

TO: TOWN COUNCIL
FROM: TOWN MANAGER 
RE: LOOMIS SPHERE OF INFLUENCE

ISSUE

At the September meeting Council Member Ucovich asked that Council begin a discussion on a sphere of influence.

RECOMMENDATION

Hear what Council Member Ucovich has to say and give direction to Staff if needed.

CEQA

There are no CEQA issues at present.

MONEY

There are no money issues at present.

DISCUSSION

At the September meeting Council Member Ucovich asked that Council discuss a Loomis sphere of influence. He advised that he currently sits as an alternate on LAFCO and that the agency will be looking to do a sphere study soon.

The Town General Plan does not mention a sphere increase in any of the typical areas, such as

- a future vision item (pg 11 & 12)
- land use implementation measures (pg 41)
- community design and character measures (pg 46)
- something needed parks and recreation implementation (pg 51)
- needed for economic development (pg 57 to 59)
- required for circulation (pg 76 to 80)
- helpful to meet housing needs (pg 96 to 105)
- useful for providing public services, facilities or finance (pg 108 & 109)
- needed for conservation of resources (pg 112 to 116)
- necessary for public safety (pg 131 to 133)

The one place in the General Plan where a sphere of influence is mentioned is in the glossary where it is defined as "The probable ultimate physical boundaries and service area

of a local agency (city or district) as determined by the Local Agency Formation Commission (LAFCo) of the County.” (pg 174)

The California Land Use Practice book has information on spheres of influence at section 14.86 (see attached) and it is noted there that LAFCOs must, as necessary, review and update spheres of influence on or before January 1, 2008 and every 5 years thereafter. In a phone conversation with the LAFCO Executive Director, Kristina Berry on 9/22/11 she indicated that a municipal services report (MSR) needs to be done and then a discussion can be had on spheres. A sphere can extend beyond a town border or be defined by the town border (“coterminous” is the term Ms Berry used). She noted that the MSR for Loomis would be bid as early as this year. We agreed to meet with the new manager when that person was available.

Also attached are pertinent from Curtin’s California Land Use and Planning Law” explaining spheres of influence. The key point is “Establishment of a sphere of influence is intended to determine which government agencies can provide services in the most efficient way to the people and property in any given area.” In short, spheres come with costs. Which of course leads to the question: Where are the revenues to pay for the costs?

Council may wish to discuss a sphere now or wait for the MSR to be completed or suggest something in particular that LAFCO should look at when it does the MSR.

and separation of grade districts), changes of organization and reorganization are not conducted by LAFCOs. Govt C §§56100, 56036.

§14.86 5. Spheres of Influence

The sphere of influence for each local agency includes the planned probable physical boundaries and service area of that local agency, as determined by the LAFCO. Govt C §56076. In establishing the sphere of influence, the LAFCO must consider and prepare a written statement of its determinations with respect to each of the following (Govt C §56425(e)):

- The present and planned land uses in the area, including agricultural and open-space lands;
- The present and probable need for public facilities and services in the area;
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

For a newly incorporated city or a newly formed special district, the LAFCO must adopt a sphere of influence within 1 year of the effective date of incorporation. See 60 Ops Cal Atty Gen 118, 121 (1977); *Resource Defense Fund*

v. Local Agency Formation Comm'n (1983) 138 CA3d 987, 990, 188 CR 499; Govt C §§56014, 56076, 56375, 56375.5, 56425(a), 56426.5.

LAFCOs must, as necessary, review and update spheres of influence on or before January 1, 2008, and every 5 years thereafter. Govt C §56425(g). As part of the update process, each LAFCO is required to conduct a comprehensive review of municipal services provided in the county or other appropriate geographic area designated by the LAFCO. Govt C §56430. This review must include a written determination of the following (Govt C §§56425, 56430):

- Infrastructure needs or deficiencies;
- Growth and population projections;
- Financing opportunities and constraints;
- Methods for cost avoidance;
- Opportunities for rate restructuring;
- Opportunities for shared facilities;
- Options for consolidation or reorganization of service providers;
- Evaluation of service management; and
- Local accountability and governance.

Subject to a 6-year sunset clause, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Cortese-Knox-Hertzberg Act) (Govt C §§56000-57550) requires cities to meet with counties at least 30 days before proposing a sphere update to see if they can reach an agreement on zoning and development standards within the sphere. If the city and the county do reach an agreement, the LAFCO is required to give the agreement great weight in its final determination of the city's sphere. Govt C §56425(b).

Boundary changes approved by the LAFCO must be consistent with the spheres of influence established for each local agency affected by the boundary change. Govt C §56375.5.

Any individual or local agency may request to amend the sphere of influence by filing a written request with the LAFCO's executive officer stating the nature and reasons for the request. The request must include a map of the proposed amendment and any other information required by the executive officer. The executive officer must

then place the request on the LAFCO's agenda for its next meeting for which notice can be given. The officer must prepare a report and recommendation relating to the request and send copies of the report to any person who has filed a request for it. After the request for the amendment is considered at a public hearing, the LAFCO may either approve or disapprove it, with or without amendments or conditions. Govt C §56428; see also Govt C §56427.

6. Required Procedures for Change of Organization or Reorganization

§14.87 a. Boundary Changes

LAFCOs regulate a "change of organization," which is the generic term for a boundary change involving any of the following: a city incorporation or disincorporation; a special district formation or dissolution; an annexation to, or detachment from, a city or district; a consolidation of cities or special districts; a merger of a special district with a city; and the exercise, or the divestiture, of new functions or classes of services within special districts. Govt C §56021; see also Govt C §§56017, 56030, 56033-56035, 56039, 56043, 56056.

LAFCOs also have the power to institute a "reorganization," which is a way to combine two or more boundary change requests into a single proposal. Govt C §56073. For example, annexing unincorporated territory into a city would be accomplished through a reorganization because it also involves detaching that territory from fire protection and recreation and park districts.

§14.88 b. Rezoning for Annexation

Cities must prezone territory to be annexed. Under Govt C §56375(a), LAFCOs must require cities to prezone territory proposed for annexation and must determine that annexation is consistent with the planned and probable use of the property based on the city's general plan and rezoning designations. An annexing city may not change the rezoning designations for 2 years following annexation, unless the city makes a finding at a public hearing that a substantial change in circumstances has occurred that will necessitate a departure from the rezoning in the application to the commission. Govt C §56375(e).

statute or that are necessarily implied in order to exercise the powers expressly granted. *City of Ceres v. City of Modesto*, 274 Cal. App. 2d 545, 550 (1969); *Tillie Lewis Foods v. City of Pittsburg*, 52 Cal. App. 3d 983, 999 (1975).

Although they operate independently of the state, LAFCOs must act within legislative parameters that encourage planned, orderly, and efficient urban development patterns, the preservation of open space, and the discouragement of urban sprawl.

Pursuant to Government Code section 56325.1, in making determinations, commission members must “exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division.” Members appointed on behalf of local governments “shall represent the interests of the public as a whole and not solely the interests of the appointing authority.” *Id.*

Spheres of Influence

Pursuant to Government Code section 56425, LAFCOs must develop and determine a “sphere of influence” for each local government agency within its county.⁴ When an agency provides services to more than one county, the LAFCO in the principal county (*i.e.*, the county having most of the assessed value of the district’s taxable property) has jurisdiction. *Placer County LAFCO v. Nevada County LAFCO*, 135 Cal. App. 4th 793, 809 (2006).

A sphere of influence is a plan for the probable physical boundaries and service area of a local government agency, as determined by LAFCO. Gov’t Code § 56076. Establishment of a sphere of influence is intended to determine which government agencies can provide services in the most efficient way to the people and property in any given area.

Once it has determined and adopted a sphere of influence, the Commission must review and update it as necessary, but not less than once every five years.⁵ Gov’t Code § 56425(f). The law imposes an initial deadline for LAFCOs to review and update each sphere of influence on or before January 1, 2008, and then every five years thereafter. Gov’t Code § 56425(g).

Every boundary change determination made by LAFCOs must be consistent with the sphere of influence established for the local agency affected by such determination. Gov’t Code § 56375.5.

Government Code section 56425(a) provides:

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county

4. A city and county may agree to recommend to the LAFCO specific changes in the city’s sphere of influence boundaries and express their intent to jointly agree to any changes in such boundaries in the future. Gov’t Code § 56425. See also 84 Ops. Cal. Atty. Gen. 66 (2001).

5. There is some ambiguity in the law about a sphere of influence “amendment,” “revision,” and “update.” These ambiguities have implications for the requirement of LAFCOs to prepare municipal service reviews (as discussed further below). For an interesting discussion on this and related issues, see CALAFCO Legislative Comm., MSR/SOI Subcommittee Report (August 2005), available at www.calafco.org/resources.htm.

and enact policies designed to promote the logical and orderly development of areas within the sphere.

Prior to submitting an application to LAFCO to amend or update a sphere of influence, representatives from the city and county must meet to discuss the proposed sphere “to explore methods to reach agreement on the boundaries, development standards, and zoning requirements within the sphere.” If an agreement is reached, LAFCO must give great weight to this agreement in making its sphere determination.⁶ Gov’t Code § 56425(b).

An determining each local agency’s sphere of influence, the commission must consider several factors and prepare a written statement of its determinations with respect to the following:

- The present and planned land uses in the area, including agricultural and open space lands
- The present and probable need for public facilities and services in the area
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency

Gov’t Code § 56425(e)

LAFCOs may adopt, amend, or revise a sphere of influence after notice and a public hearing called and held for that purpose. Gov’t Code § 56427. An amendment may also be requested by any person or local agency, if a proposal for a boundary change is not consistent with the current sphere of influence. Often, this request is made in connection with a specific boundary change request, and the Commission may act on both requests at the same hearing. Gov’t Code § 56428.

LAFCOs may adopt, amend, or revise a sphere of influence after notice and a public hearing called and held for that purpose.

Municipal Service Review Requirement

When preparing and updating spheres of influence, LAFCOs are required to conduct municipal service reviews. When two counties receive services from a multicounty service district, the LAFCO in the principal county has exclusive jurisdiction over the municipal service review. *Placer County LAFCO*, 135 Cal App. 4th at 808.

When preparing and updating spheres of influence, LAFCOs are required to conduct municipal service reviews.

These reviews are designed to be a tool for collecting information and evaluating the provision of services from a broader perspective. Pursuant to Government Code section 56430, “the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission . . . , and shall prepare a written statement of its determinations” with respect to each of the following six categories:⁷

- (1) Growth and population projections for the affected area
- (2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

6. Effective January 1, 2008, the 30-day time limit for this consultation is eliminated.

7. The MSR factors to be considered were modified as reflected below pursuant to AB 1744, to become effective on January 1, 2008.

- (3) Financial ability of agencies to provide services
- (4) Status of and opportunities for shared facilities
- (5) Accountability for community service needs including governmental structure and operational efficiencies
- (6) Any other matter related to effective or efficient service delivery, as required by commission policy

**OPR = Governor's Office of
Planning and Research**

The Governor's Office of Planning and Research (OPR) has issued municipal service review guidelines that provide direction to LAFCOs in implementing the service review requirements.⁸ However, OPR makes clear that these are only advisory "guidelines" not "regulations." The guidelines recommend how LAFCOs should evaluate each of the nine categories for which written determinations must be rendered. They also suggest several methodologies for identifying an appropriate geographic scope for the municipal service review. For example, depending upon local conditions, circumstances, and geography, LAFCOs may choose to use geographic and growth boundaries, geo-political boundaries, existing planning areas, or multi-county study areas when conducting municipal service reviews. The guidelines also discuss environmental justice considerations that may be considered in the LAFCO decision-making process.

The guidelines encourage LAFCOs to collaborate and coordinate with all stakeholders, including other affected and interested LAFCOs and government agencies, as well as members of the public.

The guidelines encourage LAFCOs to collaborate and coordinate with all stakeholders, including other affected and interested LAFCOs and government agencies, as well as members of the public. Several opportunities for public participation during the municipal service review process are identified, including stakeholder meetings, public hearings or workshops to initiate municipal service reviews, a public review period of the draft municipal service review report, and a public hearing to consider that report.

Boundary Changes

In general, LAFCOs have the authority to approve or disapprove changes of organization or reorganization.

LAFCOs regulate local agency boundary changes by making determinations with respect to proposals for such changes brought by individuals or affected public agencies. In general, LAFCOs have the authority to approve or disapprove changes of organization or reorganization. Gov't Code § 56375. Although LAFCOs make determinations regarding boundary changes, they do not have the authority to directly regulate land use density or intensity, property development, or subdivision requirements. Gov't Code § 56375(a)(3).

A "change of organization" is any one of the following boundary changes (Gov't Code § 56021):

- **Annexation**—defined as the annexation, inclusion, attachment, or addition of territory to a city or district. Gov't Code § 56017
- **Detachment**—defined as the detachment, deannexation, exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district. Gov't Code § 56033
- **Incorporation**—defined as the incorporation, formation, creation, and establishment of a city with corporate powers. Gov't Code § 56043

8. OPR's municipal service review guidelines are available at www.opr.ca.gov. The guidelines emphasize the importance of LAFCOs retaining flexibility to modify OPR's recommendations to reflect local conditions and circumstances, and the types of services under review.