

**RESOLUTION NO. 127**

**FRESNO LOCAL AGENCY FORMATION COMMISSION  
FRESNO COUNTY, CALIFORNIA**

<b>AMEND POLICIES, STANDARDS, AND PROCEDURES, BY ADDING SECTION 107 – MUNICIPAL SERVICE REVIEW GUIDELINE POLICIES</b>	<b>)</b>	<b>APPROVED AMENDMENT TO POLICIES, STANDARDS, AND PROCEDURES BY ADDING SECTION 107 – MUNICIPAL SERVICE REVIEW GUIDELINE POLICIES</b>
---	----------	--

---

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act) §56300 (a) encourages LAFCOs to establish written policies and procedures and exercise their powers pursuant to these policies in a manner that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands and agricultural lands within those patterns.

**WHEREAS**, on April 3, 1986, the Local Agency Formation Commission adopted its Policies, Standards, and Procedures; and

**WHEREAS**, over the years the Local Agency Formation Commission has found it necessary to revise the Policies, Standards, and Procedures to conform with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, to add new policies or revise and/or delete those that are obsolete, and to meet the rising costs of administering review of proposals and the day-to-day activity by the Commission; and

**WHEREAS**, Section 56430 of the Act requires LAFCOs to "conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission;" and

**WHEREAS**, the Executive Officer proposed adding Section 107 – MSR Guideline Policies to the Commission's Policies, Standards, and Procedures that would provide policies to implement comprehensive MSRs for cities and special districts that provide municipal services that support population or generate population growth and would provide policy that would modify the MSR review process for special districts that provide non-municipal services to account for those agencies that do not provide growth inducing services or that request to amend SOI boundaries; and

**WHEREAS**, the Executive Officer prepared a report including a recommendation, said report having been mailed to and considered by this Commission; and

**WHEREAS**, this Commission considered all relevant factors and evidence and heard all interested parties wishing to speak on said policy amendment; and

NOW, THEREFORE, BE IT RESOLVED that the Fresno Local Agency Formation Commission does hereby STATE, FIND, DETERMINE, AND ORDER as follows:

**Section #1.** This Commission approves the addition of Section 107 – MSR Guideline Policies as shown on Exhibit “A”.

**Section #2.** The Executive Officer is hereby authorized and directed to mail certified copies of this Resolution as provided in Government Code Section 56882, as required by State law.

\* \* \* \* \*

**ADOPTED THIS 5<sup>TH</sup> DAY OF NOVEMBER, 2014, BY THE FOLLOWING VOTE:**

**AYES: COMMISSIONERS LARSEN, LOPEZ, SANTOYO, PEREA, SILVA**

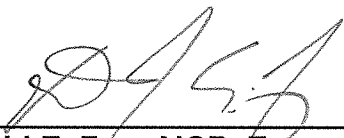
**NOES NONE**

**ABSENT: None**

STATE OF CALIFORNIA)  
COUNTY OF FRESNO )

**CERTIFICATION**

I, David Fey, Executive Officer of the Fresno Local Agency Formation Commission (LAFCo), Fresno County, State of California, hereby certify that the foregoing resolution was adopted by the Commission on the 5<sup>th</sup> day of November, 2014.

  
\_\_\_\_\_  
David E. Fey, AICP, Executive Officer  
Fresno Local Agency Formation Commission

**Proposed Amendments to the Fresno Local Agency Formation Commission's  
Policies, Standards and Procedures Manual  
Adopted November 5, 2014**

**107 MUNICIPAL SERVICE REVIEW POLICY (new policy)**

**01 Background**

Pursuant to Government Code (GC) §56430(a)(and as amended), in order to prepare and to update spheres of influence (SOI) in accordance with GC §56425, the Commission shall conduct a service review of the municipal services. A municipal service review (MSR) is a comprehensive study prepared by LAFCo designed to inform local agencies, the community, and LAFCo about municipal services provided by local agencies within a designated geographic area. LAFCo evaluates the municipal services provided by one or more local agencies, makes determinations based upon this information and often recommends actions to promote the efficient provision of those services.

An MSR is required in order to prepare (that is, incorporating a new city or forming a new special district) or update (meaning amending) an SOI. An MSR need not be prepared if no action to prepare or update a SOI is proposed, though LAFCo may choose to prepare a MSR at its discretion.

Pursuant to the Government Code, LAFCo must make the following written determinations regarding the following areas:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence (see Policy 106, LAFCo DUC Policies).
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operation efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

An MSR concludes with adoption of the determinations by the Commission. While the Commission is not required by law to make any changes to a SOI based upon MSRs, the Commission may at its discretion opt to shrink or expand an SOI, or approve, deny, or approve with conditions any change of organization or reorganization impacting the governmental agency as a result of the information contained in the MSR. The Commission's determinations

may result in recommendations to the subject local agency regarding the areas specified by the statute. When recommendations are made, they will be conveyed to the local agency for response and/or action.

### **02 MSR Goals**

The goal of the Fresno LAFCo MSR program is to provide cities and special districts with an assessment on their provision of services, make recommendations regarding areas of improvement, and determine whether or not an agency is equipped to effectively provide services within its existing or expanded SOI.

In order to achieve this goal, MSRs will:

- Evaluate a local agency—including, but not limited to, services delivered by the agency or other agencies, the agency's compliance with its principal act, activities of its board of directors, the agency's managerial practices, sufficiency of its annual budget, presence of an agency's long-range plan for services, opportunities for public participation with district board meetings, and the board's compliance with "sunshine" laws, such as the Brown Act—in order to present thoughtful and accurate information in support of Commission determinations;
- Provide recommendations to encourage effective and efficient municipal service delivery; and
- Build and maintain effective relationships between LAFCo and local agencies.

LAFCo actively encourages local agencies affected by these policies to include LAFCo at the beginning of any city planning application that may result in an annexation or SOI amendment or extension of services.

### **03 Discussion**

#### **Municipal Services and Local Agencies**

The term "municipal services" relates to services provided by cities and many special districts to relatively dense populations at comparatively high levels of service, including:

- Public safety (police, fire, building inspection, etc.);
- Local streets, roads, transit, and airports;
- Public utilities (usually solid waste, wastewater collection and/or treatment, domestic water and electricity);
- Land use authority including planning, code enforcement, and building code enforcement;
- Parks and recreation;
- Public Facilities;
- Road, Right-of-way maintenance;
- Flood control; and
- Water supply, drainage, storage, and conservation.

In contrast, other types of services are not considered “municipal,” although they relate to necessary services that are provided within a geographic area under the authority of the California Code. These services do not in themselves facilitate or induce growth. These “non-municipal” special districts typically do not frequently request or experience modifications to their district service boundaries or update sphere of influences. Non-municipal special district services include, but are not limited to:

- Cemetery districts;
- Conservation districts;
- Drainage districts;
- Flood Control districts;
- Hospitals districts;
- Irrigation districts;
- Levee districts;
- Memorial districts;
- Mosquito abatement and pest control districts;
- Reclamation; and
- Resource conservation districts

### **SOI Planning Horizon**

As described in Government Code §56076, a "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission. Determining a local agency's SOI is a significant role of the LAFCo. The Commission will determine the probable physical boundaries of the agency using a 20-year planning horizon, meaning the probable expansion of the agency's service area within 20 years of the SOI approval. The Commission will evaluate proposed SOI amendments in light of many of the local agency's own adopted plans and policies including, but not limited to, its general or master plan and related CEQA documents, service plans, annual budgets, fee structure, and capital improvement plans.

### **Minor Amendments**

Minor amendments to a SOI that are not substantial may at the Commission's sole discretion be approved without an MSR if they meet all of the following criteria:

- The requested amendment is either less than 40 acres or less than 5 percent of the total acreage of the area located within the subject agency's existing SOI, whichever is more, inclusive of incorporated territory;
- There are no objections from other agencies that are authorized to provide the services the subject agency provides and whose SOI underlies or is adjacent to the subject territory; and
- The territory subject to the minor amendment and the LAFCo action on the SOI amendment is within the scope of a previously-approved CEQA document, for which the subject local agency is the lead agency under CEQA; or

- The proposed minor amendment is solely intended to accommodate planned public facilities or public services.

### **Environmental Determination**

Local agencies that request a SOI amendment associated with general or master plan growth projections, that will trigger a MSR will be the lead agency as defined by the California Environmental Quality Act (CEQA) (GC §21067). The lead agency has the principal responsibility for carrying out or approving a project which may have a significant affect upon the environment. The lead agency will conduct all necessary environmental determination as appropriate under CEQA (i.e., notice of exemption, negative declaration, environmental impact report). Under this circumstance, LAFCo will be considered the responsible agency as defined by CEQA guidelines (GC §21069). This relationship should be clearly identified in the lead agency's CEQA documentation, as well as the requested actions (annexations and/or detachments) anticipated by the lead agency.

In the event that LAFCO initiates the MSR, it will be the lead agency and will prepare the appropriate documentation pursuant to the CEQA. Early coordination between the applicant and LAFCo is essential.

### **MSR Preparation**

The Commission shall conduct a MSR before, or in conjunction with, but no later than the time it is considering an action to establish or update an SOI.

The Executive Officer will assess municipal and non-municipal local agencies' SOI every five years, or as necessary, by reviewing the current MSR, evaluating progress on recommendations, and contacting the city or special district to determine its interest in updating its SOI. These agencies will be asked to verify whether the current SOI is consistent with its general plan and if it is not, will coordinate the schedule to update the MSR and SOI.

If staff determines that an amendment to an SOI may be necessary, it may provide local agencies with an MSR questionnaire for them to complete and may request additional information. Once this information is received, staff will prepare a draft MSR.

The adoption of a MSR is not subject to a statutory public hearing (GC §56430). However, to allow for public participation that demonstrates a transparent decision-making process, the following actions will take place:

- The draft MSR shall be posted on the Commission's website with a minimum 21-day public review period;
- Notice of the public review period will be posted at the office of Fresno LAFCo, Clerk of the Board of Supervisors Office and posted on the Commission's website;
- Notice will be mailed or e-mailed to the subject local agency to be posted in its jurisdiction.

## 04 MSR Policies

The following policies will assist LAFCo staff in preparing MSRs and complying with the Act. These policies are based on circumstances unique to Fresno LAFCo and as such will ensure that municipal services are evaluated in an orderly, logically, and efficient manner.

**Policy:** Local agencies are classified into two categories:

- “Municipal Local Agencies” including cities and special districts that provide municipal services; and
- “Non-municipal Local Agencies” which include special districts that provide non-municipal services.

**Policy:** The SOI of Municipal Local Agencies should reflect a 20-year planning horizon and may include additional areas that may relate to the agency’s planning. This boundary shall be reviewed and either affirmed or, if necessary, updated on average of every five years thereafter.

**Policy:** Recognizing the variety of services and service levels that are provided by local agencies in Fresno County, the Commission identifies three levels of MSRs:

- **Level 1** MSRs will provide a detailed review of cities and will evaluate all services provided by those agencies. MSRs will be prepared and updated every five years or as necessary in conjunction with or prior to updating a city’s SOI.
- **Level 2** MSRs include special districts that provide municipal services; they may be less detailed than Level 1 MSRs and may only include those factors in GC §56430 that apply to the special districts.
- **Level 3** MSRs will be performed for non-municipal local agencies. The MSR for these agencies may be less detailed than Level 2 MSRs and may only include those factors in GC §56430 that apply to the special districts.

**Policy:** MSRs may be updated independently from an SOI modification, either to facilitate review of an agency’s service deficiencies or in response to other LAFCo actions.

**Policy:** The Commission reserves the right to have an MSR prepared by a consultant under contract to the Commission and associated expenses may be borne by the requesting local agency.

**Policy:** An SOI that is not changed may be affirmed by the Commission without an MSR.