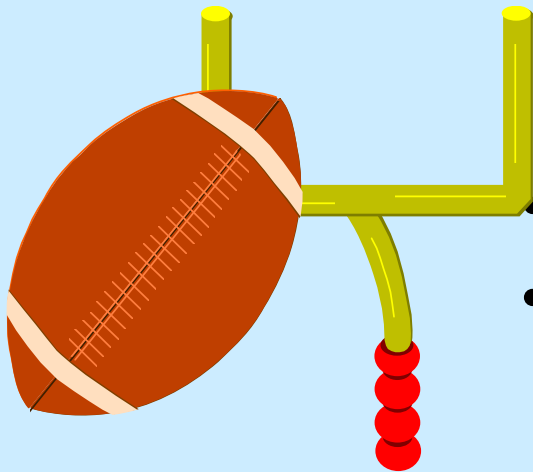


**FACTORS TO BE
CONSIDERED IN THE
REVIEW OF PROPOSALS**

**STUDY SESSION ON
GOVERNMENT CODE §56668**

February 28, 2007

Objectives & Goals



- Understand Each Factor (56668)
 - What it means
 - Sources of research information
- Analysis For Determinations
- Determinations Lead to Decision
 - Approve/Disapprove (Deny)
 - Set Conditions
 - Modify, Amend
- Sample Staff Report & Recommendation

LAFCO DECISIONS

- Policy and Technical Decisions
 - Staff Reports - provides technical information
 - Public Review - identifies policy controversies
 - Commission - weighs and balances
 - Commission - makes determinations

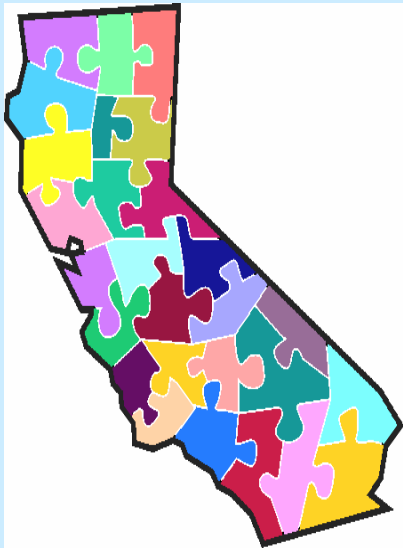
Determinations:

“In light of the whole record”

- Quasi-Legislative
- Balancing Competing Interests
- Broad Discretion – Limited Jurisdiction
 - Boundaries & Services
- Planning Responsibilities: SOI and Service Reviews

Determinations to Decision

- Analysis of the Factors (56668) -- the Foundation for the Determinations
- Take care with the Determinations, the Decisions take care of themselves!



Related Factor Groups

- Services and Service Alternatives Analysis
- Cost and Revenues Analysis
- Boundaries
- Effects on Others, Comments
- Land Use, Population, Planning
- Housing
- Agriculture, Open Space, Regional Growth

Services

Discussion Sections 1-6 (Staff Report)

- Need for service--What does the applicant want to do and why? Purposes of the Services
- Future Need – More services later?
- Ability to Serve -- Can the Agencies do it?
- Level & Range of Services --Type & Amount
- Timeframes -- If not now, when?
- Conditions of Service -- What will it take to get service?

1. NEED FOR ORGANIZED COMMUNITY SERVICES, PROBABLE FUTURE NEEDS: Applicants shall demonstrate the need and/or future need for governmental services and that the proposal is the best alternative to provide service (§'56668(b)).

RESPONSE: The purpose of a boundary change is almost always related to securing new services. The applicants are required to state the purpose of their proposal and support their statement with evidence of the need for service. Examples include development entitlements, i.e. tentative maps, building permit applications, etc., well reports, evidence of plans for agriculture of a type that will need service.

2. ABILITY TO SERVE, LEVEL AND RANGE OF SERVICE, TIME FRAMES, CONDITIONS TO RECEIVE SERVICE: Prior to annexation the applicants and proposed service providers demonstrate that the receiving entity (annexing agency) will be capable of providing adequate services which are the subject of the application and submit a plan for providing services (§56668(j) and §56653).

RESPONSE: A Plan of Service is needed for every application, prepared jointly by the applicants and service provider agencies. In addition staff refers to numerous other sources of information such as agency master plans, capital improvement plans, etc. when available. The ability to serve includes site-specific and off site capabilities of the agency. For example, water and wastewater service includes local distribution (pipes and hook-up) as well as transmission and treatment services. Applicants and agencies must demonstrate that additional service for the proposal area can actually be provided.

Services and Service Alternatives

- Section 3: Timely Availability of Water Supply
- Section 4: Alternatives to Service (Public and Private Providers)
 - Who else could provide? How?
 - Formal Agency Objections
- Local Government Structure
 - Other types of agency or zone?
 - Multi-Service or single service Agency
- Best Alternative for Service

Services and Service Alternatives

- Significant Negative Service Impacts
 - Linked to Service Standards of Agencies
- Section 5: Who might be affected if service extended?
 - Neighbors? Existing Customers? Future Customers? Taxpayers? Property Owners?
 - What will happen to everybody else?
- Section 6: Coordination of Applications
 - Additional Services and/or Territory

Cost and Revenues Analysis

Discussion Sections 7-11 (Staff Report)

- Identify Service Costs
 - Costs without Proposal
 - Service Review, Standards of Service
 - Proposal Costs - Direct and Indirect
 - Future: On-site, Area & Agency
 - Costs of Alternatives
- Any Revenue Shortfalls or Gains?
 - Property Tax, AV, Fees, Assessments



7. PRESENT COST/ADEQUACY OF GOVERNMENTAL SERVICES, INCLUDING PUBLIC FACILITIES: The commission shall consider existing government services and facilities, cost and adequacy of such services and facilities (§56668(b)).

RESPONSE: This factor directs LAFCO to look at how an agency is providing services without the proposed annexation. We consider the current capabilities of an agency, any current service deficiencies, reserves and excess capacity. The applicant's Plan of Service contains information for this analysis, and staff also uses other information as available such as financial or other reports to gather information about how services are provided and their costs.

If the Commission finds cost and/or service problems under pre-annexation conditions, adding new territory or increasing service responsibility could be problematic.

**Section 10: SUFFICIENCY OF REVENUES, PER CAPITA
ASSESSED VALUATION: §56668(j)**

RESPONSE: This factor directs LAFCO to look at the revenues that will support the needed services. In addition it means that LAFCO should consider the increase in revenues if the boundary change leads to an increased value. Where development will occur, the property tax revenue will increase with the increased assessed value (AV).

“BEST INTEREST”

Section 11

- Quasi-Legislative Review
 - The commission will consider whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district. (§56668.3)
- Does the proposal “make sense”
 - Who Benefits From the Proposal?
 - Residents, Future Residents, Citizens, Which Agencies
 - Winners and Losers
 - Any Future or Long Term benefits

Boundaries & Spheres

Sections 12-14

- Section 12: Logical, Contiguous, Easy to Serve
 - Contiguity defined in SBE map standards
 - Surveyor Review: SBE, Recorder, Legal Desc.
- Section 13: Topography, Natural Boundaries
- Boundary Modifications
 - Broad Discretion to Weigh and Balance
 - Topography, Natural Features, Ease of Service
 - Add or Subtract Parcels
 - (Can also modify services)

12. BOUNDARIES: LOGICAL, CONTIGUOUS, NOT DIFFICULT TO SERVE, DEFINITE AND CERTAIN: The proposed boundary shall be a logical and reasonable expansion and shall not produce areas that are difficult to serve (§56001). The boundaries of the annexation shall be definite and certain and conform to existing lines of assessment and ownership, create islands, or corridors of unincorporated territory, etc. (§56841(f)).

RESPONSE: Contiguity requires that there be a line of connection between the annexing area and existing boundary. Neither law nor policy currently defines how much connection is enough, but there is a link between contiguity and providing service. Non-contiguous annexations are prohibited for cities, but not districts. Islands create difficulties for managing property tax and elections. Boundaries may not split parcels, although the assessor's staff notes many split parcels, some of which may have been created by LAFCO actions in the past.

Consistency with Spheres of Influence (Section 14)

- Plan for future boundaries and services
- History of Spheres
 - Past actions may have some deficiencies (1980's)
 - Mapping not yet done; improvements in GIS underway
- Need Program to Correct Problems
 - May adopt “Sphere of Record” as starting point
- Service Reviews Required

Section 14: SPHERES OF INFLUENCE: Commission determinations shall be consistent with the spheres of influence of affected local agencies. The sphere of influence of any applicable local agency is reviewed with the proposal (§56668 (h)).

RESPONSE: The existing spheres of influence need to be reaffirmed, adopted or updated. Research as to the exact boundaries of spheres of influence will need to be completed soon. This will give us the starting point for sphere updates.

Note: Municipal Service reviews are precursor to sphere updates (January 2008 statutory deadline)

Effects on Others & Comments Received



- Probable Effects--Who might be affected?
- Notice & Comment Request
- Communities of Social and Economic Interest
- Adjacent Areas
- Comments of Landowners, Agencies, All of the Above

15. EFFECT ON ADJACENT AREAS, COMMUNITIES OF INTEREST

- Staff researches community groups, homeowners or business associations which may be interested in or related to the project.

16. INFORMATION OR COMMENTS FROM THE LANDOWNER OR OWNERS

- All landowners and registered voters within a 300 foot radius of a project are individually notified of the project and hearing per §56157(f). All comments received are included in the packet or distributed at the meeting.

Other Community Services

- Schools
- County Services
 - Roads, Solid Waste, Social Services
- Regional Services, Fire, Wastewater Treatment
- Other Non-LAFCO Agencies
 - Adjacent Counties
 - State Services
- Positive and Negative Effects on Service
(and Costs, too)

17. EFFECT ON OTHER COMMUNITY SERVICES,

SCHOOLS: LAFCO's review of services refers to governmental services whether or not those services are provided by local agencies subject to the Cortese-Knox-Hertzberg Act, and includes public facilities necessary to provide those services (§56668(b), second paragraph)

RESPONSE: Services not provided by cities and districts may to be considered. The County, for example, provides roads and other services. PG&E provides community services that should also be considered by the Commission. In some areas state services (e.g.parks) may be affected. Staff solicits comments from as many service providers as can be identified. The request asks providers to identify any potential effects. Any information received is included in the analysis.

Land Use-Population-Planning

Sections 19-22 and 24

- Housing
 - Displace Existing Housing?
 - Link to Services-Water
- Population /Density
- 10yr Growth Estimate
- Proximity
- Land Use & Plans
 - Consistency general and specific plans
 - Land Use Density
 - Zoning
 - Likely Growth
 - “Any Information”
- Regional Growth Goals - Optional (Section 24)

Agriculture, Open Space, Regional Growth (Section 23)

- Agricultural Lands
 - LU designations, AG Uses, Soils
 - Within and Adjacent to the Proposal
 - Economic Integrity of Agriculture
 - Cost and Availability of Services to Support AG
 - Water
- Balancing Growth with Agriculture

End