



Date: November 27, 2007 for December 5<sup>th</sup> Agenda  
To: LAFCO Commissioners  
From: Executive Officer  
Subject: Sphere of Influence Review Program

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*Summary: State law requires LAFCO to review each city and district sphere of influence every five years.*

*Recommendation: Review principles of Sphere of Influence Review Program and authorize public hearing schedule.*

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For many years, the state law has required each LAFCO to adopt a Sphere of Influence for each city and district subject to LAFCO's boundary regulation. Government Code Section 56076 defines "Sphere of Influence" to be a plan for the probable physical boundaries and service area of a local agency, as defined by the LAFCO. After an extensive review of the governmental boundary change laws, the Legislature adopted the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, which re-chartered LAFCOs, required LAFCOs to perform service reviews seeking efficiencies in local governmental services, and required LAFCOs to review all spheres of influence every five years. Specifically, Government Code Section 56425 (f) states:

"On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence."

Elsewhere on the Commission's agenda for December 5, 2007, there is a staff recommendation to pass a resolution acknowledging completion of all Santa Cruz County service reviews, which law requires to be performed before or concurrent with the Sphere of Influence Reviews. The purpose of this memo is to recommend a course of action to complete the Sphere of Influence Reviews.

In Santa Cruz County, there are 4 cities and 78 districts subject to LAFCO's boundary and service area regulation. LAFCO staff has surveyed the agencies in 2005 and 2007 to ascertain if the agencies were aware of any sphere of influence issues. In 2005, the survey was part of the information gathered during the Countywide Service Review. In 2007, the staff asked each agency to review

and update the agency's 2005 comments. For County Service Areas with coterminous homeowners' associations or road associations, the managers of those associations were surveyed in 2007. The attachment titled "Sphere of Influence Studies, 2007" summarizes the responses. For 65 of the 82 agencies, no sphere issues have been identified by the agency staff, the association managers, or the LAFCO staff.

### Principles

In order to complete all sphere reviews in a manner that utilizes the LAFCO staff resources efficiently and minimizes delays in reviewing boundary change applications in 2008, the staff recommends the following principles for completing sphere reviews:

1. Each sphere review, including "no issue" spheres, will be subject to a public hearing at LAFCO.
2. Following a public hearing, LAFCO's action on each sphere review will occur by resolution.
3. In 2008, LAFCO will not act upon a boundary change application unless it has reviewed the spheres of influence of all agencies affected by the boundary change (gaining or losing territory). The necessary reviews may occur on the same agenda that the boundary change application is heard.
4. LAFCO's range of potential sphere actions include, but are limited to:
  - a. Confirm existing sphere of influence.
  - b. Adopt minor "maintenance" sphere amendments. These will generally be mapping refinements that involve revising spheres where there are no service or environmental review issues.
  - c. Adopt major sphere amendments upon LAFCO's own initiative. These will generally be based upon major reorganization recommendations of the Countywide Service Review. (This situation does not exist in the current round of service reviews and sphere reviews.)
  - d. Defer consideration of a major sphere amendment until an affected agency makes resolution and application.
5. The situations where LAFCO will defer a major sphere amendment until the agency makes a sphere amendment application include:
  - a. Where a city is preparing a sphere amendment following a general plan revision, such as the City of Watsonville in the Buena Vista and Atkinson Lane areas.
  - b. Where an agency has responded to a LAFCO survey with suggestions that will require either:

- i. a mitigated negative declaration or an environmental impact report in order for LAFCO to consider the sphere amendments,
- ii. extensive analysis of any affected agency's service capabilities, such as water supply to meet projected demand.

Recommended Sphere Review Public Hearing Schedule

Since the Commission has one pending application, the Formation of the Bonny Doon Fire Protection District, staff recommends scheduling the fire agency reviews for January and February 2008. The Commission may need to adjust this schedule during the year for two reasons. The public hearing on the Bonny Doon Fire District Formation may take a whole agenda, and an application may be filed early in the year concerning an agency with a Sphere Review scheduled for later in the year.

January 2008	65 "no issue" spheres (City of Capitola, City of Santa Cruz, Aptos-La Selva Fire Protection District, etc.)
February 2008	Other Fire Agencies (Ben Lomond, County Fire CSA 48, Pajaro Valley FPD, Zayante)
March 2008	Other Cities (Scotts Valley, Watsonville)
April 2008	Other Water Agencies (Pajaro Valley Water, Scotts Valley, Soquel)
May 2008	Other Sanitation Agencies (CSA 12-septic maintenance, Freedom, Santa Cruz County Sanitation District)
June 2008	Other Miscellaneous Districts (Pajaro Valley Cemetery District, Resource Conservation District, Santa Cruz Port District)
August 2008	Other County Service Areas (13-Hutchinson Road, 46-Pinecrest Drive)
October 2008	Continued Matters