

Introduction to and Overview of LAFCo



Presentation Includes:

- 1. History of LAFCo
- 2. What is LAFCo?
- 3. Who is LAFCo?
- 4. What are the Purposes of LAFCo?
- 5. How Does LAFCo Achieve Its Purposes?
- 6. How is LAFCo Funded?



LAFCo stands for...

Local
Agency
Formation
Commission



History of LAFCo

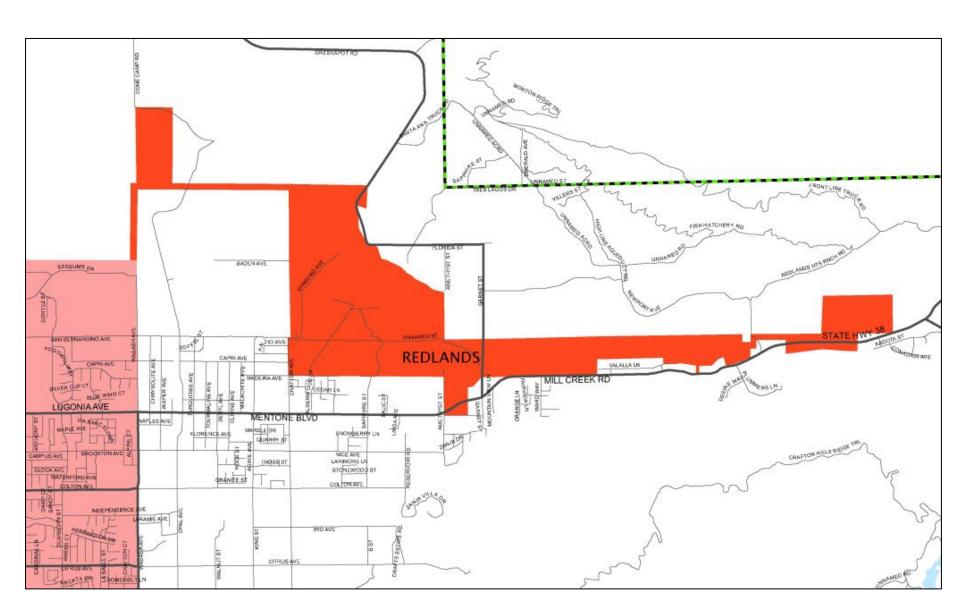


Conditions that Led to Creation of LAFCos

- Post World War II population and housing boom in California
 - 1950 10.5 million
 - 1960 15.9 million (51% increase)
- Extensive suburban development; scramble to finance and extend services
- City annexation "wars", proliferation of single purpose special districts
- Result: illogical and inefficient service boundaries

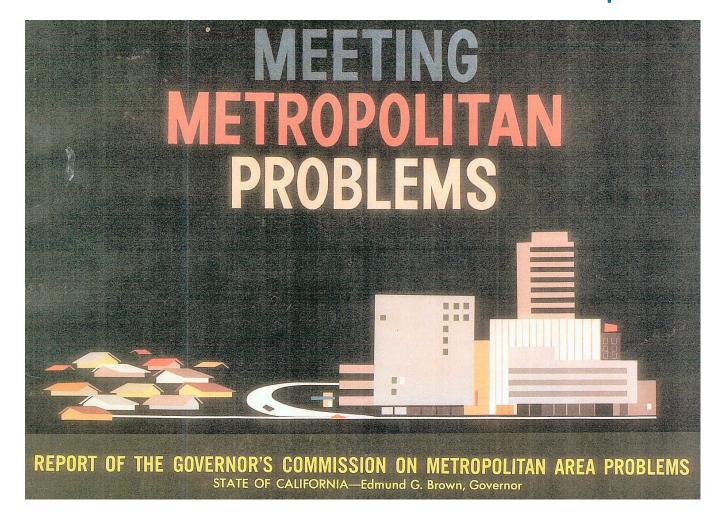


City of Redlands – 1959 Annexation





1961 - Gov. Pat Brown's Commission On Metropolitan Area Problems

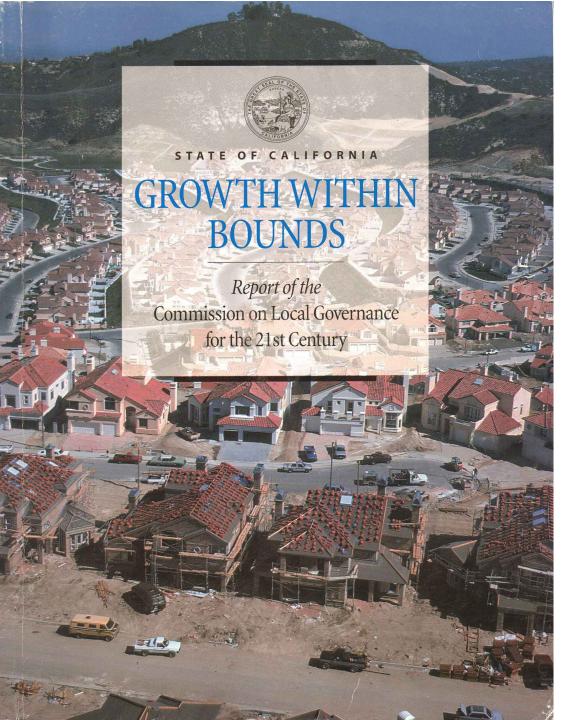


Rational focus on the need to encourage orderly service boundaries



Legislative History of LAFCos

- 1963 Knox-Nesbitt Act LAFCos are created to regulate boundaries
- 1965 District Reorganization Act unified district procedures
- 1971 LAFCo required to determine spheres of influence providing LAFCo with planning authority
- 1977 Municipal Organization Act clean-up of city procedures
- 1985 Cortese-Knox Local Government Reorganization Act Recodify
- 1993 AB 1335 Improved LAFCo procedures



2000 - Report of the Commission on Local Governance for the 21st Century

Recommendations:

- LAFCos should be neutral, independent, and provide well balanced representation.
- Strengthen LAFCo's powers to prevent urban sprawl and ensure orderly extensions of governmental services.
- Municipal Service Reviews should be prepared to inform Sphere of Influence Updates
- Strengthen policies to protect agricultural and open space.

Guide to the

CORTESE–KNOX–HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000



Prepared by

Assembly Committee on Local Government Honorable Cecilia M. Aguiar-Curry, Chair

December 2022

Division 3 of the California Government Code (Section 56000 et seq)

"...this division provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. All changes of organization and reorganizations shall be initiated, conducted, and completed in accordance with, and as provided in, this division."

Govt. Code § 56100(a)



What is LAFCo?



LAFCo is...

- An independent, quasi-legislative agency
 - Decisions made by the Commission are final they cannot be appealed to other administrative bodies
- Functions as a state agency
- Granted with authorities pursuant to Govt. Code § 56000 et seq.
- In every county in California
- The "watchdog the Legislature established" to achieve its specified purposes – Fifth District Court



Who is LAFCo?



LAFCo is...

Comprised of an array of local representatives:

- Two members from the County board of supervisors (and one alternate)
- Two members from the city councils (and one alternate)
- Two members from the boards of independent special districts* (and one alternate)
- One member for the general public (and one alternate)

^{*} Not all LAFCos have independent special district members



LAFCo Commissioners

"While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person."

Govt. Code § 56331.4



LAFCo Commissioners must wear their "LAFCo hat"

- Commissioners do not represent the agency upon which they were elected to serve
- Commissioners do not represent special districts, cities, or the county
- Commissioners must work on behalf of the interests of residents, property owners, and the public as a whole
- Commissioners must work to further the purposes of LAFCo



What are the Purposes of LAFCo?



LAFCo's purposes are...

- Discouraging urban sprawl
- Preserving open-space and prime agricultural lands
- Encouraging the efficient provision of government services
- Encouraging orderly formation and development of local agencies based upon local conditions and circumstances

Govt. Code § 56301



How Does LAFCo Achieve these Purposes?



Primary Duties

- 1. Coordinate logical and timely changes in local government boundaries.
 - 10 cities
 - 29 Independent Special Districts
 - 20 Dependent Special Districts
- 2. Establish a 'sphere of influence' for each city and special district.
- 3. Conduct special studies recommending ways to simplify and streamline governmental structure.
- 4. Consider requests for out of agency services



Examples of Changes to Local Governmental Boundaries (changes of organization)

- Annexations & Detachments
- Consolidations
- Incorporations & Disincorporations
- Formations & Dissolutions
- Mergers



Establishing Spheres of Influence

Sphere of Influence:

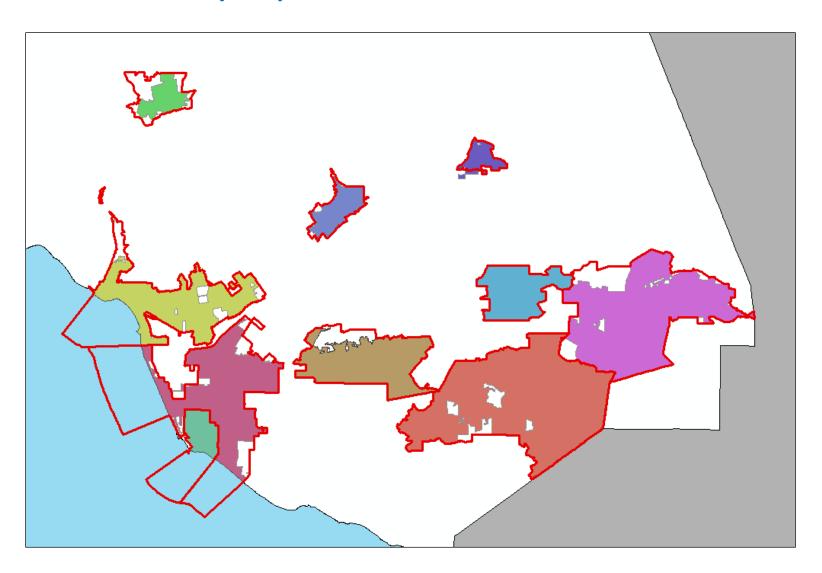
"A plan for the probable physical boundaries and service area of a local agency, as determined by the commission."

Govt. Code §56076

- LAFCo must adopt a sphere of influence for each city and special district
- LAFCo must, as necessary, review and update each sphere of influence every five years

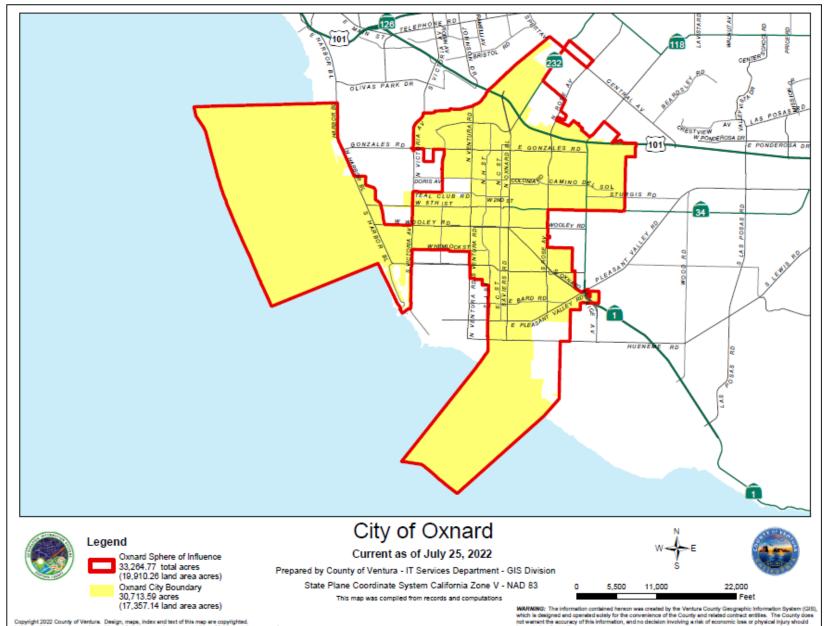


City Spheres of Influence





Spheres of Influence



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Municipal Service Reviews

- A comprehensive study to determine the adequacy of governmental services being provided by the local agencies subject to LAFCo jurisdiction
- Required to update or establish a sphere of influence
- MSRs study:
 - 1. Growth and population
 - 2. Adequacy of current and future public services and infrastructure needs
 - 3. Financial ability of agency to provide services
 - 4. Opportunities for share facilities
 - 5. Accountability, governmental structure and operational efficiencies



Requests for Out of Agency Services

"A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission of the county in which the affected territory is located."

Govt. Code Section 56133(a)

Commission may authorize the service:

- 1. In anticipation of a change of organization (usually annexation) if the area to be served is within the agency's sphere of influence.
- 2. To respond to an existing or impending threat to public health and safety if the area to be served is outside the agency's sphere of influence.

VENTURA LOCAL AGENCY FORMATION COMMISSION

Commissioner's Handbook

Policies of the Ventura LAFCo



Ventura LAFCo
801 S. Victoria Avenue, Suite 301
Ventura, CA 93003
www.ventura.lafco.ca.gov
Effective January 1, 2002
Revised and Readopted October 17, 2007
With Updates through November 16, 2022

"It is the intent of the Legislature that each commission...shall establish written policies and procedures and exercise its powers pursuant to this part in a manner consistent with those policies and procedures and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space and agricultural lands within those patterns."

Govt. Code Section 56300(a)

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Division 1 – Operational Rules & Regulations

Division 2 – Operational Policies

Division 3 – Changes of
Organizations and
Reorganizations

Division 4 – Spheres of Influence

Division 5 – Out of Agency Service Agreements



How is LAFCo Funded?



LAFCo is Funded by...

- County (1/3)
- 10 Cities (1/3)
 - Apportioned based on revenue
- 29 Independent Special Districts (1/3)
 - Apportioned based on revenue

^{*} Limited funding from application fees and interest earnings