

# LAFCo 101

## An Introduction to Local Agency Formation Commissions



# What's Ahead

- ❖ Why LAFCo was created
- ❖ LAFCo's role and functions
- ❖ What are MSR and SOI, and why do them anyway?
- ❖ Resources available from LAFCo
- ❖ Your questions





Promote orderly growth  
Prevent sprawl  
Preserve agriculture and open space  
Assure efficient, sustainable public services

# What Does LAFCo Do?

1. Creates new cities and special districts
2. Changes boundaries
3. Changes authorized services
4. Allows service extensions
5. Performs municipal service reviews
6. Reorganizes local agencies

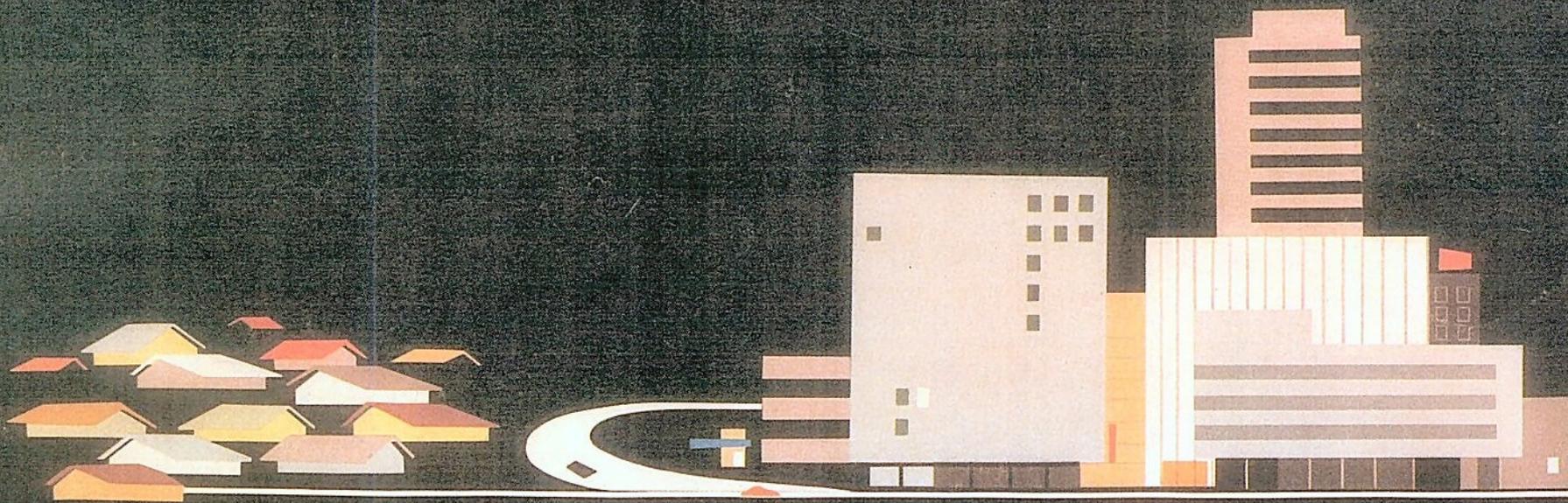


# Why Create a LAFCo?

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



# MEETING METROPOLITAN PROBLEMS



**REPORT OF THE GOVERNOR'S COMMISSION ON METROPOLITAN AREA PROBLEMS**  
STATE OF CALIFORNIA—Edmund G. Brown, Governor

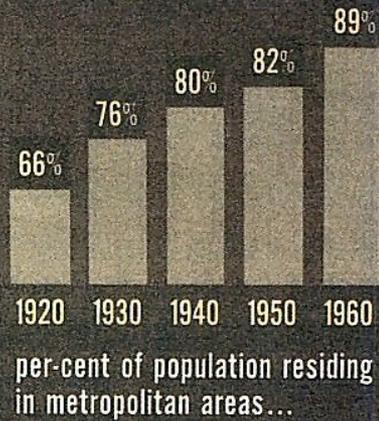
# NIGHTMARE OF NUMBERS

1960

15½ million people

1980

30 million



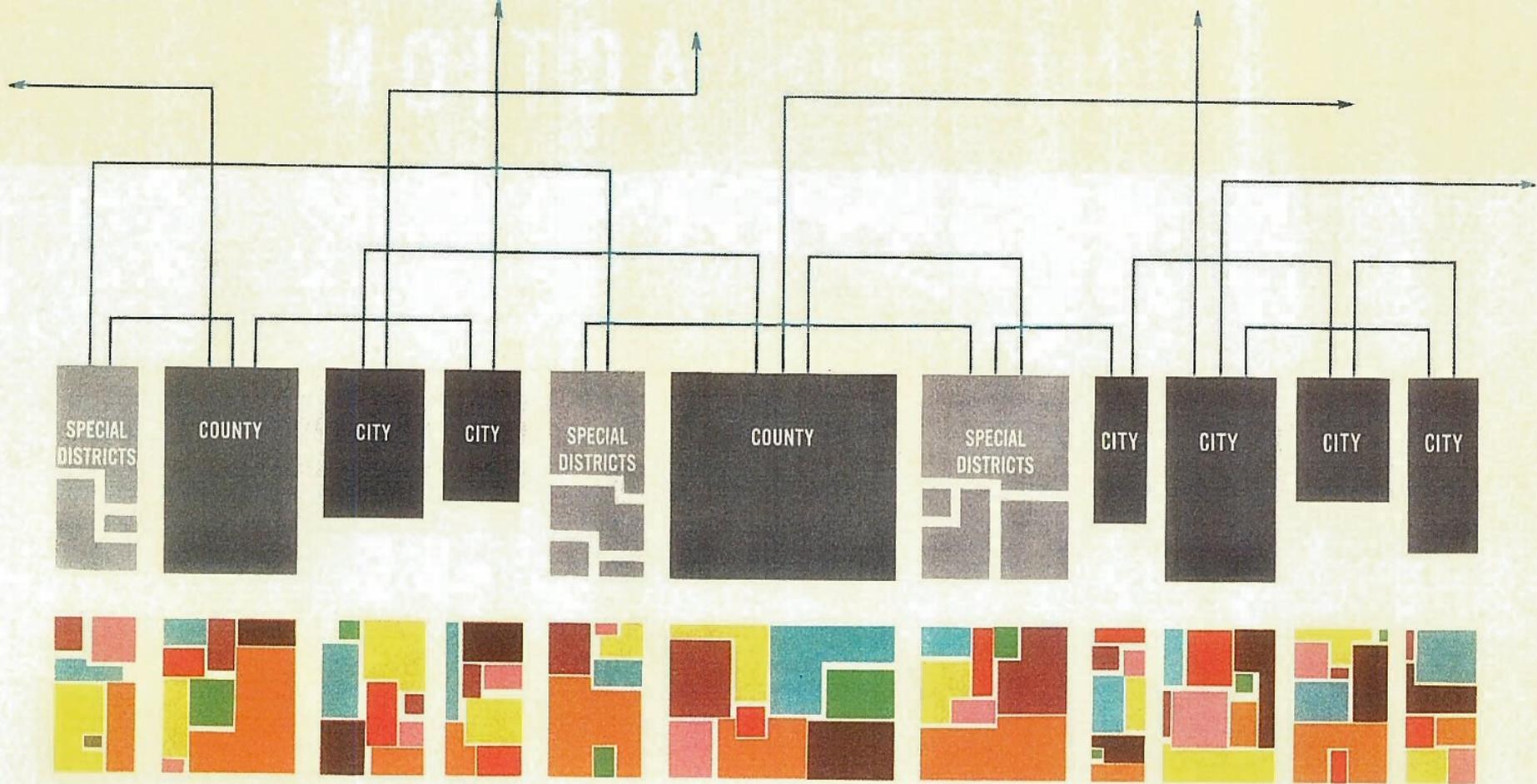
**90%+**  
CONCENTRATED  
IN LESS THAN  
**5%** OF TOTAL  
LAND AREA

Year	Population
1970	19,953,134
1980	23,667,902
1990	29,760,021
2000	33,871,648
2010	37,253,956

¼ million population ■ present population ■ projected

1500  
a  
day





# FRAGMENTED ACTION

- Uneconomical use of regional resources
- Traffic congestion
- Air pollution
- Strain on water facilities
- Complex local government structure
- Lack of area-wide multi-purpose district with planning controls
- Overlapping jurisdictional areas
- Uninformed citizenry

# Legislative Solution (1960 to 1963)

- ❖ No state commission or statewide agency
- ❖ Local control; no state appointments
- ❖ A LAFCo in every county
- ❖ Each LAFCo independent



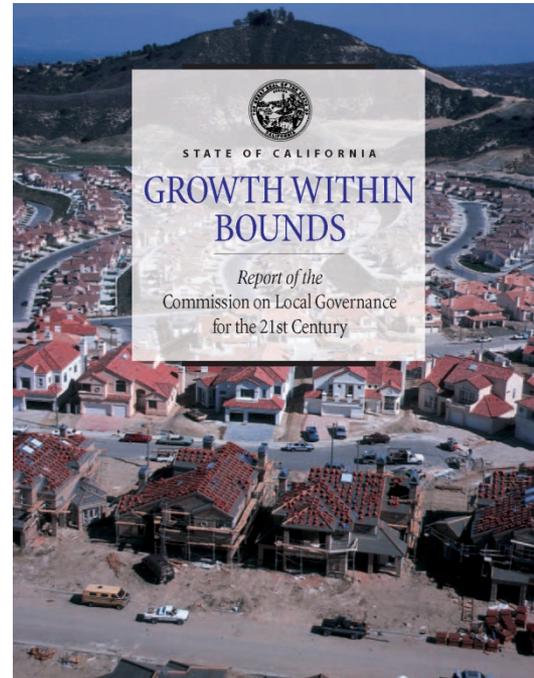
# Over 50 Years of LAFCo

- ❖ 1963 – Knox Nesbitt Act
- ❖ 1965 – District Reorganization Act
- ❖ 1971 – Spheres of Influence
- ❖ 1972 – Districts seated on LAFCo
- ❖ 1985 – Cortese Knox Local Government Reorganization Act
- ❖ 2000 – Cortese Knox Hertzberg Local Government Reorganization Act



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

1. Spheres of Influence
2. Municipal Service Reviews
3. LAFCo Independence



# **LAFCo Composition**

## **Commissions a Unique Mix**

- ❖ All Local: 2 county supervisors, 2 city council members, 1 public member
- ❖ 30 LAFCos also have 2 special district members
- ❖ An alternate member in each category
- ❖ All members are required by law to represent the interests of the entire public



# Commissions a Unique Mix



30 LAFCOs with  
Special District  
Members



# Jurisdiction

## ❖ Includes:

- ◆ Counties, cities, most special districts

## ❖ Does NOT include:

- ◆ Air Pollution/quality management districts
- ◆ Bridge or highway districts
- ◆ Joint power authorities/agencies
- ◆ Community facilities or Mello-Roos districts
- ◆ School or college districts
- ◆ County boundary lines
- ◆ Special Assessment districts
- ◆ Improvement districts
- ◆ Flood or conservation districts



# 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



# As a **REGULATORY** Agency

- ❖ Manages **modification** of existing agencies and creation 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 ...



# Spheres of Influence

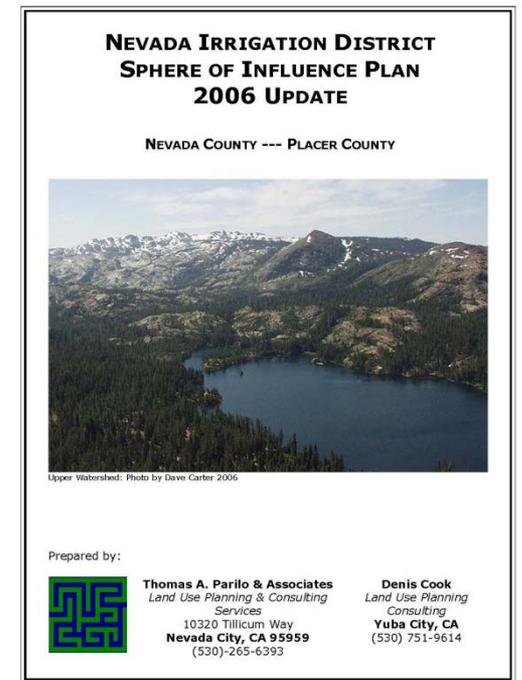
- ❖ **Unique to California**
- ❖ **§56076:** "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.



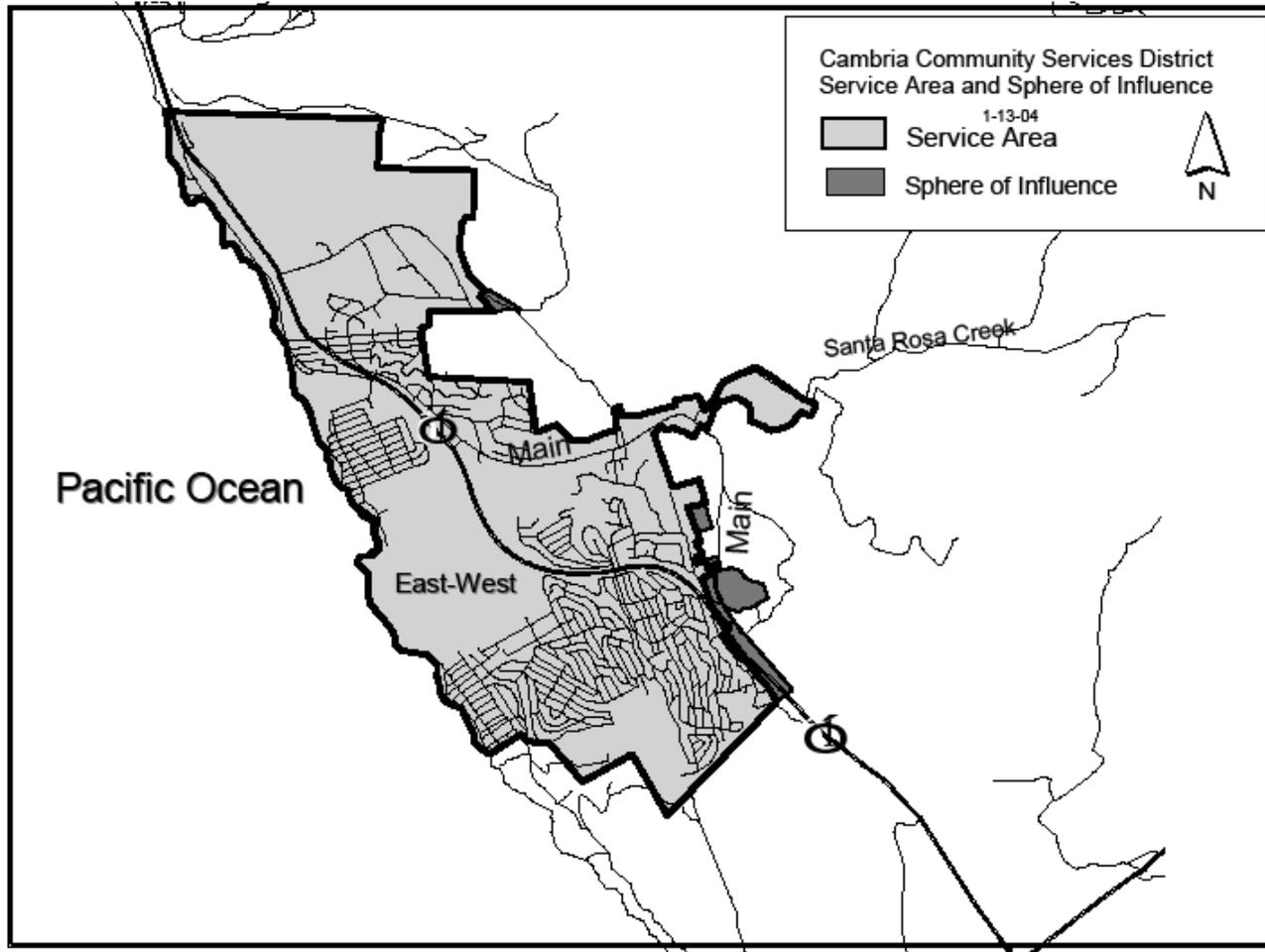
# Spheres of Influence

§56425

(a) "... the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere."



# Typical Sphere of Influence Map



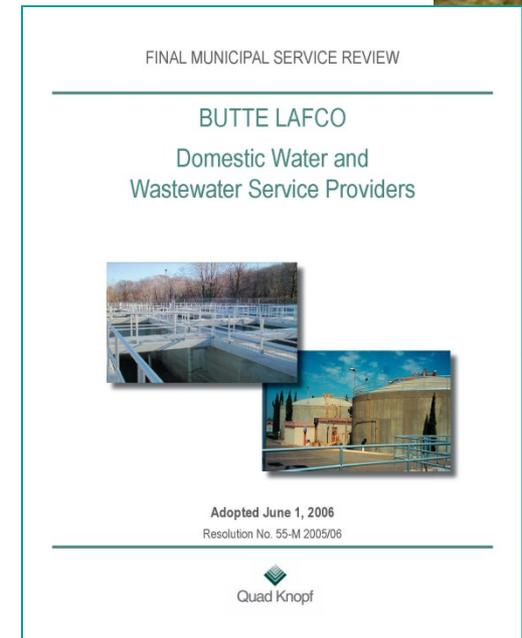
# Spheres of Influence §56425

- ❖ In determining the SOI the commission considers ...
  1. Present and planned land uses, including ag 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



# Spheres of Influence §56425

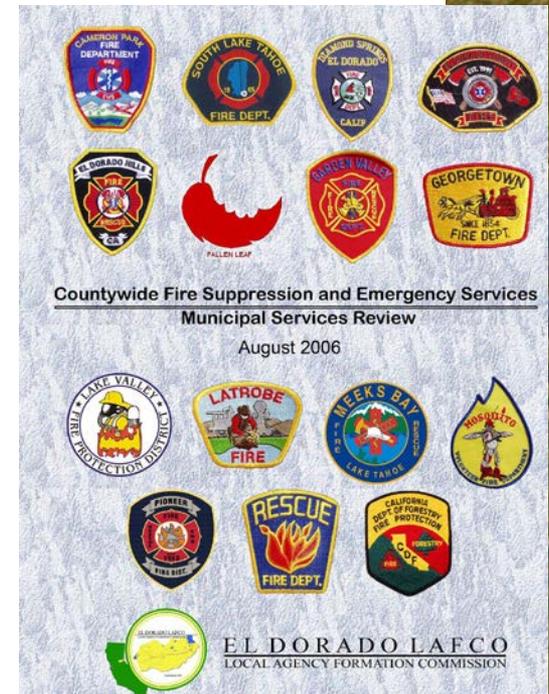
“The commission may recommend governmental reorganizations to particular agencies in the county, using the spheres of influence as the basis for those recommendations.”



# 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 or other appropriate area designated by the commission.”



# Service Reviews Have Details

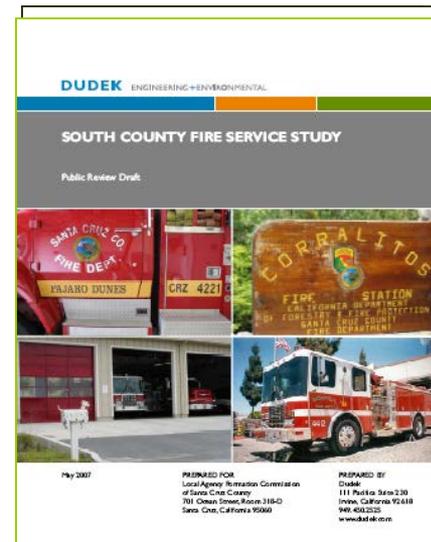
§56430

- ❖ Growth projections
- ❖ Present and planned capacity
- ❖ Financial ability of agency
- ❖ Shared facilities
- ❖ Accountability
- ❖ Other matters



# MSRs Prepared in Several Methods

- ❖ Individual agency or jurisdiction
- ❖ Type of special district
- ❖ Category of service
- ❖ Countywide
- ❖ Regional or area



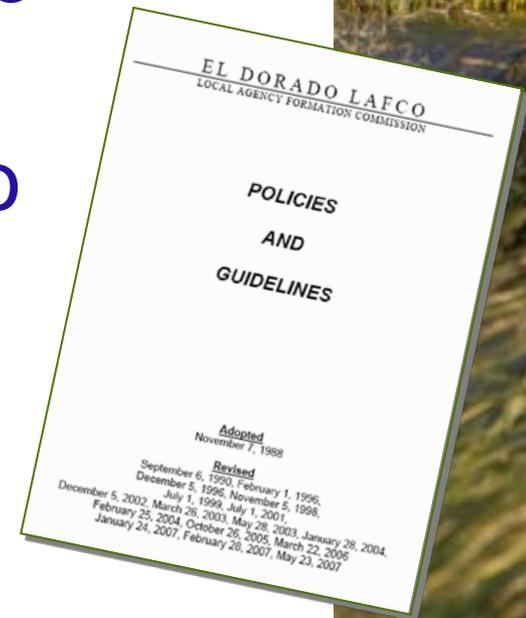
# When Are SOI/MSRs Done?

- ❖ Law required all spheres to have been updated by 1 January 2008
  - ◆ Includes an MSR for each Sphere
- ❖ Subsequent sphere reviews every five years, *as necessary*
  - ◆ Leaves “*as necessary*” to local policy
  - ◆ 1 January 2013 was next deadline
- ❖ MSR required with sphere update



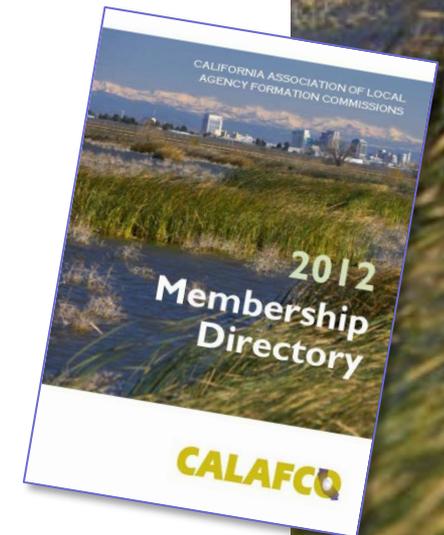
# LAFCos Are Independent

- ❖ Commissioners make final decisions
- ❖ Adopt local policies
- ❖ Decisions cannot be appealed to other administrative bodies
- ❖ Executive Officer accountable to Commission and statutes



# LAFCos Are Independent

- ❖ Provides own quarters, equipment, personnel
- ❖ Appoints an Executive Officer
- ❖ Appoints a Legal Counsel
- ❖ Can contract for staff services
- ❖ Administrative authority as an independent public agency



# LAFCo is Funded Locally

- ❖ Must adopt a budget for each fiscal year
- ❖ Funded by the county, cities and special districts in equal thirds
- ❖ Local funding formulas are allowed
- ❖ Processing fees help offset expenses



DESCRIPTION	AMOUNT	DATE
Application Fee	\$1,750	10/1/07
Annual Fee	\$1,000	10/1/07
...	...	...

# 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
- ❖ Brown Act
- ❖ CEQA



# The Courts Support LAFCo Authority

- ❖ “Engaged in the pursuit of an overriding State purpose”
- ❖ Is quasi-legislative; limited legal challenge to decisions
  - ◆ Determinations vs. findings
- ❖ Is the Legislature’s “watch dog” on local governments



# LAFCo Resources to Use

- ❖ Municipal Service Reviews
- ❖ Maps of Boundaries and Spheres
- ❖ History of Formation and Changes to Local Agencies
  - ◆ Authorized powers
- ❖ Local Agency Governance and Contact Information
- ❖ Local Agency Formation Laws



# Issues on the Horizon

- ❖ Balance resource preservation with pressure for housing
- ❖ Infill vs sprawl
- ❖ Regional land and transportation planning and regulations
- ❖ Water; infrastructure availability
- ❖ Urbanization outside of cities – no funding for future incorporations or inhabited annexations
- ❖ Viable local agencies and services – shared services





**[www.calafco.org](http://www.calafco.org)**

Information and resources on  
LAFCo law and process

