

Exhibit B

REVISED EXHIBIT 1 STANDARDS FOR ANNEXATION

- The proposal must be consistent with adopted sphere of influence of the city and not conflict with the goals and policies of the Cortese-Knox-Hertzberg Act.
- The proposal must be consistent with city general and specific plans, including adopted goals and policies.
- Pursuant to CEQA, the proposal must mitigate any significant adverse effect on continuing agricultural operations on adjacent properties, to the extent reasonable and consistent with the applicable general and specific plan.
- A proposal for annexation is acceptable if one of the following conditions exist:
 1. There is existing substantial development provided the City confines its area requested to that area needed to include the substantial development and create logical boundaries.
 2. Development exists that requires urban services which can be provided by the City.
 3. If no development exists, at least 50 25% of the area proposed for annexation has:
 - (a) Approved tentative subdivision map(s) (S.F. residential)
 - (b) Approved site plan (for other uses including multi-family)
- The annexation is to fulfill the city's Regional Housing Needs Allocation (RHNA) obligation which otherwise cannot be accommodated on lands currently within the city's incorporated boundary.
- The proposal would not create islands. Boundaries must ultimately minimize creation of peninsulas and corridors, or other distortion of boundaries.

For any of the following circumstances listed below a proposal for annexation is presumed to comply with all standards for annexation:

- The request for annexation is by a city for annexation of its own publicly-owned property for public use.
- The request for annexation is by a city in order to facilitate construction of public improvements or public facilities which otherwise could not be constructed.
- The request for annexation is to remove an unincorporated island, ~~or~~ substantially surrounded area, or otherwise address existing peninsulas and/or irregular boundaries.
- ~~The request for annexation is for an industrial or regional commercial project for which a development application has been made and no significant adverse environmental impact will result that cannot be mitigated or overridden by a necessary public purpose. Condition(s) assuring the financing or completion of necessary development infrastructure before completion of annexation shall be made a part of the proposal.~~

- The annexation is intended to mitigate or otherwise comply with standards/conditions required by another agency with respect to another development/annexation

Staff also proposes to add the following sentence at the end of Section 2.4 of Article II as follows:

The proposed annexation shall not create an island and shall minimize creation of peninsulas and corridors, or other distortion of boundaries.