

# LAFCo 201

## Understanding Local Agency Formation Commissions and its Authority



### What's Ahead

- ❖ Why LAFCo was created
- ❖ LAFCo's role and functions
- ❖ What are MSRs and SOIs, and why do them anyway?
- ❖ Authority of LAFCo
- ❖ Your questions



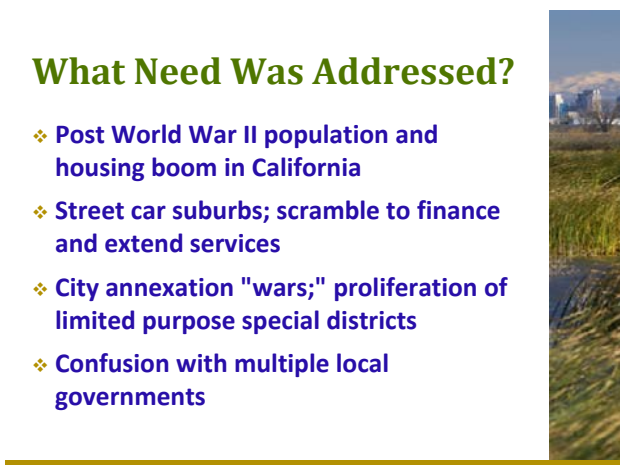
### A Purpose

1. Promote orderly growth
2. Prevent sprawl
3. Preserve agriculture and open space
4. Assure efficient, sustainable public services



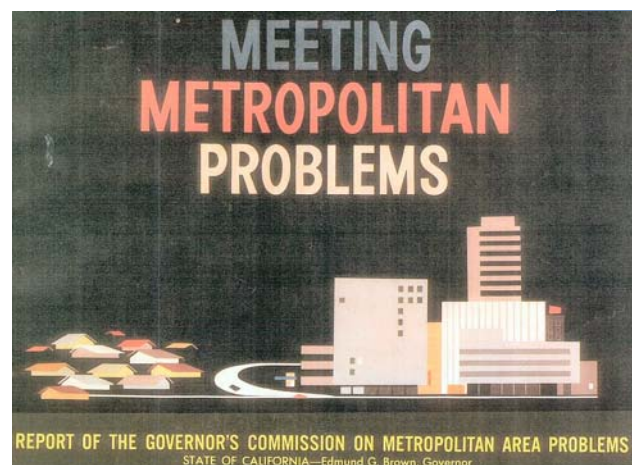
### What Does LAFCo Do?

1. Creates new cities and special districts
2. Changes boundaries
3. Changes authorized services
4. Allows service extensions
5. Performs municipal service reviews
6. Reorganizes local agencies



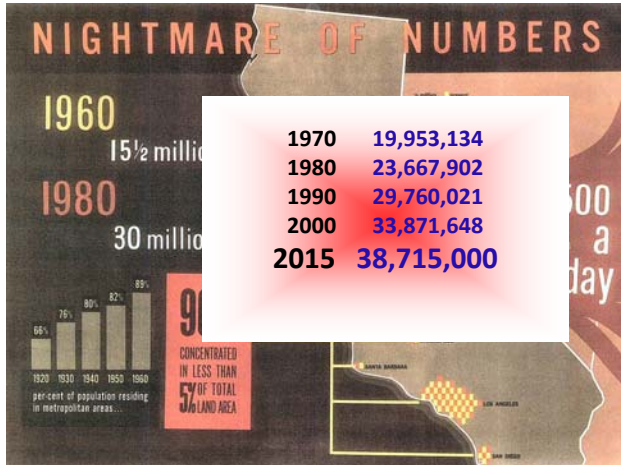
### What Need Was Addressed?

- ❖ Post World War II population and housing boom in California
- ❖ Street car suburbs; scramble to finance and extend services
- ❖ City annexation "wars;" proliferation of limited purpose special districts
- ❖ Confusion with multiple local governments



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### Legislative Solution

(1960 to 1963)

- ❖ No state commission or statewide agency
- ❖ Local control; no state appointments
- ❖ A LAFCo in every county
- ❖ Each LAFCo independent



### The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000

1. Spheres of Influence
2. Municipal Service Reviews
3. LAFCo Independence
4. Affordable housing, disadvantaged communities, RTP



### LAFCo Composition *Commissions a Unique Mix*

- ❖ LOCAL: 2 county supervisors, 2 city council members, 1 public member
- ❖ 30 LAFCos also have 2 special district members
- ❖ Alternate member in each category
- ❖ All members required by law to represent the interests of the entire public



### Jurisdiction

- ❖ Includes
  - ◆ Counties, cities, most special districts
- ❖ Does NOT include
  - ◆ Air pollution/quality management districts
  - ◆ Bridge or highway districts
  - ◆ Joint power authorities/agencies
  - ◆ Community facilities or Mello-Roos districts
  - ◆ School or college districts
  - ◆ County boundary lines
  - ◆ Special Assessment districts
  - ◆ Improvement districts
  - ◆ Flood or conservation districts



### As a PLANNING Agency

- ❖ Develop and update Spheres of Influence for cities and districts
- ❖ Prepare Municipal Service Reviews for all local agencies
- ❖ Work cooperatively with public and private interests on growth, preservation and service delivery



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### As a REGULATORY Agency

- ❖ Manages **modification** of existing agencies and creation of new ones
- ❖ Approves **boundary changes** if consistent with spheres
- ❖ Controls **extension** of public services
- ❖ Is prohibited from directly regulating how land is used, but ...

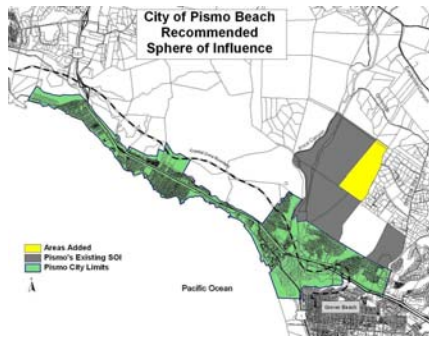
### Spheres of Influence

§56425

(a) "... commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere."



### Typical Sphere of Influence



### Spheres of Influence

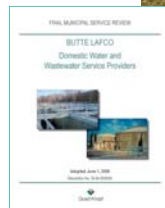
§56425

- ❖ In determining the SOI the commission considers
  1. Present and planned land uses, including ag. and open-space
  2. Present and probable need for public facilities and services
  3. Present capacity of public facilities and adequacy of public services
  4. Existence of any social or economic communities of interest

### Spheres of Influence

§56425

"The commission may recommend governmental reorganizations to particular agencies in the county, using the spheres of influence as the basis for those recommendations."



### Municipal Service Reviews

§56430

"In order to prepare and to update spheres of influence ... commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission."



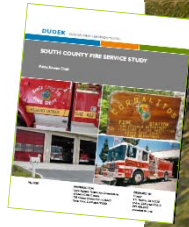
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## Understanding Local Agency Formation Commissions and its Authority

### Service Reviews Have Details

§56430

- ❖ Growth projections
- ❖ Present and planned capacity
- ❖ Financial ability of agency
- ❖ Shared facilities
- ❖ Accountability
- ❖ Other matters



### When Are SOI/MSRs Done?

- ❖ Law required all spheres to be updated by 1 January 2008
  - ◆ Includes an MSR for each Sphere
- ❖ Subsequent sphere reviews every five years, *as necessary*
  - ◆ Leaves “*as necessary*” to local policy
- ❖ MSR informs other LAFCo actions
  - ◆ Future boundary changes
  - ◆ Special district reorganizations

### LAFCo Authority

- ❖ Informal Authority
  - ◆ Influence through studies, MSR recommendations, resources, education, brokering conversations
- ❖ Formal Authority
  - ◆ Approval/denial of applications
  - ◆ Terms and Conditions
  - ◆ Filing with Board of Equalization

### SOI Conditions

- ❖ Elements of a SOI agreement
  - ◆ Natural local agency tensions
  - ◆ Bringing together General Plans
  - ◆ Guiding Principles of Development
  - ◆ Water and other Infrastructure
  - ◆ Annexation phases
  - ◆ Agriculture/open space preservation

### Terms and Conditions

- ❖ Ability to Enforce
  - ◆ LAFCo: Filing, future applications
  - ◆ Other entity: County permit, other Commission
  - ◆ Private enforcement
- ❖ No Land Use Authority
  - ◆ “*none of the following terms and conditions shall directly regulate land use, property development or subdivisions requirements*”

### Examples

- ◆ Apportionment of debt and imposing revenue measure to fund debt
- ◆ Change in debt limits of affected agencies
- ◆ Establish, annex or detach district
- ◆ Division of property or money
- ◆ Alter water rights
- ◆ Preserve or change labor rights
- ◆ Designate successor agency(ies)
- ◆ Number and selection of district board members if principal act allows

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### Examples

- ❖ Link to another reorganization proposal
- ❖ Effective date
- ❖ Duty to continue service
- ❖ Voter approval of tax
- ❖ Continuation of existing revenue measure
- ❖ Transfer of revenue authority among affected agencies
- ❖ *“Any other matter necessary or incidental to any of the terms and conditions specified in this section.”*

### LAFCos Are Independent

- ❖ Commissioners make final decisions
- ❖ Adopt local policies
- ❖ Decisions cannot be appealed to other administrative bodies
- ❖ Executive Officer accountable to Commission and statutes
- ❖ Administrative authority as an independent public agency



### Subject to State Laws

- ❖ Political Reform Act
  - ❖ Annual filing of assets and campaign contributions is required
  - ❖ Automatic disqualification from decisions related to entitlements for *personal* use (not jurisdiction)
- ❖ Brown Act
- ❖ California Environmental Quality Act

### Courts Support LAFCo Authority

- ❖ *“Engaged in the pursuit of an overriding State purpose”*
- ❖ Is quasi-legislative; limited legal challenge to decisions
  - ❖ Determinations vs. findings
- ❖ Legislature’s *“watch dog”* on local governments

### Issues on the Horizon

- ❖ Balance resource preservation with pressure for housing – LAO Report
- ❖ Infill vs sprawl – affordable housing
- ❖ Regional land and transportation planning and regulations – Role of LAFCo?
- ❖ Water and infrastructure availability – DUC
- ❖ Urbanization outside of cities – Ability for future incorporations or inhabited annexations
- ❖ Maintaining viable local agencies and services – shared services