



# Board Agenda Item 14

---

DATE: September 26, 2017

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director  
Public Works and Planning

SUBJECT: First Amendment to Amended and Restated Memorandum of Understanding between  
County of Fresno and City of Reedley

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute the First Amendment to the Amended and Restated Memorandum of Understanding between the County of Fresno and City of Reedley regarding standards for annexation, and the addition of 120 acres of addition growth area to the City's Sphere of Influence.**
- 2. Determine that the approval and authorization of the Chairman to execute First Amendment to the Amended and Restated Memorandum of Understanding between the County of Fresno and City of Reedley is exempt from the requirements of the California Environmental Quality Act, Public Resources Code 2100, et seq., and direct staff to file a Notice of Exemption with the Office of the Fresno County Clerk.**

Approval of the recommended action would facilitate expansion of the City of Reedley's Sphere of Influence (SOI) necessary to accommodate future projected growth and streamline the current annexation process.

ALTERNATIVE ACTION(S):

The Board may determine not to approve the First Amendment to the Memorandum of Understanding (MOU) between the City of Reedley and the County. By not approving the recommended action, the City may determine to proceed to the Local Agency Formation Commission (LAFCo), who is responsible for considering and acting upon SOI adjustment requests. While LAFCo may approve a SOI adjustment request, annexation may not occur until there is a valid Property Tax Sharing Agreement in place between the City and County.

FISCAL IMPACT:

The amended MOU does not modify existing property and sales tax sharing provisions contained in the existing MOU between the County and the City of Reedley. If annexation of the proposed new growth areas are ultimately approved by the Local Agency Formation Commission (LAFCo), property tax revenues collected in relation to the annexations would be apportioned between the City and County in accordance with the terms specified in Article III of the Amended and Restated MOU. Property tax revenue from the project area would be distributed using a ratio of 66% to the County and 34% to the City.

DISCUSSION:

On October 3, 2006, the Board approved and executed and Amended and Restated MOU with the City of

Reedley addressing land use and revenue sharing. On August 14, 2017, the City notified the County of its desire to expand its SOI by approximately 120 acres of unincorporated areas generally located at the northwest and northeast corners of the intersection of South and Frankwood Avenues, and on the north side of Manning Avenue between Buttonwillow and Englehart Avenues (See Exhibit "A").

In its notification (See Exhibit "B"), the City indicates that with the adoption of the General Plan Update in 2014, the City of Reedley introduced refined growth management policies and measures aimed at further strengthening the concepts of orderly and efficient growth, and enhancing municipal service delivery throughout the planning area. The placement of such policies allows for enhanced local control of growth, particularly along the edges of the developed community, supporting greater build out of the existing urbanized area before annexation of additional lands for development takes place. Placement of these standards also allows for greater comfort for the County in regards to the scale and frequency of annexation activities, and allows for greater flexibility within the MOU to address such activities in line with the adopted General Plan. In addition, amended language also allows for the City to address issues of irregular borders and/or county islands/peninsulas, as well as the placement of Regional Housing Needs Allocation (RHNA) units, at the appropriate times.

County staff has had informal and formal discussions with the City since adoption of its General Plan and has worked to identify growth areas that would facilitate implementation of the City's General Plan as well as streamline the current annexation process. County staff has reviewed the proposal and is supportive of the City's request. Staff believes that the City's proposal implements the Fresno County General Plan and its policies to direct growth to cities as well as encourage the location of urban uses within cities.

#### ***California Environmental Quality Act Determination***

The proposed amendment to the MOU is exempt under the provisions of the California Environmental Quality Act (CEQA).

#### **OTHER REVIEWING AGENCIES:**

The First Amendment to the MOU between the County of Fresno and City of Reedley was prepared and coordinated between City and County staff. The Reedley City Council discussed and approved the Amendment at a public hearing on August 22, 2017.

#### **REFERENCE MATERIAL:**

BAI #30, October 3, 2006

#### **ATTACHMENTS INCLUDED AND/OR ON FILE:**

Exhibit A  
Exhibit B  
On file with Clerk - MOU Amendment with City of Reedley

#### **CAO ANALYST:**

John Hays