



May 2, 2011

Steve Piasecki  
Director of Community Development  
City of Morgan Hill  
17575 Peak Avenue  
Morgan Hill, CA 95037

**RE: Status of Unincorporated Lands within the City of Morgan Hill’s Urban Service Area (Unincorporated Islands)**

Dear Mr. Piasecki:

In late October 2010, the Local Agency Formation Commission (LAFCO) of Santa Clara County directed its staff to develop an inventory of the remaining unincorporated islands within each city’s urban service area and to report back to the Commission on each city’s plans regarding its islands.

**Two Unincorporated Islands Remain in the City of Morgan Hill**

The City has two unincorporated islands within its Urban Service Area (USA). See table below and attached map.

MORGAN HILL	
Island ID #	No. of Acres
MH01	121.3
MH02	19.9
<b>Total</b>	<b>141.2</b>

**Annex Islands that Qualify for the Streamlined Annexation Process**

Island MH01 (Holiday Lake Estates) is approximately 121.3 acres and consists primarily of private residential development and is eligible for annexation through the streamlined annexation process. Islands such as Holiday Lake Estates, are substantially developed and create inefficiencies / confusion in terms of provision of emergency and other municipal services. Furthermore, residents of such islands are politically disenfranchised from the city government that surrounds them.

Annexation of such islands is a high priority for LAFCO and the County. In order to encourage these annexations, LAFCO continues to waive its fees for island annexations and the County continues to provide financial incentives including covering the costs for

preparing Assessor and Surveyor reports and maps, paying the State Board of Equalization filing fees, and budgeting for road improvements in islands approved for annexation. As you may be aware, the law streamlining the annexation process for qualified unincorporated islands sunsets on January 1, 2014.

We encourage the City to take advantage of this process and the incentives currently being offered by both the County and LAFCO for such annexations. Please provide us with an update on the City's plans and time-line for annexing Holiday Lake Estates (Island MH01).

### **Review Remaining Island**

In terms of the City's other remaining island (MH02), please review this island which may or may not qualify for the streamlined annexation process, and determine whether the City intends to retain it within the City's USA boundary for eventual annexation.

If the City intends to retain Island MH02 in its USA boundary, please explain what the City's rationale is for retaining this island within its USA and when the City plans to annex MH02. If the City determines that MH02 is not appropriate for eventual annexation, the City should consider whether to exclude this area from its USA. Please contact LAFCO staff to discuss the USA amendment process and time-line for resolving this island.

### **A Response is Greatly Appreciated**

LAFCO staff is willing to work with and assist the City in resolving these island issues. We would appreciate knowing the City's annexation and/or urban service area amendment plans for these islands as soon as possible and no later than June 10, 2011. If you have any questions or concerns or would like to meet to discuss the City's plans, I can be reached at (408) 299-5127 or at [neelima.palacherla@ceo.sccgov.org](mailto:neelima.palacherla@ceo.sccgov.org) or you may contact Dunia Noel, LAFCO Asst. Executive Officer, at (408) 299-5148 / [dunia.noel@ceo.sccgov.org](mailto:dunia.noel@ceo.sccgov.org). Thank for you for your time and consideration.

Sincerely,



Neelima Palacherla  
LAFCO Executive Officer

Attachment:

Maps of Unincorporated Islands in City's Urban Service Area prepared by the Santa Clara County Planning Office

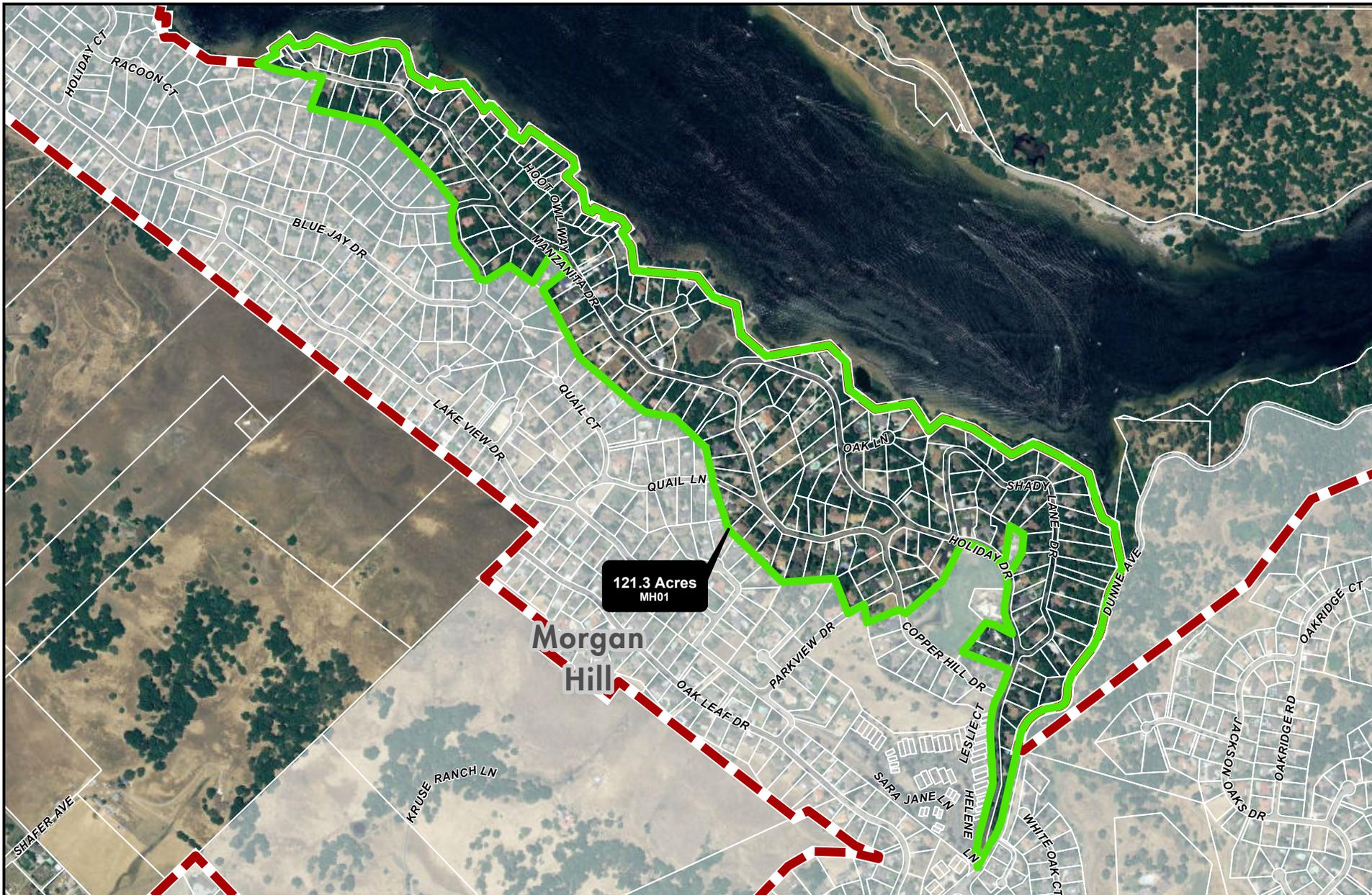
Cc:

J. Edward Tewes, City Manager, City of Morgan Hill

Morgan Hill City Council Members

Jody Hall Esser, Director, Dept. of Planning & Development, Santa Clara County

LAFCO Members



121.3 Acres  
MH01

Morgan Hill

SANTA CLARA COUNTY  
**Urban Islands 2011**

Maps depicting unincorporated lands located within the cities' Urban Service Areas (USAs)

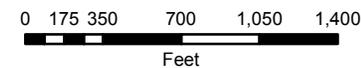
Morgan Hill: Page 1 of 2

 Urban Service Area

 Incorporated Areas

 Urban Island ≤ 150 Acres

 Urban Island > 150 Acres

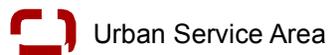


This map created by the Santa Clara County Planning Office. The GIS data was compiled from various sources. While deemed reliable, the Planning Office assumes no liability.  
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SANTA CLARA COUNTY  
**Urban Islands 2011**

Maps depicting unincorporated lands located within the cities' Urban Service Areas (USAs)



Urban Service Area



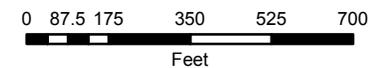
Urban Island ≤ 150 Acres



Incorporated Areas



Urban Island > 150 Acres



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