
**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT**

AGENDA ITEM No. 11

DATE: March 5, 2008

TO: Fresno Local Agency Formation Commission

FROM: Rick Ballantyne, LAFCo Executive Officer
Darrel Schmidt, Deputy Executive Officer

SUBJECT: **Consider Approval** – Amend Sections 330-02 and 330-11 (Sphere of Influence Updates and Revisions) of Fresno LAFCO's Adopted Policies, Standards, and Procedures to reflect changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 that were effective January 1, 2008.

Background:

On January 1, 2008, certain provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the "Act") were changed that deal with Spheres of Influence and Municipal Service Review requirements. Since Fresno LAFCO's *Policies, Standards, and Procedures* reflect and implement State law requirements, it is necessary that LAFCO's *Policies, Standards, and Procedures* also be amended to reflect these changes.

Staff Analysis:

Section 330 of Fresno LAFCO's adopted *Policies, Standards, and Procedures* sets forth regulations governing Sphere of Influence (SOI) updates and revisions. Section 330-02, sets forth timelines and actions that must take place between a City and the County when determining a new SOI or updating an existing SOI in accordance with Government Code Section 56425(b). Revisions to the Act include deleting a requirement that a City and the County meet to discuss proposed SOI changes at least 30 days prior to submittal of an SOI amendment application to LAFCO. Certain other, non-substantive revisions have also been made to this Section.

Section 330-11 of Fresno LAFCO's *Policies, Standards, and Procedures* sets forth nine factors for which the Commission must make Service Review determinations when preparing or updating a City's SOI, in accordance with Government Code Section 56430. The Act has been revised to require determinations for six rather than nine factors. Exhibit "A", attached, shows the proposed amendments required to implement the changes in State law. Additions are shown in bolded letters and deletions shown by crossed-out words.

Recommendation:

Staff recommends that Sections 330-02 and 330-11 of Fresno LAFCO's adopted policies be amended as shown in Exhibit "A" to reflect changes to Government Code Sections 56425 and 56430.

Exhibit "A"

330 **SPHERE OF INFLUENCE UPDATES AND REVISIONS (Govt. Code Sec. 56425)**

- 01 In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the County and its communities, the Commission shall develop and determine the sphere of influence of each local governmental agency within the County pursuant to these policies. This will promote the logical and orderly development of areas within the sphere (Code section 56425).
- 02 Under the Act, ~~at least 30 days prior to a city submitting an application to the Commission for a determination of a new sphere of influence, or to update an existing~~ **its** sphere of influence ~~for a city, representatives from the city and~~ **representatives from the** ~~shall meet with County~~ **shall meet** ~~representatives to discuss the proposed sphere, and its boundaries, new boundaries of the sphere and explore methods to reach agreement on the boundaries, development standards and planning and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. The Act also provides that if no agreement is reached between the city and County within 30 days, then the parties may, by mutual agreement, extend discussions for an additional period of 30 days. Furthermore, if~~ **If** an agreement is reached between the city and County regarding the boundaries, development standards, and zoning requirements within the proposed sphere, the agreement shall be forwarded to the Commission, and , **the city shall forward the agreement in writing to the Commission, along with the application to update the sphere of influence. The** ~~the~~ Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by the Commission pursuant to this section, and the Commission shall give great weight to the agreement ~~in the Commission's~~ **to the extent that it is consistent with Commission policies in its** final determination of the city sphere.
- 03 If the Commission's final determination is consistent with the agreement reached between the city and County, the Act provides that the agreement shall be adopted by both the city and County after a noticed public hearing.
- 04 If no agreement is reached between the city and County, the application may be submitted to the Commission and the Commission shall consider a sphere of influence for the city consistent with the policies adopted by the Commission pursuant to this section.
- ~~[Note: those provisions of the Act referred to in sections 1-4, above, shall become inoperative as of January 1, 2007, unless a later enacted statute deletes or extends that date].~~
- 05 In determining the sphere of influence of each local agency, the Commission shall consider and prepare a written statement of its determinations with respect to those specific items set forth in existing policy section 330 (which are hereby

reaffirmed and incorporated by such reference into this amendment), which are summarized as follows:

1. The present and planned land uses in the area, including agricultural and open-space lands.
 2. The present and probable need for public facilities and services in the area.
 3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
 4. The existence of any social or economic communities of interest in the area.
- 06 Upon determination of a sphere of influence, the Commission shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than once every five years.
- 07 For any sphere of influence or a sphere of influence that includes a special district, the Commission shall do all of the following:
1. Require existing districts to file written statements with the Commission specifying the functions or classes of services provided by those districts.
 2. Establish the nature, location, and extent of any functions or classes of services provided by existing districts.
 3. Determine that, except as otherwise authorized by the regulations, no new or different function or class of service shall be provided by any existing district, except upon approval by the Commission.
- 08 The Commission requests that a sphere of influence update be comprehensive and based on historical growth patterns, using a twenty to twenty-five year projection, prepared with a city and county general plan update for the community. The following should be included in addition to any other matters:
- The present and planned land uses in the area, including agricultural and open-space lands.
1. Community Land Use Plan(s)
 2. Growth projection (population and area)
 3. Growth Policies and Annexation Policies
 4. Vacant Land Inventory
 5. Urban Infill Policies
 6. Agricultural and Open Space Conservation Plan/Policies
 7. The present and probable need for public facilities and services in the area.
 8. Urban Service and Public Facility Inventory
 9. Service agencies providing services to community
 10. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

11. Master Service Plan update
 12. Capital Facility Element
 13. Cost/Revenue Studies
 14. Service Transition Plan for affected agencies
 15. The existence of any social or economic communities of interest in the area.
 16. Identity of community of interest and needs
 17. Impediments to annexation and mitigation of impediments
- 09 The lead planning agency should develop the sphere of influence update with the responsible agencies. The city should be the lead agency in developing the general plan/sphere of influence update; LAFCo and the county would be reviewing, responsible agencies. For unincorporated communities, the county should be the lead agency. The three agencies should develop information and consult together. Each legislative body should participate in the development of the issues and recommendations.
- 10 The Commission recommends a study area for the sphere of influence be requested during the preliminary review with LAFCo staff in order to focus the process of updating. The study area determined would give consideration to service constraints, population projection/land demand, agricultural lands and other land uses, and effect on other agencies. A briefing report will be prepared by LAFCo staff to the Commission after there is agreement on a study area.
- 11 Comprehensive Service Reviews (Code sec. 56430).
- In order to prepare and to update spheres of influence in accordance with this policy, the Commission shall conduct a service review of the municipal services provided in the County or other appropriate area designated by the Commission. The Commission shall include in the area designated for service review the County, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:
- ~~1. Infrastructure needs or deficiencies.~~
 - ~~2. Growth and population projections for the affected area.~~
 - ~~3. Financing constraints and opportunities.~~
 - ~~4. Cost avoidance opportunities.~~
 - ~~5. Opportunities for rate restructuring.~~
 - ~~6. Opportunities for shared facilities.~~
 - ~~7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.~~
 - ~~8. Evaluation of management efficiencies.~~
 - ~~9. Local accountability and governance.~~

1. **Growth and population projections for the affected area.**
2. **Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.**
3. **Financial ability of agencies to provide services.**
4. **Status of, and opportunities for, shared facilities.**
5. **Accountability for community service needs, including governmental structure and operational efficiencies.**
6. **Any other matter related to effective or efficient service delivery, as required by commission policy.**

In conducting a service review, the Commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

The Commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish or update a sphere of influence.

Revised: 6/16/93, 8/24/94, ~~and 12/19/01~~, **and 3/5/08**