



What is LAFCO?

An Introduction to Local Agency Formation Commissions

History

After World War II, California experienced dramatic growth in population and economic development. With this boom came demands for housing, jobs, and public services. To accommodate these demands, the state approved the formation of many new local government agencies, often with little forethought as to the ultimate governance structures in a given region. The lack of coordination and adequate planning led to a multitude of overlapping, inefficient jurisdictional and service boundaries and the premature conversion/loss of California's agricultural and open-space lands.

Recognizing this problem, Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems in 1959. The Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963, resulting in the creation of Local Agency Formation Commissions, or "LAFCOs," operating in each county except San Francisco.

From 1963-1985, LAFCOs administered a complicated series of statutory laws and three enabling acts—the Knox-Nisbet Act, the Municipal Organization Act (MORGA), and the District Reorganization Act. Confusion over the application of these laws led to a reform movement that produced the first consolidated LAFCO Act, the Cortese-Knox Local Government Reorganization Act of 1985. In 1997, a new call for reform in local government resulted in the formation, by the Legislature, of the Commission on Local Governance in the 21st Century. After many months canvassing the state, the Commission recommended changes to the laws governing LAFCOs in its comprehensive report "Growth Within Bounds." These recommendations became the founda-

tion for the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), an act that mandates greater independence for LAFCOs and further clarifies their purpose and mission.

In response to both the passage of the CKH Act and local needs to address certain service provision issues, San Francisco LAFCO was formed in 2000. Today, there is a LAFCO in each of California's 58 counties.

Objectives

To Encourage the Orderly Formation of Local Governmental Agencies

LAFCOs review proposals for the formation of new local governmental agencies and for changes in the organization of existing agencies. There are 58 LAFCOs working with nearly 3,500 governmental agencies (400+ cities and 3,000+ special districts). Agency boundaries are frequently unrelated to one another and sometimes overlap at random, often leading to higher service costs to the taxpayer and general confusion regarding service area boundaries. LAFCO decisions strive to balance the competing needs for efficient services, affordable housing, economic opportunity, and conservation of natural resources.

To Preserve Agricultural Land Resources

LAFCO must consider the effect that any proposal will have on existing agricultural lands. By guiding development toward vacant urban land and away from agricultural preserves, LAFCO assists with the preservation of California's valuable agricultural resources.

To Discourage Urban Sprawl

Urban sprawl can best be described as irregular and disorganized growth occurring without apparent design or plan.

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To learn more about LAFCOs
and to obtain contact information
for each LAFCO, we invite
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<http://www.calafco.org>

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This pattern of development is characterized by the inefficient delivery of municipal services (e.g., police, fire, water, and sanitation) and the unnecessary loss of agricultural resources and open space lands. By discouraging sprawl, LAFCO limits the misuse of land resources and promotes a more efficient system of local governmental agencies.

Composition

The composition of LAFCO varies from county to county. Nearly all LAFCOs are composed of two members from the Board of Supervisors and two members from the city councils in that county. Many commissions also have two members from the independent special districts in that county. In turn, these members select a representative of the general public—an individual who is not seated on any elected body. For each category represented on LAFCO, there is an alternate member. Alternate members may attend LAFCO meetings and participate in the discussion of items, but they only vote on items when a regular member from their category is absent. Through special legislation, some LAFCOs, including Los Angeles, Sacramento, Santa Clara, and San Diego, have reserved a seat on the Commission for a representative from the county's major city.

Each agency that is eligible to have one of its officials seated on the Commission must contribute to the LAFCO budget. The amount of this contribution is determined by statute and varies in each county.

Responsibilities

Each LAFCO is responsible for coordinating logical and timely changes in local governmental boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structure, and preparing a sphere of influence for each city and special district within its county. The Commission's efforts are directed toward seeing that

services are provided efficiently and economically while agricultural and open-space lands are protected. To better inform itself and the community as it seeks to exercise its charge, each LAFCO must conduct service reviews to evaluate the provision of municipal services within its county.

Authority

Boundary Changes

LAFCOs regulate, through approval or denial, the boundary changes proposed by other public agencies or individuals. LAFCOs do not have the power to initiate boundary changes on their own, except for proposals involving the dissolution or consolidation of special districts and the merging of subsidiary districts.

Typical applicants might include:

- ◆ Individual homeowners requesting annexation to a sewer district due to a failing septic system.
- ◆ Developers seeking annexation to cities in order to obtain urban services for new housing.
- ◆ Cities wishing to annex pockets of unincorporated land, or "islands," located within their borders in order to avoid duplication of services with the county.

Sphere of Influence Studies

In 1972, LAFCOs were given the power to determine spheres of influence for all local governmental agencies. A sphere of influence is a planning boundary outside of an agency's legal boundary (such as the city limit line) that designates the agency's probable future boundary and service area. Factors considered in a sphere of influence review focus on the current and future land use, the current and future need and capacity for service, and any relevant communities of interest. With the passage of the CKH Act, spheres are reviewed every five years.

The purpose of the sphere of influence is to ensure the provision of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services. Commissions cannot tell agencies what their planning goals should be. Rather, on a regional level, LAFCOs coordinate the orderly development of a community by reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of area residents and property owners.

Service Reviews

Service reviews were added to LAFCO's mandate with the passage of the CKH Act in 2000. A service review is a comprehensive study designed to better inform LAFCO, local agencies, and the community about the provision of municipal services. Service reviews attempt to capture and analyze information about the governance structures and efficiencies of service providers and to identify opportunities for greater coordination and cooperation between providers. The service review is a prerequisite to a sphere of influence determination and may also lead a LAFCO to take other actions under its authority.

Initiation of Special District Consolidations

As of July 1, 1994, LAFCOs have the authority to initiate proposals that include the dissolution or consolidation of special districts or the merging of existing subsidiary districts. Prior to initiating such an action, LAFCO must determine that the district's customers would benefit from the proposal through adoption of a sphere of influence or other special study.

Out of Agency Service Agreements

Cities and districts are required to obtain LAFCO's approval prior to entering into contracts with private individuals or organizations to provide services outside of the agency's boundaries.

Adoption of Local Policies

Each LAFCO may adopt local policies to appropriately administer the CKH Act in its county. LAFCOs must act in accordance with any locally adopted policies.

Public Involvement

Citizens are welcome and encouraged to attend regular LAFCO meetings and state their views during public hearings on proposals before the Commission. In addition, the meetings provide an excellent opportunity for citizens to familiarize themselves with the growth, development, and interjurisdictional issues facing their county. Copies of the meeting agendas, minutes, and staff reports can be obtained by contacting the county's Local Agency Formation Commission office.

CALAFCO

Founded in 1971, the California Association of LAFCOs (CALAFCO) is an organization dedicated to assisting member LAFCOs with technical resources that otherwise would not be available. The Association provides statewide coordination of LAFCO activities, serves as a resource to the Legislature and other bodies, and offers a structure for sharing information among the various LAFCOs and other governmental agencies.

The Association is governed by the Executive Board composed of fifteen (15) LAFCO Commissioners: four city members, four county members, four special district members, and three public members. CALAFCO staff consists of an Executive Director, Executive Officer, and Legal Counsel, plus a number of other support positions. The membership of CALAFCO consists of 56 of the 58 LAFCOs, as well as a number of associate members from agencies and organizations throughout California.