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Adoption of the 2002 Natomas Joint Vision Memorandum of Understanding

Competition to Collaboration: In the late 1990s Sacramento City and County were both pursuing projects that would urbanize a substantial portion of the Natomas Basin. Both jurisdictions decided, however, that it would be mutually beneficial to plan the area cooperatively. In November 2000, the County issued a Draft EIR for a General Plan Amendment for the Natomas Basin. Starting in 2001, City and County staff met to discuss a process for planning the unincorporated Natomas area. This gave rise to the City/County Joint Vision for Natomas. The two jurisdictions coordinated and along with input from stakeholders created the basic principles for development in the area.

On December 10, 2002, the County Board of Supervisors and the City Council adopted a Memorandum of Understanding (MOU) regarding principles of land use and open space planning, and revenue sharing between the City and County of Sacramento for the Natomas area, setting the stage for what has come to be known as the "Natomas Joint Vision" (Resolution 2002-830). Since that time, City and County staff have been working to implement the MOU.

Key principles of the MOU include:

- Protecting existing and future airport operations
- Permanent preservation of open space for habitat, agriculture, or other purposes
- Fair distribution of revenue / revenue sharing principles
- Urban development according to smart growth principles

Key Actions by the Board of Supervisors and City Council – The following describes the history of the Natomas Joint Vision effort.

City Council General Plan Amendment Consideration

- In September 2003 the City Council initiated CEQA process for General Plan Amendments and maps showing areas of potential future development.
- In September 2005 City Council gave go ahead to a General Plan policy which showed Natomas Joint Vision as a potential new growth area. The Study Area did not include the areas west of the existing City boundaries.
- In November 2005 City Council deferred action on concurrent community plan and annexation proposal and directed staff to hold workshop.

City's Sphere of Influence Amendment

- On July 25, 2006, the Sacramento City Council (Resolution 2006-568) initiated the Sphere of Influence Amendment and related Municipal Services Review and Environmental Impact Report (EIR) for the Natomas Joint Vision area and directed staff to report back with the work-plan and schedule, consultant services contracts, and public process for completion of the Natomas Joint Vision (NJV) planning process.
- On November 21, 2006, the City Council authorized execution of a professional services agreement with RBF Consulting in an amount not to exceed \$570,000 for preparation of the EIR and Municipal Services Review (Resolution No. 2006-858).

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• In 2008, the City canceled the RBF contract - given the lack of available funding to complete the studies and the landowners' determination to proceed with the County as the agent of urbanization.

Open Space Strategy

- In April 2006 City Council reconfirmed the MOU principles from December 2002; urged the County Board of Supervisors to postpone appeals and other development applications in the Natomas Joint Vision area; and directed staff to move forward on the open space strategy – as the first critical step in a sequential process – prior to General Plan Amendments or Sphere Of Influence (SOI) Amendments.
- On April 25, 2006, the City Council directed staff to initiate the open space program contract for the Natomas Joint Vision area. The project scope of work addressed issues that are needed to implement the Natomas Joint Vision City-County MOU and how to implement open space goals. The Board of Supervisors took similar action on May 26, 2006.
- On January 23, 2007, the Board of Supervisors and City Council adopted an MOU to share costs between the City and County for the open space program and General Plan Amendment Environmental Impact Report.
- On September 26, 2007, the Board of Supervisors received a progress report on the Natomas Joint Vision process and the Open Space Program. The staff report included a map that preliminarily identified areas determined most suitable for open space using the Open Space Program consultant's open space suitability model. The map showed development occurring mainly to the north of the City and no development within the area known as the 'Boot'. The report also included a map identifying the study area for the City's Municipal Services Review. These maps were process maps and did not reflect any recommendations regarding land use. The City Council similarly heard the progress report on October 9, 2007. More information on the Open Space Program and Municipal Service Review is provided near the end of this Attachment.

Broad Visioning Process

- On January 30, 2008, the Board of Supervisors heard a status report on the Natomas Joint Vision. The Open Space Program consultant, The Dangermond Group, presented an overview of the Open Space Program Report and County staff introduced the Broad Visioning Process of the Natomas Joint Vision. The Board endorsed the Broad Visioning process and directed staff to collaborate with the City, major landowners, and other stakeholders to develop a comprehensive plan for the Joint Vision Area and obtain a financial contribution from major landowners to expand the scope of County staff efforts and involvement. The Open Space Program Report was received and filed. The City Council received a similar progress report on February 12, 2008. The staff report included a list of issues that would need to be addressed during the Broad Visioning process. More information on the Broad Visioning Process is provided near the end of this attachment.
- On April 10, 2008, City Council received a summary of the comments received on the Final Draft Open Space Program Report during and after Open Space Workshop #4 held on February 19, 2008. Council also received a status report on the Broad Visioning effort. The Open Space Program Report was received and filed to inform subsequent planning efforts.
- On May 14, 2008, the Board of Supervisors received and filed the Open Space Program Report and the Muni Financial fiscal analysis of the potential revenue generation from City versus County lead

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development in the Joint Vision Area. The Board also reaffirmed support for the Broad Visioning Process and directed staff to obtain financial contributions from the Natomas Landowners' Group to expand the scope of County staff efforts and involvement.

- On July 23, 2008, the Board of Supervisors directed staff to initiate a collaborative work plan to prepare
 a conceptual land use plan that incorporates fundamental principles of the Natomas Joint Vision Area
 and engage biological experts and an urban design specialist to implement the work plan of the Broad
 Visioning Process. The City Council took similar action on July 29, 2008 to initiate a collaborative
 work Plan for the Broad Visioning Process and to prepare a joint conceptual land use plan and
 fundamental principles.
- On September 24, 2008 Board of Supervisors approved a funding agreement between the County and the Natomas Landowners' Group that formalized a financial contribution from landowners to continue County and City staff efforts and retention of consultants.

Conservation Strategy - Phase III

• On April 22, 2009 the Board of Supervisors concluded the Broad Visioning and began the Technical Phase III – the preparation of a conservation strategy.

New or Amended HCP – Phase IV

On January 13, 2010 the Board of Supervisors concluded Phase III and began Phase IV – the preparation to initiate a new or amended Habitat Conservation Plan (HCP) in order to achieve the objectives identified in the 2002 MOU. In addition, the Board initiated proceedings for a Special Planning Area (SPA) zone to facilitate the consideration of regulations that could implement the vision as stated in the 2002 MOU.

Additional Actions

 In addition to the dates listed above, the City Council and Board of Supervisors on occasion received several status reports and reaffirmed the cooperative work between the City, County, and Owners' Group. In addition, the County entered into several funding agreement amendments with the Owners' Group, and both the City and County entered into corresponding funding MOU's with each other.

Related Actions

- Blueprint Adopted by SACOG: In December 2004 Based on City Planning projections, SACOG Board approved Blueprint conceptual map which identified Natomas Joint Vision Area for potential urbanization. Blueprint showed 41,400 dwelling units and 8,800 employees in Natomas Joint Vision Area. MTP 2030 shows 1st phase of Natomas Joint Vision with 19,800 dwelling units and 3,600 employees in the Joint Vision Area.
- Greenbriar Annexation into City: In May 2008, LAFCo approved the annexation of the 577-acre Greenbriar project located at the NW quadrant of US99/I-5 south of Elkhorn Blvd. The Tax Exchange Agreement and Open Space Agreement for Greenbriar followed the template established by the 2002 MOU.
- Sutter County Measure M: In November 2004, Measure M, an advisory measure regarding a proposed strategic plan for the region, was put before County voters and was overwhelmingly approved. The Sutter Pointe Specific Plan was approved by the Sutter County Board of Supervisors on June 30, 2009.

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The Specific Plan encompasses approximately 7,528 acres of land in south Sutter County adjacent to the Sutter/Sacramento county line.

More on the Open Space Program

The Open Space Program (OSP) was designed to identify open space preservation and funding mechanisms to help guide the implementation of open space goals and policies adopted by the City and County in the December 2002 Natomas Joint Vision MOU. The open space program evaluated the habitat, open space, and agricultural values of the Natomas Joint Vision area from the open space perspective. It was anticipated that the City's Municipal Services Review will evaluate the potential urban values of the Natomas Joint Vision area. Four public workshops for the Open Space Program (OSP) were completed between June 2006 and February 2008. The Natomas Joint Vision Open Space Program was not formally adopted by either the City or County, but instead will be used as background information to consider in the Broad Visioning and future decision making processes.

More on the Broad Visioning Approach

The Broad Visioning approach emerged as an outcome of the November 26, 2007 City and County staff meeting with Natomas landowners. The proposed Broad Visioning would supplement the technical process and make it more collaborative and could help define the land use and open space alternatives.

The Broad Visioning process collaboratively engaged landowners in the creation of a draft vision land use concept that was vetted with the public. The visioning effort incorporated the principles of the 2002 Memorandum of Understanding (MOU) and the Open Space Program report.

More on the Municipal Services Review

The draft Municipal Services Review (MSR) Project Framework Report was originally scheduled for public release along with the Open Space Program Report, but was delayed pending the development of a more precise project description. The report would describe the City's ability to provide municipal services to the Natomas Joint Vision area. The MSR report is a required element for a complete application to LAFCo for a SOI Amendment.

Background on the Natomas Basin Habitat Conservation Plan

The Natomas Basin Habitat Conservation Plan (NBHCP) was approved in 1997 and (after several rounds of litigation) revised in 2003. It is a multi-jurisdictional habitat plan involving the City of Sacramento, Sutter County, and the Natomas Basin Conservancy as permittees. The County was not signatory to the NBHCP. The primary goal of the NBHCP is to create a system of reserves that would support populations of the giant garter snake, Swainson's hawk, and 18 other covered species at least through the life of the 50-year Incidental Take Permits (ITPs) which are required in order for further development in Natomas.

Prior to approval of any development, a new or amended Habitat Conservation Plan (HCP) will be required because the Natomas Joint Vision area is not included in the City's 2003 Incidental Take Permit (ITP). According to both the California Department of Fish and Game (DFG) and the U.S. Fish and Wildlife Service, the Natomas Basin represents the "core" of Swainson's hawk breeding and nesting habitat. It is necessary for foraging habitat to be close to nesting sites to prevent nest abandonment and predation. Nesting sites are concentrated on both sides of the Sacramento River. The DFG asserts that any development occurring outside of the 17,500 acres of urban development designated by the NBHCP would affect the baseline used in the

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approval of the City and Sutter County's ITP and any action on the part of the City or County would require the City or County to conduct a full effects analysis as well as mitigation.