

# **City of Waterford Population Forecast & Urban Expansion Report**

April 19, 2004

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Identifying population trends is necessary to the development of realistic community goals. Population data are particularly important when preparing the land use, circulation, and housing elements. Population figures include estimates and projections. An estimate is a measure developed for some point of time in the past, e.g., a city's total population as of January 2002. A projection is a conditional population figure for some point in the future based on a given set of assumptions, e.g., a city's population in 2015 if historical growth trends continue. (*General Plan Guidelines-2003, page 40*)

## **INTRODUCTION**

As part of the Waterford General Plan Update process, it is essential to determine the future land area required to support the City's expected future population. Sound planning requires that the City set aside sufficient area to accommodate expected future growth. Forecasting growth and future growth trends, however, is not an exact science. Rates of growth are driven by socio-economic forces that are difficult to anticipate.

Consequences of poor forecasting can result in creating an artificial constraint in development land availability and inflated land and improvement prices. In order to assure that Waterford's planning policy does not interfere with normal "market" forces, City staff have researched various population and growth scenarios for the Central Valley in general and Stanislaus County in particular.

## **POPULATION FORECASTS**

The State of California Department of Finance has produced growth forecasts for the State and its 58-counties out to the year 2040. Using a technique known as "shift-share analysis" the Stanislaus County growth forecast evaluated to determine an approximate proportion of this 2040 population forecast is likely to reside in the City of Waterford. Table 1 below depicts the past and expected future population growth level for the City of Waterford.

As shown in Table 1, the City of Waterford has grown at a faster rate than the County of Stanislaus during 1990 and 2000. This trend is expected to continue as has been incorporated into the "shift-share" forecast for the City. As a result of this analysis, the City of Waterford is expected to have a population of 10,393 people by the year 2010 and a population of nearly 19,000 by the year 2040.

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**Table 1**  
**Past and Expected Future Population**  
**Growth Level for the City of Waterford**

	Year					
	1990	2000	2010	2020	2030	2040
Stan. Co.	375,089	459,025	585,519	708,950	846,998	998,906
Waterford	4,771	6,924	10,393	13,158	15,881	18,979
% of Co.	1.27%	1.51%	1.78%	1.86%	1.88%	1.90%

Source: Calif. Dept. of Finance & City Staff

At present, the City of Waterford occupies approximately 1.5 square miles of land area or about 960 acres. Based on historic land use trends, approximately 46% of this land area was developed in residential uses in the year 2000 and only 32% was developed residentially in the year 1990. The balance of the land was used for area other land uses (commercial/industrial/public) or infrastructure (roadways, canals, public buildings, etc.). Some of this area was vacant land that was available for development.

**PLANNING AREA NEED**

Recent trends have resulted in a rapid depletion of the City’s vacant inventory of developable residential land. Table 2 depicts the potential number of residential units, by type, based on the current household population size of 3.47 people per residential unit.

**Table 2**  
**Past and Expected Future Housing Unit**  
**Growth for the City of Waterford**

	Housing Units					
	1990	2000	2010	2020	2030	2040
SFR	1,169	1,696	2,546	3,223	3,890	4,649
MDR	38	56	84	106	128	153
HDR	168	243	365	463	558	667
Total	1,375	1,995	2,995	3,792	4,577	5,470

Source: City Staff

**Table 3**  
**Past and Expected Future Residential Land Use**  
**Need for the City of Waterford**

	Acres					
	1990	2000	2010	2020	2030	2040
SFR	292	424	636	806	973	1,162
MDR	5	7	10	13	16	19
HDR	11	16	24	31	37	44
Total	308	447	671	850	1,026	1,226

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Within these two tables, “SFR” represents “Single-Family Residential” or the standard “R-1 type of development with one single-family residential unit on a 6,000 square foot lot. The symbol “HDR” represents “Medium-Density Residential” and “HDR” represent “High-Density Residential” type development. Table 4 reflects the expected total land area that would be required to maintain the residential land area ratios of the City during 1990 (32%) or 2000 (43%).

**Table 4  
Total Necessary Land Area to Support  
Future Growth for the City of Waterford**

	Total		Land Area (Acres)			
	1990	2000	2010	2020	2030	2040
46%	734	952	1,428	1,808	2,183	2,919
32%	963	1,398	2,098	2,656	3,206	3,831

Utilizing this methodology, it is projected that the City of Waterford’s urban area will require between 2,900 and 3,800 acres of urban area to support the forecasted population level. This methodology implies that the City desires to maintain its present ratios of urban land use with ample “development” area to maintain price stability in its land values. This methodology also assumes that residential lot sizes are going to remain relatively stable. This land use model, for example, does not contemplate very-low density or “ranchette” types of residential development.

If the City were to contemplate the large (1/2 to 1-acre lot) type of development, this type of residential density would consume nearly four-times the land area required for under the Single-Family (6,000 square foot lot) type of development. If this type of density were to be determined to be desirable in the City of Waterford, the City’s land use plan should use the upper estimate of required land area (3,800 acres in 2040).

**PLANNING AREA ANALYSIS**

Good planning practice requires the examination of potential urban growth areas in the immediate vicinity of the existing urban area. This provides for a logical cost-effective area for the extension of infrastructure and expansion of urban services. To the north of the Tuolumne River, three potential areas (see Figure 2) have been evaluated for possible urban expansion. These areas encompass approximately 1,354.9 acres. This area, combined with the existing 960-acres of the City total approximately 2,315 or a sufficient growth area to accommodate the City’s growth potential through the year 2020.

This area, however, includes approximately 651-acres of land that is presently under Williamson Act (Agricultural Land Conservation Act) Contract and not easily available for urban expansion. (See Figures 3 and 4).

Figure 1

City of Waterford  
Vision 2020 General Plan Update  
Study Area

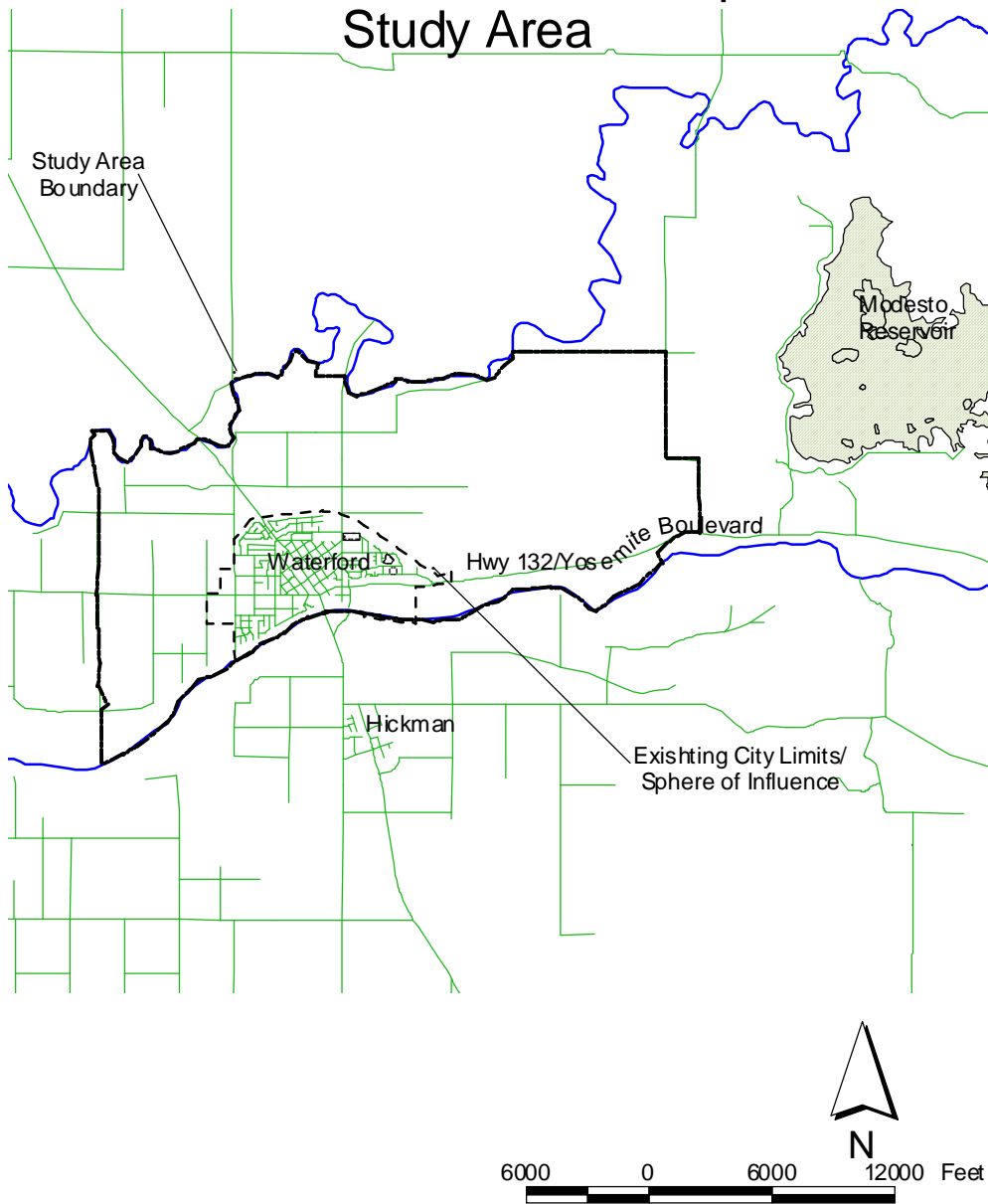
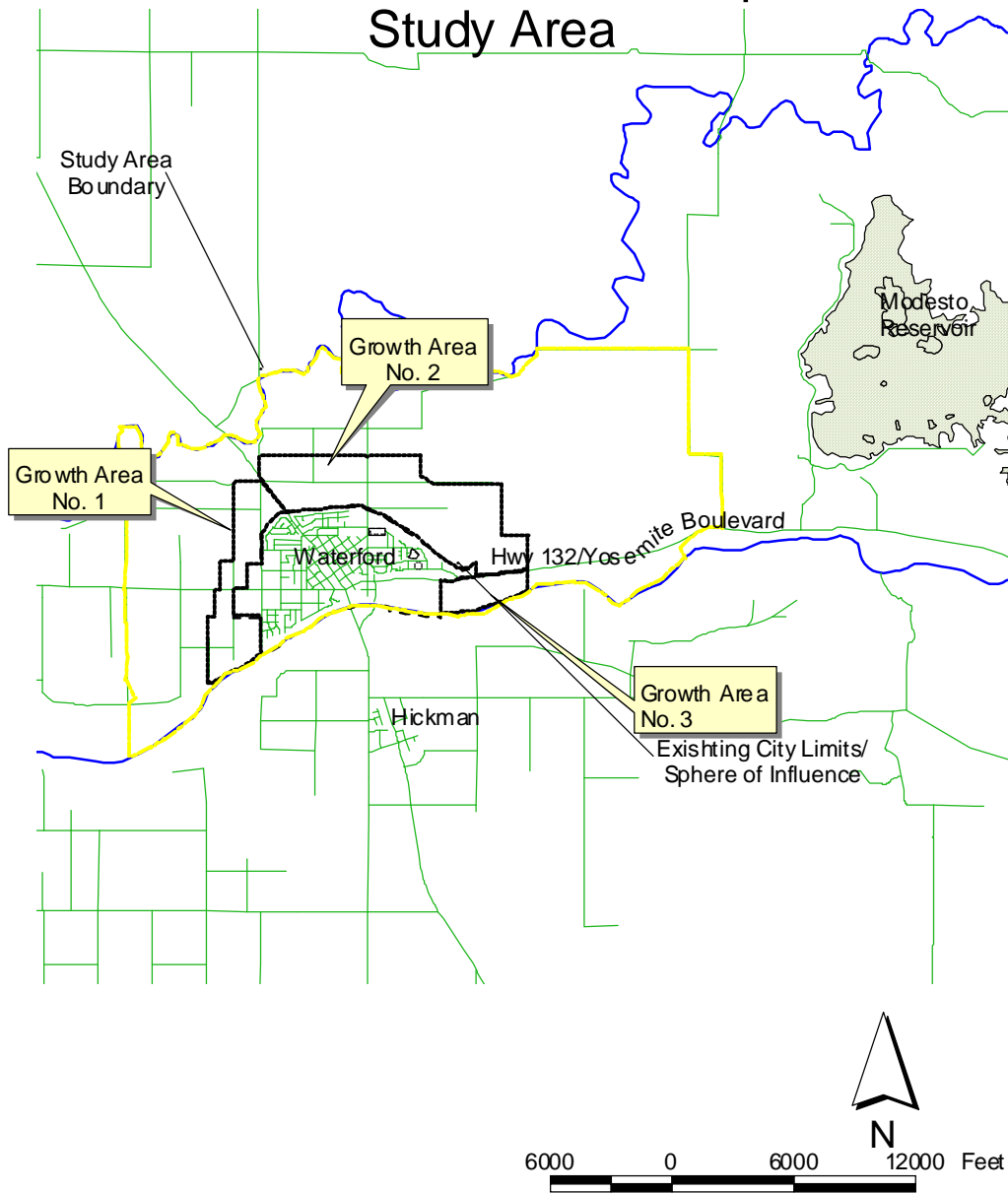
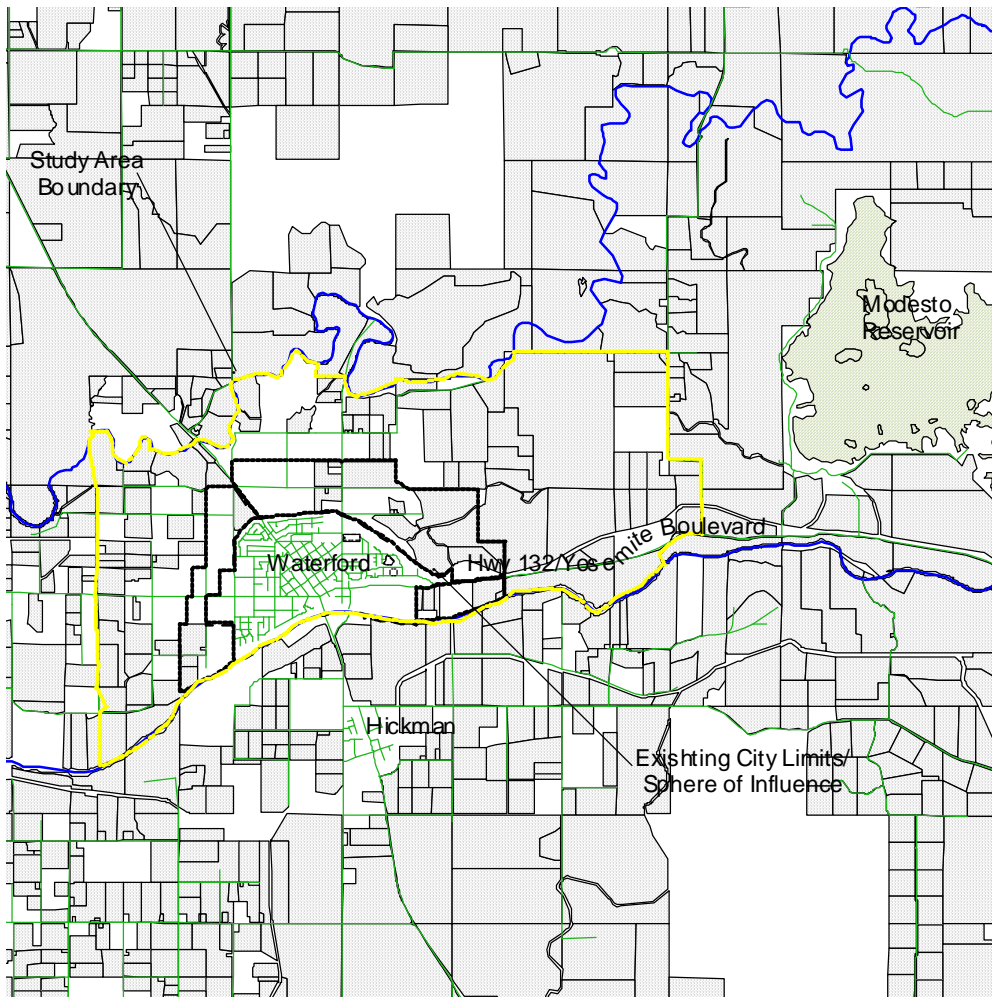


Figure 2

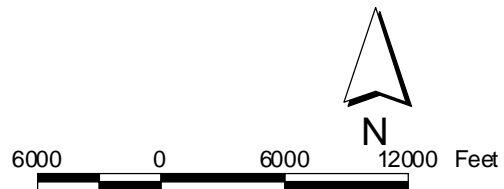
City of Waterford  
Vision 2020 General Plan Update  
Study Area



**Figure 3**  
City of Waterford  
Vision 2020 General Plan Update  
Williamson Act Contract Properties

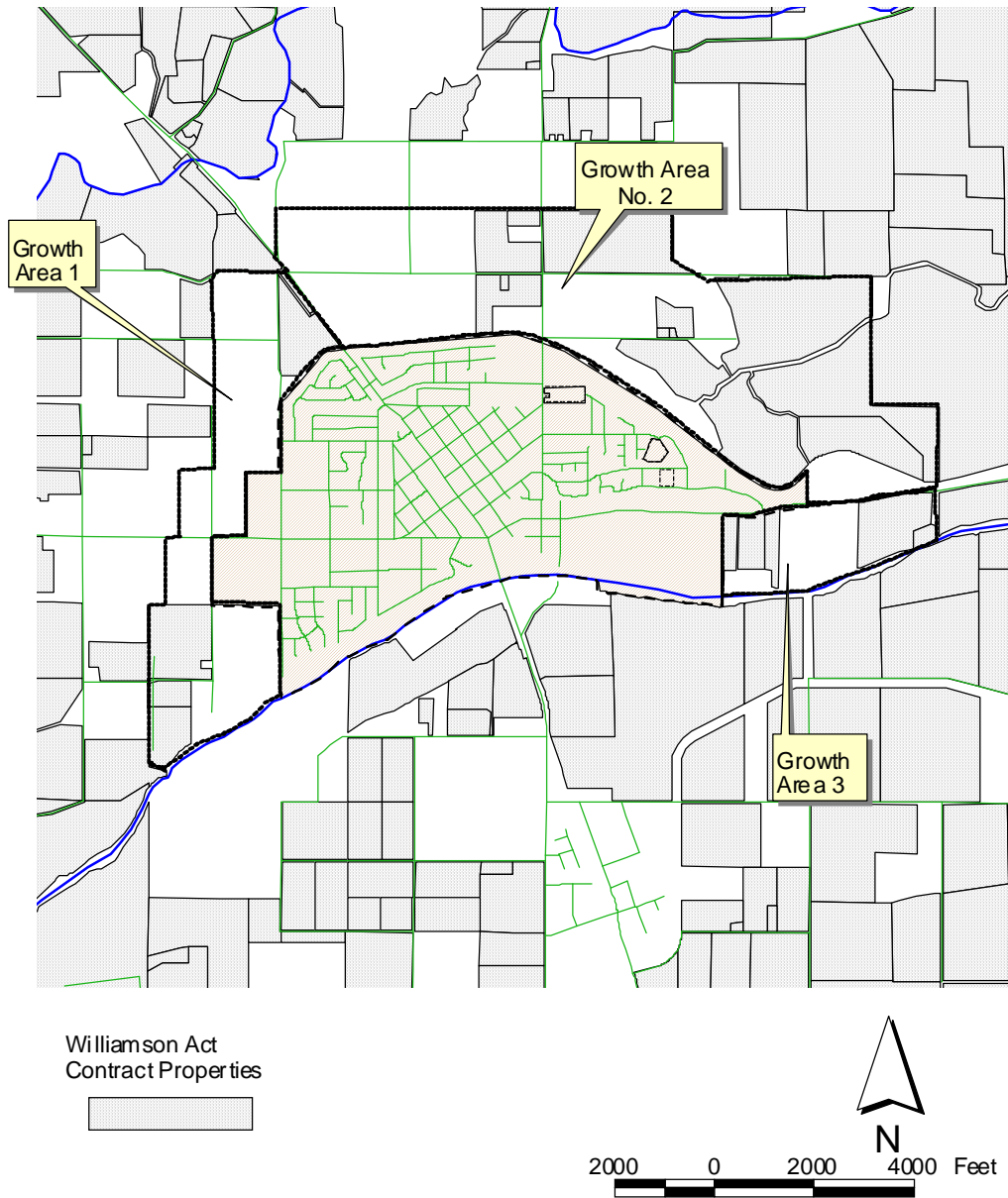


Williamson Act  
Contract Properties



**Figure 4**

City of Waterford  
Vision 2020 General Plan Update  
Growth Areas/WA Contract Lands



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**WILLIAMSON ACT**

The California Land Conservation Act of 1965, commonly referred to as the Williamson Act, is a tax relief measure for owners of farmland. The Act permits a landowner, whose land is used for farming, to sign a contract with the County guaranteeing that the land will continue to remain in farming for a period of at least ten years. In return for this guarantee, the County assesses taxes based on the agricultural value of the land rather than the market value. Generally this means that taxes for the farmer are reduced, sometimes greatly. The County is then reimbursed for the lost property tax revenue by the State of California.

In order to be eligible for the Williamson Act under Stanislaus County regulations, the land must be zoned A-2 (General Agriculture) and used as permitted by that zoning district.

In most cases, the Williamson Act will lower property taxes. Those people who purchased their property recently will usually benefit the most. In return for lower taxes, you are guaranteeing that the property will remain zoned A-2 (General Agriculture) for a period of at least ten years. While the agreement does not affect your right to sell the property, the contract will continue to affect the use of the property for the new purchaser. The people to whom you sell the property will be prevented from using the property for anything that isn't allowed in the A-2 zone. Some uses, however, that are permitted by "Use Permit" may not be consistent with the contract. However, as long as the property is zoned A-2, you (or anyone else who buys the property) have the same rights as anyone else with land zoned A-2, whether they are in the Williamson Act or not. In effect, what you are prevented from doing is rezoning your property to residential, commercial or industrial. Williamson Act Contract

When a Williamson Act contract is signed, it is good for a period of ten years. After the first year of that ten year period, one more year is automatically added to the term of the contract so that it is always valid for ten years. If you do nothing to stop this automatic addition of a year, the contract will go on indefinitely.

The only guaranteed way of stopping the automatic renewal provision is for either the property owner or the County to file a "Notice of Non-Renewal". Once the notice is signed and properly filed with the County, the County will cease to renew the contract and it will expire in approximately ten years. Upon filing of a Notice of Non-Renewal, property taxes will start to increase so that at the end of ten years, the taxes will be the same as if the property was never under contract.

In the alternative, a property owner may apply to cancel the contract, effective immediately. In order for the contract to be canceled, the governing body (Board of Supervisors/City Council) must hold a public hearing on the request and make several findings as required by State Law. These findings are very difficult to make and such requests are seldom approved. Upon cancellation, and the governing body can and does make the findings required by State Law and agrees to cancel the contract, this approval

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is valid if the property owner pays a cancellation fee of 1/8th (12½%) of the current market value of the property. This fee is paid to the State of California.

As noted above, cancellation of a Williamson Act Contract requires that a local governing body make specific findings. These findings are as follows:

- “ (1) That the cancellation is for land on which a notice of non-renewal has been served pursuant to Section 51245.
- (2) That cancellation is not likely to result in the removal of adjacent lands from agricultural use.
- (3) That cancellation is for an alternative use which is consistent with the applicable provisions of the city or county general plan.
- (4) That cancellation will not result in discontinuous patterns of urban development.
- (5) That there is no proximate non-contracted land which is both available and suitable for the use to which it is proposed the contracted land be put, or, that development of the contracted land would provide more contiguous patterns of urban development than development of proximate non-contracted land.”

A copy of the specific statutes governing the cancellation of Williamson Act Contracts is contained in Attachment “B” of this report.

**LAFCO AND THE SPHERE OF INFLUENCE**

There are two basic laws governing the growth and expansion of the City of Waterford. The first, generally referred to as “California Planning Law” addresses how a city is to plan for growth and how development permitting and entitlement processes are to be administered by local governments. The California General Plan Guidelines, published by the Governor’s Office of Planning and Research, contains guidance with respect to how a local government is to prepare a General Plan.

A second important law, guiding community growth, creates the Local Agency Formation Commission (LAFCO) within each county in the state. The Stanislaus County LAFCO has jurisdiction approval authority over all cities within the County with respect to expanding their urban (incorporated) limits. The expansion of a city’s boundaries is a two-fold process. First a city must propose, and LAFCO approve, a “Sphere of Influence” for a city. Secondly, territories may be annexed to a city but only from those lands that are situated within the approved “Sphere of Influence”.

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The Stanislaus County LAFCO Policies and Procedures Manual contains the legal standards of state law relative to establishing a city's Sphere of Influence" and Stanislaus LAFCO's standards for implementing this law. (See Attachment "A")

In general, a Sphere of Influence (SOI) contains a primary and secondary "sphere". The primary sphere is designated in an area that is eligible for annexation to a city within a ten-year time frame. The Sphere of Influence covers an area that is set aside to accommodate twenty years of future growth. A city must demonstrate that it 1) has an identified growth "need" for this future expansion area and, 2) has the capacity to provide urban services to the potential new urban area. A third critical element in the "sphere" approval process is the encroachment of a city onto "prim" agricultural land. LAFCO rules, and state law, clearly states that a Sphere expansion into areas that contain "prime" agricultural soils cannot be approved unless there is no alternative "non-prime" area available for urban expansion.

**PLANNING AREA SUMMARY**

The three areas identified for possible expansion of the City of Waterford occur north of the Tuolumne River. There are areas south of the Tuolumne that have been identified for incorporation into the City but these areas are linked to an expanded River Parkway concept or are used presently by the City as part of its wastewater treatment and disposal system.

When identifying potential growth areas in, and around the City of Waterford, efforts were made to look at establishing a boundary that includes both sides of a major roadway. Examples of this type of approach are the areas north of El Pomar and west of Eucalyptus Avenue. In general, the expansion areas follow a concentric arch around the existing City boundary. Expansion to the north and east, while containing less "Prime" farmland are constrained by the extent of large Williamson Act Contract lands. The north expansion areas, however, are critical to future growth of the City because of the need to develop a new wastewater treatment system in the foreseeable future.

The three areas, as identified on Figure 4 can be summarized as follows:

***Growth Area No. 1***

Growth Area No. 1 is comprised of 40 pieces of property including approximately 357.3 acres of land. This area is located along the western boundary of the City of Waterford south of El Pomar and north of the Tuolumne River. At present the area includes a Mobile Home Park and is generally characterized as having smaller (home-site) type "rural residential" types of parcels ranging in size from one area but mostly below 20-acres in size. At present, this has the smallest percentage of land under Williamson Act Contract (102.8-acres) of the three potential Waterford growth areas (29%) but is largely considered "Prime Farmland" according to the Department of Conservation's Farmland Classification System. While the Williamson Act Contract lands are not available for immediate development, this area provides the most logical near-term growth potential for the City without major expenditures for public infrastructure. All of the present

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Williamson Act Contract land is located in the south-western corner of the project area and could logically be excluded as a potential expansion area.

***Growth Area No. 2***

Growth Area No. 2 is comprised of 40 pieces of property including approximately 862 acres of land. *This area is located north of the existing City Limits and extends from the Oakdale Waterford Highway on the west, along the north-side of the Modesto Irrigation District Main Canal to a point east of the City where Highway 132 and the MID Main run together. This growth area extends to a point that is mid-way between El Pomar Avenue and Lone Oak Avenue.*

This point also aligns with the north-east corner of Growth Area No. 3. At present, this area is largely under Williamson Act Contract (478.2-acres) and not available for immediate development. There are, however, large tracts of land in the northwest portion of the Area, along the north border of the MID Main and a tract of land south of the MID Main and north of Highway 132 that are not under Williamson Act Contract and could be available for development within the 10-year LAFCO growth standard. Much of the Williamson Act Contract lands are located in the eastern portion of the growth area.

***Growth Area No. 3***

Growth Area No. 3 is comprised of 11 pieces of property including approximately 135.5 acres of land. This area is located south of Yosemite Boulevard (Highway 132), north of the Tuolumne River and east of the present River Pointe development. At present, this area is largely under Williamson Act Contract (70.9-acres) and not available for immediate development.

These identified potential growth areas contain sufficient land area to accommodate the City's potential expansion needs through the year 2020. While LAFCO'S rules require that the "Primary Sphere" for a City be identified that accommodates 10-years of growth capacity, the limitations of Williamson Act lands yields an area that could accommodate future growth through the year 2015 with sufficient reserve to accommodate alternative economic conditions in the future. At the same time, the area identified above provides for a uniform and compact area for future planning that complies with the General Plan Guidelines and LAFCO policies.

## Attachment “A”

Excerpts from the Stanislaus County  
Local Agency Formation Commission  
Policies and Procedures Manual  
(Sphere of Influence)

***Excerpt from the Stanislaus County Local Agency Formation Commission's (LAFCO) Policy and Procedures Manual.***

**SPHERE OF INFLUENCE**

**PURPOSE**

Government Code Section 56076 defines a sphere of influence as “a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.” It is an area within which a city or district may expand, over an undefined period of time, through the annexation process. In simple terms, a sphere of influence is a planning boundary within which a city or district is expected to grow into overtime. The purpose of a sphere of influence is to encourage the “logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities”. A sphere of influence serves a similar function in LAFCO determinations as general plans do for cities and counties. Consistency with the adopted sphere of influence it's critical, and changes to the sphere requires careful review. The following enumerated items comprise the statement of purpose adopted by Stanislaus LAFCO for spheres of influence:

1. To promote orderly growth of communities, whether or not services are provided by a city or district (board governed or independently governed);
2. To promote coordination of cooperative planning efforts among the county, cities, special districts, and identifiable communities by encouraging compatibility in their respective general plans;
3. To guide timely changes in jurisdiction by approving annexations, reorganizations etc., within a sphere of influence only when reasonable and feasible provision of adequate services is assured;
4. To encourage economical use and extension of facilities by assisting governmental agencies in planning the logical and economical extension of governmental facilities and services, thereby avoiding duplication of services;
5. To provide assistance to property owners in relating to the proper agency to comprehensively plan for the use of their property;
6. To review, update, and/or change existing spheres of influence periodically to reflect planned, coordinated changes in factors which impact spheres of influence; and,
7. To encourage the establishment of urban-type services only within an adopted sphere of influence.

The Commission emphasizes that a sphere of influence is a planning tool and the establishment of a sphere of influence, or the inclusion of territory within a sphere of influence of an existing governmental entity, does not automatically mean that the area is being proposed for annexation or development. (*Stanislaus LAFCO Policies and Procedures Manual GENERAL POWERS & POLICY GUIDELINES SECTION 4 Page 1*)

***Establishment of a Sphere:*** As outlined under state law, the Commission is designated as the public body responsible for determining spheres of influence for each city and district within its jurisdiction. As a function of incorporation and as outlined in Government Code Section 56426.5, the Commission must establish a sphere of influence for a newly-incorporated city within one year of its incorporation effective date. Usually within six months of a city's effective date, the LAFCO staff notifies the city of the requirement pursuant to state law. The sphere proposal may be initiated by the

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Commission, the city council, or the County Board of Supervisors, through adoption of a resolution of the governing body. State law also stipulates that a sphere of influence will not be established or changed without specific review and study independent of any action before the Commission at the time. Public hearings are held to review sphere of influence proposals such as establishment, amendment, or in connection with any proposed annexation, which may or may not involve another agency's sphere of influence.

**Factors for Consideration:** As a part of a sphere of influence review and as outlined in Government Code Section 56425, LAFCO is required to review four "factors of consideration" in connection with any sphere of influence proposal. The factors of consideration are as follows:

1. The present and probable land uses within the area, including agricultural and open space lands;
2. The present and probable need for public facilities and services in the study area;
3. The present capacity of public facilities and the adequacy of public services that the agency provides or is authorized to provide; and,
4. The existence of any social or economic communities of interest in the study area. In these categories of review, a city or district must show that its planning activities can be beneficial to the area, and that the initiation of those activities is appropriate.

None of the above factors by themselves shall be deemed to be a determining factor in the establishment or revision of a sphere of influence for a city, district, or community area, but shall be reviewed as part of the total project. The factors of consideration noted above are addressed individually within the staff's report for each sphere of influence proposal.

**SERVICE REVIEW**

In order to prepare and to update spheres of influence in accordance with Government Code Section 56425, the Commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the Commission. The Commission shall include in the area designated for service review the county, the Stanislaus LAFCO Policies and Procedures Manual SECTION 4 Page 17 GENERAL POWERS & POLICY GUIDELINES region, the sub-region, or such other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

1. Infrastructure needs or deficiencies;
2. Growth and population projections for the affected area;
3. Financing constraints and opportunities;
4. Cost avoidance opportunities;
5. Opportunities for rate restructuring;
6. Opportunities for share facilities;
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
8. Evaluation of management efficiencies; and,
9. Local accountability and governance.

The Municipal Service Review (MSR) Guidelines, shown in Appendix B, will be utilized in the conduct of a MSR (*amended April 23, 2003*).

## **COMMISSION OVERALL POLICY GUIDELINES FOR SPHERES OF INFLUENCE**

The approaches and/or methods listed below are policies adopted by Stanislaus LAFCO. The policies guide the Commission's review in its determination of spheres of influence, periodic reviews and/or updates, and any amendments of those sphere boundaries.

**Concurrent Sphere Reviews:** The Commission may include additional agencies as part of its review of a sphere of influence proposal. In considering the sphere of influence of a community, the Commission will concurrently evaluate all agencies serving that community, and as a policy guideline, it will need to establish a sphere for all such agencies. **Community-by-Community Approach:** The community-by-community approach is a guide used to establish spheres of influence.

The concept is put forth in the mandate for spheres of influence, and includes the practice of looking at a total area, which could be considered a community, and defining its boundaries. This approach also considers the existence of inter-related economic, environmental, geographic, and social interests, and attempts to harmonize the conflicting plans and services of the various service entities. Under this approach, an attempt is made to keep the spheres of influence of the various service agencies as nearly the same as possible.

**Coterminous Boundaries:** The Commission may establish a sphere of influence which is coterminous with existing city/district boundaries when it is not feasible for the public agency to expand beyond its present boundaries. However, as outlined in state law, a sphere of influence must be established for each city and district, regardless whether the sphere boundary is the same (*Stanislaus LAFCO Policies and Procedures Manual SECTION 4 Page 18 GENERAL POWERS & POLICY GUIDELINES*) as the city or district boundary.

**Nearby Communities:** Communities in close proximity to each other are encouraged to adopt policies and agreements which recognize and protect the integrity of each community. LAFCO shall give great weight to these agreements and policies when establishing a sphere of influence. **Environmental Review for a Sphere:** A sphere of influence proposal requires review of the environmental aspects of the proposed sphere. The environmental review process is a requirement outlined in the California Environmental Quality Act (CEQA) that applies to the review of sphere of influence proposals. The general provisions of CEQA apply to LAFCO's specific functions as either a "Responsible" or a "Lead" agency.

**Exclusion of Territory:** Under certain circumstances, a sphere of influence may exclude portions of the existing boundaries of a city or district. The Commission encourages reorganization and special studies in this situation to make final determination of which city or district should serve.

**Modification of a Sphere Review Area:** During the review of a sphere of influence proposal, the Commission may modify the area of review by expanding or reducing the area of review. The expansion or reduction of a sphere can be for several reasons, such as to include areas that may be better served by a public agency, or exclude areas that may be better served by another public agency. **Periodic Review/Update of a Sphere:** As a function of its duties and responsibilities, LAFCO is required to periodically review

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and/or update spheres of influence. Government Code Section 56425 requires the Commission to review and update, as necessary, all spheres of influence for cities and special districts at least once every five years.

The initial review, and subsequent five-year sphere of influence review shall be conducted in accordance with the requirements of the Cortese-Knox-Hertzberg Act, these adopted policies and procedures and the service review guidelines prepared by the Office of Planning and Research pursuant to Government Code Section 56430. The periodic sphere review does not preclude a public agency (city or district), or an individual from initiating a sphere proposal.

The purpose of the periodic sphere review plan is to keep abreast of changes occurring within the public agencies under the jurisdiction of LAFCO. Requirement for a Sphere Review in Relationship to Annexation: State law precludes the Commission from approving annexation proposals lying outside of current sphere of influence boundaries for the affected city or district. If an annexation proposal lies outside the sphere of influence of a city or district, the annexation proposal must also include a sphere review.

The joint sphere and annexation review is to maintain. Stanislaus LAFCO Policies and Procedures Manual SECTION 4 Page 19 GENERAL POWERS & POLICY GUIDELINES consistency in city or district boundaries and their sphere boundaries, for the extension and provision of services as it relates to proposed annexation sites. Limited Service Sphere of Influence (*amended April 23, 2003*):

Territory proposed for inclusion within the Sphere of Influence (SOI) of a multi-service provider agency, which may be contained within the boundary of another limited purpose district, may be included within the SOI of the multi-service agency and designated as a Limited Service Sphere of Influence area. Territory designated as Limited Service Sphere of Influence shall not be considered for annexation to the multi-service agency. Territory may be included in a Limited Service Sphere of Influence upon completion of a service review, when any of the following determinations are made by the Commission:

- A. The existing multi-service agency is the most orderly and logical provider of the service(s).
- B. Existing or future services authorized to be provided by the limited purpose district are determined to be inadequate, not cost effective or inefficient.
- C. Inclusion of the territory in the Limited Service SOI is in the best interests of the residents, the local government organization and structure in the area.
- D. An agreement between the agencies exists for the provision of the limited service by the multi-service agency.

***Responsibility/Obligation for a Sphere Area:*** When a sphere of influence is assigned, a city or district is required to commence long range land use and service planning activities, thereby enabling it to respond to any annexation requests it might receive from landowners or residents within the sphere. By accepting a sphere of influence, a city or district agrees to plan for the provisions of services.

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**Urban Development within a City Sphere:** LAFCO takes the position that any new urban development which occurs within a city sphere of influence should take place as close to the city's urban area as possible. This position is emphasized for two reasons: First, so that contiguous areas may easily be annexed to the city; and secondly, so that the new urban area can be served by reasonable extension of the city's already developed municipal services.

**Areas of Concern:** LAFCO may, at its discretion, designate a geographic area beyond the Sphere of Influence as an Area of Concern to any local agency.

A. An Area of Concern is a geographic area beyond the Sphere of Influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency ("the Concerned Agency"). For example, approval of a housing project developed to urban densities on septic tanks outside the city limits of a city. (*Stanislaus LAFCO Policies and Procedures Manual SECTION 4 Page 20 GENERAL POWERS & POLICY GUIDELINES*) and its sphere of influence may result in the city being forced subsequently to extend sewer services to the area to deal with septic failures and improve city roads that provide access to the development. The city in such situation would be the Concerned Agency with appropriate reason to request special consideration from the Acting Agency in considering projects adjacent to the City.

B. LAFCO will notice any Concerned Agency when LAFCO receives notice of a proposal of another agency in the Area of Concern.

C. LAFCO will seek to obtain a Joint Powers Agreement or other commitment between the agencies so that the Acting Agency provides advance notice to the Concerned Agency of any actions, or projects being considered within the Area of Concern, and commits to considering any comments made by the Concerned Agency.

**STATEMENT OF INTENT  
FOR SPHERES OF INFLUENCE**

1. LAFCO intends that its Sphere of Influence and Primary Area determinations will serve as a master plan for the future organization of local government within the county. The spheres shall be used to discourage urban sprawl and the proliferation of local governmental agencies, and to encourage efficiency, economy, and orderly changes in local government.

**A. Sphere of Influence:** A plan for the probable physical boundaries and service area of a local agency as determined by the Commission. The area around a local agency within which territory is eligible for annexation and the extension of urban services within a twenty-year period.

**B. Primary Area of Influence:** The area around a local agency within which territory is eligible for annexation and the extension of urban services within a 0-10 year period.

2. The Primary Area and Sphere of Influence lines shall be a declaration of policy which shall be a primary guide to LAFCO in the decision on any proposal under its jurisdiction. Every determination made by the Commission shall be consistent with the spheres of influence of the agencies affected by those determinations.

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3. LAFCO will approve an application for a change of organization or reorganization only if the proposal is consistent with an approved sphere of influence plan for the affected agency or agencies. No proposal which is inconsistent with an agency's adopted Sphere of Influence and/or Primary Area shall be approved until the Commission, at a noticed public hearing, has considered and approved an amendment or revision to that agency's Primary Area of its Sphere of Influence. (*Stanislaus LAFCO Policies and Procedures Manual SECTION 4 Page 20 GENERAL POWERS & POLICY GUIDELINES*)

4. The adopted Primary Area and Sphere of Influence shall reflect city and county general plans, growth management policies, the County-wide Visioning Plan, annexation policies, resource management policies, and any other policies related to the ultimate boundary and service area of an affected agency unless those plans or policies conflict with the legislative intent of the Cortese-Knox-Hertzberg Reorganization Act (Government Code Section 56000 et. seq.).

Where inconsistencies between plans exist, LAFCO shall rely upon that plan which most closely follows the legislature's directive to discourage urban sprawl, direct development away from prime agricultural land and open-space lands, and encourage the orderly formation and development of local governmental agencies based upon local conditions and circumstances.

5. Sphere of Influence boundaries shall, to the extent possible, maintain a separation between existing communities to protect open space and agricultural lands and the identity of an individual community.

6. LAFCO supports and encourages the cities and Stanislaus County to adopt general plans, policies, and agreements which reflect adopted countywide populations, fair-share housing and employment projections, and will promote the Visioning Plan to grow and evolve in a compact, efficient fashion, protect farmland outside urban boundaries, and avoid unnecessary conversion of farmlands.

7. At least 30 days prior to submitting an application to the Commission for a determination of a new sphere of influence, or to update an existing sphere of influence for a city, representatives from the city shall meet with county representatives to discuss the proposed sphere, and its boundaries, and explore methods to reach agreement on the boundaries, development standards, and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere.

If no agreement is reached between the city and county within 30 days, then the parties may, by mutual agreement, extend discussions for an additional period of 30 days. If an agreement is reached between the city and county regarding the boundaries, development standards, and zoning requirements within the proposed sphere, the agreement shall be forwarded to the Commission, and the Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by the Commission and shall give great weight to the agreement in the Commission's final determination of the city sphere.

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If the Commission's final determination is consistent with the agreement reached between the city and county, the agreement shall be adopted by both the city and county after a noticed public hearing. Once the agreement has been adopted by the affected local agencies and their respective general plans reflect that agreement, then any development approved by the county within the sphere shall be consistent with the terms of that agreement. (*Stanislaus LAFCO Policies and Procedures GENERAL POWERS & POLICY GUIDELINES SECTION 4 Page 22*) If no agreement is reached, the application may be submitted to the Commission and the Commission shall consider a sphere of influence for the city consistent with the policies adopted by the Commission.

8. For any sphere of influence or a sphere of influence that includes a special district, the Commission shall do all of the following:

- A. Require existing districts to file written statements with the Commission specifying the functions or classes of services provided by those districts.
- B. Establish the nature, location, and extent of any functions or classes of services provided by existing districts.
- C. Determine that, except as otherwise authorized by the regulations, no new or different function or class of service shall be provided by an existing district, except upon approval by the Commission.

9. It is the policy of the Commission to review and render a decision on all proposals which would ultimately extend services into previously un-served territory within unincorporated areas.

10. Proposals which would extend services to existing development will be reviewed in accordance with Government Code 56133 and other adopted Commission policies.

11. A proposal which would extend services into undeveloped areas to accommodate development will not be approved, unless the extension of services are provided by existing districts, a city or cities, or County Service Areas (CSA) under the review of LAFCO or submitted as part of a request to form a new district or CSA to provide the service.

**SPHERE OF INFLUENCE POLICIES**

1. LAFCO will designate a Sphere of Influence line for each local agency that represents the agency's probable physical boundary and includes territory eligible for annexation and the extension of that agency's services within a zero to twenty-year period. LAFCO shall also designate a Primary Area line for a local agency which represents the agency's short-term growth area. Areas within an adopted Primary Area shall be eligible for annexation and extension of urban services within a zero to ten year period.

2. Territory between an adopted Primary Area line and Sphere of Influence of an agency shall be considered a transition area, anticipated to need and receive the agency's services within ten to twenty years. To preclude urban sprawl within an adopted sphere of influence, transition areas shall not be considered eligible for annexation and urban services. (*Stanislaus LAFCO Policies and Procedures Manual GENERAL POWERS & POLICY GUIDELINES SECTION 4 Page 23*)

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3. LAFCO may adopt a zero sphere of influence encompassing no territory for an agency. This occurs where LAFCO determines that the public service functions of the agency are either non-existent, no longer needed, or should be reallocated to some other agency of government. The local agency, which has been assigned a zero sphere of influence, should ultimately be dissolved.
4. Territory not in need of urban services, including open space, agriculture, non-protected, or protected and not upheld Williamson Act contracted lands, shall not be assigned to an agency's sphere of influence, unless the area's exclusion would impede the planned, orderly and efficient development of this area.
5. LAFCO may adopt a Primary Area and Sphere of Influence that excludes territory currently within that agency's boundaries. This occurs where LAFCO determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency's sphere of influence. Exclusion of these areas from an agency's sphere of influence indicates that detachment is appropriate.
6. Where an area could be assigned to the sphere of influence of more than one agency providing a particular needed service, the following hierarchy shall apply dependent upon ability to service.
  - A. Inclusion within a city sphere of influence.
  - B. Inclusion within a multi-purpose district sphere of influence.
  - C. Inclusion within a single-purpose district sphere of influence. In deciding which of two or more equally-ranked agencies shall include an area within its sphere of influence, LAFCO shall consider the agencies' service and financial capabilities, social and economic interdependencies, topographic factors, and the effect the eventual service extension will have on adjacent agencies.
7. Sphere of Influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.
8. Non-adjacent, publicly-owned properties and facilities used for urban purposes may be included within that public agency's sphere of influence if eventual annexation would provide an overall benefit to agency residents.
9. LAFCO shall review the Primary Area and Sphere of Influence determinations at least once every five years. If a local agency or the county desires amendment or revision of an adopted sphere of influence, the local agency by resolution may file such a request with the Executive Officer. Any local agency or county making such a request shall reimburse the Commission for the actual and direct costs incurred by the Commission. The Commission may waive such reimbursement if it finds that the request may be considered as part of its periodic review of spheres of influence. (*Stanislaus LAFCO Policies and Procedures Manual SECTION 4 Page 20 GENERAL POWERS & POLICY GUIDELINES SECTION 4 Page 24*)

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10. LAFCO shall adopt, amend or revise the Primary Area or Sphere of Influence determinations following the procedural steps set forth in the Cortese-Knox-Hertzberg Act.

**SPHERE OF INFLUENCE PLANS**

This section of LAFCO Sphere of Influence Policies sets forth the required contents of a Sphere of Influence Plan, the procedures for submittal and approval of Sphere of Influence Plans and amendments thereto, and the use of Sphere of Influence Plans in the Commission determinations.

1. Definition. A Sphere of Influence Plan is a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission, delineated in five (5) year increments up to 20 years.

2. General Requirements. The Sphere of Influence Plans for all governmental agencies within LAFCO jurisdiction shall contain the following:

- a. A map defining the probable 20-year boundary of its service area, delineated in five (5) year increments and time-coordinated with the Master Services Element.
- b. Maps and Explanatory Text Delineating:
  - 1) The present land uses in the area, including, without limitation:
    - a) improved and unimproved parcels; b) actual commercial, industrial, residential uses; and c) agricultural and open space lands.
  - 2) The proposed future land uses in the area.
- c. The present and probable need for public facilities and services in the sphere area. The discussion should include consideration of the need for all types of major facilities, not just those provided by the agency.
- d. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
- e. Identification of any relevant social or economic communities of interest in the area. For example, an area which is completely within one subdivision governed by a single homeowner's association should be noted, in order to assist in avoiding unnecessary division of the territory between services agencies.
- f. Existing population and projected population at build-out of the 5, 10, 15, and 20-year time increments of the agency.
- g. A Master Service Element as defined below. (*Stanislaus LAFCO Policies and Procedures Manual GENERAL POWERS & POLICY GUIDELINES SECTION 4 Page 25*)

3. Logical and Consistent Five Year Increments Required. The plan shall depict logical and contiguous boundaries for the 5, 10, 15, and 20-year increments. The plan must be consistent in the justification for including territory within each five year time increment.

**MASTER SERVICE ELEMENT**

Spheres of Influence are the primary planning tools for LAFCO. In order for LAFCO to establish an appropriate sphere for an agency, LAFCO must have adequate information on the service capabilities of the agency. LAFCO is requesting this specific information on service capabilities, as explained in this section, be provided in the form of a report called a "Master Service Element". Agencies must have a current Master Service Element which demonstrates that the agency can provide adequate and efficient services to the areas included within the Agency's sphere.

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1. General Adequacy Standards. A Master Service Element must meet the following general standards of adequacy:
  - a. Is consistent with the Master Service Element of the Spheres of Influence of any overlapping jurisdiction and is internally consistent.
  - b. Demonstrates that adequate services will be provided within the time frame needed by the inhabitants of the area included within the proposal boundary.
  - c. Identifies existing land uses and a reasonable projection of land uses which would occur if services were provided consistent with the Master Service Element.
  - d. Presents the information on future projections and plans tied to the 5, 10, 15, and 20-year planning increments of the Spheres of Influence Plan, so that the service information can be clearly tied to the Plan. In the case of cities, a shorter time frame may be appropriate if the applicable general plan has a shorter planning period.
  - e. Presents the specific information required below in an accurate, clear, and concise fashion.
2. Specific Element Requirements. A Master Services Element shall contain the following:
  - a. Maps and explanatory text that clearly indicate the location and capacity of existing and proposed facilities, including a plan for timing and location of new or expanded facilities.
  - b. A description of the nature of each service to be provided.
  - c. A description of the present service level capacity of the service provider's facilities. (*Stanislaus LAFCO Policies and Procedures Manual SECTION GENERAL POWERS & POLICY GUIDELINES SECTION 4 Page 26*)
  - d. An identification for the anticipated service level to be provided over the 5, 10, 15, and 20 year planning increments.
  - e. A description of any actions, improvements, or construction necessary to reach the anticipated service levels.
  - f. An estimate of projected revenues and expenses over the 5, 10, 15, and 20 year planning increments specifically identifying the cost of planned new facilities or services and the projected source of revenue to fund those new facilities or services.
  - g. Actual and projected costs of services to consumers in current dollars. This shall include a statement of actual and projected allocation of the cost of services between existing and new residents.
  - h. Copies of district enabling legislation pertinent to the provision of services and annexations.
3. Uses of the Master Services Element. Upon approval of the Master Service Element by LAFCO, it shall be utilized both in establishing the agency's sphere of influence and in the consideration of all proposals affecting that agency.
4. Current Master Service Element Required. LAFCO will require that any agency making a proposal and action through LAFCO must have an updated Master Service Plan of its Sphere of Influence Plan. LAFCO will approve a proposal only if the proposed service provider is the most efficient provider of services with an acceptable cost, as demonstrated in the provider's Master Service Element.

**AMENDMENT OF SPHERES AND MASTER SERVICE ELEMENTS**

The initial service review, sphere of influence plan and master services element for each agency under LAFCO's review shall be established in conjunction with the initial periodic five-year review and/or update of the spheres of influence as required under

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Government Code Section 56425. Upon adoption, amendments shall be required as outlined below:

1. When Required. An amendment to the Sphere of Influence Plan and Master Service Element will be required in the following circumstances:

- When LAFCO undertakes its 5-year Sphere of Influence Plan review, as required by Government Code Section 56425(f).
- When an agency seeks to include territory outside its sphere to that sphere or exclude territory from that sphere.
- When an agency seeks to include territory within the Primary Area or exclude territory from the Primary Area.
- When an agency proposes a significant change in its plans for service. (*Stanislaus LAFCO Policies and Procedures Manual SECTION GENERAL POWERS & POLICY GUIDELINES SECTION4 Page 27*) which make the current Master Service Element inaccurate.

2. General Requirements. LAFCO will generally treat a proposed amendment to an agency's Sphere of Influence similarly to an application for establishment of a Sphere of Influence.

3. Treatment of Amendment Under Sphere Time Horizons. Any amendment adding territory not presently within the agency's sphere shall normally place the added territory within the Sphere of Influence area. Only where the agency can show a more immediate need for service by clear and convincing evidence, will the added territory be placed in the Primary Area. In no event will territory be added to the Primary Area, which is not contiguous to the existing boundaries of that agency.

4. Consistency Required. Amendment proposals must be consistent with an updated Sphere of Influence Master Services Element.

5. Demonstrated Need Required. An Application for amendment to a Sphere of Influence must demonstrate a projected need or (in the case of reduction of the sphere) lack of need for service.

6. Prime Agricultural Land. Amendment proposals involving Sphere expansion which contain prime agricultural land will not be approved by LAFCO if there is sufficient alternative land available for annexation within the existing Sphere of Influence.

7. Annexation Plan. A phased plan for annexation of Sphere of Influence territory should normally be included in the Sphere of Influence proposal.

8. Adverse Impacts On Other Agencies or Service Recipients. LAFCO will deny proposals that would result in significant unmitigable adverse effects upon other service recipients or other agencies servicing the affected area unless the approval is conditioned to avoid such impacts.

9. Requirements for Adoption. LAFCO shall accept and adopt a Master Services Element or other Sphere of Influence Plan revisions if it contains all of the following:

- a. The Sphere of Influence Plan as amended contains all of the components required by these standards, including an updated Master Service Element;

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- b. That the projections of areas and levels of service contain therein are accurate, adequate, and complete; and,
- c. The Sphere of Influence Plan is accompanied by environmental documentation that complies with the requirements of CEQA.

10. Reasons For Rejection Required. If LAFCO rejects a proposed Sphere of Influence amendment or proposed Master Services Element revision, the Commission shall state the reasons therefore. (*Stanislaus LAFCO Policies and Procedures Manual GENERAL POWERS & POLICY GUIDELINES SECTION 4 Page 28*)

11. Spheres of Influence Amendment Procedures. Each request for amendment must be heard in a public hearing. The Executive Officer's report must be publicly available five (5) days prior to the hearing. The Commission may continue the hearing for up to seventy (70) days before making a final determination. (*Stanislaus LAFCO Policies and Procedures Manual GENERAL POWERS & POLICY GUIDELINES SECTION 4 Page 29*)

Attachment “B”

Excerpts from Chapter 7  
Agricultural Land  
Government Code Section 51200-51297

## Williamson Act Cancellation Findings

### *Government Code*

51282. (a) The landowner may petition the board or council for cancellation of any contract as to all or any part of the subject land. The board or council may grant tentative approval for cancellation of a contract only if it makes one of the following findings:

(1) That the cancellation is consistent with the purposes of this chapter; or

(2) That cancellation is in the public interest.

(b) For purposes of paragraph (1) of subdivision (a) cancellation of a contract shall be consistent with the purposes of this chapter only if the board or council makes all of the following findings:

(1) That the cancellation is for land on which a notice of non-renewal has been served pursuant to Section 51245.

(2) That cancellation is not likely to result in the removal of adjacent lands from agricultural use.

(3) That cancellation is for an alternative use which is consistent with the applicable provisions of the city or county general plan.

(4) That cancellation will not result in discontinuous patterns of urban development.

(5) That there is no proximate non-contracted land which is both available and suitable for the use to which it is proposed the contracted land be put or, that development of the contracted land would provide more contiguous patterns of urban development than development of proximate non-contracted land.

As used in this subdivision "proximate, non-contracted land" means land not restricted by contract pursuant to this chapter, which is sufficiently close to land which is so restricted that it can serve as a practical alternative for the use which is proposed for the restricted land.

As used in this subdivision "suitable" for the proposed use means that the salient features of the proposed use can be served by land not restricted by contract pursuant to this chapter. Such

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non-restricted land may be a single parcel or may be a combination of contiguous or discontinuous parcels.

(c) For purposes of paragraph (2) of subdivision (a) cancellation of a contract shall be in the public interest only if the council or board makes the following findings: (1) that other public concerns substantially outweigh the objectives of this chapter ; and (2) that there is no proximate non-contracted land which is both available and suitable for the use to which it is proposed the contracted land be put, or, that development of the contracted land would provide more contiguous patterns of urban development than development of proximate non-contracted land.

As used in this subdivision "proximate, non-contracted land" means land not restricted by contract pursuant to this chapter, which is sufficiently close to land which is so restricted that it can serve as a practical alternative for the use which is proposed for the restricted land.

As used in this subdivision "suitable" for the proposed use means that the salient features of the proposed use can be served by land not restricted by contract pursuant to this chapter. Such non-restricted land may be a single parcel or may be a combination of contiguous or discontinuous parcels.

(d) For purposes of subdivision (a), the uneconomic character of an existing agricultural use shall not by itself be sufficient reason for cancellation of the contract. The uneconomic character of the existing use may be considered only if there is no other reasonable or comparable agricultural use to which the land may be put.

(e) The landowner's petition shall be accompanied by a proposal for a specified alternative use of the land. The proposal for the alternative use shall list those governmental agencies known by the landowner to have permit authority related to the proposed alternative use, and the provisions and requirements of Section 51283.4 shall be fully applicable thereto. The level of specificity required in a proposal for a specified alternate use shall be determined by the board or council as that necessary to permit them to make the findings required.

(f) In approving a cancellation pursuant to this section, the board or council shall not be required to make any findings other than or in addition to those expressly set forth in this section, and, where applicable, in Section 21081 of the Public Resources Code.