

ANNUAL REPORT 2024-2025

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

Sylvia Arenas, Chairperson
Rosemary Kamei, Vice Chairperson
Jim Beall
Yoriko Kishimoto
Otto Lee
Mark Turner
Terry Trumbull

ALTERNATE COMMISSIONERS

Pamela Campos
Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill

STAFF

Emmanuel Abello
Sonia Humphrey
Dunia Noel
Neelima Palacherla

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MAJOR ACCOMPLISHMENTS

COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES - PHASE 1 COMPLETE

Stronger Policies, Greater Clarity

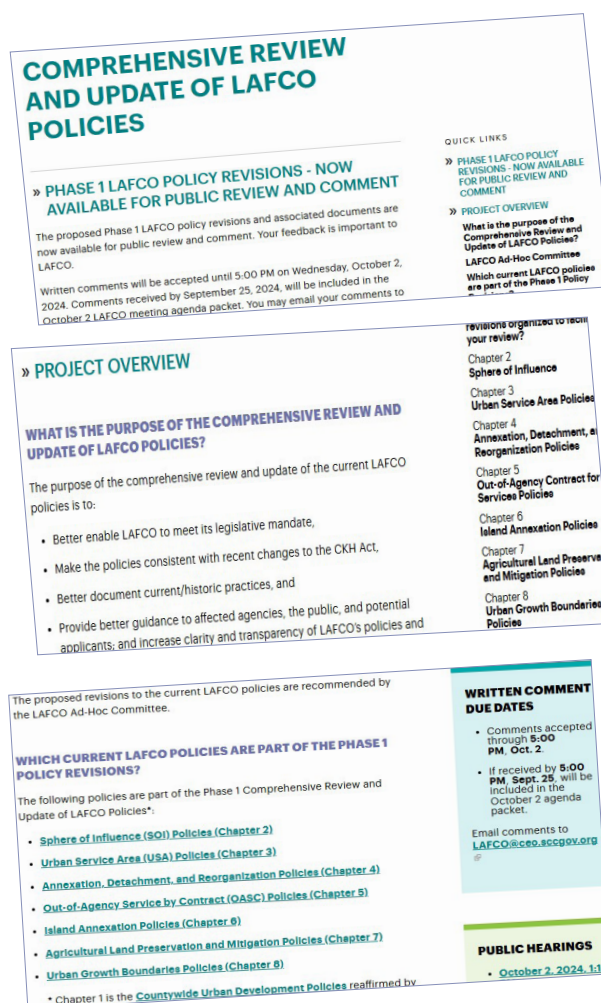
Over the past two years, LAFCO has undertaken a comprehensive review and update of its policies. This effort was designed to align policies with recent changes to the Cortese-Knox-Hertzberg (CKH) Act, document both current and long-standing practices, and provide clearer guidance to agencies, applicants, and the public. At its core, the initiative reflects LAFCO's ongoing commitment to transparency and good governance.

Project Launch

In October 2023, the Commission prioritized the review by forming a three-member Ad Hoc Committee of commissioners to work closely with staff in shaping the updates. In preparation for the review, a study session on LAFCO law and Santa Clara LAFCO policies was held in December 2023. Following the established workplan for Phase 1 of the project, the Committee met nine times over many months to examine core policies governing evaluation of LAFCO applications. Several policies were revisited multiple times as the Committee worked toward consensus on recommended changes.

Public Outreach and Engagement

Transparency and public participation were central to the process. Staff created a project webpage featuring the Committee-recommended policy revisions, background resources, and instructions for submitting questions and comments. In August 2024, the



MAJOR ACCOMPLISHMENTS

COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES (CONTINUED)

draft policies were circulated widely for public review and comment. A notice of availability was published in three local newspapers. Outreach also included presentations to local government associations and one-on-one discussions with cities, and special district staff, as well as direct engagement with interested members of the public. All written comments received detailed responses, and the policies were revised to address comments where appropriate.

Public Hearings and Adoption

The Commission held the first public hearing in October 2024 to review the draft policy updates and accept public comment. Extensive comments from cities, special districts, and the public informed further revisions. A second hearing in December 2024 led to the unanimous adoption of the revised policies, which strengthened existing policies and introduced new provisions, including support for agricultural worker housing.

With adoption complete, the updated policies are now posted on LAFCO's website. This milestone represents more than a technical update; it marks a significant step toward a clearer, more consistent, and more accessible policy framework for all who engage with LAFCO.

PHASE 2 POLICIES REVIEW

Work on Phase 2 has begun, focusing on LAFCO's remaining policies and procedures, which are mostly administrative in nature. Phase 2 is anticipated to be completed by the end of 2025.



MAJOR ACCOMPLISHMENTS

SHAPING FIRE SERVICE IN SOUTHERN SANTA CLARA COUNTY

South Santa Clara County Fire Protection District Dissolution and Annexation to Santa Clara County Central Fire Protection District

In February 2025, LAFCO received a joint application from the South Santa Clara County Fire Protection District (SCFD) and the Santa Clara County Central Fire Protection District (CCFD) proposing a reorganization of the two districts. The proposal called for dissolving SCFD, annexing its 288-square-mile territory consisting of unincorporated areas surrounding the cities of Morgan Hill and Gilroy in southern Santa Clara County – to CCFD, and amending CCFD’s Sphere of Influence (SOI) to incorporate the former SCFD SOI. The reorganization aimed to address SCFD’s ongoing operating deficit and provide sustainable, reliable fire protection services to the community.



SCFD Dissolution/CCFD Annexation & SOI Amendment Public Hearing (4/2/2025)

Following extensive public testimony reflecting a range of perspectives on the proposal, the Commission approved the reorganization on April 2, 2025, subject to terms and conditions, and directed the Executive Officer to conduct protest proceedings. Staff published protest hearing notices in multiple local newspapers and created a dedicated webpage, which included an interactive mapping tool to help residents easily determine their eligibility to formally submit protests.

The protest hearing was held on May 7, 2025. A significant number of protests

were received. With the assistance of the County Registrar of Voters’ Office and Assessor’s Office, LAFCO staff verified and weighed the protests received. Because protest thresholds were not met, the reorganization was ordered without an election, in accordance with State law.

The reorganization dissolving SCFD and annexing its territory to CCFD, became effective on July 1, 2025. This action ensured continuity of fire protection services and strengthened long-term fire protection in southern Santa Clara County.

PROGRAM HIGHLIGHTS

REVIEW AND PROCESSING OF APPLICATIONS

The number of applications LAFCO processes varies each year.

LAFCO staff processed two city-conducted annexations: one annexation to the City of San Jose totaling 2.50 acres and one annexation to the Town of Los Gatos totaling 0.56 acres.

In April 2025, LAFCO approved a reorganization of two fire districts that included dissolution of the SCFD, and concurrent annexation of its territory to the CCFD; and a Sphere of Influence (SOI) amendment for the CCFD to include the SCFD SOI, subject to terms and conditions.

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 respond 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

Staff conducts pre-application meetings to inform prospective applicants of the LAFCO policies and procedures that apply to their 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:

- » City of Sunnyvale staff, regarding proposed changes to Cupertino Sanitary District's boundaries to remove areas served by Sunnyvale (July 2024)
- » County of Santa Clara Facilities staff regarding implementation of Highland Campus Facilities Master Plan (July 2024)
- » City of San Jose staff, regarding annexation process relating to potential development of the former Pleasant Hills Golf Course (September 2024)
- » State Water Resources Control Board (SWRCB) staff and SWRCB's consultant, Foothill Mutual Water Company (FMWC) representative, City of Morgan Hill staff, regarding the potential consolidation of FMWC with the City of Morgan Hill water service. (September 2024, November 2024)
- » City of Morgan Hill staff regarding builder's remedy projects in the unincorporated area and potential water service connections (December 2024)

PROGRAM HIGHLIGHTS

- » County of Santa Clara staff regarding proposed dissolution of South Santa Clara County Fire Protection District and Central Fire District Annexation/SOI Amendment (January – March 2025)
- » Aldercroft Heights County Water District staff and Board Chair, regarding providing service outside of district boundaries and potential district boundary changes (May 2025)

OTHER MEETINGS

LAFCO staff has participated in multiple discussions regarding the issue of consolidation of failing small water systems with the SWRCB staff, County of Santa Clara staff, Morgan Hill staff, and Santa Clara Valley Water District staff. (December 2024)

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 a comment letter to the California Public Utilities Commission–Water Division in February 2025 re. LAFCO protest of Great Oaks Water Company's January 24, 2025 Advice Letter 329-W: Service Expansion Area.

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
- Santa Clara County Association of Planning Officials monthly meetings

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:

- » Leadership Sunnyvale, as part of their program curriculum on special districts and LAFCO (December 2024)
- » Leadership Morgan Hill, as part of its "Regional Government Day 2025" (March 2025)

PROGRAM HIGHLIGHTS

CALAFCO ACTIVITIES

SHINING A LIGHT ON LAFCO'S ROLE IN ENVIRONMENTAL JUSTICE

In October 2024, Vice Chair Arenas; and EO Palacherla, Analyst Abello and Clerk Humphrey attended the Annual CALAFCO Conference in Yosemite. EO Palacherla served on the Conference Planning Committee and coordinated a general session entitled *"Equity in Action: LAFCO's Role in Environmental Justice."*

Vice Chairperson Arenas served as the moderator for this exciting session and facilitated a very spirited discussion that included lots of audience participation. The session provided an insightful overview of environmental justice issues in land use planning; environmental justice requirements for LAFCOs, and included case studies illustrating environmental justice challenges relevant to LAFCOs.

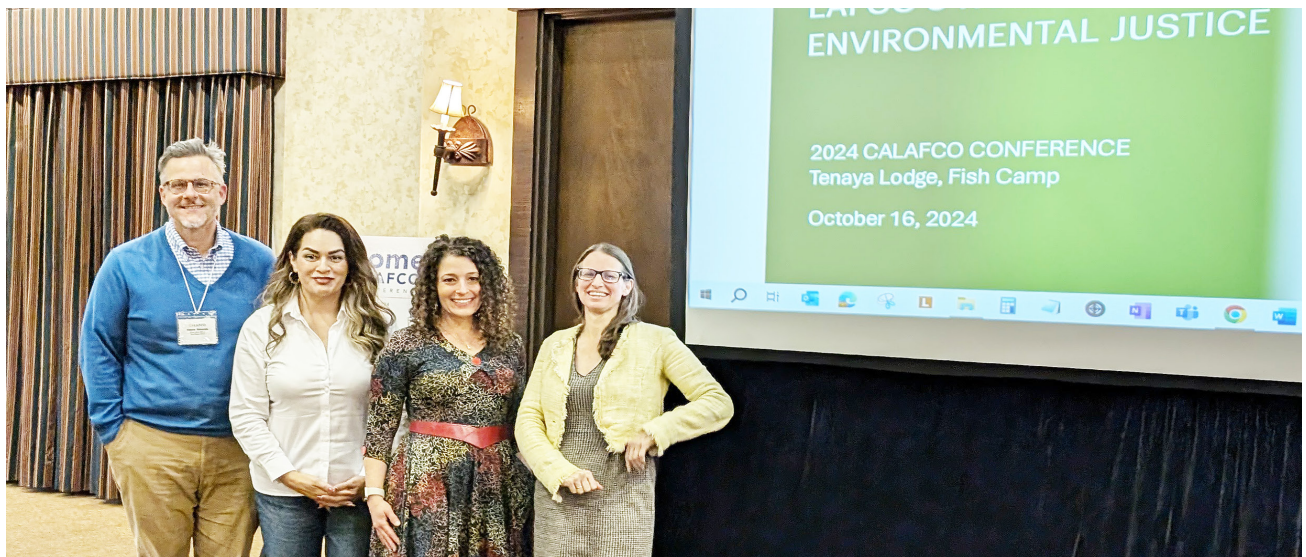
Analyst Abello recorded and produced a video recording of the session which is available on the [Santa Clara LAFCO website](#).



SHARING BEST PRACTICES FOR SUCCESSFUL ISLAND ANNEXATIONS

In April 2025, LAFCO staff attended the Annual CALAFCO Staff Workshop in Temecula. Assistant EO Noel served on the workshop planning committee and coordinated and was a panelist for a breakout session entitled *"Cracking the Code for Island Annexations: Insights, Challenges, and What's Next"*.

She discussed the long evolution of islands annexations in Santa Clara County, including Santa Clara LAFCO's very successful Island Annexation Program, and shared a more recent case study involving the annexation of twenty-four



PROGRAM HIGHLIGHTS

CALAFCO ACTIVITIES

CALAFCO COASTAL REGION MEETING

In May 2025, LAFCO staff, with the support of Commissioner Kamei, hosted a CALAFCO focus group/visioning session at San Jose City Hall for members of the CALAFCO Coastal Region.

ADMINISTRATIVE ACTIVITIES

INDEPENDENT ANNUAL FINANCIAL AUDIT

LAFCO accepted the [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 February 5, 2025. The auditors found LAFCO's financial statements to present fairly, in all material aspects, the financial position of LAFCO.

REDESIGN, AND DEVELOPMENT OF NEW LAFCO DATABASE

In October 2024 LAFCO approved a contract with Assura Software, LLC, for the design and development of a customized database to process LAFCO applications, track public inquiries, and manage the LAFCO contacts directory; and for providing ongoing licensing and ancillary support services, including, hosting, and technical support. Two aspects of the project, the contacts database and the inquiries database, are completed and are now being used and tested.

RIISING THROUGH THE RANKS: EMMANUEL ABELLO GETS PROMOTED!



Analyst Abello joined LAFCO in November 2005 as LAFCO Office Specialist, where he handled a wide range of clerical, administrative, and analytical tasks.

In 2022, as part of a comprehensive LAFCO staff reclassification, the LAFCO Office Specialist position was replaced by the LAFCO Clerk role, and Mr. Abello was reclassified to Associate LAFCO Analyst in recognition of his contributions to analytical and planning related functions. In August 2024, Emmanuel Abello was promoted from Associate LAFCO Analyst to LAFCO Analyst, taking on assignments with greater responsibility and autonomy.

UPCOMING PROJECTS

COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW

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

STRATEGIC PLANNING WORKSHOP

It is anticipated that the Commission will convene a strategic planning workshop in 2026 to explore the development of environmental justice policies and other emerging policy ideas. This effort will guide the creation of a strategic plan aimed at advancing innovative LAFCO policies and strengthening the Commission's long-term vision.

TECHNOLOGY PROJECT

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.

It is anticipated that 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 2026



CHANGES IN LAFCO MEMBERSHIP

WELCOME ABOARD – NEW FACES JOIN LAFCO

In January 2025, LAFCO welcomed Morgan Hill Mayor Mark Turner as a commissioner, Gilroy City Councilmember Zach Hilton as an alternate commissioner, San Jose City Councilmember Pamela Campos as an alternate commissioner, and County Board of Supervisor Betty Duong as an alternate commissioner. Prior to the appointment Mr. Turner was an alternate commissioner. Commissioner Turner's, and Alternate Commissioners Hilton's and Campos's terms on LAFCO will expire May 31, 2028. Alternate Commissioner Duong's term on LAFCO will expire May 31, 2029.

In May 2025, LAFCO staff convened the meeting of the Independent Special Districts Selection Committee (ISDSC). At the meeting, the ISDSC unanimously reappointed Yoriko Kishimoto (Board Member of the Midpeninsula Regional Open Space District and LAFCO Commissioner) as a commissioner and Helen Chapman (Board Member of the Santa Clara Valley Open Space Authority and LAFCO Alternate Commissioner) as an alternate commissioner, to serve on LAFCO for new four-year terms from through May 31, 2029.

RECOGNIZING EXCEPTIONAL SERVICE AND LEADERSHIP: RUSS MELTON

In February 2025, the Commission presented a Resolution of Commendation to former LAFCO Commissioner Russ Melton for his many years of dedicated service to Santa Clara LAFCO.



LAFCO APPLICATION PROCESSING RECORD

JULY 1, 2024 TO JUNE 30, 2025

CITY-CONDUCTED ANNEXATIONS

CITY	PROPOSAL NAME	DATE RECORDED	DOCUMENT #	ACREAGE
San Jose	McKee No. 139	08/22/2024	25688850	2.59
			<i>City Total</i>	2.59
Los Gatos	El Gato Lane No. 6	9/19/2024	25701221	0.56
			<i>City Total</i>	0.56

City Conducted Annexations Total Acreage 3.15

SPHERE OF INFLUENCE AMENDMENT AND REORGANIZATION OF SPECIAL DISTRICTS

AGENCY	PROPOSAL NAME	LAFCO ACTION	DOCUMENT # DATE RECORDED	ACREAGE APPROVED
Santa Clara County Central Fire Protection District	South Santa Clara County Fire Protection District Dissolution and Santa Clara County Central Fire Protection District Annexation / SOI Amendment	Approved 04/02/2025	25808230 05/16/25	184,320
South Santa Clara County Fire Protection District			<i>District Total</i>	184,320
<i>SOI Amendment & Annexations to Special Districts Total Acreage</i>				184,320



SANTA CLARA **LAFCO**

FOR THE GOOD OF THE WHOLE

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of Santa Clara County

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