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SANTA CLARA LAFCO STUDY SESSION CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000 OVERVIEW

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History of LAFCO



Need for LAFCO Arises

- Post World War II, California experienced dramatic population and economic growth
- New local agencies were created to provide the resultant demand for public services
- Many of these new agencies were created without a lot of analysis or thought
- The hodgepodge of agencies often times provided services without coordination, sometimes without adequate planning, and often times provided services already provided by other overlapping agencies
- California also experienced premature conversion/loss of California's agricultural and open-space lands

1959: Gov. Brown, Sr. appointed the Commission on Metropolitan Area Problems

The Commission studied and made recommendations on the “misuse of land resources” and the growing complexity of local governmental jurisdictions

The Commission’s recommendations on local governmental reorganization were introduced in the Legislature in 1963

1963: Local Agency Formation Commissions (“LAFCOs”) are created by the resulting adoption of the Knox-Nisbet Act

As of 2000, with the formation of San Francisco LAFCO, there is a LAFCO in each of California’s 58 counties

- 1997-2000:** Commission on Local Governance in the 21st Century was formed by the Legislature, the recommendations from which were the basis for the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) (Gov. Code § 56000 et seq.)
- Mandated greater independence for LAFCOs
 - Provides further clarification of purposes and mission of LAFCOs
 - Requirement for service reviews, expanded factors for proposals, and ability for streamlined island annexations
 - LAFCOs are required to adopt local policies and procedures

Santa Clara LAFCO Policies



LAFCOs shall adopt local policies and procedures that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open space and ag lands (Gov. Code § 56300)

- Boundary Agreement
- Sphere of Influence
- Urban Services Area
- Annexation
- Urban Growth Boundaries and Other Long-Term Boundaries
- Out of Agency Contract for Services
- Gilroy AG Land Areas

Santa Clara LAFCO Policies



- Agricultural Mitigation Policies
- Island Annexation Policies
- Incorporation Policies
- Service Review Policies
- Policies and Procedures Affecting More than One County
- Procedures for Preparing and Processing Environmental Documents
- Indemnification Policy
- Countywide Urban Development Policies
- Administrative Policies

Commission Composition



Most:

- 2 Representatives from the Board of Supervisors
- 2 Representatives from the City Councils in that county
- 1 Representative from the General Public appointed by the Commission
- Alternate members for each of the above categories

Some:

- Have the representatives listed above, as well as 2 representatives from Independent Special Districts in that county

Santa Clara LAFCO (Gov. Code § 56327 and § 56327.3):

- One councilmember appointed by the city having the largest population (San Jose) with the ability to be enlarged by 2 special district members

LAFCO's Purpose



- LAFCOs are often referred to as the “Watchdog” of the Legislature
 - LAFCOs are charged with furthering the State’s policy of:
 - Discouraging Urban Sprawl
 - Preserving Open Space and Prime Agricultural Lands
 - Encouraging the Efficient Provision of Government Services
 - Encouraging the Orderly Formation and Development of Local Governmental Agencies
- (Gov. Code § 56301)

LAFCO's Functions



- Develop and update Spheres of Influence for Cities and Districts (Gov. Code § 56425)
- Prepare Service Reviews for all local agencies within the County (Gov. Code § 56430)
- Prepare other studies as needed (Gov. Code § 56378)
- Adopt local policies and procedures and exercise its powers consistent with those policies that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open space and ag lands (Gov. Code § 56300)

LAFCO's Functions

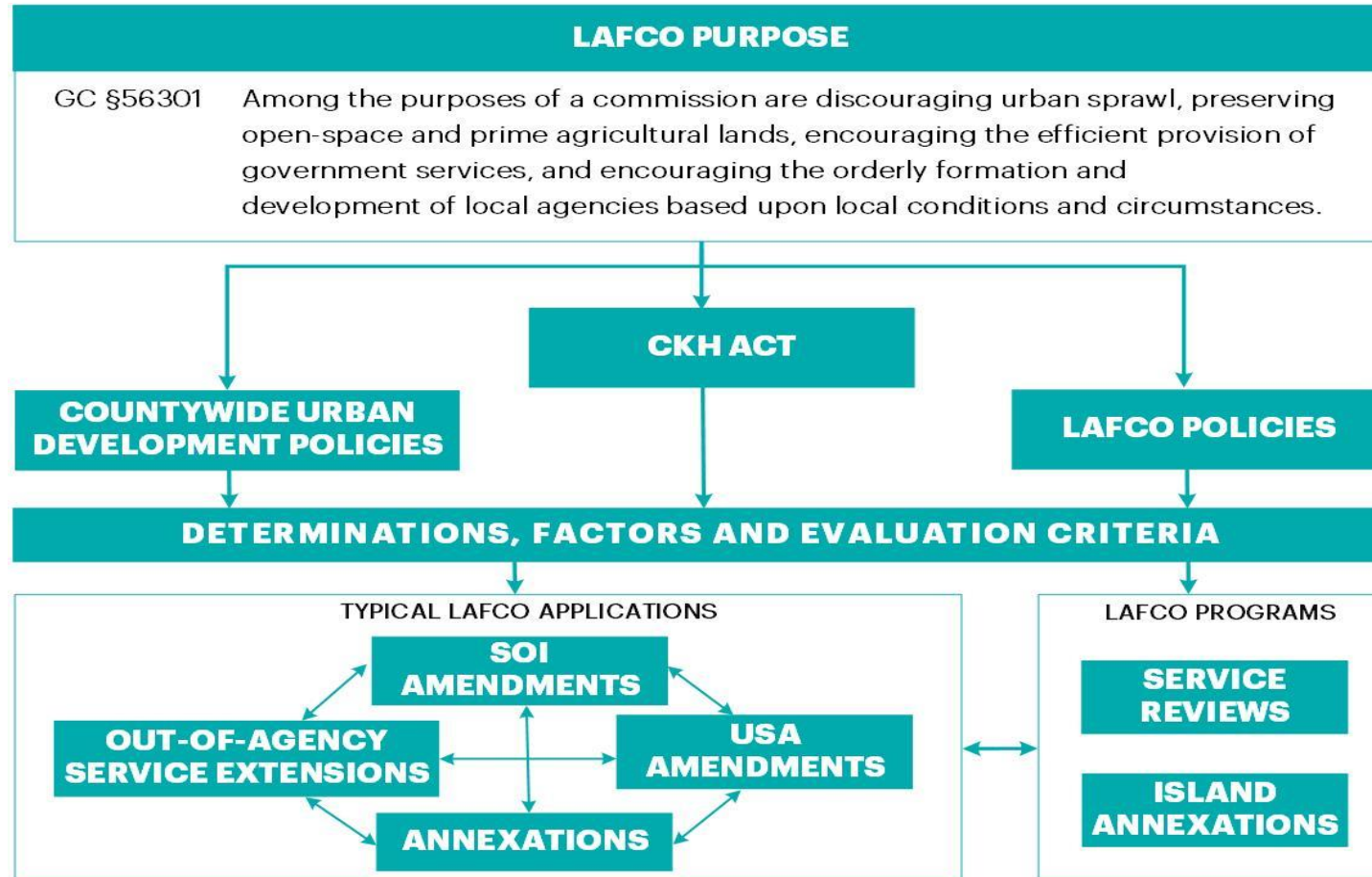


LAFCOs serve as a Regulatory Agency

- LAFCOs oversee modification of existing agencies and creation of new agencies
- LAFCOs regulates boundary changes
- Santa Clara LAFCO regulates Urban Service Areas
- Regulates Extension of Services (Out of Agency)

Navigating LAFCO's Interconnected Functions

NAVIGATING LAFCO'S INTERCONNECTED FUNCTIONS



Sphere of Influence and Urban Service Area



Sphere of Influence

- For cities and special districts

Urban Service Area

- Only for cities in Santa Clara County
- Is the critical boundary for a city
- Must be consistent with the SOI

Spheres of Influence

What is a Sphere of Influence?

- The CKH Act defines a Sphere of Influence as:
 - “a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission” (Gov. Code § 56076)
- Spheres of Influence are important because LAFCOs cannot take actions that are inconsistent with a Sphere of Influence

Spheres of Influence



- LAFCOs must develop and determine the sphere of influence of each city and special district within the county and enact policies designed to promote the logical and orderly development of areas within the sphere (Gov. Code § 56425)
- LAFCO must update each sphere every five years, as necessary
- LAFCOs must also consider and prepare a written statement of certain determinations
- LAFCOs may recommend reorganization of agencies when determining spheres of influence

Sphere of Influence



Sphere of Influence Determinations (Gov. Code § 56425(e))

- Present and planned land uses in the area, including ag and open space
- Present and probable need for public facilities and services in the area
- Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide
- Existence of any social or economic communities of interest in the area, if relevant
- Present and probable need for public facilities or services related to sewers, municipal and industrial water, or structural fire protection of any disadvantaged unincorporated communities within the existing SOI

Urban Service Areas



Definition of Urban Service Area:

Developed, undeveloped, or ag land either incorporated or unincorporated, within the SOI of a city, which is served by urban facilities, utilities, and services or which are proposed to be served by them during the first 5 years of an adopted CIP of the city, if the city adopts that type of program.

(Gov. Code § 56080)

In Santa Clara County urban services areas delineate areas currently annexed and provided with urban services or areas that a city intends to annex in order to develop and provide urban services within 5 years.

City Conducted Annexations



Once SC LAFCO approves an USA, it shall not review an annexation that is within the City's USA, if the City makes certain findings:

- The area is within the USA adopted by the Commission
- The County Surveyor has determined the boundaries are definite and certain and in compliance with the road annexation policies of the Commission
- Does not split lines of assessment or ownership
- Does not create islands or areas that are difficult to provide services
- Consistent with the adopted general plan of the city
- Contiguous to existing city limits
- Complied with conditions imposed by LAFCO on the USA (Gov. Code § 56757)

Change of Organization



Change of Organization Proposals include:

- Incorporation
- District Formation
- Annexation
- Detachment
- Consolidation
- Merger
- Disincorporation
- Dissolution
- Establishment of a Subsidiary District
- Exercise of New or Different Functions or Services or Divestiture of Powers for Special Districts

Change of Organization Factors

Gov. Code § 56668



Factors to consider for a change of organization shall include, but are not limited to:

1. Population and population density; land area and land use, AV, topography, natural boundaries and drainage basins, proximity to other populated areas, and the likelihood of significant growth in the area and adjacent areas over next 10 years
2. The need for organized services, the present cost and adequacy of services and controls in the area, probably future needs for those services and controls, and probably effect of the proposal and alternative action on the cost and adequacy of services and controls in the area and adjacent areas

Change of Organization Factors

Gov. Code § 56668



Factors to consider for a change of organization shall include, but are not limited to:

3. Effect of the action and alternative action on adjacent areas, on mutual social and economic interest, and on the county
4. Conformity of both the proposal and its anticipated effects on the adopted Commission's polices on providing planned, orderly, efficient patterns of urban development and the policies and priorities in Section 56377 (preservation of open-space land and development within jurisdiction)
5. Effect of the proposal on maintaining the physical and economic integrity of ag lands

Change of Organization Factors

Gov. Code § 56668



Factors to consider for a change of organization shall include, but are not limited to:

6. Definiteness and certainty of the boundaries, nonconformance of proposed boundaries with assessment and ownership lines, creation of islands or corridors of unincorporated territory
7. A regional transportation plan
8. Consistency with city or county general and specific plans
9. SOI of any local agency that may be applicable to the proposal
10. Comments of any affected local agency or other public agency

Change of Organization Factors

Gov. Code § 56668



Factors to consider for a change of organization shall include, but are not limited to:

11. Ability of the newly formed or receiving entity to provide the services that are the subject of the application to the areas, including sufficiency of revenues for the services following the proposed boundary change
12. Timely availability of water supplies adequate for projected needs
13. Extent the proposal will affect a city or county in achieving their RHNA
14. Info or comment from landowners, voters, or residents of the affected territory

Change of Organization Factors

Gov. Code § 56668



Factors to consider for a change of organization shall include, but are not limited to:

15. Info relating to existing land use designations
16. Extent to which the proposal will promote environmental justice
17. Info contained in a: local hazard mitigation plan; safety element of a general plan, and any maps that identify lands as VHFHZ, if relevant to the proposal area

Out of Agency Services

Gov. Code § 56133



A City or District can only provide new or extended services outside of its boundaries if it first receives written approval from LAFCO.

LAFCO can only approve if:

- The services will be provided within the SOI in anticipation of a later change of organization

OR

- The services will be provided outside the SOI to respond to an existing or impending threat to the public health or safety of the residents of the affected territory

Out of Agency Services



Exceptions to Gov. Code § 56133(e):

- Agreements solely involving two or more public agencies where:
 - The service to be provided is an alternative to, substitute for, public services already being provided by an existing public service provider AND
 - The level of services to be provided is consistent with the level of services contemplated by the existing service provider

Out of Agency Services



Exceptions to Gov. Code § 56133(e):

- Provision of surplus water to ag lands and facilities, including but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support ag industries. Prior to extending surplus water to any project that will support or induce development, the city or district shall first request and receive written approval from LAFCO.
- Transfer of nonpotable or nontreated water
- Out of agency services provided on or before January 1, 2001
- Local publicly owned electric utility
- Fire protection contracts as defined in Gov. Code § 56134(a)

Service Reviews



- A service review is a comprehensive study designed to better inform LAFCO, local agencies, and the community about the provision of municipal services (Gov. Code § 56430)
- Service reviews attempt to:
 - Capture and analyze information about the governance structures and efficiencies of service providers
 - Identify opportunities for greater coordination and cooperation between providers
- The service review must be done before, or in conjunction with, but no later than time the Commission considers the SOI

Service Review



Service Review Determinations (Gov. Code § 56430(a))

- Growth and population projections
- Location and characteristics of any disadvantaged unincorporated communities (DUC) within or contiguous to the SOI
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUC within or contiguous to the SOI

Service Review



Service Review Determinations (Gov. Code § 56430(a))

- Financial ability of agencies to provide services
- Status of, and opportunities for, shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies
- Any other matter, related to the effective or efficient service delivery, as required by Commission policy



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Questions?

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