

PART I

INTRODUCTION TO LAFCO

WHAT IS PLACER LAFCO?

Placer Local Agency Formation Commission, or Placer LAFCO, is a state mandated independent regulatory body whose role is to encourage the orderly formation of local governmental agencies, preserve agricultural and open space resources, and discourage urban sprawl through the review of city and special district boundary changes and the extension of the services they provide. Specifically, Placer LAFCO has jurisdiction within Placer County over proposed special district and city annexations and detachments, district formations and dissolutions, consolidations and mergers, city incorporations and disincorporations and the formation of subsidiary districts. Each county in California has its own LAFCO.

Placer LAFCO is also required to facilitate planning for the extension of services by local agencies through the adoption and periodic review of spheres of influence for each local agency. As a part of these periodic sphere reviews, Placer LAFCO is required to oversee the preparation of geographically based municipal services studies. Placer LAFCO has also been granted the authority to make special studies related to any local government issues.

Placer LAFCO is empowered to have a budget and expend funds. It is required to adopt rules and procedures to assure fair hearings and to develop policies and standards for the evaluation of proposals. Placer LAFCO is funded by from state required proportional funding allocations from the County, the cities and the independent special districts within the County.

WHY LAFCO?

Shortly after the end of World War II, California experienced a tremendous population explosion and housing boom. One set of statistics reports an overall California annual growth rate of 11% during that period. During that same time, the annual growth rate for California's metropolitan areas was only 2.6%. This type of decentralized growth led to local government and service delivery problems.

While annexations of inhabited areas were difficult to initiate and difficult to complete, annexations of uninhabited areas were simply initiated and virtually guaranteed successful. Annexation “wars” were common as cities and special districts scrambled to annex areas in order to capture revenues or to preclude other agencies from annexing area. Some of the worst examples of this are known as “cherry stems”. These were formed when a city sought to single out and annex a particular noncontiguous area. The annexation boundaries included a long portion of road (the “stem”) to bring the desired site (the “cherry”) into contiguity with the city’s boundaries.

As these types of annexations occurred, the boundaries became increasingly irregular, creating an abundance of parallel infrastructure lines and isolated service areas. This resulted in expensive and inefficient service provision.

During this time, the laws governing the incorporation of new cities and the formation of special districts were similarly lax. As a result, cities were formed to benefit small special interest groups and a multitude of single purpose special district formations were expedited to meet the short term needs of developers at the cost of long term efficiency.

It became clear that the existing laws governing jurisdictional changes were not adequate. In response to this situation, Governor Edmund G. Brown, Sr. established the "Governor's Commission on Metropolitan Area Problems" to explore solutions to the problems of stagnated city growth, the explosion of suburbia, and the proliferation of special districts, special interest incorporations, and illogical city annexations. Ultimately through a series of compromises, it was determined that local agency formations and boundary changes would be reviewed at a local level by individual local agency formation commissions, and LAFCOs began their work.

For many years these LAFCOs operated under the mandates of three separate state statutes: the Knox-Nisbet Act of 1963, the District Reorganization Act of 1965, and the Municipal Organization Act of 1977. Recognizing that these three laws contained parallel and conflicting provisions, in 1981 the California Association of LAFCOs (CALAFCO) Executive Board convened to begin drafting legislation that would consolidate all three laws. Assemblyman Dom Cortese agreed to introduce the legislation which was approved and signed by the Governor in October of 1985. The new statute, the Cortese-Knox Local Government Reorganization Act of 1985, went into effect on January 1, 1986.

In 1997 Assemblyman Robert Hertzberg authored a bill to establish the Commission on Local Governance for the 21st Century. The Commission was directed to review current statutes and recommend revisions to the laws governing city and special district boundary changes. The Commission issued its report in January 2000, noting that its goal was to make government more accessible, responsive, and transparent to the people.

The report's recommendations were placed in a bill authored by Robert Hertzberg, which after undergoing several amendments, was signed and became law on January 1, 2001. The LAFCO statutes are collectively known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

WHO IS LAFCO?

The Placer County Local Agency Formation Commission is comprised of seven regular members and four alternate members:

Two regular members and one alternate member are selected from among all the city council members within Placer County. These appointments are made by a selection committee composed of the mayors of all the cities.

Two regular members and one alternate member are selected from among the Placer County Board of Supervisors. These appointments are made by the Board of Supervisors.

Two regular members and one alternate member are selected from among all the independent special district board members within Placer County. These appointments are made by the independent special district selection committee, which is composed of a single representative from each of the independent special districts.

One regular member and one alternate member are selected from the public at large. These appointments are made by the other four regular Commission members; however, selection is subject to the affirmative vote of at least one of the members selected by each of the other appointing authorities.

Section 56325.1 of the Government Code states that, "While serving on the commission, all commission members shall exercise their independent judgement on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member 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. This section does not require the abstention of any member on any matter, nor does it create a right of action in nay person."

The Placer LAFCO staff consists of an executive officer, a clerk, and legal counsel as needed. In case of a conflict of interest, the Commission may appoint alternate staff.

HOW IS LAFCO FUNDED?

For nearly forty years, the funding for each local agency formation commission was the sole responsibility of the county. Generally to a limited degree, the funding was augmented through the collection of fees for the review of proposals for the change of organization.

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the funding arrangements were altered to spread the funding responsibilities among those categories of agencies represented on the subject LAFCO. LAFCOs that do not have special district representation on the Commission obtain half of their funding from the county and half from the cities within that county. LAFCOs that do have special district representation on the Commission obtain one-third of their funding from the county, one-third from the cities within that county, and one-third from the independent special districts within that county. The statutes set forth a method of apportionment amongst the cities and special districts.

The statutes specify that each year the LAFCO shall adopt its proposed budget by May 1 and its final budget by June 15. The adopted budget is then forwarded to the County Auditor who is required to apportion the funding costs amongst the agencies as specified in the Government Code section 56381.