

Local Agency Formation Commission and Local Governments

PRESENTED TO SHASTA LAFCO

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A Biblical Explanation of LAFCO



**In the beginning darkness
covered everything**

**And there was chaos upon
the land**





**And out of the darkness
came light, and**

Out of chaos came order






And that's LAFCO's job



LAFCO in a Nutshell

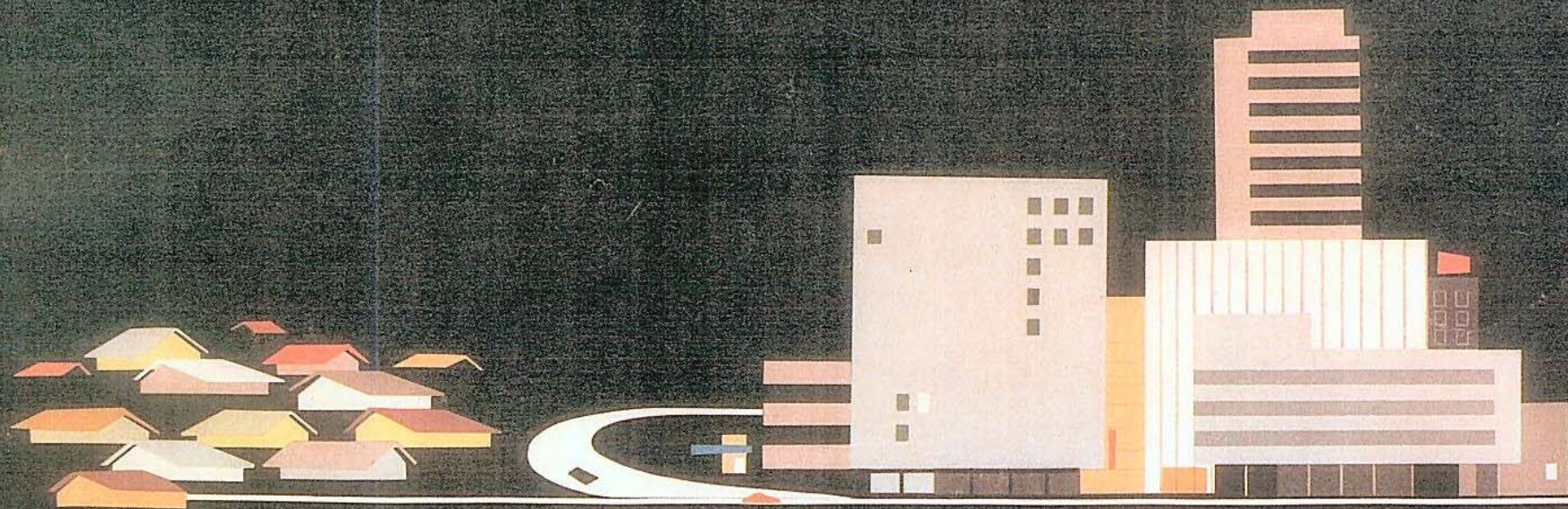
A public agency that plans and regulates boundaries and service areas of cities and special districts



Why LAFCO came about

- **Post World War II population and housing boom in California**
- **Post street car suburbs; scramble to finance and extend services**
- **City annexation "wars," proliferation of limited purpose special districts**
- **Governor Pat Brown's Commission on Urban Problems focused on need to encourage orderly boundaries**

MEETING METROPOLITAN PROBLEMS



REPORT OF THE GOVERNOR'S COMMISSION ON METROPOLITAN AREA PROBLEMS
STATE OF CALIFORNIA—Edmund G. Brown, Governor



Legislative Compromise

- **No Statewide commission or agency**
- **Local officials; no State appointees**
- **One LAFCO for each county**
- **LAFCO are independent agencies with no appeal from LAFCO decisions to other local agencies, such as the County**



LAFCO'S purposes are to

- Encourage orderly boundaries and discourage urban sprawl**
- Conserve agriculture and open space**
- Promote efficient public services**
- Consider regional housing needs, adequate water and other essential issues**



What the Courts have said about LAFCO

- **LAFCO is engaged in the pursuit of an overriding State purpose**
- **State laws fully occupy the field**
- **LAFCO is quasi-legislative; limited legal challenge to LAFCO decisions**
- **LAFCO is independent, not part of County**
- **LAFCO is the “Legislature’s watch dog for governmental efficiency”**



LAFCOs are Independent

- Commissioners make final decisions**
- State laws fully occupy the field**
- LAFCO decisions cannot be appealed to other administrative bodies**
- Executive Officer is solely accountable to the Commission and the statutes**



The Shasta LAFCO Unique Mix

- **All Local Folks – 2 County supervisors, 2 elected city officials, 1 public member**
- **An alternate member in each category**
- **Statute says members are to represent the interests of the entire public**



Legislative History – Part 1

- **1963 - Knox-Nesbitt Act – the beginning -
LAFCOs created to regulate**
- **1965 - District Reorganization Act (DRA) –
Clean-up the procedures**
- **1971 - Requirement for spheres of influence –
LAFCOs are to plan too**
- **1977 - Municipal Organization Act (MORGA)
Clean up more procedures**

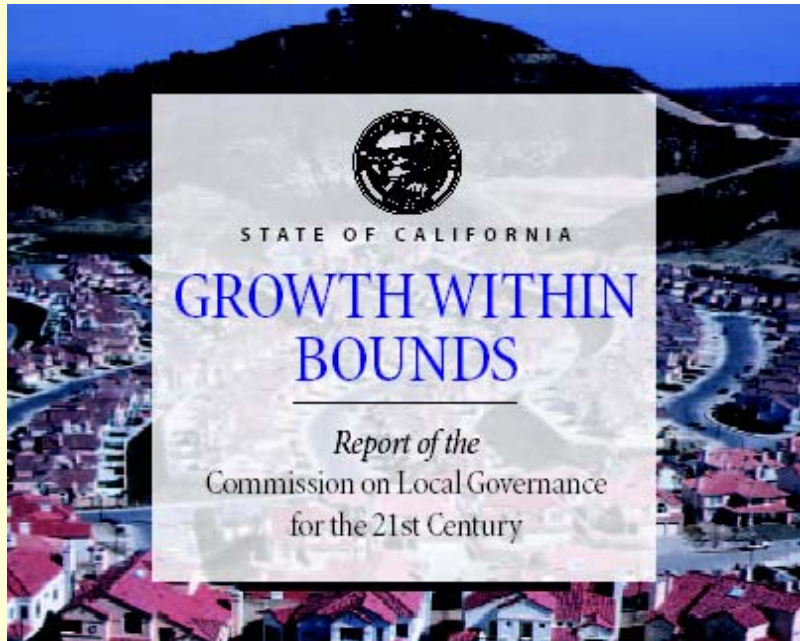


Legislative History – Part 2

- **1985 - Cortese-Knox Local Government Reorganization Act – Recodification**
- **1993 - AB 1335 (Gotch) – Several reforms**
 - LAFCO can initiate changes
 - LAFCO can waive conducting authority hearing

Report of the Commission on Local Governance for the 21st Century

Susan Golding, *Chair*
Ruben Barrales, *Vice-Chair*
Jacqueline Bacharach
Marian Bergeson
Patricia Clarke
Cody Cluff
Michael Colantuono
Robert Hunt
Nicholas Petris
Timothy Raney
Carolyn Ratto
William D. Ross
John Schatz
Larry Zarian



January 2000



Legislative History – Part 3

● 2000 - AB 2838 (Hertzberg) – More reforms

- Broadened LAFCO funding formula
- Made LAFCO is the conducting authority for changes
- Required five-year sphere of influence updates
- Required Municipal Service Reviews to update spheres
- Required city/county communication re city spheres
- Required cities to prezone land
- Added new factors – water supply, regional housing



Legislative History – Part 4

- To update spheres of influence LAFCO shall determine location and characteristics of **Disadvantaged Unincorporated Communities** within or contiguous to the sphere
- To update spheres of agencies that provide sewers, municipal water or structural fire protection, LAFCO shall determine need for those services for affected Disadvantaged Unincorporated Community
- LAFCO shall not approve a city annexation greater than 10 acres or as determined by LAFCO policy, if Disadvantaged Unincorporated Community is contiguous to the proposed annexation, unless an application to annex the DUC to the city has been filed



As a planning agency LAFCO

- Adopt and periodically update a Sphere of Influence for each city and district
- Prepare Municipal Service Reviews to help inform SOIs and coordinate the provision of services



“Sphere of Influence”

Plan for the probable physical boundaries and service area as determined by LAFCO

- Present and planned land uses in the area**
- Present and probable need for public services and facilities**
- Present capacity of public facilities and adequacy of services the agency provides**
- Social or economic communities of interest if relevant to that agency**




As a regulatory agency LAFCO

- **Regulates boundaries of existing agencies and the creation of new ones**
- **Regulates the extension of public services without annexations**
- **Can approve changes only if consistent with spheres of influence**
- **Is prohibited from directly regulating how land is used . . . but**



LAFCO is Subject to CEQA

- **Many LAFCO approvals are "projects" under CEQA**
- **Pre-zoning makes a city the lead agency**
- **Categorical exemptions are tailored to LAFCO actions - Classes 19 and 20**



LAFCO is subject to the Political Reform Act

- **Annual filing of assets and campaign contributions is required, plus**
- **Automatic disqualification from decisions related to entitlements for use**



LAFCO decisions are made in full public view

- There is wide public notice of LAFCO hearings including posting on Internet**
- LAFCO staff notifies the county, cities, special districts and school districts**
- LAFCO is the conducting authority for city and special district boundary changes**



LAFCO Funding & Budget

- **State mandate – LAFCO independently adopts a budget for each fiscal year**
- **LAFCO is funded in thirds by the County, cities and independent special districts**
- **Local funding formulas are allowed**
- **Processing fees help offset expenses**



LAFCO Staffing

- **LAFCO provides for its own quarters, equipment, supplies and personnel.**
- **LAFCO appoints an Executive Officer to conduct the day-to-day business and make recommendations on proposals**
- **LAFCO appoints a Legal Counsel**
- **LAFCO can contract for staff services**




LAFCO does not have jurisdiction over

- **School district boundaries**
- **County boundaries**
- **Municipal Advisory Councils**
- **Area Planning Commissions**
- **Transit Districts**
- **Joint Powers Authorities**



Boundary Change Process

- **Before an Application is Filed with LAFCO**
 - Land use plans, zoning, subdivision, entitlement
- **Step 1 – Submit application to LAFCO**
- **Step 2 – Review and Approval by LAFCO**
- **Step 3 – Protest Hearing (if needed)**
- **Step 4 – Election (if needed)**
- **Step 5 – Record and File with SBE**



More detailed view of boundary change process



Step 1 - Application

- **Resolution of Application or a Petition**
- **Proposal Questionnaire, Plan for Services**
- **Sphere of influence Questionnaire, if needed**
- **Map and legal description per standards**
- **Certified EIR, N.D. or Notice of Exemption**
- **LAFCO fee**




Step 2 – LAFCO Review

- **Ensure property tax exchange agreement**
- **Issue Certificate of Filing**
- **Notice of hearing – 21 day notice**
- **Executive Officer Report**
- **Public hearing; resolution of approval**



Step 3 – Protest Hearing (Only if needed)

- Inhabited vs. Uninhabited**
- Notice to landowners / voters**
- LAFCO staff conducts hearing**
- Results are mathematical; no discretion**
- Close hearing; calculate protests**



Step 4 – Election (only if needed)

- City or County conducts election**
- Mailed ballot may be permitted**
- Only those affected can vote**
- Results are mathematical; no discretion**
- Certificate of election results**



Final Steps – Record and File at SBE

- **LAFCO Certificate of Completion**
- **Record Certificate, map/legal, etc.**
- **Effective date of boundary change**
- **File with State Board of Equalization to change Tax Rate Areas**
- **Send final notice all affected agencies**

That's all folks!



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