

Plumas Local Agency Formation Commission

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Date: December 18, 2009

To: LAFCo Commissioners

From: John Benoit, Executive Officer

Subject: Recommended Modifications to LAFCo Policies and Procedures

The following summary of recommended modifications in the Commission's Policies is respectfully submitted for consideration. The suggested modifications are primarily intended to clarify and streamline existing policies, although in some cases the recommended amendments reflect changes to the Cortese-Knox-Hertzberg Act.

SUMMARY AND ANALYSIS:

Chapter I – Purpose, Jurisdiction, Authority and Composition

No substantive changes are recommended to this Chapter.

Chapter II – LAFCo General Policies and Standards

Environmental Consequences (CEQA)

Restates provisions; expands to include definitions of CEQA review levels. **(Section D)**

Public Access and Accountability

Introduces policy language in support of access and accountability. **(Section G)**

Prime Agricultural and Open Space Lands

Expands section to include extensive discussion of Williamson Act lands. **(Section N 6. – 8.)**

Tribal Lands

Introduces policy to notify appropriate tribal authorities of proposals that might impact such areas. **(Section P)**

Updated Municipal Service Review Information

New policy stating LAFCo will review and update service information as it reviews specific proposals. **(Section Q)**

Chapter III – Spheres of Influence

Consistency Requirements

Consolidated various statements in regards to consistency into one item requiring sphere plans to be consistent with statute and commission policy, as well as internally. **(Section A 1.)**

Sphere Boundaries

Added language specifying how sphere boundaries are determined with respect to the four statutory factors. **(Section A 2.)**

Zero and Minus Spheres

Addresses spheres for agencies that cannot provide adequate services to a portion or throughout their entire jurisdiction. The proposed policy renames this section (originally titled "Agency Incapable of Providing Services") and makes a distinction between a sphere smaller than the agency's current territory and one that anticipates the agency's dissolution. **(Section A 7.)**

Sphere Maps and Plans to Include Only Two Horizons

Current sphere policy requires a map and a 20-year plan for annexation of territory in three phases: first five years, years six through ten, and years eleven through twenty. This requires a

level of specificity that is often difficult to achieve, as agencies often have little information on which to determine what is essentially a function of market demand for developable land.

Consequently, the proposed policy would still require a sphere plan covering 20 years, but reduce the increments to two: near-term and long-term. Territory that an agency has specific plans to annex and serve would be included in the near-term sphere; the Commission would then adjust the internal boundaries as appropriate when it reviews the agency's sphere (typically this would be every five years). **(Section B 1.)**

Municipal Service Review to Replace Master Service Element

The purpose of the Municipal Service Review (MSR) is to provide information for the Commission to use when adopting or updating spheres of influence. MSRs also provide the Commission with a broad overview of the manner in which a service (or set of services) is provided in a specific geographic area (often by a variety of agencies).

In order to adopt or update a Sphere of Influence, LAFCo is required to consider and prepare a written statement on four factors:

- Present and planned land uses
- Present and probable need for public facilities and adequacy of services
- Present capacity of facilities and adequacy of services
- Any social or economic communities of interest the commission deems relevant.

The Master Services Element (MSE) required by LAFCo's current policies ensures each agency's sphere plan includes information about service and facility capacity, as well as present and planned land uses. The proposed policies indicate that Municipal Service Reviews will be relied upon to provide information regarding agency service capacity **(Section B 2.)** and set standards for the Municipal Service Reviews to ensure they include the information now provided by the MSE. **(Section C)**

City Sphere Plans to Include Specific Information

Current policy requires a city's sphere plan to include an inventory of the vacant parcels within the city. The proposed policies require the Commission to make a "positive determination that the territory included in the City's sphere is likely to be annexed within the 20-year timeframe." Supporting data to make this determination would include the vacant land inventory, as well as an analysis of those vacant lands, and a market study to determine the absorption rate. Because this last requirement may prove difficult for a city to provide, an alternative is provided whereby the Commission may consider historical growth rates and analysis of the physical characteristics of land available for infill in determining the sphere. **(Section B 2.)**

District Sphere Plans to Include Specific Information

The proposed policies clarify that the Commission will consider service capacity and will adopt a sphere plan for each different class of service provided by a multi-service district. Also deletes requirement for contiguous sphere horizons for districts which are required to contain only contiguous territory (very few district principle acts require contiguity). **(Section B 3.)**

Amendments and Updates

Various sections have been consolidated to clarify process, timing and consideration factors for sphere updates and amendments. **(Section E)**

Non-Growth Inducing Services

Introduces provisions allowing for abbreviated reviews for districts that provide services not considered to be growth-inducing. **(Section F)**

Chapter IV – Annexations and Detachments

Incorporates modified sphere of influence policies

Substitutes references to Municipal Service Reviews for Master Service Element; clarifies references to sphere horizons. **(Section A 2.)**

Plans for Service

Added language clarifying statute requiring all proposals (whether initiated by an agency or an interested party) to include a Plan for Service. **(Section A 3.)**

Need for Service

Added provision to clarify requirement for documentation of a need for service for annexation proposals. **(Section A 11.)**

Determination of Most Efficient Service Provider

Introduced language indicating Commission will consider the full range of services when making a determination as to the best service provider. **(Section B 2.)**

Factors to be Considered

Added language supporting consideration of other information as provided and as required by the Commission in order to comply with statutory direction of issues to consider. **(Section B 3.)**

City Annexations

Clarified pre-zoning requirement, reflecting it is now required by statute as well as local policy. **(Section C 3.)**

Detachments

Added provision supporting detachment in cases where agency does not provide services to the subject territory. **(Section D 1.)**

Extension of Service by Contract

Modified procedure to require Commission approval of all contracts; retains authority of the Executive Officer to issue urgency approvals for situations involving threats to public health and safety. **(Section E 1.)**

Chapter V – Incorporations, Formations, Consolidations [...]

Incorporation of Cities

Restates policies on consideration of service efficiency and impact on agricultural and open space lands, adds provisions stating Commission to consider broad public benefit implications, indicates requirement for a Plan of Service, clarifies revenue neutrality provisions. Deleted requirement for new City Sphere Plan information as the issue is covered in the Chapter on Spheres of Influence. **(Section A 3. – 7.)**

District Formation

Added requirements for consistency, plan for service, provides from Commission to establish a service pattern. Amplifies fiscal solvency requirement. **(Section B 2. – 6.)**

Provision of New Services by Districts

New section indicating how the Commission will consider proposals from districts to provide new or different services (now specifically addressed in Government Code Section 56824.10, et seq). **(Section C)**

Consolidation and Mergers

Restates items Commission will consider when reviewing a proposal, clarifies treatment of district-submitted proposals. **(Section D 2. & 3.)**

LAFCo-Initiated Proposals

Restates process for Commission to initiate proposals, including statement of policy considerations. Removes restatements of statutory procedures. **(Section E 3. & 4.)**

Disincorporation and District Dissolution

Added reference to dissolutions of inactive agencies. **(Section F d.)**

Chapter VI - General Procedures

Fees

Restates policy on LAFCo cost recovery and fee schedule. **(Section A)**

Application Requirements

Simplifies section by eliminating summary of statutory provisions and timelines; retains discussion of LAFCo fees and deposits and normal LAFCo application requirements. **(Section D)**

Reconsideration Policies

Restates policies, omits statutory deadlines. Clarifies what constitutes grounds for Commission reconsideration. **(Section D)**

Conducting Authority Proceedings

Restates policies, retains delegation of authority for conduct of hearing to Executive Officer. **(Section E)**

Chapter VII – Adoption and Amendment

Specifies new procedures for amending policies, including first and second readings, circulation to Commission members, and notice to public agencies and public at large. **(Section A and B)**