



LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

TO: MEMBERS, FORMATION COMMISSION
FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER *DC*
DATE: JANUARY 21, 2016
SUBJECT: POLICIES AND PROCEDURES REVIEW

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Recommendation: It is respectfully recommended that the Commission review the Policies and Procedures found on the website (http://www.slolafo.com/Policies_2.htm) and provide feedback of direction regard the policies and procedures.

Discussion: The passage of the Cortese-Knox-Hertzberg Act of 2000 (CKH Act) included section 56300 (a) which requires each LAFCO to establish written policies and procedures that encourage and provide for well-ordered and efficient urban development patterns as well as the preservation of open space and agricultural land. San Luis Obispo LAFCO has an existing policy framework that is based on the CKH Act of 2000. These policies and procedures were last reviewed in February 2015.

The attached Policies and Procedures document is the current version of San Luis Obispo LAFCO's existing policies and procedures. It is broken into four chapters; Chapter One – Introduction, Chapter Two – Policies, Chapter Three – Procedures, and Chapter Four – California Environmental Quality Act.

Chapter One - Introduction provides an overview of the legislative history and purposes of LAFCO. This chapter also presents specific information regarding LAFCO membership, staffing and meetings of the San Luis Obispo LAFCO. Several edits are proposed for this chapter.

Chapter Two - Policies is broken into nine different sections and is the foundation of the San Luis Obispo LAFCO policy base. These policies are consistent with the current legislation and are based on local conditions and circumstances:

- 2.1 General Policies
- 2.2 City Incorporations
- 2.3 City Annexations
- 2.4 Special District Annexations
- 2.5 Formation of Special Districts
- 2.6 Sphere of Influence Update Policies
- 2.7 Municipal Service Review Policies
- 2.8 Memorandum of Agreement Policies
- 2.9 Agricultural Policies

The Policies and Procedures helps LAFCO Commissioners, staff and the public in the decision making process. The policies in this chapter reflect the legislative intent of the CKH Act and provide for the consistent implementation based on local conditions and circumstances. This chapter also incorporates by reference; 1) policies that are explicitly required by CKH, 2) new definitions stated in the CKH Act, and 3) implementation of any new LAFCO responsibility.

Chapter Three - Processing Procedures is a guide to the basic procedures associated with processing a proposal application. More detailed procedures can be found in the Cortese-Knox-Hertzberg Act which is incorporated by reference into this document.

Chapter Four - California Environmental Quality Act contains general policies that will be used to guide LAFCO with regard to implementing the California Environmental Quality Act (CEQA) for proposals evaluated by LAFCO. They are general policies that provide a foundation upon which specific procedures could be added in the future.

Possible Changes

Changes will be made as appropriate to reflect the Commissioners membership and their expiration term dates along with the latest adoption update date only. Over the last few years a number of minor changes have been made to clarify the policy base. These policies have been reviewed and fine-tuned each year to the point no significant changes are recommended; however if the Commission would like to study a particular policy further staff would prepare the appropriate reports and bring the item back for consideration.

The Commission may want to consider developing policies regarding SB 239 and SB 88. These are two new laws that take effect in 2016. SB 239 requires that certain contracts for fire services between two agencies be considered and approved by LAFCO. A local policy base would help SLO LAFCO navigate the processing of future agreements. A similar situation exists for SB 88 which allows the State Department of Water Resources to require consolidation of poorly performing water systems that serve disadvantaged unincorporated communities into a City or Special District. Under the new law LAFCO would be required to process an annexation or Outside User Agreement for these services to be provided by the City or Special District.

If directed by the Commission staff would prepare policies to clarify the application of these two new laws. Also, if the Commission would like discuss any other changes or questions this is a good time to discuss those concepts. The full policies and procedures can be found at the SLO LAFCO website:

http://www.slolafco.com/Policies_2.htm