

# An Introduction to Local Agency Formation Commissions

## Local Agency Formation Commissions



### Topics

- ❖ Why LAFCo was created
- ❖ LAFCo's Mission, Scope, Composition
- ❖ LAFCo's role and functions
- ❖ What are Municipal Services Reviews (MSRs) & Spheres of Influence (SOIs)
- ❖ LAFCo Resources

### Why LAFCo's were Created

- ❖ Post WW II population and housing growth
- ❖ Cars and suburbs; scramble to finance and extend services and infrastructure
- ❖ City annexation "conflicts" proliferation of limited purpose special districts
- ❖ Confusion due to multiple local governments

### Legislative Solution - 1963

- ❖ Local control needed; no state appointments and
- ❖ No state commission or statewide agency
- ❖ A LAFCo in every county
- ❖ LAFCo originally under County's wing-some still are

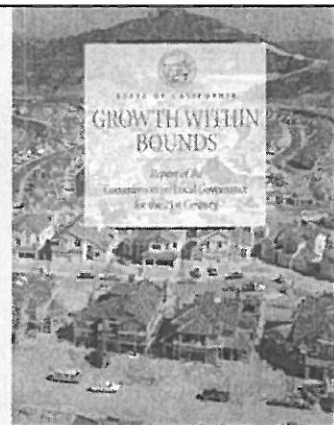


### Over 50 Years of LAFCo

- ❖ 1963 – Knox Nesbitt Act
- ❖ 1965 – District Reorganization Act
- ❖ 1971 – Spheres of Influence
- ❖ 1972 – Districts seated on LAFCo
- ❖ 1985 – Cortese Knox Local Government Reorganization Act
- ❖ 2000 – Cortese Knox Hertzberg Local Government Reorganization Act
- ❖ **2016-** LAFCo's role continues to evolve; effectiveness and efficiency

### Recommendations:

- ❖ LAFCos be neutral, independent, and provide well balanced representation
- ❖ LAFCo's powers should be strengthened to discourage urban sprawl and ensure the orderly extension of governmental services
- ❖ SOI Updates based on Municipal Service Reviews
- ❖ Policies to protect agricultural and open space lands be strengthened



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## LAFCo Composition

At the least:

- ❖ 2 County Supervisors
- ❖ 2 City Mayors/Council members
- ❖ 1 public member
- ❖ Alternate for each category

29 LAFCos (1/2) also include:

- ❖ 2 Special District members plus an alternate (This includes Shasta LAFCo)

## Special Districts

- ❖ Independent and Dependent
- ❖ Range of services and functions
- ❖ 50+ special districts in Shasta County
  - Cemetery Districts
  - Community Services Districts
  - County Water Districts
  - Fire Protection Districts
  - Mosquito Abatement, Control and Vector Districts
  - Memorial Hospital District
  - Irrigation District
  - Resource Conservation District
  - County Service Areas for: water/ wastewater/ flood control/ lighting

## LAFCo Jurisdiction

- ❖ Includes:
  - Counties, cities, most special districts
- ❖ Does NOT include:
  - Joint Powers Authorities (JPAs)
  - Community facilities or Mello-Roos districts
  - School or college districts
  - County boundary lines
  - Bridge and highway districts
  - Transit districts or regional transportation authority
  - Improvement districts
  - Zones of benefit
  - Air Pollution/Quality Districts

## What LAFCo Does

- ❖ Creates new cities & special districts
- ❖ Changes boundaries
- ❖ Changes authorized services
- ❖ Allows service extensions
- ❖ Performs MSRs & SOI Updates
- ❖ Reorganizes local agencies

## LAFCo's PLANNING Function

- ❖ Establishes and updates Spheres of Influence for cities and districts
- ❖ Prepares Municipal Service Reviews for local jurisdictions
- ❖ Works cooperatively on growth, preservation, and service delivery issues

## LAFCo's REGULATORY Function

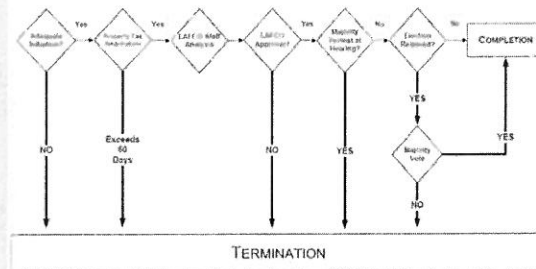
- ❖ Administers modification of existing agencies and creation of new ones
- ❖ Considers boundary changes
- ❖ Controls extension of public services
- ❖ Is prohibited from directly regulating land use

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## LAFCo Actions

- ◆ City Incorporations & Dis-incorporations
- ◆ District Formations & Dissolutions
- ◆ Annexations & Detachments
- ◆ Consolidations & Mergers
- ◆ Outside Agency Service Agreements
- ◆ Activation of Latent Powers

## Typical LAFCo Process



## LAFCos Legal Standing

- ❖ Engaged in the pursuit of overriding State purpose
- ❖ LAFCo decisions are quasi-legislative
  - Limited legal challenge to decisions
  - As long as decision is not arbitrary and capricious
  - Not appealable to any other body except the courts
  - Broad determinations vs. findings
- ❖ LAFCo is Legislature's local government link

## LAFCos are Independent

- ❖ Commissioners make final decisions
- ❖ Adopts local policies
- ❖ Decisions cannot be appealed to other administrative bodies
- ❖ Executive Officer accountable to Commission and statutes

## Commissioners are asked to be Independent

- ❖ Exercise independent judgment on behalf of public
- ❖ Based on CKH and LAFCo policies - Not solely on interests of appointing authority
- ❖ "LAFCo Hat" involves a broader perspective representing "public as a whole"

## Each LAFCo is Independent

- ❖ Provides own office, equipment, personnel
- ❖ Appoints an Executive Officer
- ❖ Appoints a Legal Counsel
- ❖ Can contract for staff services
- ❖ Administrative authority as an independent public agency

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## LAFCo Staff

- ❖ Serves the Commission by providing accurate and comprehensive information
- ❖ Analyzes and Interprets CKH and other laws (CEQA, General Plans, etc.)
- ❖ Processes proposals consistent with CKH and local procedures and policies
- ❖ Prepares staff reports, studies and make recommendations
- ❖ Implements Commission decisions

## LAFCo is Funded Locally

- ❖ Must adopt a budget for each fiscal year
- ❖ Funded by the county, cities and districts
- ❖ Processing fees charged to offset application expenses

## Subject to State Laws

- ❖ Brown Act
- ❖ California Environmental Quality Act (CEQA)
- ❖ Revenue and Tax Code
- ❖ Political Reform Act

## Governed by Government Code

- ❖ Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
  - ♦ Became law in January, 2001
  - ♦ legislative updates since then
- ❖ §56425 – Spheres of Influence
- ❖ §56430 – Municipal Service Reviews

## Spheres of Influence §56425

- ♦ (a) "... the commission shall develop and determine the sphere of influence of each city and each special district within the county and enact policies designed to promote the logical and orderly development within sphere areas."

## Sphere Determinations §56425

1. Present and planned land uses, including agricultural 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
5. Present or probable need for public facilities and services to any disadvantaged unincorporated community (DUC)

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## Sphere Recommendations §56425

- ♦ (h) "The commission may assess the feasibility of governmental reorganization to particular agencies and recommend reorganization of those agencies...[to] further the goals of orderly development and efficient and affordable service delivery."

## Municipal Service Reviews §56430

- ♦ "In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission."
- ♦ *Added in January, 2001*

## MSRs can vary their focus

- ❖ Individual agency or jurisdiction
- ❖ Type of special district
- ❖ Category of service
- ❖ Countywide
- ❖ Regional or geographic area

## MSR Determinations §56430

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

## LAFCo Resources

- ❖ Municipal Service Reviews
- ❖ Maps of Boundaries and Spheres
- ❖ Agency Formation & Changes History
- ❖ Local Agency Governance & Contacts
- ❖ Local Agency Formation Laws

## Thank You

- ❖ Questions?