

1.3. POWERS AND DUTIES

A. General Provisions

LAFCO's enabling statute is the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Govt. Code §56000 et seq.). This law establishes the basic purposes, composition and funding of the Commission and sets forth the procedures for boundary changes.

The State's purposes for LAFCO are found in §56301:

“Among the purposes of a local agency formation commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local governments in each county and to shape the development of local governmental agencies so as to advantageously provide for present and future needs of each county and its communities.”

B. Boundary Review and Regulation

There are two variations of local government boundary change: a “change of organization” is defined as an annexation, detachment, dissolution, merger or other boundary change taken by itself. A “reorganization” is defined as two or more boundary changes combined in one proceeding.

In regulating boundaries LAFCO's basic authority is to "approve or disapprove, with or without amendment, wholly, partially or conditionally:"

- Annexations of territory to cities and districts.
- Detachments of territory from cities and districts.
- Incorporations, disincorporations or consolidations of cities.
- Formations, dissolutions or consolidations of special districts.
- Mergers of cities and special districts.
- The development of unincorporated “new communities.”

C. Out-of-Agency Services

In general, Government Code Section 56133 allows cities and special districts to provide new or extended services outside their boundaries only if they first request and receive approval from LAFCO.

D. Spheres of Influence – LAFCO’s Planning Function

A basic LAFCO responsibility is to prepare, adopt and periodically update a sphere of influence (“SOI”) for each city and special district. A sphere is defined by §56076 as a “plan for the probable physical boundaries and service area of a local agency, as determined by the commission.”

A sphere can be used to determine the pattern and timing of future growth within a planning area. The Commission will review and update each SOI every five years (§56425).

LAFCO’s regulatory decisions must be consistent with SOIs, which in turn influence such matters as urban form, local government structure, public services, and infrastructure and government finances.

E. Municipal Service Reviews

Government Code §56430 requires LAFCO to comprehensively study municipal services provided in the SOI planning area prior to, or in conjunction with, updating SOIs.

These studies are called Municipal Service Reviews (“MSR”) and LAFCO, in approving an MSR, is required to make a number of specific written determinations as presented in Section 2.1 – Policies and Standards.

F. Initiation of Special District Reorganizations

LAFCO may initiate proposals for special district consolidations, dissolutions, mergers and establishment of subsidiary districts, or a reorganization that includes any of these changes, provided the proposal is consistent with a recommendation or conclusion of a reorganization study, MSR or SOI update prepared for the Commission’s use.

G. Miscellaneous Other Powers

Other LAFCO powers and duties are to:

- Adopt standards and procedures for the evaluation of proposals and plans of reorganization.
- Make and enforce rules and regulations for the orderly and fair conduct of hearings.
- Appoint and assign staff personnel and employ or contract for professional or consulting services to carry out the functions of the Commission.

H. Environmental Policies and Procedures

LAFCOs are public agencies subject to the California Environmental Quality Act (Public Resources Code §21000 et seq.).

This statute contains environmental policies, requires environmental review and reporting procedures, and provides opportunities for public participation in the decision-making process.

LAFCO, as a public agency, is required to adopt procedures for the processing of environmental documents pursuant to CEQA.

For many boundary changes other agencies, such as a city or the county, is the “lead agency” responsible for preparing the environmental document, and LAFCO acts in the role of “responsible agency.”

I. Factors LAFCO Must Consider

The law does not specify criteria upon which LAFCO must evaluate and approve or deny proposals. Rather, LAFCO is guided by its broad statutory purposes, locally adopted policies and the California Environmental Quality Act.

The CKH Act lists specific factors that must be considered by the Commission in making decisions. (§56668)

J. Permitted LAFCO Conditions

LAFCO is authorized to modify boundaries and/or attach binding conditions to its approval of boundary changes. As examples, LAFCO can:

- Amend proposed boundaries to add or delete territory. Once approved by LAFCO, no changes can be made in a proposal without LAFCO’s approval.
- Approve a proposal subject to initiation, conduct or completion of proceedings of another proposal (i.e., LAFCO can make an annexation to a city subject to concurrent annexation or detachment of the land to or from other agencies).
- Require the approval of bonds or other long-term indebtedness or the formation of assessment or improvement districts to finance capital facilities.
- Impose conditions relative to the distribution of assets, financial contracts or obligations among affected agencies.
- Designate the successor agency when an agency is being dissolved or consolidated.
- Other conditions specified in the Government Code.