

**LAFCO** *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION  
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KATE McKENNA, AICP  
Executive Officer

DATE:            June 16, 2010

TO:              Sphere of Influence and Annexation Policy Committee

FROM:           Kate McKenna, AICP, LAFCO Executive Officer

SUBJECT:       **CONSIDER REVISIONS TO ADOPTED POLICIES AND PROCEDURES  
RELATING TO SPHERES OF INFLUENCE AND CHANGES OF  
ORGANIZATION AND REORGANIZATION, CONSISTING OF:**

- (1) MISCELLANEOUS, NON-SUBSTANTIVE REVISIONS AS PREVIOUSLY CONSIDERED BY THE POLICY COMMITTEE ON APRIL 29, 2010, AND
- (2) ADDITIONAL ITEMS AS DIRECTED BY THE POLICY COMMITTEE, INCLUDING:
  - (a) REVISIONS TO THE EXISTING POLICY ON PRELIMINARY SPHERE OF INFLUENCE REVIEWS AND
  - (b) A NEW POLICY ON HOUSING AND JOB CONSIDERATIONS.

*(Continued from Policy Committee Meeting of April 29, 2010)*

**SUMMARY OF RECOMMENDATIONS:**

It is recommended that the LAFCO Sphere of Influence and Annexation Policy Committee:

1. Receive Executive Officer's report on this continued item;
2. Open and then close the period for public comments;
3. Consider draft revisions to adopted policies and procedures (see Attachment 1 for recommended revisions without tracked changes and Attachment 2 version that shows the tracked changes), including:
  - a. Miscellaneous, non-substantive revisions as originally presented on April 29, 2010, and a clarification of the term "Service Needs" as directed by the

Policy Committee (see Page 1-26 of Attachment 1 and Page 2-33 of Attachment 2); and

- b. Revisions to the existing policy on Preliminary Sphere of Influence Reviews, as directed by the Policy Committee (see Page 1-17 of Attachment 1 and Page 2-20 of Attachment 2), and
  - c. A new policy on housing and job considerations, as directed by the Policy Committee (see Page 1-37 of Attachment 1 and Page 2-56 of Attachment 2);
4. Recommend that the Local Agency Formation Commission adopt a finding that the proposed revisions are not a "project" for purposes of the California Environmental Quality Act, and
  5. Recommend that the Local Agency Formation Commission consider and adopt the proposed revisions to adopted Policies and Procedures (Attachments 1 and 2).

## **EXECUTIVE OFFICER'S REPORT:**

### **Overview**

This item was continued from the Sphere of Influence and Annexation Policy Committee meeting of April 29.

The Committee considered a package of miscellaneous, non-substantive revisions to the adopted Policies and Procedures that guide the Commission's work relating to Spheres of Influence, annexations, and other changes in boundary organization and reorganization. The package is discussed in the Executive Officer's report for the April 29 meeting (available online or at the LAFCO office).

The Committee directed the Executive Officer to prepare three additional changes for consideration. One change is to clarify the term "service needs". A second change is to revise the existing policy on Preliminary Sphere of Influence Reviews. A third change is to add a new policy on the consideration of housing needs. The agenda item was continued for a maximum of 60 days.

On June 16, the Committee will consider and may act on the entire package of revisions. This report addresses the three changes drafted in response to the Committee's direction.

### **Clarification of "Service Needs" Term**

The Committee requested a clarification of the term "service needs" in Paragraph 2 of Section VII of the Standards for the Evaluation of Proposals for a Change of

Organization or Reorganization. A change has been made to make the term consistent with the Cortese-Knox-Hertzberg definition of "services," as follows<sup>1</sup>:

2. *Applications must address current and ultimate service needs for governmental services and facilities as established by the appropriate land use plans and rezoning.*

This change is on Page 1-26 of Attachment 1 and Page 2-33 of Attachment 2.

### **Revised Policy on Preliminary Sphere of Influence Reviews**

Pursuant to the Committee's direction, and in consultation with the Executive Officer, LAFCO General Counsel Leslie Girard has drafted revisions to the existing policy of the Commission to conduct preliminary reviews of Spheres of Influence. Please see Page 1-17 of Attachment 1 or Page 2-20 of Attachment 2.

The existing policy allows LAFCO to initiate a preliminary review as an initial step to a Sphere of Influence update for a city or special district. Revised language will separate this preliminary review process from the State-required, five-year cycle for Municipal Service Reviews and Sphere of Influence Updates. The revisions also describe the legal authority for the policy, and add more detail about the process for conducting the preliminary reviews.

### **New Policy on Housing and Job Considerations**

Pursuant to the Committee's direction, and in consultation with the Executive Officer, LAFCO General Counsel Girard has drafted a new policy to request information about housing and jobs as part of the consideration of Sphere of Influence amendment applications and proposals for annexations and other changes in boundary organization and reorganization. Please see the proposed new language on Page 1-37 of Attachment 1 and Page 2-56 of Attachment 2.

The new policy would require applicants to discuss the impact, if any, on job availability and creation, and housing supply and demand, not only for the local community, but also for adjacent communities and the region. This policy is consistent with the State-mandated factors that LAFCO currently considers in reviewing proposed changes. The legal basis for this policy is outlined in the policy's introduction.

### **California Environmental Quality Act Compliance**

Recommended Policies and Procedures are not subject to environmental analysis. They only lay out general considerations for a Commission decision and are therefore not a "project" for purposes of CEQA.

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<sup>1</sup> "Services' ... refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services." Government Code section 56668(b)

## Local Agencies and Interested Parties

Local agencies and other interested parties received notice on May 7 of the June 16 Policy Committee meeting. The agenda and Executive Officer report were distributed by electronic and regular mail one week before the meeting. They are also posted on the LAFCO website and in public locations. Any written comments received before the meeting will be forwarded to the Committee. The meeting location will accommodate all interested persons who may wish to comment.

## Next Step

The Local Agency Formation Commission will consider the Committee's recommendations at a public meeting. If the Committee acts on June 16, the tentative date for consideration and action by the Commission is June 28, 2010. Notice of the actual meeting date, and copies of the agenda and report, will be distributed to local agencies and interested parties.

## ALTERNATIVE ACTIONS:

In lieu of the recommended actions, the Committee may consider these or other alternatives:

1. Modify the recommended Policies and Procedures (Attachments 1 and 2);
2. Recommend that no updates be made to existing Policies and Procedures, or
3. Continue the meeting and provide other direction.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer

## Attachments:

1. Recommended Revisions to Adopted Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization (**without tracked changes**).
2. Recommended Revisions to Adopted Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization (**same as Attachment 1, but showing the tracked changes**).

cc: LAFCO Chair Simón Salinas and Members of the Commission (Information Only)  
Local Agencies and Interested Parties (Distribution List is Available upon Request)