


# CONTRA COSTA LAFCO

Contra Costa Special Districts Association  
September 19, 2022




# Presentation Preview

- Why LAFCO was created
  - LAFCO's role and functions
  - What are Municipal Service Reviews and why do we do them?
  - LAFCO Resources
  - Your questions
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# What's a LAFCO?

- Local Agency Formation Commission
  - State mandated agency that acts on boundary matters; does not *directly* regulate land use
  - Independent agency, not part of the County
  - Quasi-legislative
  - Authority derived from CA Government Code
  - Subject to State laws (i.e., Political Reform Act, Brown Act, CEQA, etc.)
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# Forces Driving Boundary Changes

- Population growth or shifts
  - Public desire for public services or private desire for land use entitlements (development)
  - Public desire for greater local control
  - Public desire for improved services or to capture local revenues
  - Public desire to establish, preserve or protect community identity
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# Legislature directs LAFCO to

- Encourage orderly boundaries and discourage urban sprawl
  - Preserve agriculture and open space lands
  - Promote efficient public services
  - Consider future growth, need for services, regional housing, timely and available supply of water and other essential factors
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# Cortese Knox Hertzberg Act

- Outcome of two special studies: Little Hoover Commission and Commission on Local Governance in the 21<sup>st</sup> Century
  - Major reforms
    - \* Broaden LAFCO funding – city, county, district
    - \* Add new LAFCO factors – water supply, regional housing
    - \* LAFCO is the conducting authority for boundary changes
    - \* Require periodic (5-year) sphere of influence (SOI) updates, as necessary
    - \* Require MSR to update SOIs
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# What does LAFCO do?

- Changes city and district boundaries
  - Reorganizes local agencies (e.g., mergers, consolidations, dissolutions, etc.)
  - Creates new cities and special districts
  - Changes authorized services
  - Allows out of agency service extensions
  - Prepares MSR's
  - Establishes/updates SOIs
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# LAFCO BASICS

- There is a LAFCO in each of California's 58 counties
  - The standard commission composition is 5 voting members (without special district representation) or 7 (with special district representation) - 7 in Contra Costa County
  - 30 of the 58 LAFCOs currently have special district representation
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# LAFCO - A Unique Mix

- All local people – 2 county members, 2 city members, 2 special district members and 1 public member
  - One alternate member in each category
  - All members are required by law to represent the broad interests of the public
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# LAFCO Jurisdiction

## Includes:

\* cities and most special districts (including County Service Areas)

## Does NOT include

- \* Community facilities or Mello-Roos districts
  - \* School or college districts
  - \* County boundary lines
  - \* Bridge or highway districts
  - \* Assessment districts
  - \* JPAs (limited LAFCO authority)
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# Watchdog or Enforcer?

- LAFCO is the Legislature's watchdog, not enforcer
- Identifies and alerts others to possible problems
- Local agencies responsible and accountable to solve their own problems
- Agency accountability comes from either oversight entity or the public/voters






# LAFCO Staffing

- LAFCO provides for its own quarters, equipment, supplies, and personnel
  - LAFCO appoints an Executive Officer to conduct the day-to-day business and make recommendations on proposals
  - LAFCO appoints a Legal Counsel
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# LAFCO Funding & Budget

- State mandate – LAFCO adopts a budget each fiscal year
  - Expenses include salaries & benefits, services & supplies; prefunding liabilities (retirement, OPEB); fixed assets; contingency
  - Contra Costa LAFCO is funded by the County, cities, and special districts in equal thirds; application processing fees help offset a portion of expenses
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# As a planning agency, LAFCO

- Develops and updates SOIs for cities and special districts, as necessary
  - Prepares MSR to help coordinate provision of services
  - Works cooperatively with public and private agencies and interests
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# As a regulatory agency, LAFCO

- Manages modifications to existing agencies and creation of new ones
  - Can approve changes of organization only if consistent with SOI
  - Controls extension of public services outside agency boundaries
  - Is prohibited from directly regulating land use
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# Municipal Service Reviews

- Comprehensive study of specific services within a designated geographic area
  - Means to identify and address relationship between regional issues, goals, land use plans and projections, and services
  - Provides LAFCO with data, analysis, and recommendations necessary to update the SOI of each local agency
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# MSR Determinations

1. Growth/population projections
  2. Present and planned capacity and adequacy (services and facilities) including disadvantaged communities
  3. Financial capacity of agency
  4. Shared resources
  5. Accountability
  6. Other
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# Status of MSRs

## **1<sup>st</sup> Round (19 cities, 78 districts)**

- Health care (2007)
  - Water/wastewater (2007-08)
  - Fire/emergency medical (2009)
  - Reclamation (2010)
  - Mosquito & vector and resource conservation (2010)
  - Cemetery and recreation & parks (2010)
  - Law enforcement (2011)
  - Library (2013)
  - Misc CSAs - i.e., drainage, transportation demand (2013)
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# Status of MSRs

## ● 2<sup>nd</sup> Round MSRs

- Water/Wastewater (completed 2014)
- Reclamation (levee) Services (completed 2015)
- Fire & Emergency Medical (completed 2016)
- Healthcare (completed 2018)
- Cities, community services districts (completed 2019)
- Park & Recreation Services (completed 2021)
- Cemetery Services (completed 2021)
- Mosquito & vector control and resource conservation (draft MSR released July 2022)

## ● 3<sup>rd</sup> Round (2022)

- Wastewater Services (underway)
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# MSR/SOI OUTCOMES

- Provide a comprehensive overview of services countywide
  - Identify service gaps/overlaps
  - Establish relationships with local agencies
  - Boundary/SOI clean-ups
  - Update agency information
  - Showcase best practices
  - Identify governance, fiscal, service, and other challenges
  - Identify governance options including those requiring LAFCO action (e.g., consolidation of agencies, dissolution), as well as those that not do require LAFCO action (e.g., shared services and facilities, functional consolidation, JPAs, etc.)
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# LAFCO Initiated Proposals

- LAFCO can initiate district formations, consolidations, dissolutions, mergers, and establishment of subsidiary districts; LAFCO **cannot** initiate annexations, detachments, incorporations, disincorporations, and certain other proposals
  - LAFCO initiated proposals must be consistent with a conclusion or recommendation from an SOI study, special study, or MSR
  - LAFCO initiated proposals are subject to protest proceedings and potentially an election
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# Recent/Current Activities

- Staffing changes (2019-20)
  - Ongoing Policies & Procedures Updates
  - Ongoing MSRs/SOI Updates
  - Ongoing LAFCO *Directory of Local Agencies* updates
  - Application processing
  - Completed 2022 Special District election – retained Commissioner Caldwell, bid farewell to Commissioner Skaredoff, and welcomed Commissioner Bristow
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# LAFCO RESOURCES

- Guide to the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 – Available online or through Assembly Publications (Sacramento)
  - CALAFCO – [www.calafco.org](http://www.calafco.org)
  - Contra Costa LAFCO – [www.contracostalafco.org](http://www.contracostalafco.org)
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**YOUR QUESTIONS???**

