



LAFCO 101

Understanding the Basics

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What is a Local Agency Formation Commission?

- ❖ Independent regulatory authority of the State of California
- ❖ Created in 1963 to be the Legislature's "watchdog" to manage the orderly growth and development of cities and districts
- ❖ Also known as the State's steward of "good government"





Who is CALAFCO?

- ❖ Founded in 1971, a 501(c)3 non-profit that serves as an organization dedicated to assisting member LAFCOs with educational, technical and legislative resources that otherwise would not be available
- ❖ Not a lobbying organization (no registered lobbyist)
- ❖ No direct oversight or authority over member LAFCOs
- ❖ Act as resource to other State agencies, the Legislature and State Administration
- ❖ Offer a structure for sharing information among the various LAFCOs and other governmental agencies





LAFCo statutory mission

- ❖ Encourage orderly boundaries
- ❖ Discourage urban sprawl
- ❖ Preserve agriculture and open space
- ❖ Promote efficient and sustainable public services





What does LAFCo do?



- ❖ Forms new cities and special districts
- ❖ Changes city and district boundaries – annexations, consolidations, dissolutions, mergers, disincorporations
- ❖ Approves Spheres of Influence for cities and districts
- ❖ Approves the authorized services provided by districts and extends services outside of city and district boundaries
- ❖ Studies of municipal services of service providers; may recommend or initiate changes in boundaries, services and governance





Why LAFCo was created

- ❖ Post World War II population and housing boom in California
- ❖ Following street cars, there were suburbs and a scramble to finance and extend services
- ❖ City annexation "wars," proliferation of limited purpose special districts
- ❖ Governor Pat Brown's Commission on Urban Problems focused on need to encourage orderly boundaries





Legislative Solution in 1963 State Law, Local Flexibility

- ❖ No state commission or statewide agency
- ❖ Local control – no state appointees or funding
- ❖ A LAFCo in every county
- ❖ Each LAFCo independent
- ❖ Local flexibility – local policies
- ❖ 6 major revisions to State law over 56 years
- ❖ Unique to California





LAFCos Independent

- ❖ Commissioners make final decisions
- ❖ Adopt local policies
- ❖ Decisions cannot be appealed to other administrative bodies
- ❖ LAFCo Staff accountable to Commission and statutes





LAFCo Composition

At the least:

- ❖ 2 County Supervisors
- ❖ 2 City Council members
- ❖ 1 public member
- ❖ Alternate for each category

30 LAFCos also include:

- ❖ 2 Special District members plus an alternate
- ❖ Some LAFCos have “special seats”





Representation of Special Districts on LAFCo





How is LAFCo Funded?

- ❖ Must adopt a budget for each fiscal year by June 15 (per CKH)
- ❖ Funded by the county, cities, and special districts in equal shares
- ❖ Local funding formulas are allowed
- ❖ Processing fees help offset expenses for proposals





Jurisdictional Authority

❖ Includes:

- ◆ Counties, cities, most special districts

❖ Does NOT include:

- ◆ JPAs
- ◆ Mutual Water Agencies
- ◆ Community facilities or Mello-Roos districts
- ◆ School or college districts
- ◆ County boundaries
- ◆ Bridge and highway districts
- ◆ Improvement districts
- ◆ Zones of benefit
- ◆ Air Pollution/Quality Districts





What exactly can LAFCo do?

- ◆ Incorporations
- ◆ District Formations
- ◆ Dissolutions
- ◆ Disincorporations
- ◆ Annexations
- ◆ Detachments
- ◆ Outside User Agreements
- ◆ Spheres of Influence/MSRs
- ◆ Activate Latent Powers
- ◆ Consolidations
- ◆ Mergers





LAFCo's **PLANNING** **Function**

- ❖ Develop and update **Spheres of Influence** for cities and districts
- ❖ Prepare **Municipal Service Reviews** for all local jurisdictions
- ❖ Work cooperatively on growth, preservation, and service delivery issues





LAFCo's REGULATORY Function

- ❖ Administers modification of existing agencies and creation of new ones
- ❖ Considers boundary changes
- ❖ Controls extension of public services
- ❖ Is prohibited from directly regulating land use





As a **RESOURCE...**

- ❖ Shared service models, studies and exchanges; information about other local service delivery options
- ❖ Model inter-agency agreements
- ❖ Models for tax sharing, revenue generation, governance options, social justice, etc.
- ❖ Training and educational resources for compliance with State laws and best practices
- ❖ Historical, current and trending info – 50+ year record of formations and boundary changes
- ❖ SOI studies since early '70s; municipal service reviews since early 2000s; GIS data layers and maps





Subject to State Laws

- ❖ Cortese-Knox-Hertzberg Act
- ❖ Brown Act / Public Records Act
- ❖ CEQA
- ❖ Revenue & Tax Code
- ❖ Political Reform Act / Other Conflict of Interest Laws
- ❖ Principal Acts





CALAFCO as a RESOURCE

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