

**ANNUAL REPORT 2021-2022**

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SANTA  
CLARA  
**LAFCO**



## MISSION

The Local Agency Formation Commission (LAFCO) is a state mandated local agency established to oversee the boundaries of cities and special districts.

The mission of LAFCO is to promote sustainable growth and good governance in Santa Clara County by:

- » preserving agricultural lands and open space,
- » curbing urban sprawl,
- » encouraging efficient delivery of services,
- » exploring and facilitating regional opportunities for fiscal sustainability, and
- » promoting accountability and transparency of local agencies.

LAFCO will be proactive in raising awareness and building partnerships to accomplish this through its special studies, programs and actions.

## COMMISSIONERS

Rich Constantine, Chairperson  
Mike Wasserman, Vice Chairperson  
Susan Ellenberg  
Sergio Jimenez  
Yoriko Kishimoto  
Linda J. LeZotte  
Susan Vicklund Wilson

## ALTERNATE COMMISSIONERS

Helen Chapman  
Cindy Chavez  
Matt Mahan  
Russ Melton  
Terry Trumbull

## STAFF

Emmanuel Abello  
Dunia Noel  
Neelima Palacherla

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# PROGRAM HIGHLIGHTS

## LAFCO'S COUNTYWIDE FIRE SERVICE REVIEW CONTINUES

The Countywide Fire Service Review is part of LAFCO's third round of service reviews. LAFCO has previously conducted two Countywide Fire Service Reviews, one in 2004 and another in 2010. In May 2021, it began its current Countywide Fire Service Review. LAFCO conducted its initial community engagement and outreach efforts during Summer 2021 and data collection efforts began soon after. However, LAFCO paused the project in January 2022 to retain a new consultant to conduct the study. In June 2022, LAFCO retained AP Triton, LLC to resume and complete the service review under a revised timeline.

LAFCO staff recently updated the project webpage with this new information. We encourage the public and local agencies to sign up to receive emails and notices from LAFCO on this Service Review.

In early August 2022, LAFCO staff and the new consultant team will hold kick-off meetings with the Technical Advisory Committee and with the fire service providers prior to beginning the data collection process.

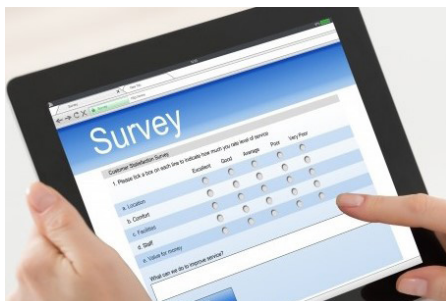
### 2021 COMMUNITY ENGAGEMENT AND OUTREACH EFFORTS

In an effort to promote broad-based participation in the Countywide Fire Service Review, LAFCO developed and began implementing a Community Engagement and Outreach Plan to increase public awareness of its service review program, and to provide opportunities for community members, service providers, affected agencies, the general public, and other interested parties to engage in the service review process and provide timely feedback.

### ARE YOU SIGNED UP TO RECEIVE UPDATES?

We encourage you to sign-up here to receive email updates and notices from LAFCO on this Service Review.

» [SIGN UP HERE](#)



### Online Survey

In August 2021, an online community survey on fire service was released on the project webpage. The purpose of the survey was to evaluate fire services and determine the community's level of wildfire preparedness. The survey, which is now closed, was provided in both English and Spanish to engage a broad section of the community.

# PROGRAM HIGHLIGHTS

## LAFCO'S COUNTYWIDE FIRE SERVICE REVIEW CONTINUES

### Community Meetings

Also, in August 2021, three virtual Community Meetings were held by LAFCO in partnership with local fire service providers. Each meeting included similar content but was targeted to communities in different parts of the county (south Santa Clara County, central and east Santa Clara County, and north and west Santa Clara County). The meetings were an opportunity for the public and local agencies to learn more about the Countywide Fire Service Review, provide input on fire service and emergency medical service in their community, and hear from local fire service providers about fire safety and wildfire preparedness.

#### COMMUNITY MEETING #1 (08/17/2021)

For communities in south Santa Clara County: Morgan Hill and Gilroy, and unincorporated areas south of San Jose, including San Martin, southeast Diablo Range and southwest Santa Cruz Mountains



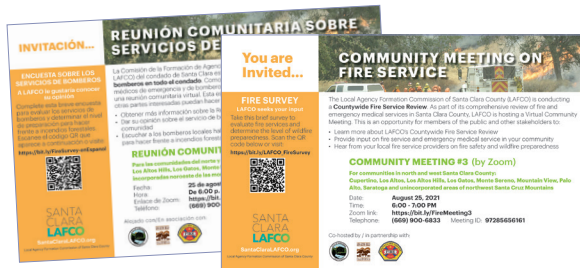
#### COMMUNITY MEETING #2 (08/19/2021)

For communities in central and east Santa Clara County: Campbell, Milpitas, San Jose, Santa Clara, Sunnyvale, and unincorporated areas of northeast Diablo Range



#### COMMUNITY MEETING #3 (08/25/2021)

For communities in north and west Santa Clara County: Cupertino, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Mountain View, Palo Alto, Saratoga and unincorporated areas of northwest Santa Cruz Mountains



A summary of the survey results and the input received at the three community meetings will be included in the service review report. LAFCO's new consultant will take this information into consideration as they prepare the service review.

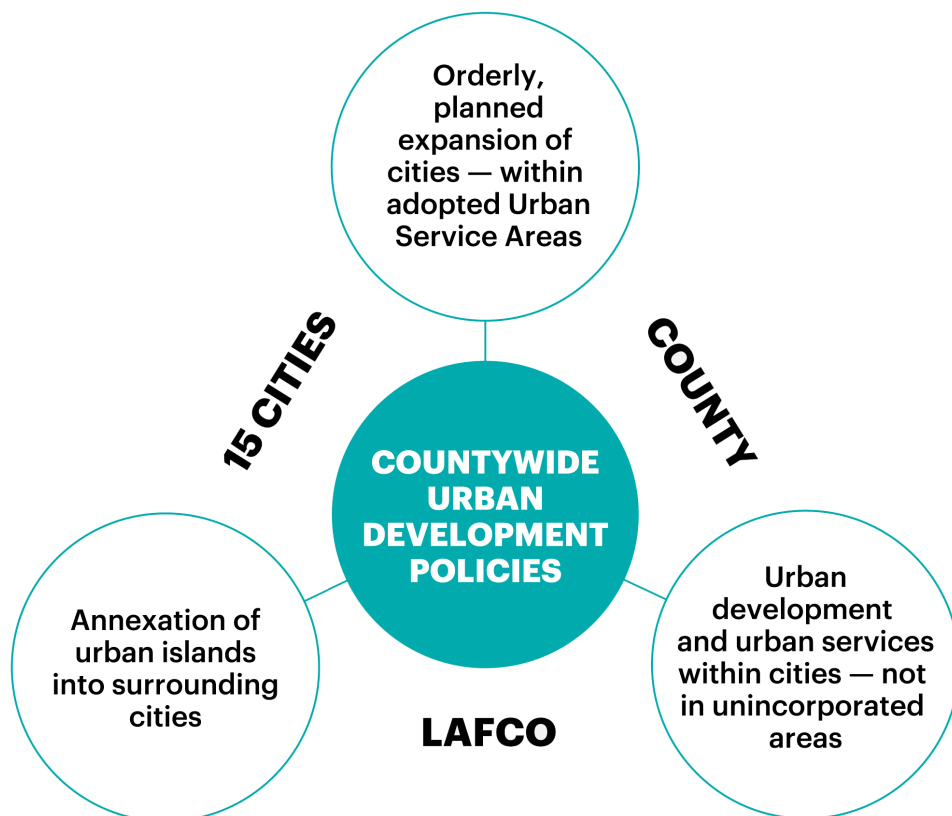
# PROGRAM HIGHLIGHTS

## LAFCO AFFIRMS THE COUNTYWIDE URBAN DEVELOPMENT POLICIES

In April 2022, LAFCO adopted a resolution to affirm the **Countywide Urban Development Policies (CUDPs)** and to comprehensively document their history and ongoing beneficial impacts.

LAFCO, the 15 cities and the County jointly adopted the groundbreaking CUDPs in the early 1970s. Today, these growth management policies remain the foundation of all LAFCO policies, and of most cities' and County general plans in Santa Clara County.

The CUDPs are consistent with climate resiliency concepts that have taken shape in the last 20 to 30 years and play an important role in helping to prevent urban sprawl, protect farmland from conversion to urban development, mitigate the impacts of climate change, and promote the efficient delivery of local governmental services and infrastructure in Santa Clara County.



# PROGRAM HIGHLIGHTS

## LAFCO RECEIVES COMMENDATION FROM COUNTY FOR THE 50TH ANNIVERSARY OF CUDPs

In December 2021, the Board of Supervisors of the County of Santa Clara presented LAFCO with a commendation for the 50th Anniversary of its “Countywide Urban Development Policies” recognizing the importance and relevance of the policies to planning and decision making in Santa Clara County not just over the last five decades but into the foreseeable future.



## REVIEW AND PROCESSING OF APPLICATIONS

The number of applications LAFCO processes varies each year.

LAFCO staff processed four city-conducted annexations. They include three annexations

to the Town of Los Gatos totaling 2.42 acres, and one annexation to the City of San Jose totaling 1.36 acres.

In April 2022, LAFCO reviewed and forwarded a favorable recommendation to San Mateo LAFCO for their final action, on a proposal involving a sphere of influence amendment and annexation to the West Bay Sanitary District (WBSD). San Mateo LAFCO is the Principal LAFCO for WBSD, and Santa Clara LAFCO’s action was only advisory.

In April 2022, in relation to a single project, LAFCO approved an amendment to the urban service area and sphere of influence boundaries for the cities of Cupertino and San Jose, and approved an amendment to the sphere of influence for the Santa Clara County Central Fire Protection (CCFD) District, and conditionally approved a concurrent detachment of 7.91 acres of land from the City of San Jose and annexation of that land to the City of Cupertino, and conditionally approved an annexation of 7.91 acres to the CCFD.

Additionally, in April 2022, LAFCO approved the dissolution of County Service Area for Library Services (CSA-1), an inactive special district.

LAFCO’s Application Processing Record for the period July 1, 2021 to June 30, 2022 is included in the Appendix.

# PROGRAM HIGHLIGHTS

## POLICY REVISIONS

The Commission periodically amends LAFCO's Bylaws to provide further clarity on the Commission's practices and procedures. LAFCO amended its Bylaws in April 2021 to include new policies related to "Communicating a Position on Proposed Legislation of Relevance to LAFCO" and "Providing Written Comments on Documents or Projects of Relevance to LAFCO." The Commission also adopted new "Legislative Policies" to guide LAFCO's actions related to legislative matters.

## PUBLIC INFORMATION AND CUSTOMER SERVICE

Staff routinely responds to numerous inquiries from the general public, property owners, developers, real estate agents, and attorneys about a variety of topics, including location of boundaries, annexation date and records, property tax bills and special assessments, nearest or appropriate service providers, LAFCO policies and procedures, etc.

Staff also responds to Public Records Act (PRA) Requests, most of which require a significant amount of research and records gathering. This past year LAFCO staff responded to an unusually high number of PRA Requests.

## PRE-APPLICATION MEETINGS AND OTHER DISCUSSIONS

Staff conducts pre-application meetings to inform prospective applicants of the LAFCO policies and procedures that apply to the anticipated projects and to discuss any potential concerns. This allows the applicant to consider and address these concerns before applying to LAFCO.

Pre-application meetings and/or discussions were held with the following to provide guidance:

- Representatives of Kerley Ranch/Integral Communities, regarding a proposed Gilroy USA Amendment (August 2021 and November 2021)
- City of Los Gatos staff, regarding potential island annexations (September 2021)
- City of Sunnyvale staff, regarding a potential sewer service extension to Moffett Field/NASA Ames (October 2021)
- Proponents regarding the potential incorporation of Almaden Valley Area, part of which lies in San Jose (November 2021 and December 2021)
- City of Monte Sereno staff and County Roads and Airports staff, regarding the City's boundaries and potential island annexations (March 2022)
- Santa Clara County Planning Office staff, regarding the County's Housing Element Update 2023-2031 (February 2022 and May 2022)
- Lion's Gate Community Services District and a property owner, regarding concerns about a lack of transparency and accountability in District operations (February 2022)

# PROGRAM HIGHLIGHTS

## COMMENT LETTERS

Staff provides written comments on various proposed projects to ensure that LAFCO's concerns are known and considered early in an agency's project review process. LAFCO submitted comment letters on the following:

- Support for County of Santa Clara's Appeal of the 2023-2031 RHNA Cycle Allocation (ABAG, August 2021)
- San Jose Planning Staff Recommendation on the Long-Term Future of Coyote Valley: North, Mid- and South Coyote Valley (City of San Jose, November 2021)

## COUNTYWIDE ASSOCIATIONS AND WORKING GROUPS

Staff attends the meetings of pertinent countywide associations to provide updates on LAFCO activities that are of interest to local agencies, including special districts, cities and the County. Staff regularly attend and participate in the following:

- Santa Clara County Special Districts Association Quarterly Meetings
- Santa Clara County Association of Planning Officials Monthly Meetings
- Interjurisdictional GIS Working Group

## OUTREACH AND EDUCATION EFFORTS

### PRESENTATIONS ON LAFCO

As part of LAFCO's ongoing outreach efforts, staff conducts presentations on LAFCO to

increase awareness about LAFCO's goals and actions. Staff made presentations providing an overview of LAFCO, to the following entities / individuals:

- Leadership Sunnyvale, as part of their program curriculum on special districts and LAFCO (December 2021)
- Santa Clara County Civil Grand Jury (June 2022)
- LAFCO orientation for the new Chief of Staff and Board Aide for LAFCO Commissioner Wasserman

## CALAFCO ACTIVITIES

Santa Clara LAFCO participates in CALAFCO activities, time permitting. Due to the pandemic, the 2021 CALAFCO Annual Conference and 2022 Staff Workshop were canceled. In lieu of the Annual Conference and Staff Workshop, CALAFCO offered several on-demand virtual webinars on various topics of interest. LAFCO staff benefitted from webinars held on fire and emergency medical response services and on hiring challenges and opportunities in a post-pandemic world.

In December 2021, LAFCO staff met with the staff from other Bay Area LAFCOs to discuss relevant topics, including fire service reviews, staff recruitment efforts, the community service district formation process, and transferring services from a city to a special district.



# PROGRAM HIGHLIGHTS

## LAFCO LEGISLATIVE POSITIONS & CALAFCO LEGISLATIVE COMMITTEE

In Fiscal Year 2021-2022, Santa Clara LAFCO took a position on the following bills:

- Support: AB 2957 (Assembly Local Government Committee) CALAFCO Omnibus Bill
- Support: SB 938 (Hertzberg) CKH Act of 2000: Protest Proceedings: Procedural Consolidation

Executive Officer Palacherla has served on the CALAFCO Legislative Committee for many years, including serving on the Committee through October 2021. The Committee meets regularly during the legislative session to propose new legislation to help clarify LAFCO procedures, address LAFCO issues, and to discuss and take positions on proposed legislation affecting LAFCOs. EO Palacherla is currently not serving on the Committee due to workload issues.

## ADMINISTRATIVE ACTIVITIES

### COMPREHENSIVE ORGANIZATIONAL ASSESSMENT STUDY COMPLETED: IMPLEMENTATION IN PROGRESS

In order to address various organizational issues, and to support performance management, employee development and succession planning efforts, LAFCO retained Koff & Associates to conduct a Comprehensive Organizational Review and Assessment Study of LAFCO.

In August 2020, LAFCO voted unanimously to receive the consultant’s report, and to pursue certain recommendations relative to LAFCO staff positions, classification, and compensation and performance evaluation.

On October 1, 2020, the LAFCO Ad Hoc Committee on Organizational Assessment (composed of 2020 LAFCO Chair Sergio Jimenez, 2020 Vice-Chair Susan Ellenberg, and Finance Committee Chair Russ Melton) requested that the County consider and evaluate its recommendations.

The County accepted the request and completed the classification study including recommendations for staffing structure, job specifications and salary ranges for LAFCO staff positions in June 2022. The County Board of Supervisors (BoS) approved these recommendations and they became effective in mid-July 2022.

## CHANGES IN LAFCO MEMBERSHIP

In February 2022, the Santa Clara Valley Water District appointed Board Member Linda J. LeZotte as the regular LAFCO member. Commissioner LeZotte replaced Commissioner Gary Kremen. Commissioner LeZotte’s term on LAFCO expires on May 31, 2023.

# PROGRAM HIGHLIGHTS

## STAFFING CHANGES

Since the LAFCO Analyst's departure in January 2021, LAFCO has been operating with a staff of three, which is a 25% reduction in terms of total staff resources. Until staffing levels can return to normal, LAFCO operations will be significantly impacted. With the recent completion of the County's classification study for LAFCO, LAFCO can now proceed with recruitment and hiring.

## LAFCO LEASE EXTENSION

Since March 2017, LAFCO has leased private office space at 777 North First Street by an executed lease that was to end on May 5, 2022. After staff's research of alternative options, in February 2022, LAFCO extended the lease for the current office space for a five-year lease term not to exceed a total cost of \$280,908. LAFCO also directed staff to work closely with the County, one or two years prior to LAFCO's lease extension expiration date in 2027, to explore whether the County can meet its office space needs going forward.

## LAFCO'S OPERATIONS DURING COVID-19

In light of COVID-19 response measures from the Governor of the State of California and the Santa Clara County Public Health Department, LAFCO staff have successfully adopted remote and hybrid work practices since March 16, 2020. Since that date, LAFCO

has held all of its regular and special meetings by virtual teleconference using Zoom. This continues to result in strong public and local agency attendance and participation.

## INDEPENDENT ANNUAL FINANCIAL AUDIT & CONTRACT EXTENSION

LAFCO completed its fourth **Annual Financial Audit for FY 2021** ending on June 30, 2021. The audit was conducted by Chavan & Associates, LLP (C&A) in accordance with the generally accepted auditing standards as specified in the report. The auditors found LAFCO's financial statements present fairly, in all material aspects, the financial position of LAFCO. LAFCO also extended the term of its service agreement with C&A to include two additional audits (for Fiscal Years ending 2022 and 2023).

# UPCOMING PROJECTS

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## **GILROY URBAN SERVICE AREA AMENDMENT 2021**

In April 2021, LAFCO received an urban service area amendment request from the City of Gilroy. The proposal, titled Gilroy Urban Service Area Amendment 2021 (Wren Investors & Hewell), consists of two areas located north of the city limits that together total approximately 55+ acres in size. LAFCO staff has requested additional clarification from the City on the proposal. LAFCO's future consideration of the proposal is pending the City's submittal of requested information.

and to better align and clarify consistency of the policies with the Cortese Knox Hertzberg Local Government Reorganization Act. However, apart from LAFCO reaffirming the Countywide Urban Development Policies at its April 2022 meeting, this project was paused partly due to the application workload, increased demand for LAFCO services and staff's efforts to prioritize and meet the needs of the local agencies and the public, and staffing issues including a vacant analyst position since January 2021.

## **THIRD ROUND SERVICE REVIEWS**

It is anticipated that LAFCO's Countywide Fire Service Review will be completed by the end of June 2023. Per LAFCO's work plan for conducting its third round of service reviews, a countywide water and wastewater service review would follow.

## **COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES**

In 2020, LAFCO staff and its consultant began reviewing and preparing updates to LAFCO policies which are all very interconnected. The purpose of the comprehensive review and update is to strengthen the policies, to increase clarity and transparency, to enable LAFCO to better meet its legislative mandate,

# LAFCO APPLICATION PROCESSING RECORD

JULY 1, 2021 TO JUNE 30, 2022

## CITY-CONDUCTED ANNEXATIONS

CITY	PROPOSAL NAME	DATE RECORDED	DOCUMENT #	ACREAGE
Los Gatos	Winterbrook No. 6	10/13/21	25130547	0.32
	Winterbrook No. 7	12/10/21	25191917	0.95
	Roseleaf Lane No. 1	04/22/22	25288544	1.15
				<i>City Total</i>
San Jose	Parker No. 28	12/08/21	25188461	1.36
				<i>City Total</i>
<i>City-Conducted Annexations Total Acreage</i>				<b>3.78</b>

## LAFCO-HEARD CHANGE OF ORGANIZATION AND URBAN SERVICE AREA / SPHERE OF INFLUENCE AMENDMENT

CITY	PROPOSAL NAME	LAFCO ACTION	DOCUMENT #	ACREAGE
Cupertino	Lawrence Expressway-Mitty Way USA/SOI Amendment and Reorganization 2022	Approved 04/06/22	TBD	7.91
<i>LAFCO-Heard Change of Organization &amp; USA/SOI Amendment Total Acreage</i>				<b>7.91</b>

## SPHERE OF INFLUENCE AMENDMENT AND ANNEXATIONS TO SPECIAL DISTRICTS

AGENCY	PROPOSAL NAME	LAFCO ACTION	DOCUMENT # DATE RECORDED	ACREAGE APPROVED
Santa Clara County Central Fire Protection District	Lawrence Expressway- Mitty Way Reorganization 2022	Approved 04/06/22	TBD	7.91
				<i>District Total</i>
West Bay Sanitary District	West Bay Sanitary District 2022-01 (Alpine Road)	Approval Recommendation 04/06/22	TBD	4.15
				<i>District Total</i>
<i>SOI Amendment &amp; Annexations to Special Districts Total Acreage</i>				12.06

## DISSOLUTION OF INACTIVE SPECIAL DISTRICT

AGENCY	PROPOSAL NAME	LAFCO ACTION	DOCUMENT # DATE RECORDED
County Service Area for Library Services (CSA-1) Dissolution	Dissolution of Inactive Special District – County Service Area for Library Services (CSA-1)	Approved 04/06/22	25302464 05/13/22

An aerial photograph of a city, likely San Jose, California, with a dense residential area in the foreground and rolling hills in the background. The sky is clear and light-colored.

# SANTA CLARA LAFCO

FOR THE GOOD OF THE WHOLE

Local Agency Formation Commission  
of Santa Clara County

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