

# **SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION SPHERES OF INFLUENCE POLICIES AND GUIDELINES**

**Amended by Resolution No. 2011-1; February 2, 2011**

## **I. Legislative Authority**

The Knox-Nisbet Act of 1963 (former Government Code Section 54773 et seq.) established the Local Agency Formation Commission to promote the orderly development of local government agencies in the County and discourage urban sprawl. The law was subsequently combined with other laws regarding boundary changes and recodified as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000-57550).

Among its objectives, LAFCO is authorized to perform studies which will contribute to the logical and reasonable development of local governments to provide for the present and future needs of each county and its communities. (Government Code Section 56301). State law further provides that, in order to carry out its responsibilities for planning and shaping the logical and orderly development of local government agencies, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county. (Government Code Section 56425). 'Sphere of Influence' means a plan for the probable physical boundaries and service area of a local government agency. (Government Code Section 56076).

In determining a sphere of influence, the Commission is required to consider and state its findings regarding at least eight factors, including:

- a. The maximum possible service area of the agency based upon present and possible service capabilities of the agency.
- b. The range of services the agency is providing or could provide.
- c. The projected future population growth of the area.
- d. The type of development occurring or planned for the area, including, but not limited to, residential, commercial, and industrial development.
- e. The present and probable future service needs of the area.

f. Local governmental agencies presently providing services to such area and the present level, range, and adequacy of services provided by such existing local governmental agencies.

g. The existence of social and economic interdependence and interaction between the area within the boundaries of a local governmental agency and the area which surrounds it and which could be considered within the agency's sphere of influence.

h. The existence of agricultural preserves in the area which could be considered within an agency's sphere of influence and the effect on maintaining the physical and economic integrity of such preserves in the event that such preserves are within a sphere of influence of a local governmental agency."

Spheres of influence are to be adopted by the Commission following a public hearing and are to be reviewed and updated every five years. After adoption, the sphere of influence "shall be used by the Commission as a factor in making regular decisions on proposals over which it has jurisdiction. The Commission may recommend governmental reorganizations to particular agencies in the county, using the sphere of influence as a basis for such recommendations... (Government Code Section 56425)."

The purpose of a sphere of influence study is to provide the Commission information needed to determine an agency's sphere of influence and to make recommendations for local government reorganizations.

## II. Definitions

**1. Sphere of Influence** - "A plan for the probable physical boundaries and service area of a local government agency (Government Code Section 56076)." A sphere of influence will reflect the limits of probable future growth of an agency during the applicable general plan period or twenty

years, whichever is more appropriate. A sphere "plan" may also include recommendations for:

- a. Annexation or detachment of territory, or both.
- b. Incorporation of a new city.
- c. Merger of a special district with a city.
- d. Consolidation of a special district with one or more districts.
- e. Formation of a new district.
- f. Dissolution of an agency.

**2. Urban Services** - Services necessary to support urban development, including such services as water, sewer, fire and police protection.

**3. Urban Service Area** - An area within a sphere of influence which is either (1) already urbanized and receiving a combination of urban services, or (2) designated by the applicable general plan for urban development and capable of being provided with urban services within the next five years. Such areas may be considered candidates for annexation within the next five years.

**4. Urban Area** - An area with residential development at a density which requires a combination of urban services, and commercial or industrial development which serves as a significant business or activity center.

**5. Factors to Determine a Sphere of Influence** - The eight factors enumerated in Government Code Section 56668, plus topography, street and road patterns, school and other jurisdictional boundaries, adopted policies to preserve agricultural lands and open space, and public comment from affected agencies, community groups, and interested citizens.

### **III. Policy Guidelines**

1. The Local Agency Formation Commission will use spheres of influence to discourage inefficient development patterns and to encourage the orderly expansion of local government agencies. Spheres of influence will be used to:

- a. Provide long-range guidelines for the efficient provision of services and timely changes of governmental organization.
- b. Discourage duplication of services by two or more local government agencies.
- c. Guide the Commission in considering individual proposals for changes of organization.
- d. Identify the need for specific reorganization studies.

2. The Local Agency Formation Commission recognizes the planning accomplishments of local agencies in the County. In developing spheres of influence, the Local Agency Formation Commission will support those adopted plans, and policies of local governments which encourage staged, cost-effective development patterns and the efficient provision of services.

3. City and County general plans will be a significant factor in determining spheres of influence. Where a City's and the County's general plan for the same area are inconsistent, the Local Agency Formation Commission should encourage the affected agencies to resolve any inconsistencies. In the event the inconsistency cannot be resolved, by law the final decision for the Sphere of Influence must remain with LAFCO.

4. Because of the importance of general plans in determining a sphere of influence, the Local Agency Formation Commission will normally not allocate territory to a city sphere of influence which is not included in that city's adopted general plan. A Sphere of Influence may not include all territory within a city's general plan area which bears some relation to the city's planning but which at this time, is not anticipated to require a combination of urban services.

5. The Local Agency Formation Commission recognizes the limited usefulness of long-term projections. Spheres of influence will identify probable boundaries for an agency's expansion. Spheres will be periodically revised and updated to reflect changing conditions and circumstances.

6. LAFCO recognizes that the water resources of Santa Cruz County are limited, and the Commission's objective is to ensure that its decisions relating to water do not lead to adverse impacts on the natural resources of Santa Cruz County. In reviewing sphere of influence adoptions and

amendments, LAFCO shall be guided by the potential impacts of the proposal on water resources and will consider the efforts of the water agencies and land use agencies to maintain stream and river flows, promote high water quality of surface waters and groundwater, and reduce groundwater overdraft.

7. To assist in the review of Spheres of Influence and other LAFCO reports, the Local Agency Formation Commission will utilize the following data sources to maintain an ongoing data base of the supply, demand, and related water data of the local water agencies subject to LAFCO's boundary regulation:

a) The Public Water System Annual Reports filed by each public water agency with the California Department of Public Health

b) The Urban Water Management Plans prepared by water suppliers with 3000 or more customers as required by the California Water Code Sections 10610 et.seq.

c) The annual Water Resources Report prepared for consideration by the Santa Cruz County Board of Supervisors.

8. Water resources and supplies are critical issues for many sphere of influence and application decisions made by the Local Agency Formation Commission. Public information and participation is an important component in the decisions of the Commission, the land use agencies, and the water agencies. To promote public education, at least every two years, the Local Agency Formation Commission will sponsor, or co-sponsor with the Regional Water Management Foundation, the County of Santa Cruz, and local water agencies, a public forum that provides the public with an overview of the state of the water supplies in Santa Cruz County.

9. Once established, an agency's sphere of influence will be a primary guide to the Commission in its decisions on individual proposals affecting that agency. Before the Commission may approve a change of organization inconsistent with the adopted sphere of influence, the Commission shall amend the sphere of influence.

10. Although an adopted sphere of influence is an important long-range guideline, annexation of territory within a sphere of influence is not

automatic. The Commission will consider specific proposals for changes in organization on an individual basis as required by law.

11. The Local Agency Formation Commission will encourage the elimination or consolidation of small, single-purpose special districts when a more efficient alternative exists for providing the necessary services. Whenever a combination of urban services is required, general purpose governments or multi-services districts will be preferred to single-purpose districts.

12. When more than one agency could serve an area, the agencies' services capabilities, costs for providing services, and the desires of the affected community will be key factors in determining a sphere of influence.

13. An agency may be allocated a "zero sphere of influence" where the Local Agency Formation Commission determines that the service responsibilities and functions of the agency should be reassigned to another local government, and that the agency assigned a "zero sphere of influence" should be dissolved.

14. Proposals for urban development within a city's sphere of influence should first be considered for annexation to that city, unless such annexation would create a "leapfrog" pattern of expansion with respect to existing city boundaries.

15. In an effort to promote cooperation among the land use agencies with jurisdiction over lands in the Coastal Zone, any application to LAFCO for a sphere of influence amendment regarding land in the Coastal Zone shall contain the following information:

- 1) A statement that the staffs of the Coastal Commission and other land use agencies with jurisdiction over the land which is the subject of the application have reviewed and jointly discussed the sphere of influence amendment application with

respect to consistency with applicable general plans, the Coastal Act, and local coastal programs. The statement should also memorialize the results of the review.

- 2) Preliminary review and comments from the Coastal Commission staff as to potential issues of Coastal Act consistency.
- 3) Review and comments from any other land use agency with jurisdiction, through a Local Coastal Program or otherwise, over the

land which is the subject of the application, including an analysis of consistency of the proposed amendment with its general plan.

LAFCO will consider consistency with the Coastal Act and the relevant general plans in making its Sphere of Influence determination.

16. It is preferable that the people who use water also participate in the governance of the system that provides the water. Therefore, in making decisions on spheres of influence and boundary changes, the Commission will favor water supply entities for which the users of the system participate in the governance of the system.

#### **IV. Procedural Guidelines**

1. The Local Agency Formation Commission will develop and determine a sphere of influence for each local governmental agency in the County.
2. Spheres of influence will be developed in the following order:
  - a. Incorporated cities.
  - b. Unincorporated, urbanized areas.
  - c. Special districts serving non-urbanized areas of the County.
3. Local government agencies will be requested to provide information which will permit the Commission to consider the factors for determining a sphere of influence. Such information will include:
  - a. The limits of the area viewed by the agency as its "sphere of influence" and the rationale.
  - b. Information to identify and describe the agency's existing services and the agency's plans for providing services both within its existing boundaries and to any additional areas.
  - c. Information to establish a need for the agency's services in additional areas, based upon anticipated population growth, land use plans, or other factors.
  - d. Relationship of an agency's service plans to the applicable city or County general plan.
4. The Executive Officer will prepare a report to the Commission which provides the following:

- a. Description of existing services and service capabilities.
- b. Information on existing land uses, adopted land use plans and policies, and projected growth in the affected area.
- c. An analysis of the anticipated need for services and capability of the affected agencies to provide those services.
- d. Recommendations for spheres of influence.
- e. Recommendations for specific reorganization studies or proposals.

5. The Local Agency Formation Commission will adopt or amend a sphere of influence following a public hearing. The Executive Officer will provide the notice of hearing required by law to each affected local agency and the County, and to any interested person who has requested such notice. Notice of hearing will also be published in a newspaper of general circulation in the area affected by the proposed sphere of influence.

6. The Local Agency Formation Commission will periodically review and update adopted spheres of influence. Spheres of influence may be amended by the Commission on its own initiative or at the request of an affected agency by resolution of its legislative body. In either case, the Commission will consider amendment of a sphere of influence following a noticed public hearing held for that purpose.