceedings**

**56375.3.** (a) In addition to those powers enumerated in Section 56375, a commission shall do either of the following:

(1) 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:

(A) The change of organization or reorganization is initiated on or after January 1, 2000, and before January 1, 2014.

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

(C) 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).

(2) Approve, after notice and hearing, the change of organization or reorganization of a city, subject to subdivision (a) of Section 57080, if all of the following are true:

(A) The change of organization or reorganization is initiated on or after January 1, 2014.

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

(C) 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).

**Size restriction**

(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.

**"Surrounded"**

(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.

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

**Separate property tax agreement**

(D) Notwithstanding any other provision of 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.

**Developed or developing**

(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.

**Non-prime**

(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.

**Exclusion**

(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 (c) 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.

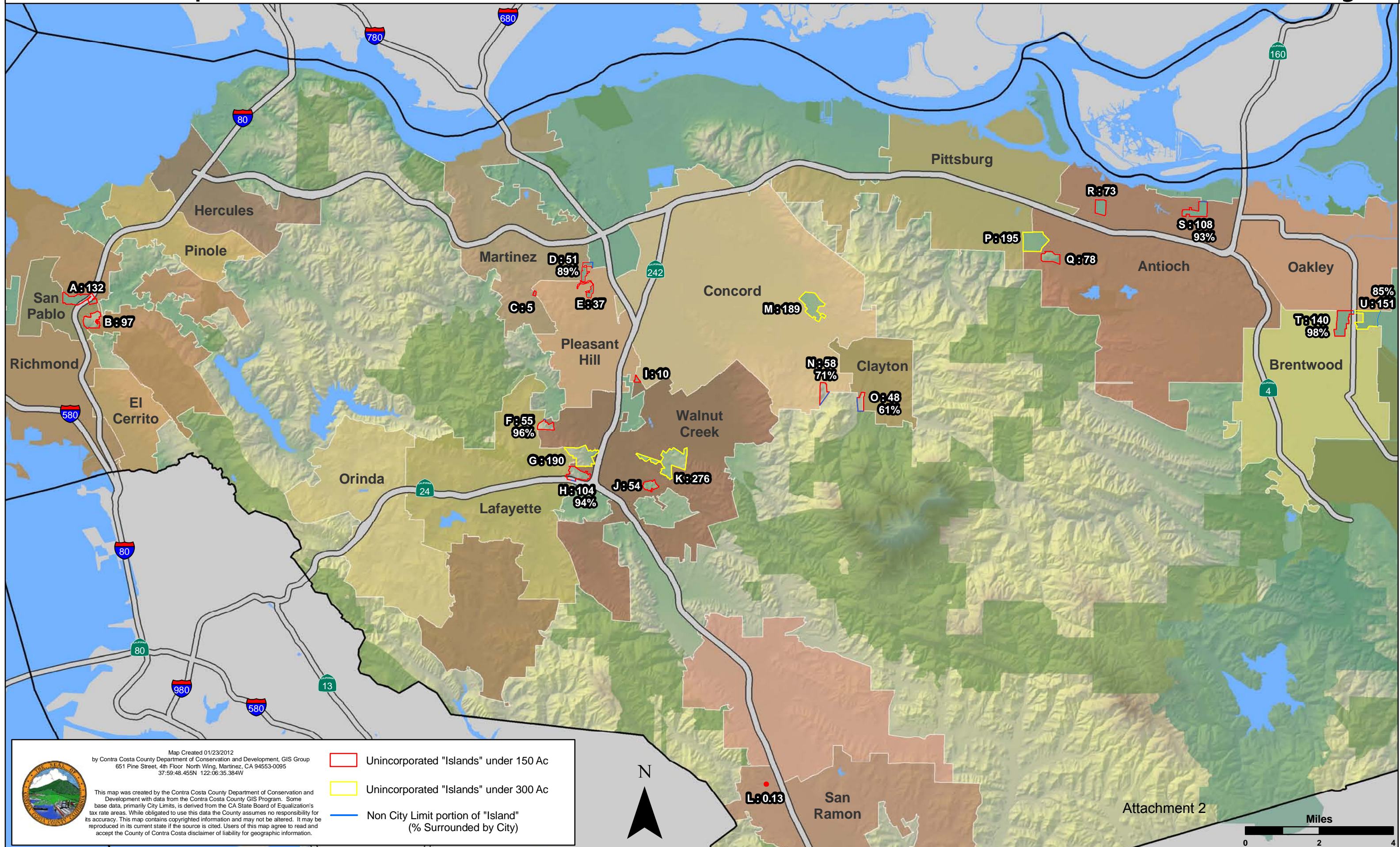
(3) Is surrounded or substantially surrounded by incorporated territory.

(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.

***NOTE: Stats. 2004, Ch. 805, created the following uncodified provisions pertaining to county island annexations:***



# Unincorporated "Islands" under 300 Acres in Contra Costa County



## DESCRIPTION OF UNINCORPORATED ISLANDS

The list of islands was compiled by the Contra Costa County Department of Conservation and Development at the request of LAFCO staff. The map was prepared using the County's GIS mapping program.

The list includes 16 islands that are 150 acres or less, and meet the criteria for an expedited annexation as contained in Government Code §56375.3 listed below. Also, we have included an additional five islands that are over 150 acres but under 300 acres for discussion purposes.

The criteria used for identifying small islands (i.e., 150 acres or less) as contained in the Government Code, are as follows:

- Island or pocket of area 150 acres or less
- Island is surrounded or substantially surrounded by a city or by a city and adjacent cities
- Island is not a gated community where services are currently provided by a community services district
- Island is substantially developed or developing based on the availability of public utility services, presence of public improvements, or the presence of physical improvements upon the parcel or parcels within the area
- Island is not prime agricultural land, as defined by Government Code §56064
- Island will benefit from the change of organization or reorganization or is receiving benefits from the annexing city
- Island was not created after January 1, 2000

The following is a brief description of each island. The letters correspond to those on the countywide map included with the staff report.

- A. San Pablo area: An unincorporated area including a neighborhood commonly referred to as Rollingwood, and a portion of the unincorporated community of El Sobrante (bounded by I-80 and San Pablo Dam Road). The area comprises 132± acres surrounded by the cities of Richmond and San Pablo, and within San Pablo's Sphere of Influence (SOI) and is located near I-80 off the EI Portal Drive exit. Land uses are primarily built out urban residential and a small section of public land (I-80).
- B. San Pablo area: An unincorporated neighborhood of 96± acres bounded by Hillcrest Road and Wildcat Canyon Regional Park that is surrounded by the cities of Richmond and San Pablo and mostly within San Pablo's SOI. Land uses in the area include residential and public uses including an EBMUD water reservoir and a small area of Wildcat Regional Park. The area is partially built out, and a portion of the area is within the Alquist Priolo Fault Zone which poses geologic issues.
- C. Pleasant Hill area: A 5± acre area of unincorporated land off Alhambra Avenue (eastside of the road) surrounded by the cities of Martinez and Pleasant Hill and within Pleasant Hill's SOI. Land use designations in the area include low density

residential and agricultural. The area is not built out and there is currently a subdivision application being processed through the County.

- D. Pleasant Hill area: a 51± acre area of unincorporated land substantially north of Chilpancingo Parkway surrounded (89%) by the cities of Martinez and Pleasant Hill and within Pleasant Hill's SOI. Land use in the area is residential and the area is mostly built out.
- E. Pleasant Hill area: A 37± acre area of unincorporated land adjacent to and east of the Contra Costa Country Club (near intersection of Paso Nogal and Golf Club Rd.) that is surrounded by the City of Pleasant Hill and within Pleasant Hill's SOI. Land uses in the area includes a corridor of the Contra Costa Canal and residential, and the area is built out.
- F. Walnut Creek area: a 55± acre area of unincorporated land bounded by Pleasant Hill Road to the west and adjacent to Acalanes Open Space (to the south) that is substantially surrounded (96%) by the cities of Lafayette and Walnut Creek and within Walnut Creek's SOI. Land use in the area is primarily residential. The area includes a fair amount of vacant and underutilized land, and is characterized by steep terrain.
- G. Walnut Creek area: a 190± acre area of unincorporated land west of I-680 that is surrounded by the cities of Lafayette and Walnut Creek and within Walnut Creek's SOI. Land uses in the area include residential, public (EBMUD land adjacent to a water tower) and a small portion of HOA open space. The area is mostly built out.
- H. Walnut Creek area: A 104± acre area of an unincorporated neighborhood commonly referred to as Springbrook Road, generally bounded by Highway 24 and Acalanes Open Space. The area is surrounded by the cities of Lafayette and Walnut Creek and within Walnut Creek's SOI. Land uses in the area include residential and commercial with a small section of public (Highway 24). The area has a moderate amount of vacant and underutilized land, and is characterized by steep terrain.
- I. Walnut Creek/Pleasant Hill/Concord area: A 10± acre area of an unincorporated land bounded by Bancroft Road and Mayhew Way. The area is surrounded by the cities of Walnut Creek, Pleasant Hill and Concord. The area is primarily with Concord's SOI with two parcels in Pleasant Hill's SOI. Land uses in the area include multi and single family residential and light industrial. The area is built out. Residents of this area have previously contacted LAFCO regarding annexation.
- J. Walnut Creek area: A 54± acre area of an unincorporated neighborhood entirely surrounded by the City of Walnut Creek where Walnut Boulevard and Shady Glen Road intersect. The area is within Walnut Creek's SOI. Land use in the area includes residential and the area is built out.

- K. Walnut Creek area: A 276± acre area of unincorporated land located south of the Diablo Hills Golf Course. The area is surrounded by the City of Walnut Creek and within Walnut Creek's SOI. Land use in the area is primarily residential with pockets of open space on the ridge. The area is mostly built out.
- L. San Ramon area: A 0.13± acre area of unincorporated land located west of I-680 that is surrounded by the City of San Ramon and within San Ramon's SOI. Land uses in the area include residential and HOA common area/open space (adjacent to an EBMUD water tower). This island was created after 2000 and is a remnant from LAFCO 08-27 (*Faria Preserve Reorganization: Annexations to the City of San Ramon, CCCSD and EBMUD*).
- M. Concord area: A 189± acre area (Ayers Ranch) bounded by Bailey Road and Concord Blvd that is surrounded by the City of Concord and within Concord's SOI. The area is primarily residential and is nearly built out. For several years discussions have ensued between the City of Concord, the County, LAFCO, and local residents/landowners regarding annexation of this area to the City. There is interest on the part of many residents/landowners to annex to the City. Property tax exchange discussions between the City and County are underway.
- N. Concord area: A 58± acre area of unincorporated land that is substantially surrounded (71%) by the City of Concord and within Concord's SOI. This undeveloped/underutilized area is located at the end of Kaiser Quarry Road where it becomes a private road. Land use designations include single family residential (high) and open space/agricultural.
- O. Clayton area: A 48± acre area of unincorporated land that is substantially surrounded (61%) by the City of Clayton and within Clayton's SOI. The area is located east of Mitchell Canyon Road and is primarily built out residential with equestrian use.
- P. Antioch/Pittsburg area: A 195± acre area surrounded by the cities of Pittsburg and Antioch and currently within Antioch's SOI. The area is located just east of Pittsburg city limits, and within Antioch's Somersville Road Corridor Planning Area. Land use designations include industrial and residential and is primarily vacant with one remaining industrial use. The land is a former petroleum tank farm and is owned by West Coast Homebuilders, an affiliate of A.D. Seeno Construction. In 2009, LAFCO received an application to remove this area from the Antioch SOI and place it in the Pittsburg SOI. This application is currently incomplete and remains pending.

In November 2011, the Pittsburg voters approved Measure I which amends the Pittsburg General Plan to include this 195-acre area in Pittsburg's Urban Limit Line. The measure also prezones the land and allows for a combination of single family residential, high density residential and general industrial development.

- Q. Antioch area: A 78± acre area of unincorporated land entirely surrounded by the City

of Antioch and within Antioch's SOI. Land use designation include open space and agricultural. This island is undeveloped and is a former landfill site owned by GBF Holdings, sometimes referred to as the City Dump site, and is located north of James Donlon Boulevard and east of Somersville Road.

- R. Antioch area: A 76± acre area of unincorporated land entirely surrounded by the City of Antioch and within Antioch's SOI. The land use designation is public use. This area is more commonly referred to as the County Fair Grounds site, and is located where 10<sup>th</sup> Street and L Street intersect.
- S. Antioch area: A 108± acre area of unincorporated land substantially surrounded (93%) by the City of Antioch and within Antioch's SOI. This island is generally bounded by 18<sup>th</sup> Street and the Burlington Northern Santa Fe railroad tracks. The area is predominantly residential, with limited commercial and light industrial, some open space including PG&E utility corridors, and a cemetery. The area is mostly built out. The City, County and LAFCO are currently in discussions regarding the annexation of the entire Northeast Antioch area.
- T. Brentwood area: A 140± acre area of unincorporated land substantially surrounded (98%) by the cities of Oakley and Brentwood and within Brentwood's SOI. This island is located where Lone Tree Way intersects with Virginia Drive west of Brentwood Boulevard. Land uses include residential, commercial and agricultural.
- U. Brentwood area: A 151± acre area of unincorporated land substantially surrounded (85%) by the City of Brentwood and within Brentwood's SOI. This island is bounded by Delta Road to the north and Brentwood Blvd to the west. The area is largely undeveloped. Land uses include limited residential and active agricultural (prime farmland).

## Frequently Asked Questions (FAQs) – City Annexation

***What is annexation?*** Annexation is a process by which a City adds land to its jurisdiction in order to extend services (e.g., sewer, police, roads, etc.), laws, and voting privileges.

***Who decides whether annexation is approved or not?*** The Contra Costa Local Agency Formation Commission (LAFCO) is responsible for approving or denying an annexation. The annexation process typically takes a minimum of six months to complete, and can sometimes take longer. An annexation must be considered at a public meeting. For more information regarding Contra Costa LAFCO, please visit the website at [www.contracostalafco.org](http://www.contracostalafco.org) or call (925) 335-1094.

***Will my property taxes increase if my property is annexed to the City?*** As part of the annexation process, the City and County negotiate a property tax split to determine how much property tax the City will receive and how much the County will retain. Except for City of Concord special assessments your property tax will not increase. Under the California Constitution, your property cannot be assessed at more than 1% of its value. However, special assessments may apply in both the City and County. For example, the City of Concord has a citywide lighting and landscape assessment. Properties in the City are assessed annually based on an Equivalent Dwelling Unit (EDU) factor of \$25 for a single-family residential parcel. Assessments range from \$12.50 for a condominium or vacant land, to \$500 for a commercial parcel.

***Will there be a reassessment of my property upon annexation?*** No. A reassessment would not occur as part of an annexation.

***Will my service providers change if my property is annexed to a city?*** Once annexed to the City, the City will provide municipal services such as police, building inspection, maintenance of public roads and infrastructure, public works, parks and recreation, and sewer. Other services, such as water, fire service, gas & electric, and cable will continue to be provided by your current service providers.

***Will there be a change in my garbage collection services?*** Garbage service will be provided by Concord Disposal Service.

***Will annexation change where my children go to school?*** School districts boundaries are not affected by annexations.

***How will the zoning on my property change if the annexation is approved?*** Zoning will conform to the pre-zoning designation for the parcel when it is annexed. For example, if the property has been pre-zoned to R-20 (minimum 20,000 sq. ft. lot), that is the zoning that will be in effect when the property is annexed.

***How will annexation to the city affect my pets and/or livestock?*** The City regulates the keeping of livestock and fowl on residential properties; see [CityofConcord.org](http://CityofConcord.org) for the regulations.

***Will a Contra Costa County building permit be honored by the City?*** Yes, a building permit issued by the County for a property subsequently annexed to the City will remain valid for the life of the building permit, including renewals, if construction was started prior to annexation. If you have a building permit from the County but have not begun construction, or if your permit has been suspended, revoked, or expired, a new permit would be required from the City of Concord.

***How do the County and City enforce land use, health and fire codes to maintain the safety and value of the property?*** Both the County and cities operate “code compliance” programs to enforce local ordinances dealing with such issues as weeds, animals, noise, dilapidated structures, and similar property issues.

***I have a home-based business, what will be required of me after annexation?*** A home based business would be subject to a city business license and to the City’s zoning requirements for a home based business. If the home based business is legal and permitted under County codes but not legal under the City codes, it would become a legal non-conforming use, subject to the City’s non-conforming use regulations. If the home based business is illegal (does not have county approval or does not comply with county requirements) it is most likely to be illegal under the City’s regulations. See [CityofConcord.org](http://CityofConcord.org), for the City’s home based business ordinance.

***What happens to my street address after annexation?*** The City will review the existing addresses and will attempt to preserve the existing addresses. If there are any proposed changes, this will be to ensure that emergency responders will locate the property address without unnecessary delay. Advanced notice will be provided prior to any address change.

***Will I be required to hook up to public sewer and/or water?*** You can continue to use a septic system and/or well after annexation. Continued use of an existing septic system is allowed unless a health problem is detected by the County Health Department. If your property is already connected to a City sewer line, there will be no change in cost or service. The City’s Sewer Ordinance requires a property owner to connect its property to the City’s sewer main if the nearest plumbing outlet is within 200 feet of the sewer main. The Ordinance holds this requirement in abeyance so long as the existing septic system continues to function and can adequately serve the property. The Contra Costa County Environmental Health Department makes the determination if the existing septic system is functioning. If the plumbing outlet of the property is beyond 200 feet of a sewer main, the decision on whether the septic system could be reconstructed rests solely with the County Health Department.

***What does it cost to connect to city sewer and does the city offer any financial assistance?*** The cost of connection to the City of Concord sewer is as follows:

- Residential-single family home or 3-bedroom multiple dwelling unit \$4,776 + \$500 Clayton Valley Surcharge
- 2-bedroom multiple dwelling unit (per unit) \$3,534 + \$370 Clayton Valley Surcharge;
- 1-bedroom or studio multiple dwelling unit \$2,627 + \$275 Clayton Valley Surcharge;
- In addition to the connection fee, there is an annual residential surcharge of \$306 to cover maintenance and treatment;
- Sewer connection fees change annually on September 1<sup>st</sup>; annual sewer service fees are adjusted as needed and area approved through a public hearing process before the City Council.

***Do I have to annex to the City in order to receive sewer service?*** Yes, however, the Government Code allows for what is called “out of agency service” if there is an existing or impending threat to the health and safety of the public (e.g., failed septic system) and in anticipation of annexation. Out of agency service is considered a temporary remedy in anticipation of a future annexation.

***Will I be required to install curbs, gutters and sidewalks?*** The requirement for construction of frontage improvements such as curbs, gutters, and sidewalk is triggered by new construction. If there is no new construction, then the property owner is not required to construct frontage improvements. See [CityofConcord.org](http://CityofConcord.org) for requirements.

***Will my voice in local government change?*** As a City resident, you will be eligible to vote in City elections. City residents may also be eligible to run for City Council and serve on various City commissions and committees.

***What benefit does the City get out of annexation?*** In order for the annexation to occur, the City and County need to agree on the portion of property taxes that will go to the City to pay for City services to the annexation area. In general, it costs the City more to provide services to a residential area than it receives from the property tax agreement. In the case of Ayers Ranch, which is an island completely surrounded by the City of Concord, the City boundaries will be more logical and orderly and residents will benefit from the provision of public services.

***What if I don't want to annex?*** Property owners (and registered voters) within the annexation area have the right to protest annexation during the LAFCO review process. If LAFCO approves the proposal after its first hearing, LAFCO will then conduct a protest hearing. LAFCO will provide public notice of both hearings and direction on how and when to submit a written protest. If the protest is sufficiently large, affected voters may be asked to vote to annex their area. For more information about annexation procedures visit the LAFCO website or contact the LAFCO office.

***How can I become involved in the annexation process?*** There are a number of opportunities throughout the annexation process where you can be involved and provide comment:

- Community meetings held prior to finalization of the annexation proposal;
- City Council meeting to consider adopting a resolution initiating the annexation proceedings;
- LAFCO public hearings;
- Voting in the annexation (if election is required).

***How will I be notified of future public hearings on the proposed annexation?*** All affected and surrounding landowners and registered voters will receive information via US Mail regarding the proposed annexation and hearing. For information about LAFCO meetings and agendas, visit the LAFCO website or contact the LAFCO office.