



MEETING DATE: 4/4/05  
STUDY SESSION

## COUNCIL AGENDA REPORT

DATE: MARCH 31, 2005  
TO: MAYOR AND TOWN COUNCIL  
FROM: DEBRA J. FIGONE, TOWN MANAGER  
SUBJECT: ISLAND ANNEXATIONS

- A. DISCUSS POLICY DECISION TO PROCEED WITH COUNTY ISLAND ANNEXATIONS WITHOUT PROTEST PROCEEDINGS AS ALLOWED BY GOVERNMENT CODE SECTION 56375.3
- B. PROVIDE DIRECTION TO STAFF WHETHER TO PROCEED WITH THE COUNTY ISLAND ANNEXATION PROCESS OR SEEK ADDITIONAL INFORMATION

### RECOMMENDATION:

1. Discuss policy decision to proceed with County island annexations without protest proceedings as allowed by Government Code Section 56375.3.
2. Provide direction to staff whether to proceed with the County island annexation process or seek additional information.

### BACKGROUND:

The purpose of this report is to provide the Town Council with information about the annexation process as it is presently defined by revised State law and the policies of the County of Santa Clara, and about the opportunities for annexation of County islands in Los Gatos. Specifically, the report provides background information about the new legislation, discusses the costs and benefits of annexation and seeks direction as to whether staff should proceed with the island annexation process.

The Cortese-Knox-Hertzberg (C-K-H) Local Government Reorganization Act of 2000 (Division 3, Title 5, Section 56000 et. seq. of the California Government Code) is the state code which governs annexations. Recent revisions to annexation laws took effect on January 1, 2005. The most significant change is that an annexation of an island may take place in any area not exceeding 150 acres in size without the requirement to hold protest proceedings or elections.

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Revised: 3/31/05 1:37 pm

Attachment 1 is a memorandum from Neelima Palacherla, Santa Clara County Local Agency Formation Commission (LAFCO) Executive Officer, informing the Town of changes in State law regarding the annexation of unincorporated islands and the streamlined process for this task. The letter also identifies criteria for invoking the streamlined annexation process.

Prior to this revision to State law, the maximum area that could be annexed without protest proceedings or elections was set at 75 acres. The new law will sunset on December 31, 2006. After that time, protest proceedings will be required for these annexations but elections will not be needed. If a majority protest is not received to defeat the annexation, the annexation is approved without an election.

Attachment 2 is a list of the unincorporated islands within Town limits. In total, there are 16 islands of various sizes, with only one island (Blossom Hill Manor) exceeding the 150 acre limit. The remaining 15 islands are under 150 acres, meet all the criteria required by the revised State law, and thus would be eligible to be annexed under the streamlined process. Attachment 3 is a map depicting the locations of the unincorporated islands. Additional unincorporated areas larger than 150 acres are within Los Gatos' Urban Service Area to the south and southeast; however, these areas do not meet the criteria for the streamlined process.

#### DISCUSSION:

Historically, the Town has been supportive of annexations including island areas and individual properties going through the development process. In the 1970's numerous County islands were annexed to the Town under a similar law, known as "MORGA" (Municipal Organization Act). In 1999 the Town worked closely with Santa Clara County staff to annex several large remaining unincorporated islands under the County's Pocket Annexation Program. The annexation attempts failed when more than 50% of affected property owners protested.

Annexing unincorporated areas to the Town of Los Gatos under the standard process is complex, time consuming, and often controversial. The change to annexation law provides an opportunity to annex islands without the protest or election process, eliminating much of the internal controversy within neighborhoods associated with annexations under the standard annexation process.

The streamlined process includes the following steps, which are also depicted in a flow chart in Attachment 4:

- Preparation to initiate island annexation (includes preparation of annexation exhibits and review and approval by County Surveyor's office)
- Community information and outreach (recommended but not required)
- Noticed public hearing to adopt resolution to initiate annexation
- Noticed public hearing to adopt resolution approving annexation
- Certified resolution forwarded to LAFCO for finalization

CONSIDERATIONS REGARDING ISLAND ANNEXATIONS  
Costs of Island Annexations

*Service Costs*

Although the streamlined annexation process will cost less in direct costs due to reduced staff time and no election costs, the decision to annex must take into account other costs and benefits of annexation. If the Town were to annex all 15 eligible islands, approximately 400 parcels and 3.6 miles of streets would be added to the Town's jurisdiction. This represents about a 3.2% increase to the Town's household base and a 3.3% increase to our roadway base. Once the islands are annexed, the Town will be responsible for providing services to the residents. The residents in these islands likely already use a number of Town services and facilities, including library, Neighborhood Center, parks, roads, and Town events, and are not paying for these services through their property taxes. Other services will be provided for the first time. In general, it is expected that the Town will be able to absorb the delivery of services currently not provided given the incremental demand they will present. In the case of street sweeping, the Town will receive \$20 per household on an annual basis from the West Valley Sanitation District as part of the non-point sources program. These revenues will partially compensate for the additional street sweeping services.

Given the Town's current and projected resource constraints, however, the service demands of the increased households may impact future service levels. One area that will require evaluation over time is public safety services as calls for service increase. It should be noted, however, that the islands eligible for annexation are all residential and do not include commercial districts that typically contribute proportionately more to calls for service than residential areas.

A service area for which there will be specific, definable demand over time is street maintenance. According to the County, the streets included in the 15 eligible islands have an average Pavement Condition Index (PCI) between 60 and 65, with the exception of less than a mile in area #13 noted on Attachment 2. In discussions regarding the condition of the streets, County staff has not committed to improving the streets prior to annexation. Most recently, the County has indicated that it does not have the funds to perform this service; however, the Town has not received any written confirmation of the County's position on street improvements at this time.

The majority of streets in the islands can be brought up to a PCI of 90 to 100 with the application of a chip seal at an estimated cost of \$1.1 million. This work would need to be performed within the next two to three years to ensure that the streets will not deteriorate to a point that would require more extensive treatment measures. If the islands are annexed, staff would incorporate the streets into the Town's ongoing maintenance program, which would add approximately 3.5 miles to the Town's roadway system. A street in area #13 (less than one mile) would require an asphalt overlays to raise the PCI to acceptable levels. The estimated cost for this treatment is \$200,000.

The streets within the islands generally do not have curbs, sidewalks, and street lights. If these islands are annexed into the Town, and if the property owners wish to have curbs, sidewalks and street lights, and assessment district could be formed such that the property owners would pay for the improvements. It has been staff's experience, however, that residents of County areas prefer not to have these improvements because their absence contributes to the rural feel of the neighborhood.

#### *Process Costs*

LAFCO recently adopted Island Annexation Policies which waive the fee (\$670) for island annexations that take advantage of the streamlined annexation process. At this time, it is staff's understanding that additional costs associated with each island annexation process include the following:

Preparation of annexation exhibits	\$2,500 to 5,000 (estimate)
Noticing for hearing (mailing, posting & publishing)	\$ 750 (estimate)
County Surveyor Review fee	\$2,000 (estimate)
County Assessor's Review fee	\$ 300 (estimate)
California State Board of Equalization fee	<u>\$ 300 to 1,500 (by acreage)</u>
Preliminary estimated cost for each	\$5,850 to \$9,550
Estimated cost for 15 annexations	\$82,250 to \$143,250

The County Assessor's fee will vary based on the size of the annexation and number of lots to be annexed. The cost for a licensed land surveyor to prepare each annexation description and map will also vary, depending upon the size and complexity of the annexation.

Additional costs associated with the process are the costs of public outreach and staff time. Public outreach efforts could include public meetings, information fliers or letters, and/or media, web site, and KCAT communication. Staff time is required to process the annexation, and involves the departments of Public Works, Community Development and Clerk, as well as the Town Manager's Office and the Town Attorney. The streamlined annexation process available to the Town until January 1, 2007 will require less staff hours than the standard process, however. In addition, LAFCO is considering ways to further assist cities with the annexation process, which may reduce the staff time and effort required.

#### Benefits of Island Annexations

##### *Considerations for Island Residents, Property Owners and the Town*

Attachment 5 presents information from LAFCO that discusses what LAFCO is doing to encourage cities/towns to annex unincorporated islands and why they are taking a proactive role in these efforts. Attachment 6 provides excerpts from a County Planning Office report benefits of annexation to island residents and property owners and reasons for cities to annex unincorporated islands. These

documents present compelling reasons for considering the annexation of County islands in Los Gatos.

Valuable benefits of annexation include:

- Efficiencies in planning for and delivering public services;
- Less confusion over service provider jurisdictions;
- Neighborhood compatibility due to the application of consistent development guidelines;
- Residents can participate in the public process, including voting in Town elections and serving on Town commissions;
- Residents will not realize any increase in taxes, assessments or property-related fees;
- Residents using Town services (e.g., library, parks, streets, etc.) help pay for those services.

### *Fiscal Considerations*

Although residential land use typically does not "pay for itself" in terms of revenues generated and services delivered, these islands will generate some revenue for the Town. In addition, the residents are already likely using Town services for which they do not pay. The measurable benefit of annexing County islands to the Town is the addition of property taxes generated by the residences in the area. Based on information provided by the County, staff has calculated the total net assessed valuation for 2004 of the properties within the 15 islands at \$178,793,524. The total annual Town share of property taxes on this assessed value is estimated at \$170,927. It appears that these neighborhoods may have a significant number of long-tenured owners (approximately 52%) benefitting from Proposition 13 given the total assessed valuation. As in other areas of Town, it is expected that the assessed value will increase over time as these properties turn over.

Other sources of increased revenue are cable franchise fees, PG&E franchise fees, and garbage collection franchise fees, all of which will come to the Town rather than the County. Estimated annual revenue from these franchise fees is \$30,000.

### *General Plan Conformance*

The following General Plan policy and implementing strategy support island annexation:

- L.P.1.13 Cooperate with the County of Santa Clara to encourage the annexation of unincorporated islands into the Town.** The Town will not require the installation of curbs, gutters, sidewalks, or street lights as a condition of annexation nor will these improvements be imposed on annexed areas after annexation unless the residents of the area request such improvements and are willing to participate in the cost of such improvements. This does not prevent the Town from requiring such improvements as a condition of approval of any zoning or subdivision approval if such conditions are normally made on those items and the improvements would be in keeping with the neighborhood.

- L.I.8.6** Hillside Development Standards: The Town shall continue to work with the County in updating hillside development standards, and **annexations shall be encouraged within the Urban Service Boundary.**

*Areas Greater than 150 Acres*

As previously mentioned, the streamlined annexation process applies to islands less than 150 acres, and the Town has one area within our boundaries that exceeds this maximum limit. At a recent LAFCO Board Meeting, LAFCO Directors directed their representative to CalLAFCO (the State level agency) to consider increasing the island size and also to delay the sunset date of the bill to beyond December 31, 2006. The County has also expressed interest in raising the current maximum acreage limit. If Council sees merit in pursuing this issue, staff could work with LAFCO, the County, and other interested cities and agencies to seek support in the legislature for a narrow amendment to AB 1555 which would expand the application of the streamlined process for islands beyond 150 acres to some consensus maximum acreage.

CONCLUSION:

The Town has an opportunity to annex County islands through a streamlined process, which is also supported by the County. Staff recommends Council's strong consideration of initiating this annexation process for the 15 eligible islands within the Town, subject to a clear understanding of the County's commitment to the process. If Council direction is for the Town to initiate and annex County islands, staff will return with a report that includes detailed cost and time allocations to annex the 15 County islands, a recommended prioritization of islands to be annexed, and any other considerations related to the annexation process. With less than two years remaining for the streamlined process, it is important to reach a decision regarding the annexations within the next few months.

ENVIRONMENTAL ASSESSMENT:

Annexations are exempt for the California Environmental Quality Act guidelines, pursuant to Section 15061(b)(3).

FISCAL IMPACT:

Processing costs are noted in the report. If the Council directs staff to proceed with the island annexations, a more detailed cost per island and funding source will be presented to the Council with a report on prioritization of annexations. It is expected that one-time sources are available to cover the processing costs.

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MAYOR AND TOWN COUNCIL  
SUBJECT: ISLAND ANNEXATIONS  
MARCH 31, 2005

As noted in the report, annexation of these islands will contribute an estimated \$170,000 annually in property tax revenue accruing to the Town and an estimated \$30,000 annually in franchise fees. Specific costs of providing services to the annexed areas are difficult to estimate; however, it is anticipated that the Town can absorb the delivery of services currently not provided given the incremental demand they will generate. However, given the Town's limited resources, an impact to service levels may occur. Public safety services and others will need to be monitored to identify any impact. The most significant direct service cost will be the cost of the application of a chip seal on the majority of the streets, and the cost of an asphalt overlay on a few streets. The costs of future street maintenance can be managed as part of the Town's overall program.

Attachments:

1. Memo from Neelima Palacherla regarding AB 1555 Provisions (Morga)
2. List of County Islands within the Town
3. Maps of County Islands within the Town
4. Flow chart of island annexation process
5. LAFCO's Island Annexation Project
6. Excerpts form County Planning Office reports regarding annexation

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Dunia Noel and Neelima Palacherla - Local Agency Formation Commission, Santa Clara County  
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November 9, 2004

TO: City Council Members  
Santa Clara County Board of Supervisors  
City Managers and County Executive  
City and County Planning Directors

FROM: Neelima Palacherla, LAFCO Executive Officer

**SUBJECT: City Annexations of Unincorporated Islands  
Streamlined Process in State Law**

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I am writing on behalf of the Local Agency Formation Commission of Santa Clara County (LAFCO), to inform you about the changes in state law regarding city annexations of urban unincorporated islands.

**New Law Increases Eligible Island Size from 75 acres to 150 acres**

Currently, state law allows cities to annex urban unincorporated islands that are 75 acres or less and that meet certain criteria without requiring protest proceedings or elections. Recent legislation (SB 1266) signed by the Governor, will change the 75-acre requirement to 150 acres. This change will become effective on January 1, 2005 making it possible for more islands to qualify for this streamlined annexation process.

**Background**

Generally, the annexation law allows residents and/or landowners within the annexation area to protest the annexation. If there is less than 25% protest, the annexation passes. A protest level of 50% or more terminates the annexation. If the protest level is between 25 and 50%, an election must be held. A majority vote is then required for the annexation to be successful.

In 2000, the state legislature, recognizing the inherent inefficiencies of urban unincorporated islands, and in an effort to encourage their annexation, allowed for a simplified annexation process for the islands. AB 1555 allowed annexations of urban unincorporated islands that are 75 acres or less and that meet certain



criteria to be approved without protest or election. The 75-acre requirement will be changed to 150 acres on January 1, 2005, when SB 1266 becomes effective.

### **Criteria for Streamlined Island Annexation Process**

As per Government Code Section 56375.3, island annexations may be approved without protest or elections if all of the following criteria are met:

- Annexation is proposed by resolution of the annexing city.
- The island is 150 acres or less.
- The island is surrounded or substantially surrounded by the annexing city or by the annexing city and adjacent cities.
- The island is not a gated community where services are currently provided by a community service s district.
- The island is substantially developed or developing based on the availability of public utility services, presence of public improvements or the presence of physical improvements on the parcels within the area.
- The island is not prime agricultural land as defined in §56064.
- The island is receiving benefits from the annexing city or will benefit from the city.
- The island was not created after January 1, 2000.

### **Limited Time Period for Using Streamlined Annexation Process**

This streamlined process without protest and election requirements is available only for a limited time period -- between January 1, 2000 and January 1, 2007. However, after January 1, 2007, not all provisions under this section expire. After January 1, 2007, protest proceedings will be required for these annexations but elections will not be needed. That is, if a majority protest is not received to defeat the annexation proposal, the annexation is approved without an election.  
(§57080(b))

### **For More Information**

If you have any further questions regarding this process or if you would like to discuss potential island annexations within your city, please do not hesitate to contact me at (408) 299-5127 or Dunia Noel, LAFCO Analyst at (408) 299-5148.

# ISLAND ANNEXATION DATA

NO.	SUB-AREA NAME	SQ FT	ACRES	NO. LOTS	L.F. STREET	MILES	LOCATION
1.	La Rinconada	1,811,184.75	41.58	68	5,615.04	1.06	Northwesterly, adjacent to country club
2.	Blossom Hill Manor	7,593,969.63	174.33	623	28,887.48	5.47	Central, east of Los Gatos Blvd.
3.	Winterbrook Rd	104,317.10	2.39	5	0.00	0.00	North of Blossom Hill Rd.
4.	Linda Ave	40,570.17	0.93	2	0.00	0.00	North of Blossom Hill Rd.
5.	Camino del Cerro #1	127,601.57	2.93	4	0.00	0.00	Blossom Hill Rd. & Camino del Cerro (south). These four small areas could be considered one annexation. Need LAFCO approval for this.
6.	Camino del Cerro #2	134,161.62	3.08	3	0.00	0.00	
7.	Camino del Cerro #3	44,760.11	1.03	2	0.00	0.00	
8.	Camino del Cerro #4	94,646.42	2.17	4	0.00	0.00	
9.	Robie Ln	331,340.00	7.61	17	603.89	0.11	
10.	Englewood Ave	20,369.26	0.47	1	0.00	0.00	
11.	Loma St. #1	5,150.60	0.12	1	0.00	0.00	
12.	Loma St. #2	13,319.37	0.31	3	0.00	0.00	
13.	Eastside	3,280,158.85	75.30	229	10,686.33	2.02	Between Shannon & Kennedy Rds & mostly east of Englewood Ave
14.	Peacock Ln.	199,175.88	4.57	11	812.75	0.15	
15.	Eugenia Way	635,325.88	14.59	10	0.00	0.00	Note: Streets are private.
16.	Twelve Oaks Rd.	1,198,876.00	27.52	5	0.00	0.00	
<b>TOTALS</b>		<b>16,149,931.60</b>	<b>370.75</b>	<b>1,003</b>	<b>47,707.92</b>	<b>9.04</b>	

# TOWN OF LOS GATOS

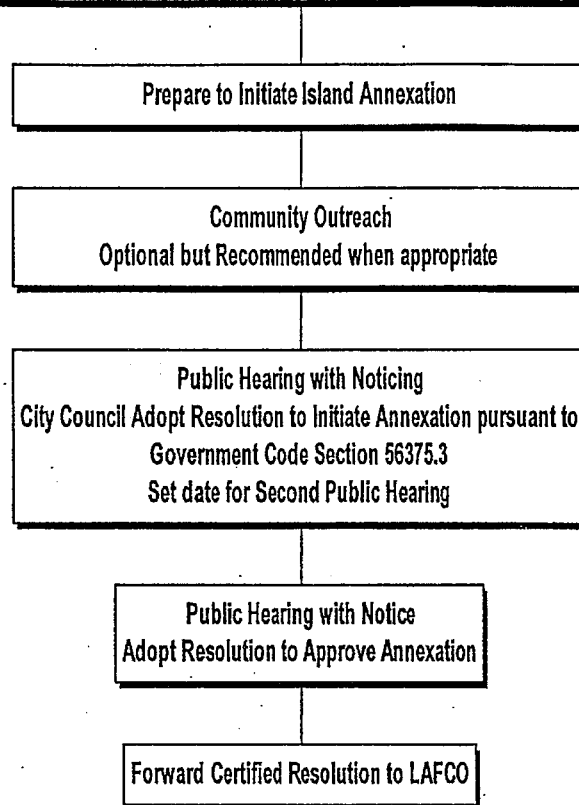
## ANNEXATION ISLANDS



## **Recommended ISLAND ANNEXATION PROCESS (Section 56375.3)**

For Islands 150 acres or less, that meet certain criteria

### **Without Protest Proceedings or Elections**



## **LAFCO'S ISLAND ANNEXATION PROJECT**

### **What is LAFCO Doing to Encourage Cities to Annex the Remaining Unincorporated Islands?**

In February 2005, LAFCO adopted a set of policies (i.e. Island Annexation Policies) specifically targeted at encouraging cities to annex the remaining unincorporated islands within their Urban Service Area boundaries, particularly those unincorporated islands that meet the criteria for the new streamlined annexation process. In addition to adopting Island Annexation Policies, LAFCO will:

- Provide a two-year LAFCO fee waiver for annexations that result in the elimination of entire unincorporated islands. The fee waiver will expire on January 1, 2007.
- Work with the County, the cities and other interested parties/agencies to find ways to further reduce or share the cost of processing island annexations.
- Hold workshops and provide information on the streamlined island annexation process to city staff. At these workshops, LAFCO staff will provide city staff with annexation process flow charts, checklists, sample public hearing notices, and sample resolutions for cities to use. LAFCO staff recently held one such workshop on January 24, 2005.

Additionally, LAFCO is considering ways to further assist cities in their efforts to annex unincorporated islands during the 2-year window. Potential forms of assistance under consideration include, providing staff resources to assist cities in developing annexation plans, gathering technical information, developing or participating in a community outreach programs, and assisting in annexation process / project management.

### **Why is LAFCO Taking a Proactive Role in Encouraging Cities to Annex the Remaining Unincorporated Islands?**

LAFCO is encouraging cities to annex the remaining unincorporated islands in order to:

- Fulfill the intent of the state legislature,
- Implement the Joint Urban Development Policies of the cities, County and LAFCO that were adopted in the early 1970s, and
- Encourage the efficient provision of services and orderly growth and development.

In 2004, the State Legislature, in recognition of the inherent inefficiencies of unincorporated islands, passed legislation aimed at assisting cities in their efforts to annex unincorporated islands throughout the state. The legislation provides a two-year window (January 1, 2005 through December 31, 2006) of opportunity for cities to annex urban unincorporated islands through a streamlined process that does not require protest proceedings or elections, provided the island meets specific criteria and is 150 acres or less. This legislation provides a unique opportunity for cities, the County and LAFCO to

work together to fulfill the joint urban growth management policies that form the foundation of land use policy in this County.

The joint policies of the cities, County and LAFCO were adopted in the early 1970s to provide a cooperative framework for urban growth management in Santa Clara County. The policies include the following fundamental policy agreements and obligations:

- The cities, not the County, are responsible for managing and accommodating urban population growth and development;
- Urban forms and densities of development may occur only within cities' Urban Service Areas (USAs);
- Outside of USAs, the County will prohibit urban forms, densities, and intensities of development;
- Inside USAs, development occurring on unincorporated lands will be according to the city's general plan, regarding type of use and density of development allowed;
- Inside of USAs, islands or pockets of unincorporated lands shall be annexed to the applicable city.

Two primary objectives of LAFCOs are to encourage the efficient provision of urban services and to encourage orderly growth and development. From a practical perspective, the existence of scattered unincorporated pockets in the midst of cities is inherently inefficient for both the city and the County. Some of the inefficiencies arise in conjunction with the delivery of basic urban services, where there are often two different departments - one city, one County- providing the same kinds of services to different portions of the same neighborhood, and crisscrossing each other's territory on their way to provide the services.

Other inefficiencies result from the cumulative daily effort required just to determine whether customers calling in to a city or County department seeking assistance in an area where pockets exists actually lives in the city or the County. These inefficiencies can sometimes have potentially life threatening consequences particularly when they involve confusion over emergency service provision. The existence of pockets in cities also means that city and County staffs need to spend considerable time in coordination activities (e.g. administering inter-jurisdictional referral processes related to land development proposals within urban pockets) that would be unnecessary if the pockets were annexed to the city.

Annexation of unincorporated islands would also result in the more efficient provision of land use planning and development services within a community. County development standards and other regulations are often less rigorous than those of the cities. These differences often result in local land use conflicts. Annexation is the best way for cities to assure that development within the unincorporated islands in the midst of their neighborhoods is consistent with basic city policies and standards.

## PART 4: BENEFITS OF ANNEXATION TO POCKET RESIDENTS AND PROPERTY OWNERS

### Why Should Pockets Annex: From a Resident's Perspective

Pockets residents sometimes ask, Why should we annex? What will we gain by annexing that we don't currently have? The simplest answers to these questions are:

1. Improved services and programs to benefit your neighborhood,
2. Greater ability to influence the decisions that are most likely to affect the quality of life in your neighborhood, and
3. Increased governmental accountability for the provision of services

### Annexation Benefit #1: Better Neighborhood Services

With regard to services and programs to neighborhoods, it should be noted that one of the primary reasons that cities exist is to provide neighborhood services and programs to residents of urban areas. That, in fact, is what the vast majority of their budgets go toward providing.

By comparison, the primary reason that Santa Clara County government exists is to provide and administer services relating to health and human services and law and justice. This is what the overwhelming majority of the County's budget goes to.

Although the County does provide some urban services to unincorporated pockets, it does not

provide the same level or array of neighborhood services that cities provide. And given how relatively few pockets remain and the recent increase in city interest in annexing them, it would seem extremely unlikely that the County will ever significantly increase its services and programs to urban pockets.

### Annexation Benefit #2: Political Empowerment

Another major advantage to residents and property owners in pockets that annex is that they will gain greater influence over the decisions that most directly impact the quality of life in their communities, i.e. the decisions of the city council of the city that surrounds them. So long as they remain unincorporated, they remain largely disenfranchised from those decisions.

Residents of unincorporated areas do not have the ability to vote in city council elections and other city elections. Consequently, when they go to city council hearings on matters that will affect their communities, their voices and opinions do not always carry the same weight as they would if they were residents of the city.

Similarly, when they call city agencies to seek assistance concerning issues within the city that are affecting their neighborhood, they may not receive the same level of attention that they would if they were city residents.

On a purely statistical basis, it is more likely that a concerned resident will be able to get the attention

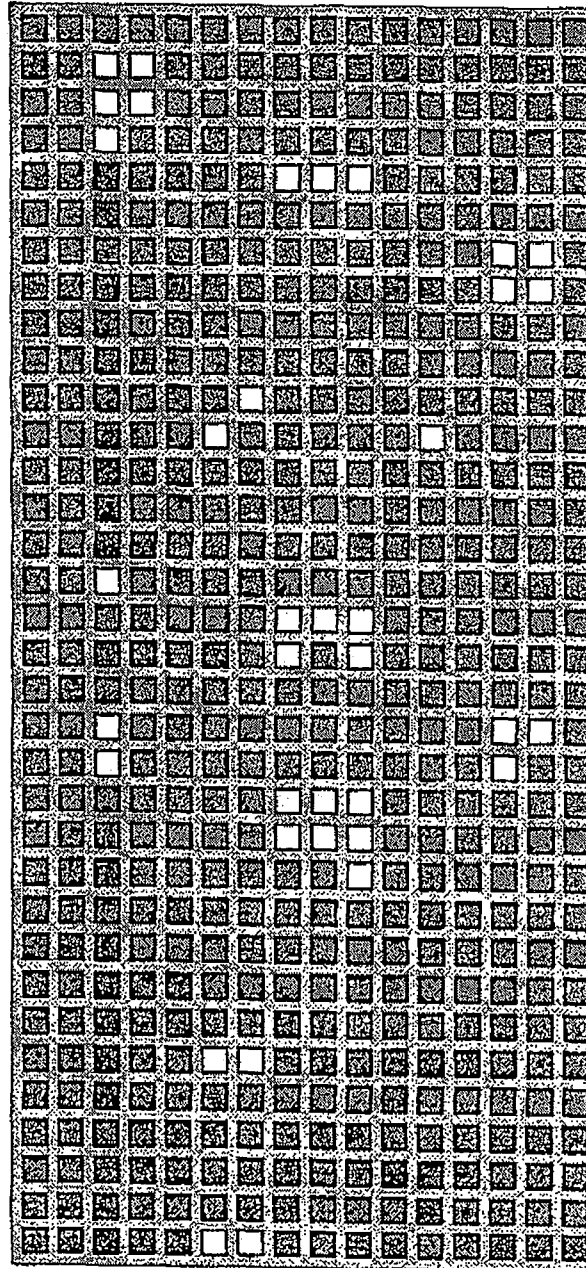
of a city councilperson than a County Supervisor, no matter how committed that Supervisor may be to serving her or his constituents. Each County Supervisor represents approximately 360,000 people in his/her district. By comparison, even in San Jose, our county's largest city, each city councilperson represents about 90,000 people – or about 1/4 the number of constituents of a County Supervisor. In smaller cities, the ratio of constituents to elected city officials is even smaller.

**Annexation Benefit #3:  
Increased Governmental Accountability**

The third major advantage to residents and property owners in pockets that annex is the potential for greater governmental accountability for providing services and meeting the needs of their neighborhoods.

Many residents of urban pockets live in areas where incorporated and unincorporated parcels are intermixed – like a checkerboard. Because of these complicated jurisdictional boundaries, residents often experience problems of decreased governmental responsiveness and accountability when they seek to have their neighborhood's needs addressed.

If they call a County department, they may be told that it is a city problem. If they call a city department, they may be told that it is a County problem. When these pockets are annexed this problem of jurisdictional uncertainty is resolved, since there is no question about whether it is the city or the County that is responsible for the provision of services.





## PART 5: REASONS FOR CITIES TO ANNEX POCKETS

Cities have a variety of reasons for annexing unincorporated urban pockets within their urban service areas. These range from the philosophical to the practical.

### **It's the "Right Thing to Do"**

At the philosophical end of the spectrum, most city officials simply feel that annexing pockets and bringing their residents into the social fabric and political life of the city that surrounds them is "the right thing to do." It is consistent with their basic desire to meet the needs of their communities and improve their cities.

### **Urban Development Responsibilities**

They also realize that annexing pockets is one of their responsibilities under the basic urban development policies the cities and the County agreed to and have been implementing for many years. By performing complementary roles with regard to urban development, our cities and the County have avoided the kinds of city-county competition and conflict that exist in many other counties in California.

### **Inherent Inefficiencies of Pockets**

From a practical perspective, they are aware that the existence of scattered, unincorporated pockets in the midst of cities is inherently inefficient both to the city and to the County.

Some of these inefficiencies arise in conjunction with the delivery of basic urban services, where there often are two different departments – one

city, one County – providing the same kinds of services to different portions of the same neighborhood, and crisscrossing each other's territory on their way to provide them.

Other inefficiencies result from the substantial cumulative daily effort required just to determine whether customers calling in to a city or County department seeking assistance in an area where pockets exist actually lives in the city or the county.

The existence of pockets in the cities also means that city and County staffs need to spend considerable time in coordination activities that would be unnecessary if the pockets were annexed to the city. These include the staff effort that goes into administering inter-jurisdictional referral processes related to land development proposals within urban pockets. (These inter-jurisdictional referral processes can also be inefficient and time-consuming for the applicants who find their development applications caught up in these processes.)

### **Impacts of Pockets on Surrounding Neighborhoods**

Cities also recognize the impacts that unincorporated pockets can sometimes have on surrounding city neighborhoods.

Some of the remaining urban pockets in Santa Clara County are older, primarily residential neighborhoods that have aging infrastructure,

housing stock in need of rehabilitation, and various other problems.

Since the County does not provide the same level and array of services to urban pockets that the cities provide to incorporated areas, problems that arise in pockets may not receive the same degree of attention by the County that they would if they were in the city. These problems have the potential to become worse and to spread to surrounding city neighborhoods.

The cities generally recognize that the most cost-effective way for them to minimize these negative impacts on city neighborhoods is by annexing them and addressing their problems and needs through existing city programs.

#### **Consistency of Development with City Plans and Policies**

Another reason cities annex pockets is to be able to regulate development and land uses in a manner consistent with their plans, policies, and standards.

Since County development standards and other regulations are often less rigorous than those of the cities, annexation is the best way for cities to assure that development within the pockets in the midst of their neighborhoods is consistent with basic city policies and standards.

#### **Pockets Residents Use City Facilities But Don't Pay City Taxes**

Another reason is that pockets residents often use city facilities including streets and parks, but pay no taxes to the city to help support the upkeep of these city facilities. Similarly, cities do not receive the benefit of additional state and federal funds that are allocated on a per capita basis based on the city's incorporated area population.

