

ANNUAL REPORT 2023-2024

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

Russ Melton, Chairperson
Sylvia Arenas, Vice Chairperson
Jim Beall
Rosemary Kamei
Yoriko Kishimoto
Otto Lee
Terry Trumbull

ALTERNATE COMMISSIONERS

Domingo Candelas
Helen Chapman
Cindy Chavez
Teresa O'Neill
Mark Turner

STAFF

Emmanuel Abello
Sonia Humphrey
Dunia Noel
Neelima Palacherla

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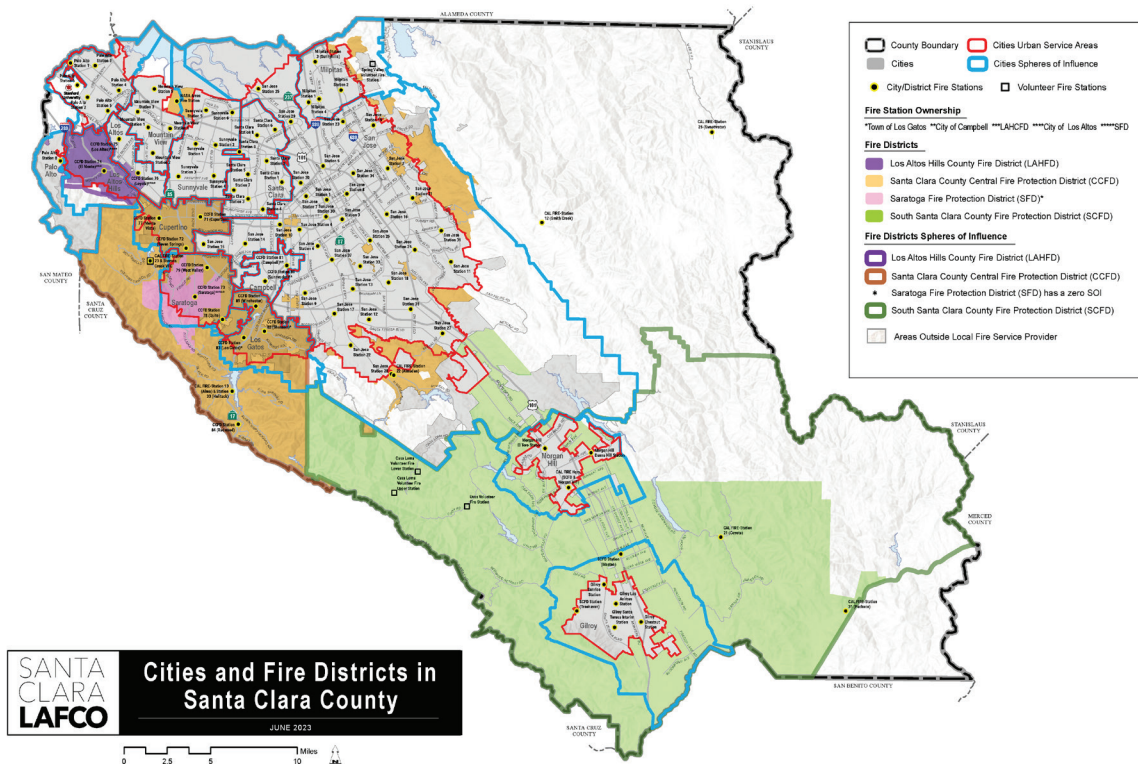
- » Application Processing Record FY 2023-2024

MAJOR ACCOMPLISHMENTS

COUNTYWIDE FIRE SERVICE REVIEW COMPLETED

In October 2023, LAFCO adopted its [Countywide Fire Service Review Report](#), including service review determinations for city fire departments and fire districts. LAFCO also reaffirmed the spheres of influence and adopted the required determinations for each of the four fire districts.

This project culminated more than two years of tireless work done by LAFCO Commissioners and staff, LAFCO's consultants, fire districts, city fire departments, cities that contract for fire services, and other providers, specifically CAL FIRE, the County of Santa Clara (EMS, Office of Emergency Services, Communications), volunteer fire companies, Santa Clara County FireSafe Council, Midpeninsula Regional Open Space District, other interested parties, and the public. We thank everyone for their time and support.



Map of Cities and Fire Districts in Santa Clara County ([Download in 11" x 17" PDF](#))

PROGRAM HIGHLIGHTS

ONGOING IMPLEMENTATION OF SERVICE REVIEW RECOMMENDATIONS

The Countywide Fire Service Review contains over one hundred recommendations. Some of the recommendations apply to multiple agencies where each agency may have a different response to the recommendation. Some recommendations require inter-agency support or coordination for implementation.

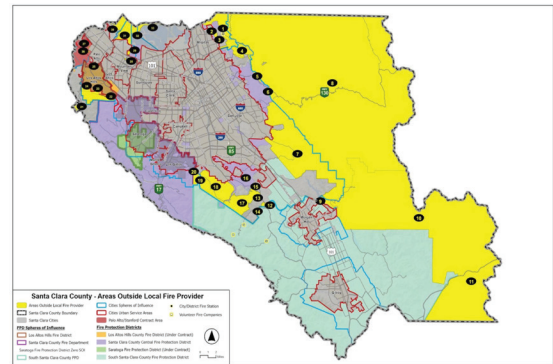
The majority of the recommendations concern service delivery and response capabilities including performance standards, seismic protection and maintenance of fire stations, capacity issues, rising expenditures outpacing increased general fund revenues, interoperability challenges, and coordination among agencies to enhance service delivery and response capabilities. Other recommendations address the 27 identified geographic areas in the unincorporated Santa Clara County that currently lack an identified local fire service provider.

Following the adoption of the Report by LAFCO, staff contacted each of the identified agencies / organizations to request a response on their plans for implementing the recommendations.

Staff provided a summary of the agencies' responses to LAFCO at the [April Meeting](#) and at the [June Meeting](#). For the most part,

agencies received the recommendations favorably, some reported the need for additional analysis to evaluate feasibility of implementation, some reported funding concerns to pursue implementation, and a few explained why they would not implement the recommendations.

In April and May 2024, staff held initial meetings with fire chiefs for three fire districts to confirm their support for and discuss next steps related to recommendations for addressing the areas that lack an identified local fire service provider. Staff will continue to work with these agencies to provide information and facilitate the recommended boundary changes. With their support, LAFCO hopes to finally be able to address one of the long-standing fire service issues in Santa Clara County.



Map of Areas Outside Local Fire Provider

[\(Download in 11" x 17" PDF\)](#)

PROGRAM HIGHLIGHTS

COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES IS UNDERWAY

A comprehensive review and update of LAFCO Policies in order to better enable LAFCO to meet its legislative mandate, make the policies consistent with recent changes to the CKH Act, better document current/historic practices, provide better guidance to affected agencies, public, and potential applicants; and increase clarity and transparency of LAFCO's policies and expectations, has been an ongoing workplan item over the last few years with progress occurring intermittently. However, in October 2023 LAFCO reprioritized this project and established an Ad-Hoc Committee of three commissioners to assist staff in conducting a comprehensive review and update of LAFCO policies and enable public review and comment prior to the full commission's consideration and adoption.

The Ad-Hoc Committee established a work plan/timeline for the project and then began meeting regularly to review, discuss and recommend revisions to LAFCO's current policies. For [Phase 1 of its work](#), the Ad-Hoc Committee is prioritizing the key policies that apply to processing typical LAFCO applications with the goal of bringing the policies to the full commission for consideration and adoption at its December 2024 meeting.

APPLICATIONS REVIEW AND PROCESSING

The number of applications LAFCO processes varies each year.

LAFCO staff processed two city-conducted annexations: two annexations to the Town of Los Gatos totaling 2.62 acres.

In June 2024, LAFCO approved two annexations to the West Valley Sanitation District.

In August 2023, LAFCO considered and partially approved an Urban Service Area Amendment request from the City of Gilroy for ten parcels and denied the remainder of the request.

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.

PROGRAM HIGHLIGHTS

PRE-APPLICATION MEETINGS

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 were held with:

- Midpeninsula Regional Open Space District staff regarding anticipated annexation of lands within the District's SOI (July 2023)
- Landowner and consultant, regarding potential options for a proposed cemetery in the unincorporated area to receive water service from the City of Morgan Hill (August 2023)
- City of Cupertino staff, regarding potential boundary changes associated with the closure of Lehigh Cement Plant which is partially located with the City's USA and SOI boundaries (August 2023)
- County of Santa Clara staff, regarding the process for annexing unincorporated islands and individual parcels to a city (August 2023)
- City of San Jose staff, regarding time limits for recording a certificate of completion for annexations/reorganizations (August 2023)

OTHER MEETINGS

LAFCO staff has participated in discussions regarding the issue of failing and consolidation of small water systems with:

- State Water Resources Control Board staff and County staff, regarding failed water systems in the state and strategies to support all of the affected agencies' missions and potential future housing development in the unincorporated Santa Clara County (September 2023)
- University of California researchers, regarding the role that LAFCOs play in the water system consolidation process and related topics (June 2023)

COLLABORATION AND PARTNERSHIP EFFORTS

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

PROGRAM HIGHLIGHTS

- Santa Clara County Association of Planning Officials monthly meetings, as feasible
- Interjurisdictional GIS Working Group meetings, as appropriate

OUTREACH AND EDUCATION EFFORTS

COMMISSIONER ONGOING EDUCATION: STUDY SESSION ON LAFCO LAW

As part of LAFCO’s ongoing education program and the comprehensive review and update of LAFCO policies, Mala Subramanian, LAFCO Counsel, gave a [presentation on the key provisions of LAFCO’s enabling legislation](#) - Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000(CKH Act) as pertinent to Santa Clara LAFCO. Santa Clara LAFCO has special provisions within the CKH Act that reflect the long standing Countywide Urban Development Policies adopted jointly by LAFCO, the County and the 15 cities in Santa Clara County in the early 1970s.

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:

- Leadership Sunnyvale, as part of their program curriculum on special districts and LAFCO (December 2023)
- County of Santa Clara Planning Commission (February 2024)
- Leadership Morgan Hill, as part of its “Regional Government Day 2024” (March 2024)
- San Martin Planning Advisory Committee (June 2024)

PROGRAM HIGHLIGHTS

CALAFCO ACTIVITIES

Santa Clara LAFCO participates in CALAFCO activities, time permitting.

In October 2023, Commissioners Arenas, Kamei, Kishimoto, Lee, Melton, and Alternate Commissioner O’Neill; and EO Palacherla and Assistant EO Noel, attended the Annual CALAFCO Conference in Monterey.



Chair Melton was a panelist for one session, “LAFCO Dynamics” which focused on five keys to success for your LAFCO Commission where he discussed the importance of commissioners’ understanding LAFCO’s mission, purpose, and role in the community and the powers of a commissioner.

Commissioner Kishimoto was a panelist for one session, “Your Community’s Fire Service: Top Notch or Ticking Time Bomb?” where she discussed what commissioners expect from service reviews, how technical advisory committees can help with service reviews, strategies for identifying and engaging stakeholders and the public effectively, and common misconceptions about service review requirements.



In April 2024, LAFCO staff attended the Annual CALAFCO Staff Workshop in Pleasanton. This Workshop provided practical and hands-on courses, as well as roundtable discussions and professional development sessions.



PROGRAM HIGHLIGHTS

LAFCO LEGISLATIVE POSITIONS & CALAFCO LEGISLATIVE COMMITTEE

In Fiscal Year 2023-2024, Santa Clara LAFCO took a position on the following bills:

- Oppose: AB 399 (Water Ratepayers Protections Act of 2023: County Water Authority Act: Exclusion of Territory: Procedure)
- Support: AB 3277 (Assembly Local Government Committee) CALAFCO Omnibus Bill
- Support: SB 1209 (Cortese) Cortese-Knox-Hertzberg Act of 2000: Indemnification



PROGRAM HIGHLIGHTS

ADMINISTRATIVE ACTIVITIES

INDEPENDENT ANNUAL FINANCIAL AUDIT & CONTRACT EXTENSION

LAFCO accepted its sixth [Annual Financial Audit for FY 2023](#) ending on June 30, 2023. The audit was conducted by Chavan & Associates, LLP (C&A) in accordance with the generally accepted auditing standards as specified in the report accepted by the Commission on December 6, 2023. The auditors found LAFCO’s financial statements to present fairly, in all material aspects, the financial position of LAFCO.

In February 2024, LAFCO extended its service agreement with C&A to January 1, 2027 under a different C&A auditor as project manager, and included an additional \$38,250 in the contract.

NEW SERVICES AGREEMENT FOR WEBSITE HOSTING AND MAINTENANCE

In October 2023, LAFCO approved a renewed contract with Covive, LLC for website hosting and maintenance which is structured as an ongoing contract without a termination date and without a not to exceed amount. Compensation is based on the scope of services and the rates presented in the service agreement.



STAFFING CHANGES: NEW LAFCO CLERK

In early September 2023, we welcomed Sonia Humphrey (new LAFCO Clerk) and immediately introduced her to many of LAFCO’s key administrative duties.

LAFCO staff has developed and is implementing a comprehensive hands-on-training plan for Ms. Humphrey, who has proven to be a quick study.

UPCOMING PROJECTS

COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES

Upon completion of Phase 1 policy revisions, LAFCO is anticipated to begin its Phase 2 policy revisions in January 2025. Phase 2 will include a review and update of LAFCO's remaining policies, including service review policies, other policies such as incorporation policies which are used less frequently, and policies and procedures that are related to administrative functions.

THIRD ROUND SERVICE REVIEWS

It is anticipated that LAFCO will begin a countywide water service and wastewater service review in spring of 2025, as part of its third round of service reviews.

TECHNOLOGY PROJECTS

REDESIGN AND DEVELOPEMENT OF A NEW LAFCO DATABASE

In 2008, LAFCO created a FileMaker Pro database to easily maintain contact information for public notification purposes; and automate the processing and tracking of applications for boundary changes of cities and special districts in Santa Clara County. The database is essential to LAFCO's day-to-day operations. However, there have been many technological advances since 2008, including the introduction of new database software, designs, and functionalities. LAFCO's current database runs on software

that is increasingly out of favor and difficult to use and adapt. It is anticipated that LAFCO staff, working with a consultant, will begin a comprehensive redesign of LAFCO's databases in Fall 2024 to improve overall workflow and ease of maintenance.

CONTINUED IMPLEMENTATION OF LAFCO'S ELECTRONIC DOCUMENTS MANAGEMENT SYSTEM

Since 2010, LAFCO has maintained and utilized an electronic documents management system in Laserfiche which contains LAFCO's official records/files from 1963 to 2009, including but not limited to city conducted annexations/reorganizations, special districts annexations, urban service area/sphere of influence amendments, out of agency service agreements, LAFCO meeting agendas and minutes, LAFCO resolutions, and various other documents. The files are digitally imaged, indexed and text searchable, allowing LAFCO staff to more efficiently research and locate historical files and information.

It is anticipated LAFCO staff will review its remaining official records/files and begin working with a consultant to scan and load these documents in LAFCO's electronic documents management system in the spring of 2025. Upon completion, original paper copies of these official records will be archived offsite.

CHANGES IN LAFCO MEMBERSHIP

COMMISSION REAPPOINTMENTS

This year saw no changes in LAFCO membership.

On February 8, 2024, the City Selection Committee of Santa Clara County reappointed Russ Melton (Councilmember, City of Sunnyvale) as Commissioner and Mark Turner (Mayor, City of Morgan Hill) as Alternate Commissioner on LAFCO. Their terms on LAFCO will expire on May 31, 2028.

LAFCO APPLICATION PROCESSING RECORD

JULY 1, 2023 TO JUNE 30, 2024

CITY-CONDUCTED ANNEXATIONS

| CITY | PROPOSAL NAME | DATE RECORDED | DOCUMENT # | ACREAGE |
|-----------|----------------------------|---------------|------------|---------|
| Los Gatos | Blackberry Hill Road No. 6 | 03/25/2024 | 25613766 | 2.1 |
| | Los Gatos Boulevard No. 20 | 01/24/2024 | 2559053 | 0.52 |
| | <i>City Total</i> | | | 2.62 |

City Conducted Annexations Total Acreage 2.62

ANNEXATIONS TO SPECIAL DISTRICTS

| AGENCY | PROPOSAL NAME | LAFCO ACTION | DOCUMENT # DATE RECORDED | ACREAGE APPROVED |
|---------------------------------|---|------------------------|-----------------------------|------------------|
| West Valley Sanitation District | West Valley Sanitation District 2024-01 (Big Basin) | Approved 06/05/2024 | 25655916 06/27/24 | 1.23 |
| | West Valley Sanitation District 2024-02 (High Street) | Approved 06/05/2024 | 25655917 06/27/24 | 0.66 |
| <i>District Total</i> | | | 1.89 | |

SOI Amendment & Annexations to Special Districts Total Acreage 1.89

URBAN SERVICE AREA AMENDMENT

| AGENCY | PROPOSAL NAME | LAFCO ACTION | DOCUMENT # DATE RECORDED | ACREAGE APPROVED |
|--------|---|----------------------------------|-----------------------------|------------------|
| Gilroy | Gilroy Urban Service Area Amendment 2021 (Wren Investor & Hewell) | Partially Approved 08/02/2023 | 25613771 03/25/2024 | 25.4 |

Total USA Amendment Acreage 25.4

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
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