

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT

AGENDA ITEM NO. 6

DATE: November 4, 2015

TO: Fresno Local Agency Formation Commission

FROM: David E. Fey, AICP, Executive Officer 

SUBJECT: Consider Adoption – Municipal Service Review and Sphere of Influence Update Prepared for the City of Fresno

RECOMMENDATION: Conduct a workshop on the draft Municipal Service Review prepared for the City of Fresno; at the conclusion of the workshop continue the item until December 9, 2015, at which time the Commission will consider approving the MSR and updating the City's sphere of influence by taking the following actions:

- A) Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that prior to adopting the written determinations, the Municipal Service Review and Sphere of Influence determinations under consideration are Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection" and Section 15061(b)(3), "General Rule Exemption."
- B) Find that the Municipal Service Review and Sphere of Influence Update prepared for the City of Fresno are complete and satisfactory.
- C) Find that the written determinations within the Municipal Service Review and Sphere of Influence update satisfy State Law.
- D) Pursuant to Government Code sections 56425 and 56430 make the required determinations for the Municipal Service Review and City Sphere of Influence, adopt the Municipal Service Review prepared for the City, and adopt the City of Fresno Sphere of Influence.

Background

On January 9, 2013, the Commission authorized the Executive Officer to enter into an agreement with Policy Consulting Associates, LLC (PCA) to prepare a Municipal Service Review (MSR) for the City of Fresno. A \$35,000 consulting services agreement was executed on July 24, 2013, and work on the project began in August, 2013, with a kick-off meeting between staff, the consultant, and city department managers.

Due to the size of the City of Fresno and the complexity of its many municipal services, LAFCo chose to retain a consultant to perform the MSR with a goal of having the MSR completed after the completion of the City's General Plan update. At that time, the City was in the process of

completing the work on its General Plan and the Commission expressed its interest in completing the MSR once the General Plan was adopted. This occurred in December, 2014.

The City of Fresno agreed to fund the consultant expense for the preparation of this MSR. In July, 2015, the Commission approved a \$3,995 amendment to the project budget. The amendment was deemed necessary to complete the project which had been delayed in part due to turnover of department managers and changes to the state of Fresno's fiscal status necessitating substantive revision to the administrative draft document.

In accordance with Government Code (GC) section 56066, Fresno County is the principal county. Fresno LAFCo is responsible for updating the sphere of influence (SOI) for the City consistent with GC section 56425. In order to update the agency's SOI, Fresno LAFCo has prepared this MSR in accordance with GC section 56430.

Late correspondence from Fresno City Manager Bruce Rudd is attached.

Background on the Function and Organization of a Municipal Service Review

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, city and special district Spheres of Influence (SOIs) every five years. Prior to, or in conjunction with an agency's SOI update, LAFCo is required to conduct a *Municipal Service Review (MSR)* for each agency.

MSRs provide a comprehensive review of the services provided by a city and present recommendations with regard to the condition and adequacy of these services and whether or not modifications to a city or city's SOI are necessary. MSRs can be used as informational tools by LAFCo and local agencies in evaluating the efficiencies of current city operations and may suggest changes in order to better serve the public.

SOI updates may involve an affirmation of the existing SOI boundaries or recommend modifications to the SOI boundaries. LAFCo is not required to initiate changes to an SOI based on determinations and recommendations of the service review, although it does have the power to do so.

State law requires that the Commission adopt written MSR determinations for each of the following seven criteria:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

As part of the SOI update, the Commission is required to consider the following four criteria and make appropriate determinations in relationship to each:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

A summary of the determinations and recommendations is attached as Exhibit A. The complete draft MSR has been provided to the Commission with this report. A copy of the draft MSR was posted to the LAFCo website on October 21, 2015 at www.fresnolafco.org.

Summary of the City of Fresno MSR

At approximately 114 square miles in size and over 515,000 in population, the City of Fresno is the largest city in Fresno County. The City provides multiple municipal services ranging from the traditional safety services, sewer, water, and parks, to services for the homeless, a convention center, and two airports.

The City's Sphere of Influence (SOI) was most recently updated by LAFCo in 2006 and again in 2007, both times to reflect the approximately 9,000-acre Southeast Growth Area Specific Plan, or SEGA. While originally called SEGA, this area is now referred to by the City as the Southeast Development Area (SEDA) and in the context of this report the growth area is referred to by either acronym.

The current SOI is comprised of most of the land within the City's boundaries, as well as the unincorporated islands, and land beyond the outer city limits on all four sides. The SOI encompasses 157 square miles, of which 43 square miles is unincorporated land.

According to the MSR's executive summary,

The City appears to provide adequate services based on the performance measures assessed in this document. No significant deficiencies were identified that greatly affect the overall level of services offered. However, typical of any public service provider, there is room for improvement in the level of services offered by the City.

The City plans for infrastructure needs in a five-year capital improvement plan that is a component of the annual budget. The City is proposing \$1.3 billion in capital improvements amongst the various departments between FYs 16 and 20, with the most extensive expenditures in the Public Works and Public Utilities Departments.

There are several agencies, including Pinedale County Water District, Pinedale Public Utility District, Malaga County Water District, 10 County Service Areas, Calwa Recreation and Park District, and Bluffs Community Services District, that provide municipal services similar to the City. These agencies' multiple service boundaries overlap the incorporated City territory and unincorporated areas/islands within the City's SOI.

Past planning analyses concluded that service delivery efficiencies could result from consolidation of service responsibilities by fewer local agencies. A successful example is the eight-year effort in the 1990s to consolidate the County Water Districts with the City of Fresno's Water Division.

Given the City's current General Plan focus on the fiscal effects of growth, it may be prudent to reassess the efficiencies of multiple special districts in the Fresno SOI.

The Fresno MSR and SOI determinations have been developed based largely on information provided by City staff, but also on recent conversations about how the City provides services to its current and future citizens, and how the City and LAFCo will interact when service and growth decisions are necessary.

To that extent, many of the MSR and SOI recommendations reflect voluntary actions by the City, the County, and other local agencies, that, if performed, are intended to benefit the efficiency of metropolitan area service delivery and enhance the order and logic of local agencies' growth and development. The recommendations presented below have been arranged into generalized categories (duplicate MSR and SOI recommendations have been eliminated) to harmonize their intended benefit with that of (first) the city of Fresno, and (second) with other agencies, including Fresno LAFCo.

The recommendations directed at the City are voluntary to the extent that the LAFCo doesn't have the authority to command the City to take these actions. However, future LAFCo's decisions may evaluate whether the City has considered LAFCo's recommendations.

The full text of the MSR includes an executive summary of the MSR beginning on page 3 and includes a discussion on the origins of the MSR on page 20. The focus of MSRs in general is to examine the accountability and relevance of certain local agencies, the efficiencies of the services provided, potential cost reductions, and the logic of service delivery.

Summary of MSR Recommendations by General Category

General Category: Aligning the City's General Plan and SEDA Policy with LAFCo policy

- That the City evaluate whether its SEDA conditions—contained in both the City/County Memorandum of Understanding and Fresno LAFCo's conditional approval of the SEGA SOI—remain appropriate given the shift in the General Plan's development policy since 2006.
- That Fresno LAFCo determines a SOI for the City's Regional Wastewater Reclamation Facility.
- That the City develops a General Plan implementation program that conforms with the Fresno LAFCo annexation program. This implementation program can address annexation of the unincorporated islands within the city limit; annexation of the urban edge that is impacted by irregular boundaries, and conflicting County land and comprehensive service transition planning for affected agencies.

General Category: Regional Planning

- That the City, the City of Clovis, Fresno County, Madera County, and other neighboring cities, and Fresno LAFCo continue to participate in regionally collaborative planning efforts.
- That the City works with Fresno LAFCo, Fresno County, and the special districts in the Fresno SOI to assess metropolitan area service delivery and determine if efficiencies may be gained if the City assumed responsibilities for services in these areas.

General Category: Metropolitan Planning and Service Efficiencies

- That the City program regular updates of its master service plans to ensure that they are kept up-to-date.
- That LAFCo initiate a multi-agency assessment of the efficiencies of annexation of county islands and multiple special districts in the Fresno SOI.
- That the County amends its General Plan to conform to the City's designated land uses in areas within the Fresno SOI.
- That the City coordinates with these special districts to the greatest extent possible to ensure clarity on service areas and proper regional planning of water and wastewater infrastructure.

General Category: Municipal Service Efficiencies

- That the City plans as necessary to ensure sufficient capacity at the Regional Wastewater Reclamation Facility appropriately addresses population growth from development.
- That the City continues to strive for lower response times by public safety departments to meet goals and standards.
- That the City continues to work to ensure an equal distribution of park and recreation facilities throughout the City.
- That the City conducts a comprehensive assessment of its law enforcement facilities to identify and prioritize capital needs.
- The City will need to assess options for addressing potential future increased demand at the Regional Wastewater Reclamation Facility, as it is nearing 75 percent capacity—the threshold at which initial planning efforts are required by State statute and are considered a best management practice. Additionally, corrective measures to address significant infiltration and inflow in Downtown Fresno are recommended
- That the City ensures that contract Fresno Convention & Entertainment Center provider benchmarks are attained and subsidizing of operations by general fund minimized to the greatest extent possible.¹

General Category: Metrics for Accountability

- That the City institutes a centralized system to document and track all developments under construction, approved, and/or proposed in a manner that is accessible by city staff and members of the public.
- That the City implements an objective and transparent measurement to track its development benchmarks to determine the appropriate timing of planned growth.

¹ Information obtained after the release of the draft MSR indicates that this determination may no longer be applicable. Additional information will be provided at the November workshop.

Sphere Of Influence Recommendations by General Category

General Category: Aligning General Plan and SEDA Policy with LAFCo policy

- That the SEDA SOI be retained at this time to allow for the opportunity to properly address the policy concerns identified in this report. Fresno LAFCo may define a period within which the City must report back and provide the status of its efforts at conducting specific planning or identifying a timeline for when specific planning will occur.
- That LAFCo develop policies specific to SEDA that ensure the area is developed in an orderly fashion and consistent with the City's development priorities in other areas.
- That the Friant-Copper SOI proposal be included in the City's SOI if it is also supported by the City.
- That Fresno LAFCo determines a SOI for the City's Regional Wastewater Reclamation Facility.
- That, should Fresno County be selected as the site for the heavy maintenance facility, the City should apply to LAFCo for an SOI amendment and annexation in order that services can be provided to the facility.

General Category: Annexation Program

- That the City develops a General Plan implementation program that conforms with the Fresno LAFCo annexation program. This implementation program can address annexation of the unincorporated islands within the city limit; annexation of the urban edge that is impacted by irregular boundaries, and conflicting County land and comprehensive service transition planning for affected agencies.
- That the City develop a comprehensive plan for annexation of its urban fringe where rural residential parcelization has heretofore hampered orderly and efficient growth of the City.
- That the City's annexation plan include outreach to these special districts to ensure proper sub regional planning of infrastructure and coordinate the eventual transition of services as the City annexes the areas served by the special districts.
- That the City's annexation plan include outreach to these special districts to ensure proper sub regional planning of infrastructure and coordinate the eventual transition of services as the City annexes the areas served by the special districts.

Environmental Determination

The California Environmental Quality Act ("CEQA") requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. This MSR is categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." Indeed, MSRs collect data for the purpose of evaluating municipal services provided by the agencies. There are no land use changes or environmental impacts created by such studies.

Furthermore, this MSR qualifies for a general exemption from environmental review based upon CEQA Regulation section 15061(b)(3), which states: "The activity is covered by the general rule

that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." Additionally, the SOI update qualifies for the same general exemption from environmental review based upon CEQA Regulation section 15061(b)(3).

There is no possibility that this MSR and SOI update may have a significant effect on the environment because there is no land use changes associated with the documents. If the Commission approves and adopts the MSR and SOI update and determines that the project is exempt from CEQA, staff will prepare a notice of exemption as required by CEQA Regulation section 15062.



BRUCE RUDD
City Manager

October 27, 2015

Mr. David Fey, Executive Officer
Fresno County Local Agency Formation Commission (LAFCo)
2607 Fresno Street, Suite B
Fresno, CA 93721

RE: City of Fresno Municipal Service Review

Dear Mr. Fey,

Thank you for the opportunity to provide preliminary comments to the City of Fresno Municipal Service Review (MSR), which is scheduled to be presented to the Fresno City Council on October 29, 2015, and to the Fresno County Local Agency Formation Commission (LAFCo) on November 4, 2015. I also want to thank you and your staff for the cooperation that was provided in the development of the document and your willingness to allow City staff to correct and/or update the document in order to provide the Commission with information that is both relevant and timely.

As we have previously discussed, the Fresno MSR represents a significant departure from previous studies in that the level of information and analysis contained in the Fresno MSR is far greater than what has been included in previous reviews conducted and adopted by LAFCo. In addition, the Fresno MSR highlights the need for regional land use planning and the role that LAFCo can play in ensuring that future development is consistent with other regional goals; in particular those related to air and water quality concerns.

Based on a cursory review of the Fresno MSR, and subject to further comments from Mayor Swarengin and the Fresno City Council, it appears that we concur with all the recommendations contained in the Fresno MSR. Of all the recommendations made, there appear to be two key policy areas related to when and where future growth will occur and the manner in which annexations are evaluated that warrant a broader discussion amongst various stakeholders. Again, the recommendations related to regional land use issues are welcomed as the City's ability to achieve many of the outcomes contained in our General Plan Update are contingent upon what is allowed to occur outside Fresno's Sphere of Influence (SOI).

While we agree with LAFCo staff's recommendation to retain the Southeast Development Area (SEDA) SOI, there are other significant regional policies/issues not referenced in the Fresno MSR that will require further review and discussion. For example, the Fresno MSR did not evaluate how a reduction in the SEDA SOI would subsequently require the County and other cities to amend their existing General Plans to mitigate the loss of up to 45,000 housing units currently contained in SEDA. Similar changes would also need to be

incorporated into the Fresno County Council of Governments Regional Housing Needs Assessment (RHNA).

The reallocation of these housing units may prove to be difficult without increasing another cities' density, sphere, and/or negatively impacting the VMT assumptions contained in Fresno County's adopted Sustainable Community Strategies (SCS). In addition, the reallocation of these additional housing units would have to consider future impacts on ground and surface water supplies that may not be available to many of the other cities or unincorporated areas within Fresno County as a result of the Sustainable Groundwater Management Act.

With regards to annexation, the City would welcome further discussions related to this issue. While I understand there may have been general support for annexations in the past, due to the improved efficiencies associated the delivery of services, it does not appear that previous studies considered all the fiscal impacts associated with different annexations, especially for those areas outside the Fresno SOI in which there is a lack sufficient and/or appropriate infrastructure needed to meet future environmental requirements (e.g., water quality and sustainability).

There also needs to be further understanding related to the unintended consequences associated with different annexations. Case in point is the recent discussion and subsequent Transition Agreement between the County Fire Protection District and the City of Fresno. While the parties agreed to the payment of a one-time fee, future annexations may negatively impact the District's ability to generate sufficient revenues needed to sustain ongoing operating expenses over the long term. While an annexation of a county island, such as Sunnyside or Fort Washington, could be mitigated over the short term by the payment of a Transition Fee, these kind of annexations would result in an ongoing loss of revenue that could be difficult to address without a reduction in service or the ability to reallocate future increases in operating expenses over the remaining service area.

Again, thank you for the opportunity to provide some preliminary comments and I look forward to working with you and your staff on a number of regional issues identified in the Fresno MSR.

Please contact me at bruce.rudd@fresno.gov or at (559) 621-7780 if you have any questions or need further information related to this matter.

Sincerely,



Bruce Rudd
Fresno City Manager

- c. Mayor Ashley Swearengin
Fresno City Councilmembers
Jennifer Clark, Director of Development and Resource Management Department

Exhibit A
Draft MSR Summary

MSR DETERMINATIONS AND RECOMMENDATIONS (GC §56430).....	2
1. Growth And Population Projections for the Affected Area	2
2. Location And Characteristics Of Any Disadvantaged Unincorporated Communities Within Or Contiguous to the Sphere of Influence	4
3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services in any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence.	5
4. Financial Ability of Agencies to Provide Services	9
5. Status of, and Opportunities for, Shared Facilities	10
6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies.....	11
7. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy.	12
SPHERE OF INFLUENCE ANALYSIS	12
EXISTING SPHERE OF INFLUENCE	12
SPHERE OF INFLUENCE OPTIONS	13
SOI Option #1: City Proposal – No Change.....	13
SOI Option #2: Expansion to Include Potential High Speed Rail Maintenance Facility.....	13
SOI Option #3: Expansion to Include Territory in the Friant-Copper Area.....	14
SOI Option #4: Removal of SEDA from City’s SOI.....	14
SOI Option #5: Determine a SOI for the Regional Water Reclamation Facility.....	15
ANALYSIS OF OPTIONS	15
SPHERE OF INFLUENCE DETERMINATIONS AND RECOMMENDATIONS (GC §56425)	16
1. Present and Planned Land Uses, Including Agricultural and Open-Space Lands.....	16
2. Present and Probable Need for Public Facilities and Services	18
3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide.	18
4. Existence of any Social or Economic Communities of Interest	19
5. The Present and Probable Need for Public Facilities or Services Related to Sewers, Municipal and Industrial Water, or Structural Fire Protection, of any Disadvantaged Unincorporated Communities Within the Existing Sphere of Influence.....	20

MSR DETERMINATIONS AND RECOMMENDATIONS (GC §56430)

1. Growth And Population Projections for the Affected Area

- As of January 1, 2014, the City had a population of approximately 515,609, based on California Department of Finance (DOF) estimates, which indicates approximately four percent growth since the 2010 Census.
- The City's General Plan projects that the area within the City's SOI will accommodate an additional population of approximately 226,000 new residents by 2035, resulting in a total population of 771,000, which equates to an average annual growth rate of 1.24 percent.
- The City anticipates that surrounding areas will continue experiencing high rates of population growth over the planning horizon of the General Plan, although growth is expected to be approximately half the rate as that of the past 30 years.
- The City continues to have applications for new structures and larger multi-unit developments; however, new development has significantly slowed in recent years.
- While the City does track, to some degree, proposed and approved developments, this information is limited and not readily available in a usable format. The system also fails to track the stages or progress of development.

Recommendation: that the City institute a centralized system to document and track all developments under construction, approved, and/or proposed in a manner that is accessible by city staff and members of the public.

- The California High Speed Rail project is anticipated to promote economic and job growth with the construction of the proposed heavy maintenance facility just south of the Fresno SOI and development of the downtown station. The City plans to capitalize on the project by creating a plan to revitalize the Downtown area surrounding the proposed station. Additionally, should the heavy maintenance facility be approved south of the City, the City has expressed interest in services to the facility. This may necessitate an expansion of the Fresno SOI.
- Due to a balance of investment in established neighborhoods and new growth areas, the General Plan allows an overall increase in residential density and development intensity as compared to the 2025 General Plan.
- Specific planning for the Southeast Development Area (SEDA) has been deferred as a result of the City's subsequent plans to focus on enhanced infill in its existing city limits and direct new development to the west and southwest development areas. The City has, to some degree, incorporated SEDA into its General Plan Update; however, policies that deal with how this area fits into the greater infill and west area policy structure are broad in nature. Further, the City Council and Board of Supervisors have already approved one 20-acre

development in SEDA that, though permitted by exception, may indicate market pressure to develop this area prior to the completion of the major planning tasks that had earlier been deemed necessary by the City and County and now are unfunded and unscheduled.

Recommendation: that the City evaluate whether its SEDA conditions—contained in both the City/County Memorandum of Understanding and Fresno LAFCo's conditional approval of the SEGA SOI—remain appropriate given the shift in the General Plan's development policy since 2006.

- The City plans to adopt a method to ensure strategic sequencing of development, in order to promote infill development within city limits prior to areas requiring annexation.

Recommendation: that the City implement an objective and transparent measurement to track its development benchmarks to determine the appropriate timing of planned growth.

- The City of Fresno has partnered with 13 of the other 15 federally-defined Urbanized Areas in the San Joaquin Valley as part of the Smart Valley Places network, to plan and implement smart growth, livability, and sustainability through revised land use and transportation systems in the respective cities within all the Urbanized Areas in the eight-county Valley region.
- The City has adopted several policies in its General Plan to ensure coordinated development of certain infrastructure common between the City of Fresno and the City of Clovis.

Recommendation: that the City, the City of Clovis, Fresno County, Madera County, and other neighboring cities, and Fresno LAFCo continue to participate in regionally collaborative planning efforts.

- Fresno LAFCo adopted a policy encouraging annexation of unincorporated islands within city limits and requiring cities in Fresno County to develop plans to annex these areas. To date, the City of Fresno does not have a plan in place for annexation of these islands.

Recommendation: that the City develop a General Plan implementation program that conforms with the Fresno LAFCo annexation program. This implementation program can address annexation of the unincorporated islands within the city limit; annexation of the urban edge that is impacted by irregular boundaries, and conflicting County land and comprehensive service transition planning for affected agencies.

- The Fresno City Manager has stated that the City will be the applicant for all new annexations. According to LAFCo Policy 318, Fresno LAFCo may not disapprove an annexation within an urban service area that is initiated by a city resolution and is

contiguous territory, which is not prime agricultural land and is designated for urban growth on the City's General Plan.

- In previous SOI updates, the non-contiguous land where the Regional Wastewater Reclamation Facility is located has not been discussed for inclusion in the City's SOI, although the territory is within the incorporated city limits as an island as permitted by CKH. By excluding the wastewater facility lands from the SOI, it could appear that LAFCo is signifying the eventual detachment of this land from the City; however, this is not the case. The practice of not including a city's non-contiguous public facility within an SOI is common for LAFCos, given that growth of public facilities is relatively slow when compared with the market influences of the city itself, and occurs generally in response to the territory needed to expand the public facility.

Recommendation: That Fresno LAFCo determine a SOI for the City's Regional Wastewater Reclamation Facility.

2. Location And Characteristics Of Any Disadvantaged Unincorporated Communities Within Or Contiguous to the Sphere of Influence

- Identifying and including disadvantaged unincorporated communities (DUCs) in the long range planning of a city or special district is required by SB 244.
- For any request for a new or SOI update with regards to a city or special district, the city or special district will be required to identify any disadvantaged unincorporated communities within and contiguous to their boundaries and identify any legacy communities within one mile of the existing or proposed SOI. Pursuant to Fresno LAFCo Policy 106, LAFCo will verify all information and make independent attempts to identify DUCs using various means of information sources.
- LAFCo staff considered various sources of information available and included local community-based organizations input in order to determine the locations where DUCs may exist within the City's SOI boundaries and greater unincorporated areas.
- LAFCo staff has identified 20 potential DUCs within Fresno's SOI and six potential DUCs within a one-mile distance outside the adopted SOI boundaries.
- Locations identified as DUCs display characteristics of a DUC pursuant to Fresno LAFCo's Policy 106 and consistent with the CKH Act of 2000. Each identified DUC area is designated with a number in Figure 7-3 and the corresponding community description identifies: the location, number of properties within the DUC, its U.S. Census Tract-Block Group number, and the MHI levels for the time period between 2006 and 2010.
- The City's General Plan indicated the City plans to comply with SB 244 in developing a city strategy to identify all DUCs within the City's SOI. The General Plan states that the City of

Fresno will perform the required infrastructure analysis to coincide with its next scheduled Housing Element Update in Compliance with State law.

- The information presented in Chapter 7 provides the City with data needed to meet SB 244 requirement pursuant to GC §65302.10.(a) which requires that each city review and update the land use element of its general plan, based on available data, including, but not limited to, the data and analysis developed pursuant to GC §56430.
3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services in any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence.
-

Present Capacity

- Certain departments face more significant challenges to capacity than others. The public safety departments have more readily identifiable capacity concerns, compared to other departments, as defined by longer emergency response times.
- The City of Fresno Police Department had to implement significant organizational changes to meet community needs with fewer resources, including priority modification, staff reassignment, and restructuring of the operations. These economic constraints, combined with other issues, such as parole reform and the early release of prisoners, have required the Department to focus its resources on the highest priority duties, resulting in longer response times.
- The Fire Department has been unable to meet target response times, due to cuts in the number of units available to respond. Additionally, due in part to the duplication of services provide by American Ambulance, the Department has stopped responding to serious medical emergency calls, and reduced availability for all public education outreach.
- The Parks, After School, Recreation and Community Services Department (PARCS) has experienced deferred maintenance of infrastructure which is costly to maintain and relies heavily on volunteers for maintenance work.

Planned Capacity

- There is a general need to update master planning documents to ensure adequate capacity of city infrastructure, facilities, staffing, and other resources to address planned land use density changes between the 2025 General Plan and General Plan Update.

Recommendation: that the City program regular updates of its master service plans to ensure that they are kept up-to-date.

Recommendation: that LAFCo initiate a multi-agency assessment of the efficiencies of annexation of county islands and multiple special districts in the Fresno SOI.

Recommendation: that the County amend its General Plan to conform to the City's designated land uses in areas within the Fresno SOI.

- Substantial design of essential infrastructure will be necessary before any new development can take place in the Southeast Development Area. Based on current MOU and LAFCo conditions, adoption of a specific plan that includes comprehensive provision of public infrastructure is necessary.
- According to the General Plan, portions of SEDA are anticipated to develop by 2035, with General Plan buildout not occurring until 2050 or beyond.
- The City will require additional sworn law enforcement officer personnel and firefighting personnel in order to meet its targeted staffing level as identified in the General Plan
- The City will need substantially more park acreage to meet the new General Plan goal of five acres per 1,000 residents.
- As reported in the General Plan, the City's existing waste disposal facilities are considered adequate to maintain a sufficient level of service for future population growth in the City through the planning period of the document.
- According to the City's General Plan, Fresno's existing street system has excess capacity in several key areas due to the recent construction of the freeway system. The City aims to take advantage of this situation by promoting denser development on these streets.
- In order to support the projected increase in population, the City recognized that its wastewater collection and treatment system must be expanded to handle the resulting increase in flow and to provide service to new developments. The City plans to continuously monitor, and update as necessary, the master planning documents prepared for the wastewater management division to ensure that wastewater capacity is available to accommodate new planned growth and development.
- Where infill development substantially increases density or building height, the existing public water main infrastructure may require upgrading due to increased domestic water demand reducing available water volume and pressure for firefighting and potential damage to aging water pipes during firefighting incidents.

Service Adequacy

- The City appears to provide adequate services based on the performance measures assessed in this document. No significant deficiencies were identified that greatly affect the overall level of services offered.

- Typical of any public service provider, there is room for improvement in the level of services offered by the City. Specifically, during the course of this review the following highlighted recommended enhancements to service were identified to address chronic/repetitive issues or public safety concerns:

Recommendation: that the City ensure that contract Fresno Convention & Entertainment Center provider benchmarks are attained and subsidizing of operations by general fund minimized to the greatest extent possible.

Recommendation: that the City plan as necessary to ensure sufficient capacity at the Regional Wastewater Reclamation Facility appropriately address population growth from development.

Recommendation: that the City continue to strive for lower response times by public safety departments to meet goals and standards.

Recommendation: that the City continue to work to ensure an equal distribution of park and recreation facilities throughout the City.

Infrastructure Needs and Deficiencies

- Airports: A majority of the airports' major infrastructure needs were addressed in FY 14 with smaller projects planned over the next five-year period.
- Fresno Convention & Entertainment Center: Three of the halls/theaters associated with the Fresno Convention & Entertainment Center are aging and in need of improvements that were deferred until sufficient funding could be identified. Funding has reportedly now been identified and a facility assessment will be conducted later this year to identify ongoing lifecycle costs.
- Fire and EMS: The Fire Department has plans for a new fire station to replace its existing temporary structure where Station 18 is presently housed. Other infrastructure needs include a new Fire Apparatus Repair Facility as well as upgrades to the Fire Training Facility; however, these capital improvements have been deferred until funding can be identified.
- Homeless: There is opportunity for community leaders to develop plans for the creation of an appropriate emergency shelter. There is a continued need to develop plans for permanent housing opportunities. While the City might be able to help fund the cost of an emergency homeless shelter, the underlying responsibility of operating such a facility resides with the County and/or other social service agencies.
- Law Enforcement: Reportedly, there are multiple law enforcement infrastructure needs that have not yet been recorded because facilities have not been thoroughly assessed.

Recommendation: that the City conduct a comprehensive assessment of its law enforcement facilities to identify and prioritize capital needs.

- **Parks and Recreation:** The City continues to develop new parks as funding allows, but it has had to make certain cuts to cover budget shortfalls and ensure adequate funding for continued maintenance upon construction. As a result of budget cuts, there is substantial deferred maintenance at existing park facilities. In addition, the level of funding from park impact fees, combined with developers applying fee credits to their projects, have resulted in General Fund dollars that could have been used for deferred maintenance now being used to cover the debt service for new parks built over the last 10 years.
- **Solid Waste:** The City continues to monitor the inactive Fresno Sanitary Landfill site, and provide all required post-closure care and maintenance in accordance with the EPA consent decree.
- **Streets:** Fresno has transportation facilities that meet all modes of circulation, but the systems for pedestrians and bicycles are largely incomplete. Completing these citywide networks would encourage faster and simpler travel routes for work, errands, and recreation by means other than private automobile. Correspondingly, the City envisions in its General Plan a Level of Service (LOS) system that includes all modes of transportation, including pedestrians, bicycles and public transit users. A multi-modal LOS system is expected to help support the development of more intense land uses where desired by permitting localized automobile congestion, if walking, biking, and transit systems operate at high levels.
- **Transportation:** The City is proposing significant capital improvements to its public transit system over the next five years, projecting to cost \$189.2 million. Capital expenditures will have a particular emphasis on the bus rapid transit system and improving service levels along other key transit corridors (e.g., Shaw Avenue).
- **Wastewater:** The City's aging infrastructure (collection and treatment), together with the need to pursue more advanced levels of reclamation and reuse are of significance, especially when planning for full buildout under the City of Fresno General Plan Update. The City is in need of and is planning to construct the East Central Recycled Water Facility to provide recycled water for non-potable purposes and redirect sewer flow from a portion of the sewer trunk system that lacks adequate capacity.

Recommendation: The City will need to assess options for addressing potential future increased demand at the Regional Wastewater Reclamation Facility, as it is nearing 75 percent capacity—the threshold at which initial planning efforts are required by State statute and are considered a best management practice. Additionally, corrective measures to address significant infiltration and inflow in Downtown Fresno are recommended.

- Water: Due to declining groundwater levels, contamination concerns, and new legal requirements regarding groundwater management, the City just approved a significant water capital improvement plan, to be implemented through FY 19, to diversify its water supply portfolio with surface and recycled water, prevent groundwater overdrafting, offset current demands, and meet future demands from anticipated growth.
- Economic Development: Given the City's chronic high level of unemployment that is nearly 50 percent higher than the statewide unemployment rate, economic development is crucial to the City. The City is working with the private sector to retain, expand and attract new businesses to Fresno and the Central Valley. It is extremely important the City foster through public-private partnerships business parks and industrial land development ready. Failure to plan for and foster industrial land makes the City uncompetitive for business development.

4. Financial Ability of Agencies to Provide Services

- The City of Fresno, like all other cities in the State of California, has suffered the devastating impacts that the prolonged recession has had on its economy and City revenues. Loss of significant amounts of sales tax, property tax, and service charge revenue specific to the General Fund during the recession heavily impacted the financial condition of the City.
- Due to the City's size, municipal service responsibilities, bargaining unit agreements, debt service obligations, and capital expenditure requirements, revenue recovery did not matched expenditure growth proportionately.
- In general, the City's former financial condition would be considered unstable in some respects due to depleting emergency reserves, negative fund balances, declining revenues, and increasing employment costs. However, the City has made great strides in implementing cost saving measures to manage the slow revenue recovery, including an overall reduction of approximately 1,200 employees, reduction or elimination of some maintenance and replacement of equipment, and increased utilization of volunteers where feasible in the parks and recreation type activities.
- The City has implemented a five-year budget plan to manage the fiscal condition of the City and grow itself back to sustainable levels. Due to the instability of revenues, the City previously experienced significant short term cash flow problems, incurred negative fund balances requiring repayment, and had no opportunity to rebuild emergency cash reserves. The five-year plan adopted by the City is working to address these issues.
- Capital replacement programs throughout the City had been suspended until the City began to recover sufficiently from the recent economic downturn. Over the last two years, the City has begun to fund regular maintenance, funded the ongoing cost of police cars and fire

apparatus, taken the steps to address decades of deferred repairs and improvements to its facilities, built two new parks, and improved several existing park and recreation facilities.

- Most departments identified lack of funding as a significant challenge to services. Most of the “enterprise” (business type activities) such as water, wastewater and solid waste services, are now financially stable.
- Despite recent difficulties, the Solid Waste Division has a healthy financial reserve. The division’s reserve has been used on occasion to cover the deficit of other city departments, but always with repayment dates in place.
- The Fresno Convention & Entertainment Center complex does not generate sufficient profit to fully finance operations, which is not uncommon among convention centers. The shortfall is subsidized by the City's General Fund.
- The City has previously established facilities fees to implement the goals and objectives of the City’s 2025 General Plan, and to mitigate the impacts caused by future development in the City through acquisition and construction of additional facilities. However, a development impact fee update is underway to address the needs of the General Plan.
- In 2015, the City Council approved a five-year rate plan to finance significant capital improvements to the water system.

5. Status of, and Opportunities for, Shared Facilities

- The City takes advantage of opportunities for shared facilities where it can and is open to additional sharing opportunities as they arise. Fire, police, water, and wastewater services are the predominant city services that presently practice facility sharing with other agencies.
- The Fire Department rents two of North Central Fire Protection District’s vacated fire stations—one to house an antique fire apparatus and other equipment, and the other as a supply facility. FFD's Station 10 is shared with reserve aircraft firefighting personnel. Station 21 is also used as a post for American Ambulance, which includes two ambulance personnel. The City also has an automatic aid agreement with the City of Clovis whereby the nearest fire station responds to an emergency regardless of the jurisdiction within which it is located
- The police training facility is used by Fresno Police Department staff and by law enforcement personnel from around the Central Valley, as well as agencies from around the State. Fresno PD enters into for-fee training programs with other agencies, reducing overall operation and maintenance costs of the facility. Additionally, the Multi-Agency Gang Consortium shares a building with the Fresno County Sheriff’s Department. The location also serves as a processing location for convicted sex offenders.

- Recycled water produced by the City is shared with Fresno Irrigation District via a water sharing agreement in exchange for surface water.
- The City shares the Regional Wastewater Reclamation Facility with the City of Clovis, at which it treats effluent from some unincorporated areas of Fresno, the City of Clovis, Pinedale Public Utility District, and Pinedale County Water District.
- The FAX fixed route conventional bus transportation system integrates with the City of Clovis' fixed route system.
- The Police Department continues to explore a joint dispatch center with Fresno County Sheriff's Department.
- The City is reportedly identifying opportunities to add park space to established neighborhoods through mechanisms such as co-location with other facilities and joint use agreements.
- In addition to regional planning activities, the City's General Plan identifies opportunities for significant sharing of services amongst adjacent providers, including the County of Fresno, the County of Madera, and the City of Clovis, in the form of a regional justice system, a regional public health program, and regional library, recreational, and social services.
- There appears to be an opportunity for enhanced communication between the city and other neighboring/overlapping utility providers. Malaga County Water District, Pinedale Public Utility District, and Pinedale County Water District provide services adjacent to or overlapping the City's boundaries; however, it is often unclear where these overlaps occur. For example, it is unclear whether solid waste services are provided by the City to the portions of MCWD within the city limits, as neither the City nor MCWD were able to provide clarification.

Recommendation: that the City coordinate with these special districts to the greatest extent possible to ensure clarity on service areas and proper regional planning of water and wastewater infrastructure.

6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies.

- The City of Fresno demonstrated accountability and transparency in its various aspects of operations. The governing body updates constituents, solicits constituent input, and posts public documents on its website.
- The City Council recently created the Enterprise Capital Management and Citizen Oversight Committee to review capital improvement plans with regard to the enterprise functions of the City to ensure efficient use of public funds.
- As the population grows and changes, increased attention to service efficiencies will be necessary, especially given fiscal constraints affecting local governments in California.

Intergovernmental cooperation, regionalization of services and joint efforts for efficiency warrant continued attention.

- Several governance structure options were identified in previous MSRs and over the course of this MSR. There are many special districts, including Pinedale County Water District, Pinedale Public Utility District, Malaga County Water District, 10 county service areas, Calwa Recreation and Park District, and Bluffs Community Services District, which provide similar services as the City and overlap the incorporated city territory and areas in the City's SOI. Potential district modifications could enhance the efficiency of service delivery.

Recommendation: that the City work with Fresno LAFCo, Fresno County, and the special districts in the Fresno SOI to assess metropolitan area service delivery and determine if efficiencies may be gained if the City assumed responsibilities for services in these areas.

- The Fresno Metropolitan Flood Control District (FMFCD) encompasses almost the entirety of the Fresno-Clovis Metropolitan Area, with the exception of 6.5 square miles of SEDA, which has yet to be annexed to the District. Once all of SEDA is annexed, FMFCD will develop and adopt storm water master plans for SEDA.

7. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy.

- None.

SPHERE OF INFLUENCE ANALYSIS

EXISTING SPHERE OF INFLUENCE

The City's Sphere of Influence (SOI) was most recently updated by Fresno LAFCo in 2006 and again in 2007. The SOI update that took place in 2007, after the completion of the Municipal Service Review, simply reaffirmed the City's SOI previously amended in 2006. The current SOI is comprised of most land within the City's boundaries (with the exception of the non-contiguous territory where the regional wastewater facility is located to the southwest of the City), as well as the unincorporated islands, and land beyond the outer city limits on all four sides. The SOI encompasses 157 square miles, of which 43 square miles is unincorporated land. The City's SOI is larger than its boundary area by 39 percent.

The SOI amendment in 2006 consisted of the addition of 8,863 acres termed the Southeast Development Area (SEDA), formerly termed the Southeast Growth Area or SEGA. As part of the approval of the SOI amendment, Fresno LAFCo placed conditions on future annexations of parcels within SEDA, including adopting a specific plan for the SEDA territory, preparing and adopting a master service delivery plan for SEDA, and preparing, adopting and initiating

implementation of a program for annexing open space areas and rural residential neighborhoods. The SEDA territory is fully incorporated into the Fresno General Plan and designated with land uses and street circulation classifications consistent with those for the entire SOI planning area covered by the General Plan. Environmental analysis has been completed through the preparation of an updated Master Environmental Impact Report (MEIR) for the City of Fresno.

SPHERE OF INFLUENCE OPTIONS

Over the course of this service review, the following options were identified with regard to the City's SOI:

SOI Option #1: City Proposal – No Change

The Fresno City Council called for no expansion of the City's SOI under the General Plan planning horizon (2035), as recognized in General Plan Policy LU-1-g. The City elected not to expand the SOI in part to fully develop development areas west and southwest of SR 99, and to plan for the phased development of the Southeast Development Area.

As stated in the City's General Plan, the preservation of the SOI boundary not only serves to promote infill development goals, but also to increase the opportunity to focus needed resources in Downtown and established neighborhoods, benefitting current home and property owners. In addition, the strategic investment upgrades to the City's surface water treatment facilities and distribution system, as well as the City's wastewater reclamation facilities and distribution system needed to serve the greater development capacities called for by the General Plan can only be justified by a fixed SOI over the planning period as noted by goals, objectives and policies in the plan.

SOI Option #2: Expansion to Include Potential High Speed Rail Maintenance Facility

While the City has not requested to expand the SOI, General Plan Policy LU-1-g allows for an exception in the case of the potential site for the California High Speed Rail maintenance facility. The facility is proposed to be located on a 700-acre site immediately adjacent to the City's existing SOI between State Route 41 and State Route 99. The maintenance facility study area is located between South Cedar Avenue and the railroad, from East Malaga Avenue in the north to East Jefferson Avenue in the south. Only the portion of the proposed facility location south of East American Avenue is located outside of the City's SOI. The proposed location of the maintenance facility is shown in Figure 21-1.

The City has expressed an interest in providing services to this facility but is not otherwise requesting adding the territory to the Fresno SOI. Notwithstanding, authorization for a city or district to extend services to a proposed facility outside of their SOI must be granted by LAFCo and by statute must be supported by evidence of an existing or pending threat to human health

and safety. In contrast, it may be more practical for the Fresno SOI to be amended to permit annexation and service to this facility. Those decisions will be addressed at the time that the HSR Authority announces the location of the facility in 2016.

Should this area be included in the City's SOI, it is the City's policy that residential uses would be prohibited. This would be accomplished by a General Plan amendment, rezoning, and annexation of the territory for this use.

SOI Option #3: Expansion to Include Territory in the Friant-Copper Area

Although, the City does not have any plans for SOI expansion, the developer of the Copper River Ranch submitted an application proposal to Fresno LAFCo to revise the City's SOI by including two parcels of land owned by the County of Fresno and to annex said territory to the City of Fresno. The two parcels total 37 acres and are located on the west side of Friant Road at its intersection with Copper Avenue. The territory is designated open space in both the County and City General Plan. The SOI will potentially be amended to include the Friant-Copper area after the developer performs the required environmental review and submits an application to LAFCo. The affected territory is shown in Figure 21-2.

SOI Option #4: Removal of SEDA from City's SOI

Fresno LAFCo took action to add the SEDA to the City's SOI in anticipation of pending specific planning of the area. The City has since redirected its General Plan focus on infill in the existing incorporated area and development of Growth Area 1; SEDA is identified as Growth Area 2. Implementation policies place SEDA in a subordinate position in the sequence of development noting, "Growth Area 2 needs critical infrastructure improvements, and the City does not anticipate that funding for this area can be committed in the near-term."

This raises question about keeping SEDA within the Fresno SOI. LAFCo SOI Planning Horizon policy considers a SOI as the probable physical boundaries of an agency within 20 years of the SOI approval. The undefined nature of "near-term" commitment given to SEDA is instructive given the MOU conditions (similar to LAFCo SEGA conditions) that stipulate extensive land use and municipal service planning, among other activities, prior to development in SEDA. Consequently, the years-long planning efforts must commence long before the plan area is ready to develop.

LAFCo may determine to either retain the SEDA SOI in its existing state and encourage the City to refine sequencing policies so that they better correspond to LAFCo SOI policy, or may determine to remove all or part of SEDA to better correspond to the expressed intentions of the General Plan. .

SOI Option #5: Determine a SOI for the Regional Water Reclamation Facility

The non-contiguous territory where the RWRF is located has not been included in the City's SOI in previous SOI updates. As the SOI presently exists, by excluding the wastewater facility lands it appears that LAFCo is signifying the eventual detachment of this land from the City; however, this is not the case. Instead, the area has historically remained outside of the City's SOI as a matter of practice given that the area is non-contiguous to the City's boundaries and the property is owned and used for public purposes by the City.

Options considered were to continue to not include the RWRF in the SOI, and adopting a policy for the territory in question to prevent misinterpretation as to why it is not included in the City's SOI. Ultimately, these alternatives failed to address the likelihood that the city may in the future seek to expand the RWRF facility and need annexation to do so. The most feasible course of action is for the Commission to determine a SOI that meets the intent of a "plan for probable physical boundaries" of this facility.

ANALYSIS OF OPTIONS

The timing and certainty of the potential SOI expansion needed by the HSR heavy maintenance facility is unknown at this time.

A Granville Homes representative recently appeared before Fresno LAFCo requesting that the Friant-Copper SOI expansion be considered by the Commission with the Fresno MSR and SOI determination. If the SOI is expanded as requested, the small area in question would be annexed into the City and the developer would then be eligible for fee credits for its recreation improvements in the territory. No changes to land use are proposed.

With regard to SEDA, the City has directed its growth and planning focus to other areas, namely infill of the existing urban area and Growth Area 1. Given this change and the City Council's November 2014, approval of an exception for a 20-acre development in SEDA (as well as LAFCo's September, 2015 approval of that proposal), the development conditions established to ensure specific planning in SEDA may need to be reevaluated in light of the passage of time since SEDA was originally proposed and changing market conditions. The General Plan mentions SEDA and addresses it at a high level, but demonstrates few specific policies to address current state of planning and development. The City's General Plan does not appear to anticipate development within SEDA in the long term, with only partial development of the area occurring in the next 20 years.

SPHERE OF INFLUENCE DETERMINATIONS AND RECOMMENDATIONS (GC §56425)

1. Present and Planned Land Uses, Including Agricultural and Open-Space Lands

- Of parceled land within city limits, the largest land use is residential at 35 percent (residential and rural residential uses). Other significant land uses within the City are for streets and vacant or agricultural purposes. Within the SOI outside of the City limits, 29 percent of land use is residential and 16 percent is vacant or agricultural.
- While agricultural uses continue to dominate much of the regional landscape, only moderate amounts of agricultural land remains in production within the City's planned urban boundary (primarily in the eastern, southeastern and southwestern areas). In 2011, there was approximately 16,805 acres of agricultural or vacant land within the City and its sphere of influence. A majority of vacant land along the urban edge was actively cultivated agricultural land at one time, although portions may have been purchased in anticipation of future urban expansion. In some instances, agricultural use was discontinued along the fringes of the City in anticipation of urban use.
- Policies in the General Plan were designed to preserve farmland by incentivizing new development within and adjacent to already-urbanized land, only extending public utilities to new development that adheres to the Plan, and not expanding the City's SOI.
- The California High Speed Rail project is anticipated to promote economic and job growth with the construction of the maintenance facility and downtown station. The City plans to capitalize on the project by creating a plan to revitalize the Downtown area surrounding the proposed station.
- The City has expressed an interest in providing services to this facility but is not otherwise requesting adding the territory to the Fresno SOI. Authorization for the city to extend services to the proposed facility outside of the Fresno SOI must be granted by LAFCo and by statute must be supported by evidence of an existing or pending threat to human health and safety. In contrast, it may be more practical for the Fresno SOI to be amended to permit annexation and service to this facility.
- Those decisions will be addressed at the time that the HSR Authority announces the location of the facility in 2016.

Recommendation: Should Fresno County be selected as the site for the heavy maintenance facility, the City should apply to LAFCo for an SOI amendment and annexation in order that services can be provided to the facility.

- Due to plans for a greater emphasis on infill and higher density land uses, the General Plan allows an overall increase in residential density and development intensity as compared to the 2025 General Plan.
- General Plan policies for SEDA have changed substantially since this SOI was determined. Though the City has incorporated SEDA land uses into its General Plan as a part of Growth Area 2, the timing for implementing this growth area may not correspond to LAFCo's SOI policy.

Recommendation: that the SEDA SOI be retained at this time to allow for the opportunity to properly address the policy concerns identified in this report. Fresno LAFCo may define a period within which the City must report back and provide the status of its efforts at conducting specific planning or identifying a timeline for when specific planning will occur.

Recommendation: that LAFCo develop policies specific to SEDA that ensure the area is developed in an orderly fashion and consistent with the City's development priorities in other areas.

- The City of Fresno has partnered with 13 of the other 15 federally-defined Urbanized Areas in the San Joaquin Valley as part of the Smart Valley Places network, to plan and implement smart growth, livability, and sustainability through revised land use and transportation systems in the respective cities within all the Urbanized Areas in the eight-county Valley region.
- The City has made efforts to meet with the City of Clovis regarding planning for growth in areas of mutual interest, and has made plans to continue this practice. The City has adopted several policies in its General Plan to ensure coordinated development of certain infrastructure common between the City of Fresno and the City of Clovis.
- Fresno LAFCo has adopted a policy encouraging annexation of unincorporated islands within city limits and requiring cities in Fresno County to develop plans to annex these areas. To date, the City of Fresno does not have a plan in place to annex these islands.

Recommendation: that the City develop a General Plan implementation program that conforms with the Fresno LAFCo annexation program. This implementation program can address annexation of the unincorporated islands within the city limit; annexation of the urban edge that is impacted by irregular boundaries, and conflicting County land and comprehensive service transition planning for affected agencies.

Recommendation: It is recommended that the City develop a comprehensive plan for annexation of its urban fringe where rural residential parcelization has heretofore hampered orderly and efficient growth of the City.

2. Present and Probable Need for Public Facilities and Services

- The type of public services and public facilities required in the proposed SOI boundary is not anticipated to change, although the level of demand will increase as a result of infill and greenfield development.

Recommendation: It is recommended the Friant-Copper SOI proposal be included in City's SOI if it is also supported by the City.

- In previous SOI updates, the non-contiguous land where the Regional Wastewater Reclamation Facility is located has not been discussed for inclusion in the City's SOI, although the territory is within the incorporated city limits as an island as permitted by CKH. By excluding the wastewater facility lands from the SOI, it could appear that LAFCo is signifying the eventual detachment of this land from the City; however, this is not the case. The practice of not including a city's non-contiguous public facility within an SOI is common for LAFCOs, given that growth of public facilities is relatively slow when compared with the market influences of the city itself, and occurs generally in response to the territory needed to expand the public facility.

Recommendation: That Fresno LAFCo determine a SOI for the City's Regional Wastewater Reclamation Facility.

- The development of the undeveloped areas of the City's SOI will require a full range of City services and community facilities, which could have an impact upon existing City service levels and infrastructure.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide.

Present Capacity

- Capacity of city departments has been constrained due to financial limitations which have resulted in reorganization of several departments and a significant reduction in staffing, resulting in limited capacity of all departments to maintain service levels. Filling these managerial positions has had a positive effect on staff capacity.
- Certain departments face more significant challenges to capacity than others. The public safety departments have more readily identifiable capacity concerns, compared to other departments, as defined by longer emergency response times.
- The City of Fresno Police Department had to implement significant organizational changes to meet community needs with fewer resources, including priority modification, staff

reassignment, and restructuring of the operations. These economic constraints, combined with other issues, such as parole reform and the early release of prisoners, have required the Department to focus its resources on the highest priority duties, resulting in longer response times.

- The Fire Department has been unable to meet target response times, due to cuts in the number of units available to respond. Additionally, due in part to the duplication of services provide by American Ambulance, the Department has stopped responding to serious medical emergency calls, and reduced availability for all public education outreach.
- The Parks, After School, Recreation and Community Services Department (PARCS) has experienced deferred maintenance of infrastructure which is costly to maintain and relies heavily on volunteers for maintenance work.

Service Adequacy

- The City appears to provide adequate services based on the performance measures assessed in this document. No significant deficiencies were identified that greatly affect the overall level of services offered.
- Typical of any public service provider, there is room for improvement in the level of services offered by the City. Specifically, during the course of this review the following highlighted recommended enhancements to service were identified to address chronic/repetitive issues or public safety concerns:

Recommendation: that the City ensure that contract Fresno Convention & Entertainment Center provider benchmarks are attained and subsidizing of operations by general fund minimized to the greatest extent possible.

Recommendation: that the City plan as necessary to ensure sufficient capacity at the Regional Wastewater Reclamation Facility appropriately address population growth from development.

Recommendation: that the City continue to strive for lower response times by public safety departments to meet goals and standards.

Recommendation: that the City continue to work to ensure an equal distribution of park and recreation facilities throughout the City.

4. Existence of any Social or Economic Communities of Interest

- There exist social and economic conditions that cause interaction and interdependence between the City of Fresno and the areas within the City's SOI.

- There are multiple unincorporated islands within the City of Fresno's boundaries, each of which is considered a community of interest. These land use patterns that developed over several decades challenge service delivery efficiencies and also create public confusion over jurisdictional boundaries and service responsibilities.
- The City abuts and overlaps several special districts, which also lie within the City's SOI. The operations of the City and plans for future growth impact the operations of these agencies. There appears to be an opportunity for enhanced communication between the City and other neighboring/overlapping special districts.

Recommendation: that the City's annexation plan include outreach to these special districts to ensure proper subregional planning of infrastructure and coordinate the eventual transition of services as the City annexes the areas served by the special districts.

5. The Present and Probable Need for Public Facilities or Services Related to Sewers, Municipal and Industrial Water, or Structural Fire Protection, of any Disadvantaged Unincorporated Communities Within the Existing Sphere of Influence.

- LAFCo staff has identified 20 DUCs within Fresno's SOI and six DUCs within a one mile distance outside the adopted SOI boundaries.
- Locations identified as DUCs display characteristics of a DUC pursuant to Fresno LAFCo's Policy 106 and consistent with the CKH Act of 2000. Each identified DUC area is designated with a number in Figure 7-3 and the corresponding community description identifies: the location, number of properties within the DUC, its U.S. Census Tract-Block Group number, and the MHI levels for the time period between 2006 and 2010.
- At present time, a majority of these communities receive water, wastewater and fire services through a combination of the City of Fresno and special district service providers. No particular water, wastewater, or fire service infrastructure needs were identified for these particular areas. The type of public services and public facilities required in these areas is not anticipated to change, although the level of demand will likely increase as a result of growth.