

ANNUAL REPORT 2019-2020

SANTA
CLARA
LAFCO



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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

Sergio Jimenez, Chairperson
Susan Ellenberg, Vice-Chairperson
Rich Constantine
Sequoia Hall
Linda J. LeZotte
Mike Wasserman
Susan Vicklund Wilson

ALTERNATE COMMISSIONERS

Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull

STAFF

Emmanuel Abello
Dunia Noel
Neelima Palacherla
Lakshmi Rajagopalan

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LAFCO'S NEW COMMUNICATIONS & OUTREACH MATERIALS

The Communications and Outreach Plan adopted by the Commission in October 2018 presented strategies and tools to expand understanding of LAFCO's role and responsibility in promoting sustainable growth and good governance in Santa Clara County. As recommended in the Plan, Santa Clara LAFCO developed new communications materials and tools, each described in greater detail below, to conduct greater outreach to its diverse stakeholders.

“WHAT IS LAFCO?” BROCHURE

The “What is LAFCO?” Brochure is designed to help Santa Clara LAFCO tell its story and educate all audiences about the history of LAFCO, its mission and mandate, the commissioners' role in upholding the mandate, how LAFCO functions, and what LAFCO has accomplished over 50 years in Santa Clara County.

The brochure highlights how LAFCO's work yields real public benefits for the county's residents which include protecting open space and farmlands, safeguarding local air and water resources, minimizing traffic, promoting housing affordability, minimizing costs to taxpayers for government services, and increasing the sustainability and livability of communities.



LAFCO'S NEW COMMUNICATIONS & OUTREACH MATERIALS



PUBLIC EXHIBITS ON LAFCO

The large public exhibits provide a brief overview of LAFCO and highlight how LAFCO's presence creates public value across the county, protecting natural resource lands while facilitating the development of vibrant communities. One exhibit has already been displayed at the County Government Center and future displays are anticipated in other public spaces, such as at city halls and public libraries around the county.

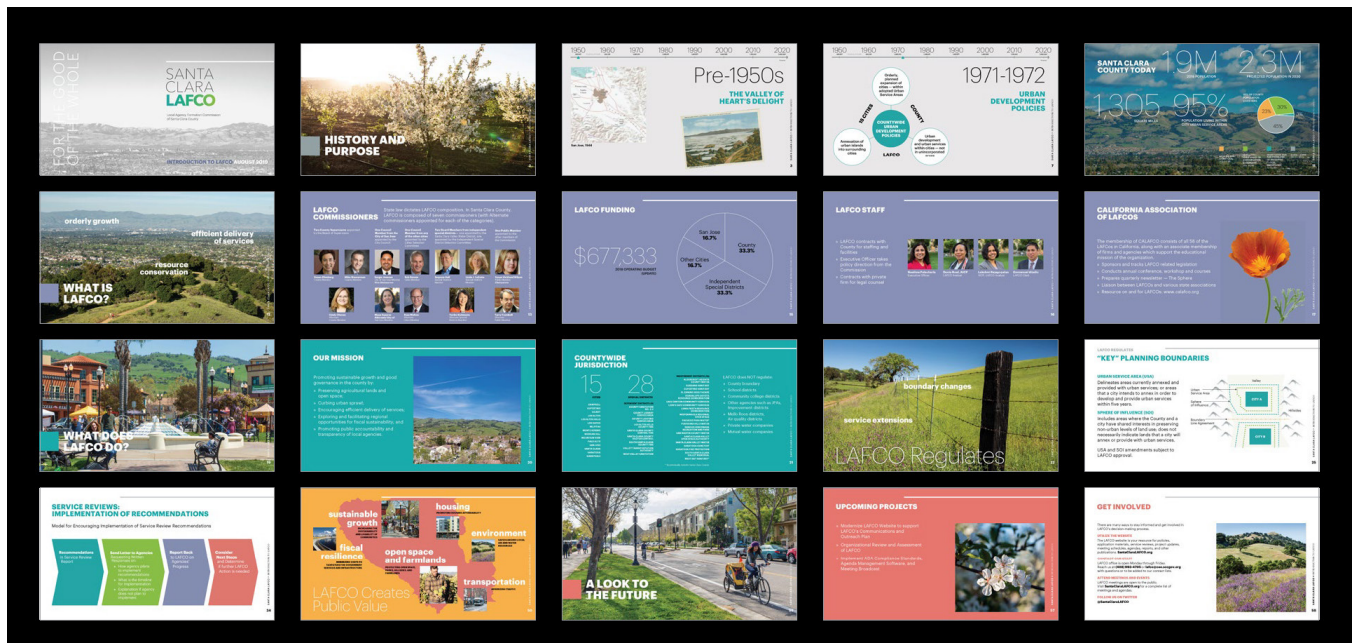


LAFCO'S NEW COMMUNICATIONS & OUTREACH MATERIALS

INTRODUCTION TO LAFCO POWERPOINT PRESENTATION

A PowerPoint presentation (with customization for different stakeholder groups) has been developed to help educate stakeholders about the history of LAFCO, its State mandate, its policies, the role of Commissioners and staff, the application review process for boundary changes, its service reviews program, and current projects.

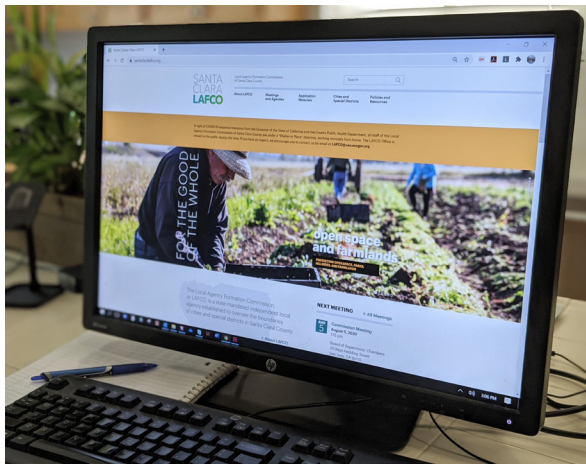
LAFCO staff have used the presentation to orient new LAFCO commissioners; and to inform elected officials, staff of local agencies, and the general public about LAFCO.



LAFCO'S NEW COMMUNICATIONS & OUTREACH MATERIALS

REDESIGNED LAFCO WEBSITE

LAFCO launched its new website in January 2020. The new website, **SantaClaraLAFCO.org**, features a bold new look incorporating the new LAFCO brand colors, typography, and design elements, as well as new messaging developed as part of LAFCO's Communications and Outreach Plan. The new website's content is aligned to LAFCO's three key audiences: applicants, community members, and cities and special districts; and prominently features helpful resources including an interactive maps portal with current jurisdictional and planning boundaries for local agencies in the county.



The new website will be used to strengthen LAFCO's engagement with its stakeholders and the public by making it easier for them to access LAFCO information and resources.

2020 NORTHERN CALIFORNIA APA AWARD OF EXCELLENCE FOR COMMUNICATIONS INITIATIVE

Santa Clara LAFCO's Communications & Outreach Plan received the 2020 Northern California APA Section Award of Excellence for Communications Initiative.

The first ever communications initiative by any LAFCO in the state, the Communications and Outreach Plan is a comprehensive and proactive strategy for outreach and communications to help Santa Clara LAFCO better fulfill its role and address the common unfamiliarity with and misperception of LAFCO's purpose.

“

[The Plan contains] fresh ideas that are transferable to other communities and represent guidebooks toward a more inclusive, accessible and equitable planning future.

Northern Section 2020 Awards
American Planning Association
California Chapter

”

PROGRAM HIGHLIGHTS

RANCHO RINCONADA RECREATION AND PARK DISTRICT SPECIAL STUDY (ONGOING)

In July 2019, LAFCO retained a consultant to conduct the Rancho Rinconada Recreation and Park District (RRRPD) Special Study in order to identify the reorganization process and evaluate the potential fiscal impacts of alternate governance structure options for the District. The RRRPD Special Study Draft Report prepared by the consultant is available on the LAFCO website for public review and comment. In February and March 2020, LAFCO and the City of Cupertino's Parks and Recreation Commission received presentations on the Draft Report. However, work on the Study was temporarily suspended due to the COVID-19 pandemic. We have recently resumed the Study.



COMPREHENSIVE ORGANIZATIONAL REVIEW AND ASSESSMENT OF LAFCO (ONGOING)

In October 2019, LAFCO retained a consultant to conduct a comprehensive organizational review and assessment of Santa Clara LAFCO focusing on its organizational structure,

staffing levels, job specifications and compensation relative to an industry focused comparator group and best management practices. The Study will support performance management, employee development and succession planning efforts.

The consultant completed their research and analysis; and prepared a Draft Report with their findings and recommendations. Throughout the process, the LAFCO Finance Committee met several times to provide input and guidance to the consultant on the Study. The consultant's Draft Report and the Finance Committee's recommendations will be presented to the Commission at its August meeting.

BOUNDARY CHANGE APPLICATION

The number of applications LAFCO processes varies each year. This year, LAFCO approved and recorded one annexation to the West Valley Sanitation District.

There were no requests for urban service area or sphere of influence amendments.

LAFCO staff worked with the Town of Los Gatos to help facilitate the annexation of 24 unincorporated islands totaling 117 acres, into the Town.

LAFCO's Application Processing Record for the period July 1, 2019 to June 30, 2020 is included in the Appendix.

PROGRAM HIGHLIGHTS

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.

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:

- City of Saratoga staff regarding potential annexation of Mountain Winery (June 2019)
- Property owner and City of Morgan Hill staff regarding a request to extend water service to proposed Metta Tam Tu Buddhist Temple Development (August and September 2019)
- Town of Los Altos Hills staff and Midpeninsula Regional Open Space District staff, regarding the proposed annexation of the Los Altos Hills 04 – Ravensbury Island, which included a parcel owned by the District (December 2019 and April 2020)

COMMENT LETTERS

Staff also 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:

- Mountain Winery Annexation Project – Draft and Final Environmental Impact Reports (City of Saratoga, August and December 2019, and March 2020)
- Gilroy's Consideration of Providing City Water Service Outside City Boundaries Without Seeking LAFCO Approval (City of Gilroy, August and September 2019)
- Proposed Tentative Map, Cluster Permit, and Grading Approval for a 24-lot Subdivision (County of Santa Clara, October 2019)
- Wren Investors and Hewell Urban Service Area Amendment – Mitigated Negative Declaration (City of Gilroy, October 2019)
- Gilroy Sports Park Master Plan Phase III Amendments – Supplemental Draft Environmental Impact Report (City of Gilroy, October 2019 and February 2020)
- Request to extend city water service to the proposed Metta Tam Tu Buddhist Temple Development (City of Morgan Hill, November 2019)
- Gilroy 2040 General Plan Notice of Preparation (City of Gilroy, February 2020)
- Proposed Agricultural Employee Housing Zoning Ordinance Amendments (County of Santa Clara, May 2020)

PROGRAM HIGHLIGHTS

COLLABORATION AND PARTNERSHIPS

MEETINGS WITH STATE AND REGIONAL AGENCIES

Over the past year, LAFCO staff has facilitated and participated in several inter-jurisdictional discussions with staff from the County Planning Department, County Department of Environmental Health, State Water Resource Control Board (SWRCB), and Santa Clara Valley Water District on laws (i.e. SB 1263 and SB 200) affecting the permitting of small water systems in unincorporated areas of the county.

The purpose of these meetings was to understand these laws, consider the potential adverse or unintended impact of these laws on land use, planning, development and growth management in the unincorporated county; and to help identify mutually acceptable ways to implement these laws in a manner that avoids those potential adverse impacts.

COUNTYWIDE ASSOCIATIONS AND WORKING GROUPS

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

- Quarterly Meetings with County Planning Office
- County Sustainability Working Group
- Interjurisdictional GIS Working Group Meetings

OUTREACH AND EDUCATION EFFORTS

PRESENTATIONS ON LAFCO

As part of LAFCO's ongoing outreach efforts, staff conducts presentations on LAFCO and its mandate, policies, and activities to various stakeholders. Staff made presentations to the following:

- County Planning Office staff, as part of a joint training focused on the overlap between the two agencies' goals and policies (February 2020)
- Santa Clara County Special Districts Association, highlighting the various resources for special districts, such as service review reports, and special district profiles and maps. (March 2020)

PROGRAM HIGHLIGHTS

CALAFCO ACTIVITIES

Santa Clara LAFCO is actively involved in CALAFCO activities. The following is a summary of those activities during this year:

CALAFCO BOARD AND CALAFCO LEGISLATIVE COMMITTEE

In October 2020, Commissioner Vicklund Wilson completed her term on the CALAFCO Board and on the CALAFCO Legislative Committee. Executive Officer Palacherla continues to serve on the Legislative Committee which meets regularly during the legislative session to propose new legislation to help clarify LAFCO procedure or to address LAFCO issues, and to discuss and take positions on proposed legislation affecting LAFCOs.

CALAFCO ANNUAL CONFERENCE ATTENDANCE AND PRESENTATIONS

In October 2019, staff and Commissioners Jimenez, Rennie, and Vicklund Wilson; and Alternate Commissioners Melton and Trumbull attended the Annual CALAFCO Conference in Sacramento. Commissioner Vicklund Wilson was a panelist on a session entitled “MSRs: You Get Out What You Put In.” Commissioner Rennie and Executive Officer Palacherla were panelists on a session entitled “What’s Your Story? Crafting and Communicating a Compelling LAFCO Narrative.”



UPCOMING PROJECTS

COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES

In February 2020, LAFCO hired a consultant to assist in completing a comprehensive review and update of LAFCO's policies. The purpose of the review and update is to strengthen the policies in order to enable LAFCO to better meet its legislative mandate, and to better align and clarify consistency of the policies with the Cortese Knox Hertzberg Act. The review and update are now underway and anticipated to conclude by years end.

WEBCASTING OF LAFCO MEETINGS

In February 2020, LAFCO authorized staff to work with the Office of the Clerk of the Board of Supervisors to webcast LAFCO meetings in order to increase transparency and encourage greater public engagement. LAFCO is working with the County to develop a Memorandum of Understanding to allow LAFCO to use the County's Agenda Management System and the equipment in the County Board Chambers.

OTHER ACTIVITIES

CHANGES IN LAFCO MEMBERSHIP

In May 2020, LAFCO welcomed City of Morgan Hill Mayor Rich Constantine as a new LAFCO commissioner. Sunnyvale Councilmember Russ Melton was re-appointed as an alternate commissioner. Staff conducted an orientation session for Commissioner Constantine.

In June 2020, the Commission thanked outgoing Commissioner Rob Rennie for his dedicated service to LAFCO.

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 been working remotely since March 16, 2020.

LAFCO held its April 8, 2020 and June 3, 2020 meetings by virtual teleconference.

INDEPENDENT ANNUAL FINANCIAL AUDIT

LAFCO completed its second Annual Financial Audit for FY 2019 ending on June 30, 2019. The audit was conducted 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 APPLICATION PROCESSING RECORD

JULY 1, 2019 TO JUNE 30, 2020

ISLAND ANNEXATIONS

CITY	PROPOSAL NAME	DATE RECORDED	DOCUMENT #	ACREAGE APPROVED
Los Gatos	Los Gatos Pocket Annexation LG 01	08/30/19	24268075	39.92
	Los Gatos Pocket Annexation LG 02-02	08/30/19	24268075	0.21
	Los Gatos Pocket Annexation LG 03	08/30/19	24268075	0.90
	Los Gatos Pocket Annexation LG 04	08/30/19	24268075	1.66
	Los Gatos Pocket Annexation LG 05	08/30/19	24268075	3.14
	Los Gatos Pocket Annexation LG 06	08/30/19	24268075	0.96
	Los Gatos Pocket Annexation LG 07	08/30/19	24268075	1.84
	Los Gatos Pocket Annexation LG 09	08/30/19	24268075	0.62
	Los Gatos Pocket Annexation LG 10	08/30/19	24268075	1.89
	Los Gatos Pocket Annexation LG 11	08/30/19	24268075	0.46
	Los Gatos Pocket Annexation LG 12	08/30/19	24268075	2.36
	Los Gatos Pocket Annexation LG 14	08/30/19	24268075	0.11
	Los Gatos Pocket Annexation LG 15-01	08/30/19	24268075	0.12
	Los Gatos Pocket Annexation LG 15-02	08/30/19	24268075	0.10

ISLAND ANNEXATIONS (Continued)

CITY	PROPOSAL NAME	DATE RECORDED	DOCUMENT #	ACREAGE APPROVED
Los Gatos	Los Gatos Pocket Annexation LG 16	08/30/19	24268075	1.25
	Los Gatos Pocket Annexation LG 17 01-01-01	08/30/19	24268075	34.11
	Los Gatos Pocket Annexation LG 17 01-01-02	08/30/19	24268075	1.10
	Los Gatos Pocket Annexation LG 17 01-02	08/30/19	24268075	7.59
	Los Gatos Pocket Annexation LG 17-02	08/30/19	24268075	13.95
	Los Gatos Pocket Annexation LG 17-03	08/30/19	24268075	0.25
	Los Gatos Pocket Annexation LG 17-04	08/30/19	24268075	1.63
	Los Gatos Pocket Annexation LG 17-05	08/30/19	24268075	0.28
	Los Gatos Pocket Annexation LG 18-01	08/30/19	24268075	0.90
	Los Gatos Pocket Annexation LG 18-02	08/30/19	24268075	1.67
			<i>City Total</i>	117.02
<i>Total Island Annexations Acreage</i>				117.02

ANNEXATIONS TO SPECIAL DISTRICTS

AGENCY	PROPOSAL NAME	LAFCO ACTION	DOCUMENT # DATE RECORDED	ACREAGE APPROVED
West Valley Sanitation District	West Valley Sanitation District 2019-01 (Cypress Way)	Approved 02/05/20	24406685 02/18/20	1.25
				<i>District Total</i>
<i>Total Special District Annexations Acreage</i>				1.25

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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