



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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April 4, 2011

Agenda Item No. 5c (Consent: Information)

March 29, 2011

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Assembly Committee on Local Government Hearing on LAFCOs

The Commission will receive a publication prepared by the California Association of Local Agency Formation Commissions as part of its recent presentation to the Assembly Committee on Local Government. The publication provides a primer on LAFCOs' principal duties and objectives and is being presented for information.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCOs) with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies. This includes approving or disapproving proposals involving the formation, expansion, merger, and dissolution of cities and special districts.

A. Information

The Assembly Committee on Local Government conducted an information hearing on LAFCOs on March 23, 2011. The purpose of the hearing was to educate members on the roles and responsibilities of LAFCOs in coordinating logical changes in local governmental boundaries and review of services provided by local agencies; only one of the nine members have previously served on a LAFCO. The Committee was also interested in receiving an update on current issue facing LAFCOs. The informational hearing was attended by Executive Director William Chiat with the California Association of LAFCOs (CALAFCO). Staff is attaching the publication prepared by Director Chiat as part of his testimony. The publication serves as a good primer on LAFCO and is being presented to the Commission for general information.

B. Commission Review

The Commission is invited to review and discuss the attached publication as needed.

Attachments: as stated

Lewis Chilton, Vice Chair
Councilmember, Town of Yountville

Juliana Inman, Commissioner
Councilmember, City of Napa

Joan Bennett, Alternate Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
County of Napa Supervisor, 4th District

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st District

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brian J. Kelly, Commissioner
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

An Overview of Local Agency Formation Commissions

What Does LAFCo Do??

1. Forms new cities and special districts
2. Changes boundaries
3. Changes authorized services
4. Allows service extensions
5. Establishes Spheres of Influence
 - ◆ Performs municipal service reviews
6. Reorganizes local agencies
 - ◆ Annexation, consolidation, merger, dissolution, disincorporation

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Why Create a LAFCo?

- ❖ Post World War II population and housing boom in California
- ❖ Freeway suburbs; scramble to finance and extend services
- ❖ City annexation "wars;" proliferation of limited purpose special districts
- ❖ Confusion with multiple local governments



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Legislative Solution: Local Flexibility of State Law

- ❖ No state commission or statewide agency
- ❖ Local control; no state appointments
- ❖ A LAFCo in every county
- ❖ Each LAFCo independent
- ❖ Local flexibility – Local policies
- ❖ Unique to California

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Nearly 50 Years of LAFCo

- ❖ **1963** – Knox Nisbet Act
- ❖ **1965** – District Reorganization Act
- ❖ **1971** – Spheres of Influence
- ❖ **1972** – Districts seated on LAFCo
- ❖ **1985** – Cortese Knox Local Government Reorganization Act
- ❖ **1993** – (Gotch) LAFCo Initiate Some Changes of Organization



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The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000

Significantly amended mission and structure of LAFCo

1. Spheres of Influence
2. Municipal Service Reviews
3. LAFCo Independence
4. Adopt local policies



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LAFCo Composition Commissions a Unique Mix

- ❖ 58 Commissions
- ❖ All Local: 2 county supervisors, 2 city council members, 1 public member
- ❖ A few with special memberships
- ❖ 29 LAFCos have 2 special district members
- ❖ Alternate member in each category
- ❖ All members required by law to represent the interests of the entire public

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An Overview of Local Agency Formation Commissions

Jurisdiction – Local Agencies

- ❖ Includes:
 - ♦ Counties, cities, most special districts
- ❖ Does NOT include:
 - ♦ Redevelopment agencies or JPAs
 - ♦ Community facilities or Mello-Roos districts
 - ♦ School or college districts
 - ♦ County boundary lines
 - ♦ Bridge and highway districts
 - ♦ Transit or rapid transit districts
 - ♦ Improvement districts

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As a REGULATORY Agency

- ❖ Approves modification of existing agencies – consolidations, annexations, reorganizations, dissolution – and formation of new ones
- ❖ Approves boundary changes if consistent with spheres
- ❖ Controls extension of public services
- ❖ Is prohibited from directly regulating how land is used, but ...

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As a PLANNING Agency

- ❖ Develop and update Spheres of Influence for cities and districts
- ❖ Prepare Municipal Service Reviews for all local agencies
- ❖ Work cooperatively with public and private agencies and interests on growth, preservation and service delivery
- ❖ Share information with Metropolitan Planning Organizations and others

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Spheres of Influence §56425

- ❖ In determining the SOI the commission considers ...
 1. Present and planned land uses, including agricultural and open-space
 2. Present and probable need for public facilities and services
 3. Present capacity of public facilities and adequacy of public services
 4. Existence of any social or economic communities of interest

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Spheres of Influence Includes Recommended Reorganizations

"The commission may recommend governmental reorganizations to particular agencies in the county, using the spheres of influence as the basis for those recommendations."



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Municipal Service Reviews

§56430

"In order to prepare and to update spheres of influence the commission shall conduct a service review of the municipal services provided in the county ..."

- ❖ All spheres updated by January 1st 2008
- ❖ Subsequent reviews every five years, *as necessary*



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An Overview of Local Agency Formation Commissions

Service Reviews Have Details on Local Agencies

- ❖ Growth projections of affected area
- ❖ Present and planned service and facility capacity
- ❖ Financial ability of agency
- ❖ Opportunities for shared facilities
- ❖ Accountability, structure, efficiencies
- ❖ Other matters of effective or efficient service delivery

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LAFCo is Independent

- ❖ Adopt local policies
- ❖ Commissions make final decisions; cannot be appealed to other administrative bodies
- ❖ Appoint an Executive Officer and Legal Counsel
- ❖ Can contract for staff services
- ❖ Administrative authority as an independent public agency

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LAFCo is Funded Locally

- ❖ Commissions adopt a budget each fiscal year
- ❖ Funded by the county, cities and – when seated on LAFCo – special districts
 - ♦ Local funding formulas allowed
- ❖ Processing fees offset expenses for specific applications
- ❖ Challenges of funding LAFCo in severe economic conditions

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Subject to State Laws

- ❖ Political Reform Act
 - ♦ Annual filing of assets and campaign contributions is required
 - ♦ Automatic disqualification from decisions related to entitlements for use
 - ♦ No disqualification on actions related to home jurisdiction
- ❖ Brown Act
- ❖ CEQA

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Courts Support LAFCo Authority

- ❖ *“Engaged in the pursuit of an overriding State purpose”*
- ❖ Is quasi-legislative; limited legal challenge to decisions
- ❖ Is the Legislature’s *“watch dog”* on local governments
 - ♦ 5th District Court of Appeals, City of Ceres v. City of Modesto, 1969

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