

April 1, 2021 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Consider Changes in the Commissioner Handbook Rules and Regulations

Dear Members of the Commission

RECOMMENDATION

- 1) It is recommended that the Commission consider amendments to Commissioner Handbook as follows:
 - a) Approve an Amendment to Revise the Table of Contents and make nonsignificant editorial corrections throughout the Handbook.
 - b) Adopt new Staff Compensation per Section 9 (L) Disclosure of Budget and Compensation,
 - c) Consider amendment to Section 4 (A) (4 & 5) "LAFCO Membership" – regarding requirements for Public Member selection to the Commission; no recommended revision unless directed by Commission
 - d) Append Section 5 (I) Powers and Duties – LAFCO Factors (listed as an appendix) add MSR Guidelines as appendix,
 - e) Amend Section 6 Rules and Procedures,
 - i. Delete super majority voting requirement in Part G for amendments to the rules and regulations;
 - ii. Amend Part B procedure for annual selection of Commission Chair;
 - iii. Delete reference in Part E to County 1988 document as LAFCO's CEQA guidelines and adopt the State CEQA Guidelines as the local CEQA Guidelines for LAFCO;
 - iv. Adopt clarifications to Part F regarding the Conducting Authority Proceedings provisions;
 - v. Amend Environmental Review section to delete extraneous local provisions covered by State law;

- f) Section 7 Policy Guidelines & Standards – strikes environmental review provisions that are in conflict with State law and make other minor technical corrections,
- g) Section 8 “Conflict of Interest” Appendix A & B – update Conflict of Interest categories,
- h) Section 10 “LAFCO Staffing” Part (C) - Other Commission Support – delete references to County Counsel as LAFCO Counsel;
- i) Section 11 “California Association of LAFCO’s (CALAFCO)” Part (B) - Association of LAFCOs – updates CALAFCO composition and bylaws.
- j) Find that the proposed actions are not a "project" under California Environmental Quality Act Guidelines §15378(b)(5) in that they are organizational or administrative activities of the government that will not result in direct or indirect physical changes to the environment.

The Commission is also requested to provide direction to staff to return at a future meeting with any changes and/or additions.

DISCUSSION

At the January 14, 2021 meeting, Commissioner Aceves had requested that the Commission consider a review of Santa Barbara LAFCO Commissioner Handbook Section 4 – “LAFCO Membership”. After reviewing other sections of the Commissioner Handbook, many sections seemed out-of-date or in need of non-significant editorial corrections. Direction is requested regarding Section 4 with all other Sections recommended for revisions to maintain consistency with LAFCO standards and applicable laws.

Much of the proposed revisions are clean-up language or minor technical changes that do not substantially change the LAFCO’s policies. The Commission should consider these changes and if more discussion is necessary staff would return at a future meeting to present any changes and/or additions based on Commission direction.

Each Section are included as **Attachments A-I**. Review of other policy revisions concerning other section could be brought back at a future meeting.

Attachments

Attachment A - Commission Handbook Revised Table of Contents

Attachment B - Commission Handbook Revised Staff Compensation sections

Attachment C - Commission Handbook Section 4 (A)(4 & 5) LAFCO Membership

Attachment D - Commission Handbook Revised Appendices Section 5 (I) Powers and Duties

Attachment E - Commission Handbook Revised Section 6 Rules and Procedures

Attachment F - Commission Handbook Revised Section 7 Policy Guidelines & Standards

Attachment G - Commission Handbook Revised Section 8 Appendix A & B – Conflict of Interest

Attachment H - Commission Handbook Revised Section 10 (C) - Other Commission Support

Attachment I - Commission Handbook Revised Section 11 (B) - Association of LAFCOs

Please contact the LAFCO office if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Prater".

Mike Prater
Executive Officer

SANTA BARBARA
LOCAL AGENCY
FORMATION COMMISSION

COMMISSIONER HANDBOOK

105 EAST ANAPAMU STREET
SANTA BARBARA CA 93101

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COMMISSION ROSTER

WHY LAFCO?
HISTORICAL PERSPECTIVE

ROLE OF THE COMMISSIONER

MEMBERSHIP

POWERS AND DUTIES

RULES AND PROCEDURES

POLICY GUIDELINES AND STANDARDS

CONFLICT OF INTEREST CODE

BUDGET

STAFFING

CALIFORNIA ASSOCIATION OF LAFCOS

SANTA BARBARA LAFCO MEMBERSHIP
SINCE 1963

~~EMPLOYEE HANDBOOK~~
~~ROSTER OF
CITIES AND SPECIAL DISTRICTS~~

ROSTER OF CITIES AND SPECIAL
DISTRICTS

Staff Compensation

Executive Officer services to the Santa Barbara LAFCO are provided by ~~Paul Hood Consulting~~ Mike Prater as an ~~Independent Contractor~~ LAFCO employee. The ~~consulting agreement does not provide all~~ customary benefits such as retirement, health/dental/vision services or insurance, a vehicle allowance or other forms of compensation are included. Out-of-pocket expenses such as copying, office supplies and travel expenses are reimbursed at cost.

The ~~consulting contract~~ agreement, effective ~~July 1, 2013~~ November 22, 2020 and continuing for a term of ~~two one (21)~~ (21) years, provides for the ~~Contractor Executive Officer~~ to receive \$14,579.00 196.13 per month for services. On July 1, ~~2014-2021~~ the compensation paid to the ~~contractor Executive officer~~ shall be adjusted in accordance with the increase, if any, when the Board of Supervisors give a CPI increase to Unit 41 "Department Heads" of the County. ~~in the~~ The cost of living ~~as would be~~ reflected in the Consumer Price Index (CPI) for the Los Angeles/Long Beach area for the prior 12 months. The maximum increase in annual CPI compensation each year shall not exceed 3%.

LAFCO MEMBERSHIP

A. Selection of Members

The authority and procedures for selecting LAFCO members are contained in the Cortese/Knox/Hertzberg Act.

1. City Members

The two regular City members and one alternate member must be members of a city council during the time they serve. They are chosen by, and serve at the pleasure of, the City Selection Committee

City Selection Committee meetings are open to the public. The Clerk of the Board of Supervisors serves as the secretary and recording officer.

The Committee consists of each mayor in the County. In the absence of the Mayor another member of that City Council may be appointed to attend and vote in place of the Mayor.

2. County members

The two regular County members and one alternate member must be County Supervisors when they serve. They are appointed by, and serve at the pleasure of the Board.

3. Special District Members

The two regular Special District members and one alternate member are appointed by the Special District Selection Committee. It consists of the presiding officer of each independent special district in the County. It's meetings are open to the public. The Executive Officer calls meetings of the Committee. Special District Commissioners must be members of the governing board of an independent special district while they serve.

4. Public members

The regular Public member and alternate member are appointed by, and serve at the pleasure of, the regular City, County and Special District members of the Commission.

It is the intent of the City, County and Special District members that the position of Public Member be rotated on a regular basis to allow qualified members of the community to serve on the Commission.

5. Selection of Public members

Government Code Section 56325 requires that selection of the public member and alternate public member be supported by at least one of the members in each of the other categories, i.e., City, County and Special District members.

It is the intent that an individual not hold two consecutive four-year terms as the Public Member or as the Alternate Public Member. It is recognized that an individual may serve the remainder of an unexpired term of office as the Public Member or the Alternate Public Member before serving a full four-year term in that position.

It is the intent that an individual after serving as the Alternate Public Member be appointed to the position of Public Member. Coincident with that appointment, a new Alternate Public Member shall be selected and appointed.

The method for selecting Public members is determined by the regular City, County and Special District members, as follows.

- a. A public announcement of the vacancy to solicit letters of interest.
- b. A committee appointed by the Chair consisting of a City member, County member and Special District member screens applications and letters of interest.
- c. Finalists are selected and interviewed by the committee, which shall recommend an appointment to the Commission.
- d. The Commission, in open session, considers the recommendation and appoints an individual as the Alternate Public Member.

B. Alternate Members

1. Alternates assure qualified Commissioners are entitled to vote when regular members are disqualified or absent.
 - a. The alternate City member may vote only in the place of a regular City member.
 - b. The alternate County member may vote only in the place of a regular County member.
 - c. The alternate Special District member may vote only in the place of a regular Special District member.
 - d. The alternate Public member may vote only in the place of the regular Public member.

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2. Alternate members participate fully in LAFCO proceedings with the exception they vote only in the absence or disqualification of a regular member.
 3. Alternate members are authorized to receive the same per diem stipend and expense reimbursement as regular members for their attendance.
 4. Alternates are encouraged to attend and participate in LAFCO meetings and CALAFCO conferences and workshops.

C. Disqualification from Participating

A member who is disqualified is prohibited from voting on the matter or discussing the matter at the Commission meeting as a member of LAFCO

1. Campaign Contributions

LAFCO Commissioners are affected by certain Political Reform Act rules which apply specifically to LAFCOs.

LAFCO members must submit annual conflict of interest disclosure statements with the LAFCO office for filing with the County Clerk.

LAFCO members are disqualified and are not able to participate in any proceeding involving an "entitlement for use" if, within the 12 months preceding the LAFCO decision, the Commissioner received \$250 or more in campaign contributions from the applicant, an agent of the applicant or any financially interested person who actively supports or opposes the LAFCO decision on the matter.

2. Disqualification of City Members

The City Selection Committee, when appointing City members to LAFCO, may provide that such members are disqualified from voting on annexations to their own individual cities.

3. Disqualification of Special District Members

The Special District Selection Committee, when appointing Special District members to LAFCO, may provide that such members are disqualified from voting on proposals affecting their individual districts.

4. Local Disqualification Rules and Regulations

Each LAFCO may adopt local rules and regulations with respect to disqualification of members, provided such rules do not provide for automatic disqualification of City or Special District members from participating in matters affecting their own individual agencies.

D. Terms of Office

Terms of office expire on March 1.

The Commission on May 6, 2004 pursuant to Government Code Section 56334 determined the expiration date of the term of office of members appointed after January 1, 2005 will expire March 1 of the year the term of that member expires and for members appointed prior to January 1, 2005, the term of office shall be extended from the first Monday in May in the year that member's current term expires to March 1 of the following year.

Adopted July 7, 1994
Revised October 6, 1994
Revised April 12, 1995
Revised May 8, 2003
Revised May 6, 2004
Revised December 16, 2004
Revised March 6, 2008

LAFCO POWERS AND DUTIES

A. General Provisions

LAFCO enabling statute is the Cortese/Knox/Hertzberg Local Government Reorganization Act (Government Code §56000 et seq.). This law establishes the basic purposes, composition and funding of the Commission and sets forth the procedures for boundary changes.

The State's purposes for LAFCO are found in §56301:

"Among the purposes of a local agency formation commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

"One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local governments in each county and to shape the development of local governmental agencies so as to advantageously provide for present and future needs of each county and its communities."

B. Boundary Review and Regulation

There are two variations of local government boundary change: a "change of organization" is defined as an annexation, detachment, dissolution, merger or other boundary change taken by itself. A "reorganization" is defined as two or more boundary changes combined in one proceeding.

In regard to regulating boundaries LAFCO's basic authority is to "approve or disapprove, with or without amendment, wholly, partially or conditionally:"

- Annexations of territory to cities and districts.
- Detachments of territory from cities and districts.
- Incorporations, ~~disincorporations~~disincorporation's, consolidations of cities
- Formations, dissolutions, consolidations of special districts.
- Mergers of cities and special districts.
- The development of unincorporated "new communities"

C. Out-of-Agency Service Agreements

The Government Code Section 56133 provides that cities and special districts may provide new or extended services outside of their boundaries only if they first request and receive approval from LAFCO.

D. Spheres of Influence

A basic LAFCO responsibility is to prepare and adopt a sphere of influence for each city and special district. A sphere is defined by §56076 as a “plan for the probable physical boundaries and service area of a local agency, as determined by the commission.”

LAFCO’s regulatory decisions must be consistent with spheres of Influence which influence matters of urban form, the local government structure, public services and infrastructure and government finances.

E. Municipal Service Reviews

Government Code Section 56430 requires LAFCO to study local governments and their services prior to, or in conjunction with, but not later than updating or establishing a sphere of influence.

These studies are called Municipal Service Reviews and LAFCO in adopting a MSR is required to make a number of specific written determinations. [MSR Guidelines can be found in an appendix to this Handbook.](#)

F. Initiation of Special District Reorganizations

LAFCO may initiate proposals for consolidations, dissolutions, mergers and the establishment of subsidiary districts, or a reorganization that includes any of these changes of organization, provided the proposal is consistent with a recommendation or conclusion of a study prepared by the Commission including an adopted sphere of influence.

G. Miscellaneous Other Powers

Other LAFCO powers and duties are to:

- Adopt standards and procedures for the evaluation of proposals and plans of reorganization.
- Make and enforce rules and regulations for the orderly and fair conduct of hearings.
- Appoint and assign staff personnel and employ or contract for professional or consulting services to carry out and give effect to the functions of the Commission.

H. Environmental Policies and Procedures

LAFCOs are public agencies subject to the California Environmental Quality Act (Public Resources Code 21000 et seq).

This statute contains environmental policies, requires environmental review and reporting procedures and provides opportunities for public participation in the decision-making process.

I. Factors That Must Be Considered

Specific criteria upon which LAFCO must evaluate and approve or deny proposals are not specified in the law. Rather, the Commission is guided by its broad statutory purposes; any locally adopted policies and the California Environmental Quality Act.

The Cortese/Knox/Hertzberg Act lists specific factors that must be considered by the Commission in reaching its determinations. **These are listed as an appendix to this Handbook.** LAFCO staff reports are designed to provide information relevant to these factors.

J. LAFCO Imposed Conditions

LAFCO has the authority to attach binding conditions to its approval of boundary changes. As examples, LAFCO can:

- Amend proposed boundaries by adding or deleting territory. Once approved by LAFCO, no changes can be made in a proposal's boundaries without LAFCO's approval.
- Approve one proposal subject to initiation, conduct or completion of proceedings of another proposal. (i.e., an annexation to a city, LAFCO can be made subject to the concurrent annexation or detachment of the territory to or from other agencies.
- Require the approval of bonds or other long-term indebtedness or the formation of assessment or improvement districts to finance capital facilities.
- Impose conditions relative to the distribution of assets, financial contracts or obligations among affected agencies.
- Designate the successor agency when an agency is being dissolved or consolidated.

Adopted July 7, 1994
Revised May 8, 2003
Revised April 1, 2021

APPENDIX C

LAFCO Proposal Review Factors - Government Code 56668

- Factor (a)** Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.
- Factor (b)** The need for organized community services, the present cost and adequacy of governmental services and controls in the area, probable future needs for those services and controls, probable effect of the proposed incorporation, formation, annexation, or exclusion and alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.
- Factor (c)** The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- Factor (d)** The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.
- Policy 1.** Any proposal for a change or organization or reorganization shall contain sufficient information to determine that adequate services, facilities, and improvements can be provided and financed by the agencies responsible for the provision of such services, facilities, and improvements.
- Policy 2.** Proposal would eliminate islands, corridors, or other distortion of existing boundaries.
- Policy 3.** Proposed area is urban in character or urban development is imminent, requiring municipal or urban-type services
- Policy 4.** Proposed area can be provided all urban services by agency as shown by agency service plan and proposals would enhance the efficient provision of urban services.

- Policy 5.** An economically sound base for financing services without including territories which will not benefit from the services will be promoted.
- Policy 6.** Where possible, a single larger agency rather than a number of adjacent smaller ones, established for a given service in the same general area, will be preferred.
- Policy 7.** Reorganization of overlapping and competing agencies or the correction of illogical boundaries dividing agency service areas is recommended. The Commission encourages reorganizations, consolidations, mergers, or dissolutions where the result will be better service, reduced cost, and/or more efficient and visible administration or services to the citizens.
- Policy 8.** All lands proposed for annexation to cities shall be pre-zoned prior to the submission of an application to the Local Agency Formation Commission. The City shall be lead agency for environmental review in such cases, and environmental documentation shall accompany the application.

Government Code Section 56377 states:

56377. In reviewing and approving or disapproving proposals which could reasonably be expected to include, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:

(a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

(b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing sphere of influence or the local agency.

- Factor (e)** The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

Factor (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

Factor (g) A regional transportation plan adopted pursuant to Section 65080.

Factor (h) Consistency with appropriate City or County General and Specific Plans.

Factor (i) The Sphere of Influence of any local agency which may be applicable to the proposal being reviewed.

Factor (j) The comments of any affected local agency or other public agency.

Factor (k) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Factor (l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

Factor (m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

Factor (n) Any information or comments from the landowner or owners.

Factor (o) Any information relating to existing land use designations.

Factor (p) Environmental Justice. The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

Factor (q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

Municipal Service Review Determinations Factors of Analysis

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCOs to conduct reviews of municipal services and make six written determinations. The following factors to be considered provide examples of how Santa Barbara LAFCO will fulfill the determination requirement.

Determination 1: Growth and population projections for the affected area

Efficient provision of public services is linked to an agency's ability to plan for future need. For example, a water purveyor must be prepared to supply water for existing and future levels of demand, and also be able to determine where future demand will occur. Municipal service reviews will give LAFCO, affected agencies and the public the means to examine both the existing and future need for public services and will evaluate whether projections for future growth and population patterns are integrated into an agency's planning function.

Determination 2: Location and characteristics of any disadvantaged unincorporated communities

Senate Bill No. 244 (Wolk) requires the identification and description of all "disadvantaged unincorporated communities" located within or contiguous to the existing spheres of influence of cities and special districts that provide fire protection, sewer, and/or water services. Disadvantaged unincorporated communities are defined as inhabited unincorporated areas with an annual median household income that is 80% or less than the statewide annual median household income.

Determination 3: Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

In authorizing the preparation of municipal service reviews, the State Legislature has focused on one of LAFCO's core missions—encouraging the efficient provision of public services. Evaluating the present and planned capacity of public facilities and adequacy of public services is a primary component of this mission. The evaluation will frequently yield information about the condition of infrastructure. Infrastructure needs or deficiencies, which refers to the adequacy of existing and planned public facilities in relation to how public services are—and will be—provided to citizens, impacts the efficient delivery of public services. Infrastructure can be evaluated in terms of capacity, condition, availability, quality, and correlations among operational, capital improvement, and finance plans. It is recognized that there may be unmet infrastructure needs due to budget constraints or other factors; however, identification of deficiencies may promote public understanding and support for needed improvements.

Determination 4: Financial ability of agencies to provide services.

LAFCO must weigh a community's public service needs against the resources available to fund the services. During the municipal service review, the financing constraints and opportunities, which have an impact on the delivery of services, will be identified and enable LAFCO, local agencies, and the public to assess whether agencies are capitalizing on financing opportunities. For example, a service review could reveal that two or more water agencies that are each deficient in storage capacity and, which individually lack financial resources to construct additional facilities, may benefit from creating a joint venture to finance and construct regional storage facilities. Service reviews may also disclose innovations for contending with financing constraints, which may be of considerable value to numerous agencies.

Determination 5: Opportunities for sharing facilities

Public service costs may be reduced and service efficiencies increased, if service providers develop strategies for sharing resources. Examples of resource sharing include the use of regional communication centers, wastewater treatment facilities and distribution lines, etc. Sharing facilities and excess system capacity decreases duplicative efforts, may lower costs, and minimize unnecessary resource consumption. The service review will inventory facilities within the study area to determine if facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies. Options for planning for future shared facilities and services will also be considered.

LAFCO's role in encouraging efficiently provided public services depends, in part, on helping local agencies explore cost avoidance opportunities. Cost avoidance opportunities may also include facility sharing arrangements, the use of joint powers agreements, or other innovative measures that can reduce costs and improve services. The municipal service review will evaluate the status of, and opportunities for, sharing facilities, with the goal of: (1) eliminating duplicative services; (2) reducing high administration to operation cost ratios; (3) replacing outdated or deteriorating infrastructure and equipment; (4) reducing inventories of underutilized equipment, building, or facilities; (5) redrawing overlapping or inefficient service boundaries; (6) replacing inefficient purchasing or budgeting practices; (7) implementing economies of scale; and (8) increasing profitable outsourcing, etc.

Determination 6: Accountability for community service needs, including government structure and operational efficiencies

In reviewing local accountability and governance, LAFCO will consider the degree to which an agency fosters local accountability, especially when assessing community service needs. *Local accountability* refers to public agency decision making and operational and management processes that: (1) include an accessible and accountable elected or appointed decision making body and agency staff; (2) encourage and value public participation; (3) disclose budgets, programs, and plans; (4) solicit public input when considering community service needs and infrastructure plans; and (5) evaluate outcomes of plans, programs, and operations and disclose results to the public.

Local accountability for determining community service needs may produce operational efficiencies. Efficiently managed agencies consistently implement plans to improve service delivery, reduce waste, eliminate duplications of effort, contain costs, maintain qualified employees, build and maintain adequate contingency reserves, and encourage and maintain open dialogues with the public and other public and private agencies. The service review will evaluate operational efficiency by analyzing agency functions, operations, and practices—as well as the agency’s ability to meet current and future service demands.

The Santa Barbara LAFCO may also examine operational efficiencies that could be gained through: (1) functional or structural reorganizations of existing agencies; (2) amendment or update of spheres-of-influence; (3) boundary changes, such as annexations or detachments from cities or special districts; (4) formation of new special districts; (5) special district dissolutions and consolidations; (6) mergers of special districts with cities; (7) establishment of subsidiary districts; or (8) any additional reorganization options found in Govt. Code § 56000 et. Seq.

Determination 7: Any other matter related to effective and efficient service delivery

The municipal service review is not limited to the six mandatory determinations contained in State Law. Accordingly, the service review may contain analysis of additional subject areas related to the effective and efficient delivery of services.

RULES AND PROCEDURES

A. Authority

These rules are adopted pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act (Government Code Section 56000 et seq.) and apply to the Santa Barbara Local Agency Formation Commission and to all proceedings conducted before that Commission.

B. Officers

Selection of Officers -- The members of the Commission shall elect a Chair and Vice Chair at the first meeting of the Commission of each year or as soon thereafter as practicable. The Chair and Vice Chair shall serve for one-year terms, ~~with~~ It is intended and presumed that the Vice Chair ~~automatically assuming will be~~ appointed by the Commission as the Chair at the end of the term. Officers shall be selected from the categories of members in the following order: Public, County, Special District and City.

Chair -- The Chair shall preside at all meetings of the Commission and shall conduct the business of the Commission in the manner prescribed by State law and by these rules. The Chair shall preserve order and decorum and decide all questions or order, subject to the action of a majority of the Commission.

Vice Chair -- In the event that the Chair is absent or for any reason unable to act, the Vice Chair shall act as Chair and exercise all the powers and duties of the Chair.

Chair Pro Tem -- In the event both the Chair and Vice Chair are absent or for any reason unable to act, the members of the Commission present shall select one of the members to act as Chair Pro Tem, said selection to be entered into the minutes.

The Chair Pro Tem shall have all of the powers and duties of the Chair while the Chair and Vice Chair are absent or for any reason unable to act.

C. Meetings

Date of Regular Meetings -- The regular meetings of the Commission shall be held the first Thursday of each month commencing at 1:00 p.m.

Location of Regular Meetings – The Commission shall adopt a schedule of regular meetings each year. Regular meetings will normally be held on the first Thursday of each month at 1:00 pm. In the months of January, March, May, July, September and November, the hearing shall normally be held at the Board of Supervisors Hearing Room, 105 East Anapamu Street, Santa Barbara, California. Regular meetings in the months of February, April, June, August, October and December shall normally be held at the County Hearing Room, Betteravia Government Center, 511 East Lakeside Parkway, Santa Maria, California.

Special Meetings -- Special meetings may be called by the Chair or a majority of the members of the Commission in a manner provided by State law. The notice shall be provided 24 hours in advance of the meeting to all of the Commission members and to all media outlets who have requested notification and shall be posted. The order calling the special meeting shall specify the time and place of the meeting and the business to be transacted at such meeting and no other business shall be considered. Where the notice of the special meeting is given by the Executive Officer, the notice shall specify that the meeting is being called by either the Chair or a majority of the members of the Commission.

Major Hearings -- Where possible, meetings regarding major or significant agenda items, especially those which will require lengthy or multiple hearings, should be held in proximity to the affected project area. The determination of what constitutes a major agenda item shall be made by the Executive Officer and is subject to modification by the Commission.

D. Conduct of Meetings

Order of Business The business of each regular meeting of the Commission shall be transacted to the extent practicable in the order below. The Chair will have the right to reorder the Agenda for any particular hearing:

Call to order and roll call
Pledge of Allegiance
Approval of minutes of previous meeting or meetings
Public comment period

Consent Calendar
Changes of Organization/Reorganization
Business items
Information items
Commissioner and staff announcements
Adjournment

Quorum. Four members of the Commission constitute a quorum and no act of the Commission shall be valid or binding unless at least four members concur therein.

Review of Record

- 1) A member shall not participate in a final vote on a matter on which a previous hearing has been held at which such member was not in attendance, until that member has familiarized himself themselves with the record of such hearing.
- 2) This may be done by reviewing the written material presented at the hearing and by listening to or viewing the ~~tape~~-recording of such hearing or reading a transcript of the proceeding if one has been prepared.

Public Comment

- 1) At each regular and special meeting the Commission shall allow any member of the public to address the Commission on a matter within its jurisdiction.
- 2) The Chair may establish reasonable requirements, including, but not limited to, limiting the amount of time allocated for public testimony on particular issues and for each speaker. Public speakers shall be allowed 3 minutes to testify subject to the ~~discretion~~-discretion of the Chair.
- 3) If determined by the Chair, any person wishing to address the Commission must complete and submit a "Request to Speak" form prior to the time that the Public Comment period commences; the form shall identify the subject the speaker wishes to address.
- 4) A speaker shall not be heard during the "Public Comment" portion of the meeting on a matter listed on the Agenda. Comments on Agenda items are appropriate when the item is being discussed by the Commission.

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- 5) The Commission shall only act on items appearing on the Agenda unless the action is authorized by the Brown Act, including Section 54954.2 of the Government Code. The Chair may refer matters raised during the "Public Comment" period to the appropriate staff.

POLICIES CONCERNING THE SUBMITTAL OF WRITTEN OR E-MAIL COMMENTS

Any and all written testimony, argument, evidence or documentation shall be submitted to the Clerk, as appropriate, within the time limits set forth below. Such submissions must be submitted as hardcopy and include an original and 15 copies for distribution to the Commission and the staff.

All submissions to the Commission filed with the Clerk no later than 12:00 P.M. on the Tuesday before the Commission meeting will be distributed to the Commission and posted online prior to the meeting.

Written testimony, argument, evidence or documentation submitted after the deadline will be placed into the record but will not be distributed to the Commission or posted online prior to the meeting. Members of the public are welcome to provide the Commission with oral and written testimony, argument, evidence or documentation at the "hearing".

Members of the public may submit comment letters and other documents to LAFCO; however, such documents will not be included in the record before the Commission if submitted prior to [pick one option]:

The legally required public notice for the matter has been given.

[OR]

An application/petition has been filed with the Executive Officer and found complete for processing.

Email Submittals.

Email public comment may be submitted to the Clerk of the Commission no later than 12:00 P.M. on the Tuesday before the Commission's regular Thursday meeting.

Email submittals will only be accepted if submitted to lafco@sblafco.org. Email submitted directly to Commissioners, the Executive Officer or legal counsel **will not be included in the record for** items being heard by the Commission.

Email submittals shall not exceed one page (when printed on hardcopy) and shall not include attachments.

Disclaimer. Email is not a legally recognized method for providing legal notice in California, except where agreed to by both the sender and the receiver of the email.

LAFCO agrees to accept email public testimony only where the sender assumes the full risk of transmission. The sender shall bare the risk that the email may be inadvertently overlooked or deleted, the email server may crash, the email may end up in a spam filter or junk mail, lost in cyberspace, not recognized by staff as applying to a project pending before the Commission, or misdirected or misaddressed by the sender. The sender recognizes and accepts that any of the above may occur even if the sender requests return receipt and one is provided by LAFCO staff.

E. Environmental Procedures

Section 1. The Commission hereby adopts pursuant to Section 21082 of the Public Resources Code and CEQA Guidelines section 15022(d), the State CEQA Guidelines through incorporation by reference as the local CEQA Guidelines of Santa Barbara LAFCO ~~as its objectives, criteria and procedures for the evaluation of projects and the preparation of environmental impact reports and negative declarations pursuant to the California Environmental Quality Act, the Guidelines for the Implementation of the California Environmental quality Act of 1970, as Amended, adopted by the Santa Barbara County Board of Supervisors on September 12, 1988.~~

Section 2. No application for any change of organization or reorganization, or amendment or revision of a sphere of influence shall be deemed accepted for filing by the Executive Officer unless the application is accompanied by a Statement of Exemption, Negative Declaration or Environmental Impact Report determined by the Executive Officer to be adequate covering the proposed action or actions.

Section 3. If the Commission is the lead agency, the environmental document shall be sent to the following agency for review and comment:

A. Planning and Development, County of Santa Barbara.

If the Commission is not the lead agency, the environmental document must have been approved by the lead agency pursuant to that agency's guidelines and CEQA.

F. Conducting Authority Proceedings

Section 1. The Commission delegates to the Executive Officer the responsibility to conduct protest hearings as provided for in Government Code §57000 (c) and to order a change of organization or reorganization that complies with Government Code Section 57075 (a)(3) or 57075(b)(2).

Section 2. The purpose of the delegation is to increase scheduling flexibility, to avoid extending Commission meetings to conduct non-discretionary procedures and to expedite the boundary change process.

Section 3. The ~~staff~~Executive Officer will comply with statutory requirements respecting noticing, scheduling and conducting protest hearings. The notice of hearing will be accompanied by ~~or those receiving the notice shall be directed to a~~ LAFCO standardized “protest form” which solicits all required information. The ~~enclosed protest form~~Executive Officer may ~~be~~ periodically update the protest form modified by staff as necessary to comply with the law and ensure efficient and accurate proceedings.

Section 4. At the conclusion of the hearing the Executive Officer shall determine the value of written protests filed and not withdrawn.

Section 5. Within thirty (30) days of the hearing the Executive Officer shall, pursuant to Government Code Section 57052, ~~based on~~determine the value of protests filed and either order the change of organization, terminate the proposal, or request the County or appropriate city to call and conduct an election. ~~After taking such action the Executive Officer shall report the action taken to the Commission at its next regularly scheduled meeting.~~

Section 6. The Executive Officer shall report to the Commission at its next meeting the outcome of any protest hearings that are conducted.

G. AmendmentCommunications with Members of the Commission and Gifts

Section 1. LAFCO' s Legal Counsel. Pursuant to Rule 3.5(b) of California ' s Rules of Professional Conduct for lawyers which became effective on November 1, 2018, the Commission ' s Legal Counsel, as the advisor to the Commission, may continue to provide confidential attorney-client legal advice on the merits of adjudicative matters to members of the Commission.

Section 2. All Attorneys. Pursuant to Rule 3.5(b) of California' s Rules of Professional Conduct for lawyers which became effective on November 1, 2018, and in addition to the local rule at Section 1, above, all lawyers may continue to communicate with members of the

Commission on the merits of adjudicative matters and those communications will be subject to *ex parte* disclosure by the member.

Section 3. Gifts. Pursuant to Rule 3.5(a) of California 's Rules of Professional Conduct for lawyers which became effective on November 1, 2018, any gifts from lawyers to members of the Commissions and/or to LAFCO employees, shall be regulated by the Political Reform Act, Government Code § 81000 *et seq.*

H. Amendment

Except as amended herein , all other provisions of the Santa Barbara LAFCO Commissioner Handbook remain unchanged and shall continue in full force and effect.

~~These Rules and Procedures may be amended at a regular or special meeting on the Commission by a four-fifths vote of the members.~~

*Adopted July 7, 1994
Revised October 4, 2001
Revised May 8, 2003
Revised September 4, 2003
Revised November 2, 2006
Revised February 7, 2008
Revised July 3, 2009
Revised March 5, 2009
Revised January 7, 2010
Revised April 3, 2014
Revised April 1, 2021*

POLICY GUIDELINES AND STANDARDS

LAFCO's are charged with establishing policies and exercising their powers “. . . in a manner that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns” and with “. . . the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies based upon local conditions and circumstances.” (Government Code Sections 56300 and 56301) In carrying out its responsibilities, each LAFCO must conduct various studies and review and make determinations on changes of organization, reorganizations and spheres of influence. The following policies and standards have been adopted by the Santa Barbara LAFCO to assist in the review of proposals and the preparation of studies as necessary.

I. POLICIES ENCOURAGING ORDERLY FORMATION AND DEVELOPMENT OF AGENCIES

1. Any proposal for a change or organization or reorganization shall contain sufficient information to determine that adequate services, facilities, and improvements can be provided and financed by the agencies responsible for the provision of such services, facilities, and improvements.
2. All lands proposed for annexation to cities shall be rezoned or otherwise consistent with CKH Act prior to the submission of an application to the Local Agency Formation Commission. The City shall be lead agency for environmental review in such cases, and environmental documentation shall accompany the application.
3. Reorganization of overlapping and competing agencies or the correction of illogical boundaries dividing agency service areas is recommended. The Commission encourages reorganizations, consolidations, mergers, or dissolutions where the result will be better service, reduced cost, and/or more efficient and visible administration or services to the citizens.
4. In order to minimize the number of agencies providing services proposals for formation of new agencies shall be discouraged unless there is evidenced a clear need for the agency's services from the landowners and/or residents; there are no other existing agencies that are able to annex and provide similar services; and there is an ability of the new agency to provide for an finance the needed new services.

II. SPHERE OF INFLUENCE POLICIES

A sphere of influence establishes the probably ultimate physical boundaries and service area of each governmental agency within the county. Once adopted, these spheres of influence are to be used by the Commission as one factor in making decision on proposal over which it has jurisdiction and as a basis for recommendations on governmental reorganization. A proposal shall not be approved solely because the area falls within the sphere of influence of an agency.

Sphere of Influence determinations are to be reviewed periodically and changed or updated as circumstances may require in the opinion of LAFCO. Such periodic review should be made approximately every five years.

The Commission will generally apply the following policy guidelines in spheres of influence determinations while also taking into account local conditions and needs.

1. The plans and objectives contained within the adopted General Plans of the cities and the county will be supported. In cases where these plans are inconsistent, the Commission will adopt findings relative to its decision.
2. Community-centered urban development will be encouraged wherever justified on the basis of reduced cost of desired levels of community services, energy conservation, and preservation of agricultural and open space resources.
3. Duplication of authority to perform similar service functions in the same territory will be avoided.
4. Multiple-service agencies will be preferred to a number of limited services districts. In this regard, city provision of multiple services will be preferred where possible because of the substantially broader authority and responsibility to provide services and controls to their constituencies, including land-use planning controls.
5. Where possible, a single larger agency rather than a number of adjacent smaller ones, established for a given service in the same general area, will be preferred.
6. An economically sound base for financing services without including territories which will not benefit from the services will be promoted.
7. Sphere of influence lines shall seek to preserve community identity and boundaries and will urge the political and functional consolidation of local government agencies that cross-cut those affected communities.
8. Sphere of influence lines may be larger or smaller than existing local agency boundaries and may lead to recommendations for changes of organization.

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9. Agencies which do not have major impact upon land, road, or capital facilities planning (such as cemetery districts) shall generally have a sphere of influence which is coterminous with their existing jurisdictional boundaries.
 10. Agricultural resources and support facilities should be given special consideration in sphere of influence designations. High value agriculture areas, including areas of established crop production, with soils of high agricultural capability should be maintained in agriculture, and in general should not be included in an urban service sphere of influence.
 11. The Commission will consider area-wide needs for governmental services and evaluate individual districts serving the area as they relate to the total system of the existing local government in the community and alternative arrangements.

Environmental Review

A LAFCO sphere of influence determination is subject to review under the provision of the California Environmental Quality Act (CEQA). In order to enable environmental considerations to be effectively integrated into a sphere of influence determination, and environmental review will be conducted concurrently with the development of the sphere of influence determination.

Inasmuch as a sphere of influence determination represents the potential extension of the services of a local governmental agency, the environmental impacts associated with a sphere of influence are of a long-range nature. Thus the "Degree of Specificity" of the environmental review reflects the regional nature of a sphere decision. It is necessary of a general nature, focusing on the secondary, indirect impacts ~~associates~~associated with the future extension of services within a sphere boundary.

The determination of whether or not an Environmental Impact Report (EIR) is necessary for a sphere of influence determination, i.e., the "Level of Significance" associated with a sphere determination, will necessarily vary according to the environmental resources affected by a sphere designation.

- ~~1. All environmental documents shall be prepared in accordance with the California Environmental Quality Act and implementing CEQA Guidelines, including applicable implementing guides of LAFCO, and the lead agency preparing the environmental document.~~

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- ~~2. In cases where it is deemed appropriate, LAFCO may designate the affected agency as the lead agency. The level of environmental review shall be determined through the scoping process as provided by CEQA and shall involve all applicable agencies.~~
 - ~~3. If the environmental document is prepared jointly by two or more agencies, there shall be a Memorandum of Understanding prepared setting forth the project description, scope of work to be accomplished and the responsibilities of each governmental agency involved. Said Memorandum shall be approved by LAFCO prior to commencing work on the environmental document.~~
 - ~~4. Environmental documents prepared for use by LAFCO in the decision-making process shall be summarized in a manner directly related to said process. Procedure shall be set forth by LAFCO and distributed to all governmental agencies within LAFCO's jurisdiction.~~

III. POLICIES ENCOURAGING CONSISTENCY WITH SPHERES OF INFLUENCE

1. All proposals approved by the Commission shall be consistent with adopted spheres of influence and Commission policies. Within the sphere of influence each agency should implement an orderly, phased annexation program.
2. Already developed unincorporated lands located within the established sphere of influence boundary of a city and which benefit from municipal services provided by such city should be annexed to that city. Vacant land in the same position should be annexed prior to development. LAFCO recognizes that costs for serving some developed unincorporated areas, when studied independently, may exceed revenues. In other cases, revenues will exceed service costs. To the fullest extent possible, cities should develop programs that propose annexation of several areas which, if combined together, achieve a net balance in city costs and revenues.
3. Districts within a city's sphere of influence should develop plans for orderly detachment of territory from the district or merger of the district as territory is annexed to the city and should plan capital improvements according, except where the type of district services provided are not provided by the city. The county shall be encouraged to ensure that development within a sphere of influence and area of interest meets city standards for public facilities and improvements by providing for city review of all county proposals within the city's area of interest.

IV. POLICIES ENCOURAGING ORDERLY URBAN DEVELOPMENT AND PRESERVATION OF OPEN SPACE PATTERNS

1. The Commission encourages ~~will~~well planned, orderly, and efficient urban development patterns for all developing areas. Also, the county, cities, and those districts providing urban services, are encouraged to develop and implement plans and policies which will provided for well-planned, orderly and efficient urban development patterns, with consideration of preserving permanent open space lands within those urban patterns.
2. Development of existing vacant ~~non~~non-open space, and non-prime agricultural land within an agency's boundaries is encouraged prior to further annexation and development. However, where open land adjacent to the agencies are of low agricultural, scenic, or biological value, annexation of those lands may be considered over development of prime agricultural land already existing within an agency's jurisdiction.
3. Proposals to annex undeveloped or agricultural parcels to cities or districts providing urban services shall demonstrate that urban development is imminent for all or a substantial portion of the proposal area; that urban development will be contiguous with existing or proposed development; and that a planned, orderly, and efficient urban development pattern will result. Proposals resulting in a leapfrog, non-contiguous urban pattern will be discouraged.
4. Consideration shall be given to permitting sufficient vacant land within each city and/or agency in order to encourage economic development, reduce the cost of housing, and allow timing options for physical and orderly development.

V. POLICIES ENCOURAGING CONSERVATION OF PRIME AGRICULTURAL LANDS AND OPEN SPACE AREAS

1. Proposals which would conflict with the goals of maintaining the physical and economic integrity of open space lands, agricultural lands, or agricultural preserve areas in open space uses, as indicated on the city or county general plan, shall be discouraged.
2. Annexation and development of existing vacant non-open space lands, and nonprime agricultural land within an agency's sphere of influence is encouraged to occur prior to development outside of an existing sphere of influence.
3. A sphere of influence revision or update for an agency providing urban services where the revision includes prior agricultural land shall be discouraged. Development shall be guided towards areas containing nonprime agricultural lands, unless such action will promote disorderly, inefficient development of the community or area.

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4. Loss of agricultural lands should not be a primary issue for annexation where city and county general plans both indicate that urban development is appropriate and where there is consistency with the agency's sphere of influence. However, the loss of any prime agricultural soils should be balanced against other LAFCO policies and a LAFCO goal of conserving such lands.

COMMISSION STANDARDS FOR REVIEW OF PROPOSALS

As authorized by State law, the Commission has adopted the following standards for review of city annexations, district annexation, city incorporation and district formation proposals. Factors are given for both approval and disapproval. The presence of individual positive or negative factors do not dictate approval or denial, but a preponderance of positive or negative factors should be the determinant of approval or denial.

VI. STANDARDS FOR ANNEXATIONS TO CITIES

Factors Favorable to Approval:

1. Proposal would eliminate islands, corridors, or other distortion of existing boundaries.
2. Proposed area is urban in character or urban development is imminent, requiring municipal or urban-type services.
3. Proposed area can be provided all urban services by agency as shown by agency service plan and proposals would enhance the efficient provision of urban services.
4. Proposal is consistent with the adopted spheres of influence and adopted general plans.
5. Request is by an agency for annexation of its publicly-owned property, used for public purposes.

Factors Unfavorable to Approval:

6. Proposal would create islands, corridors or peninsulas of city or district area or would otherwise cause or further the distortion of existing boundaries.
7. The proposal would result in a premature intrusion of urbanization into a predominantly agricultural or rural area.

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8. For reasons of topography, distance, natural boundaries, or like considerations, the extension of services would be financially infeasible, or another means of supplying services by acceptable alternatives is preferable.
 9. Annexation would encourage a type of development in an area which due to terrain, isolation, or other economic or social reason, such development is not in the public interest.
 10. The proposal appears to be motivated by inter-agency rivalry, land speculation, or other motives not in the public interest.
 11. Boundaries of proposed annexation do not include logical service area or are otherwise improperly drawn.
 12. The proposal is inconsistent with adopted spheres of influence and adopted general plans.

VII. STANDARDS FOR CITY INCORPORATION

Factors Favorable to Approval:

1. Need for organized municipal or urban-type services.
2. A relatively dense population in a well-defined reasonably compact area.
3. Adequate property tax revenue and a sufficiently high base for sales tax, highway users' tax, motor vehicle in lieu tax, and similar State-collected and disbursed funds, in relation to anticipated costs of required services ~~as~~ to make incorporation financially feasible.
4. The likelihood of continued substantial growth within the proposed area and adjacent areas during the next ten years.
5. Remoteness from other highly populated areas and particularly from an existing city to which the area proposed for incorporation could be annexed.
6. Alternate means of furnishing required services are infeasible or undesirable.
7. No adverse effect upon long-range provision for adequate local governmental services by other agencies to a larger region of which the area proposed for incorporation is an integral part.
8. Is consistent with adopted spheres of influence and the county adopted general plan.

Factors Unfavorable to Approval:

9. Relatively low population density.
10. No or slight need for municipal urban-type services.
11. Population not in a reasonably compact or defined community.
12. Low property tax revenue, low retail sales of gasoline and other retail sales in relation to anticipated costs of services as to make incorporation financially infeasible.
13. Area proposed for incorporation is in close proximity to an existing city to which it could be annexed.
14. Incorporation is premature in view of lack of anticipated substantial growth within the next ten years.
15. Property boundaries do not include all urbanized areas or are otherwise improperly drawn.
16. Incorporation would have an adverse effect upon the long-range provision of local governmental services to a larger region of which the area proposed for incorporation forms an integral part.
17. The proposal is not consistent with adopted spheres of influence and adopted general plans.

VIII. STANDARDS FOR DISTRICT FORMATION

Factors Favorable to Approval:

1. Development requires one or more urban-type services, and by reason of location or other consideration such service or services may not be provided by any of the following means in descending order of preference:
 - a) Annexation to an existing city.
 - b) Annexation to an existing district of which the Board of Supervisors is the governing body.
 - c) Annexation to an existing district with an independent governing body.
2. The proposal is for a primarily rural or agricultural area and is for a limited non-urban type services which cannot be provided by an existing dependent or independent district.
3. The proposal is consistent with adopted spheres of influence and does not conflict with city or county general plans.

Factors Unfavorable to Approval:

4. Slight need for urban-type services or required services may be provided by alternates in descending order of preference:
 - a) Annexation to an existing city.
 - b) Annexation to an existing district of which the Board of Supervisors is the governing body.
 - c) Annexation to an existing district with an independent governing body.
5. By reason of relatively low revenue base in relationship to the cost of desired services, the proposal is financially infeasible and not in the public interest.
6. Due to topography, isolation from existing developments, premature intrusion or urban-type developments into a predominantly agricultural area or other pertinent economic or social reasons, urban-type development which would be fostered by proposal is not in the public interest.
7. Boundaries of the proposal do not include all of the service areas or potential service area or are otherwise improperly drawn.
8. Proposal would result in a multiplication of public districts making difficult the ultimate provision of adequate full local governmental services to a larger region of which the area proposed is an integral part.
9. District proposed is not the best suited to the purpose and better alternate types are not available.
10. Proposal is inconsistent with adopted spheres of influence and adopted general plans.

IX. STANDARDS FOR OUT-OF-AGENCY SERVICE AGREEMENTS

Considerations for Approving Agreements

Annexations to cities and special districts are generally preferred for providing public services, however, out-of-agency service agreements can be an appropriate alternative.

While each proposal must be decided on its own merits, the Commission may favorably consider such agreements in the following situations:

1. Services will be provided to a small portion of a larger parcel and annexation of the entire parcel would be inappropriate in terms of orderly boundaries, adopted land use plans, open space/greenbelt agreements or other relevant factors.

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2. Lack of contiguity makes annexation infeasible given current boundaries and the requested public service is justified based on adopted land use plans or other entitlements for use.
 3. Where public agencies have a formal agreement defining service areas, provided LAFCO has formally recognized the boundaries of the agreement area
 4. Emergency or health related conditions mitigate against waiting for annexation.
 5. Other circumstances which are consistent with the statutory purposes and the policies and standards of the Santa Barbara LAFCO.

Agreements Consenting to Annex

Whenever the affected property may ultimately be annexed to the agency, a standard condition for approval of an out-of-agency service agreement is recordation of an agreement by the landowner consenting to annex the territory, which agreement shall inure to future owners of the property.

Approval by Chair

The Chair may authorize cities and special districts to provide services outside of their boundaries as specified herein.

1. A request and application is received from the affected local agency, including the requisite processing fee.
2. The situation involves public health, safety or welfare to such a degree that delaying the approval of the service agreement until the next LAFCO meeting is deemed by the Chair to represent an intolerable delay or risk to the public health, safety or welfare.
3. The property to which the out-of-agency services will be extended or provided is within the sphere of influence of the affected agency.
4. If the affected property may ultimately be annexed to the service agency, the landowner shall execute and record an agreement consenting to annex the territory to the affected district and shall deposit with LAFCO or the service agency funds sufficient to process said future annexation.
5. In the absence of the Chair or if the Chair is not available to act, the Vice Chair is authorized to exercise the authorities set forth in this resolution.
6. The Executive Officer shall provide a report to the Commission at the next LAFCO meeting of any out-of-agency service agreements that were approved.

It is intended that the authority delegated to the Chair or Vice-Chair to approve out-of-agency service agreements be exercised in a manner consistent with the Commission's adopted standards.

X. RECONSIDERATION OF LAFCO DECISIONS

Content of requests for reconsideration

Requests for reconsideration of LAFCO resolutions making determinations will be evaluated for approval only when the applicant meets the statutory deadline for submitting the request, the request sets forth the specific modification being sought, a processing fee is paid and

- a) Reconsideration is required to correct a procedural defect in its earlier action; or
- b) Newly discovered evidence, material to the request for reconsideration and relevant to the Commission's decision on the boundary change, is available which could not, with reasonable diligence, have been discovered and produced at the time of initial LAFCO consideration.

Payment and Refund of Processing Fee

A request for reconsideration shall not be accepted as being complete until a processing fee is received. The fee to request reconsideration shall be as set forth in the LAFCO fee schedule, as it is amended from time to time.

The fee paid shall be returned to an applicant for reconsideration in the event the Commission determines that reconsideration is required to correct a procedural defect in its earlier action.

XI. STATE REVIEW OF COMPREHENSIVE FISCAL ANALYSIS (CFA)

Request for Review

Requests for State Controller review of a Comprehensive Fiscal Analysis (CFA) filed pursuant to Government Code §56833.3 must be made in writing not later than 30 calendar days from the date notice is published that the CFA is available for public review. Requests shall specify in writing the elements of the CFA the Controller is requested to review and the reasons the Controller is requested to review them.

Persons requesting the review shall be responsible for costs incurred in obtaining the review and shall deposit with the Executive Officer, at the time the request is filed and before it is found to be valid, the amount estimated by the Executive Officer as necessary to cover the costs of the State Controller's review.

Within 30 days of issuance of the State Controller's report, the Executive Officer shall refund any amount of the deposit remaining after costs have been paid. In

the event the amount to be paid exceeds the deposit, the requesting party shall be liable for the balance due.

XII. EXTENDING URBAN UTILITY SERVICES TO AGRICULTURAL PARCELS

It is the policy of the Commission to protect and preserve agriculture by avoiding the extension of potable water or wastewater services (sewers) to agriculturally zoned land because this foster uses other than agriculture.

Any LAFCO approval of a change of organization or out of agency service agreement that allows the extension of potable water or wastewater services to a parcel zoned for agricultural use will only be approved, if at all, if the approval is limited to that portion of the parcel that includes an approved use that needs potable water or wastewater services, provided the use does not compromise agricultural viability.

This policy shall not be construed as indicating the Commission will approve proposals that lead to non-agricultural uses on agricultural parcels but rather indicates that should such approval be granted it is to be restricted to the specific area in which an approved land use requiring potable water or wastewater services is to occur.

XIII. LAPSED OR ABANDONED PROPOSALS

When the Executive Officer deems an application to be incomplete, he/she shall notify the applicant in writing either by personal service or via certified mail. The applicant shall have 180 days from receipt of such notice to submit additional information and/or revised documents. If the applicant does not resubmit the application to the Executive Officer within 180 days, the application shall be considered abandoned. The proposal may be reinitiated through a new application consistent with the requirements of applicable law and LAFCO policies and fee schedule.

XIV. COST ACCOUNTING AND INDEMNIFICATION AGREEMENT

- A. As part of any application, the Executive Officer is authorized and shall require any applicant and/or jurisdiction to execute a Cost Accounting and Indemnification Agreement.
- B. The following policy shall be applied to any applicant and/or jurisdiction that is not in compliance with an existing LAFCO Cost Accounting and Indemnification Agreement as determined by the Executive Officer and Legal Counsel:
 - 1. The Executive Officer, in consultation with Legal Counsel, shall determine, on review of an application, whether an applicant and/or jurisdiction has previously failed to comply with the LAFCO Indemnification Policy and/or the LAFCO Cost Accounting and Indemnification Agreement.

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2. Prior to acceptance for processing of an application from an applicant and/or jurisdiction, which the Executive Officer determines to have failed to comply with the Policy and Agreement referenced in paragraph 1 of this policy above, the LAFCO Executive Officer shall advise the Commission at a regularly scheduled meeting regarding the applicant's prior breach of the obligations of the Policy, Agreement, or both. The Executive Officer, in consultation with Legal Counsel, shall make a recommendation to the Commission regarding the amount of a bond or other commercially reasonable undertaking to be required of the applicant before the application will be accepted.
 3. On the basis of the Executive Officer's recommendation, the Commission shall establish a bond or other commercially reasonable undertaking as a condition for acceptance of the application. The purpose of this security requirement is to indemnify LAFCO from future liability in connection with the application. In addition, the applicant shall be required to satisfy any past due obligation owed to LAFCO from previous applications, prior to processing any new application.

Compliance with this policy does not relieve the applicant of responsibility to submit other information as requested by LAFCO to process the application, to otherwise comply with applicable law and these policies, or cure any outstanding non-compliance with the Policy and Agreement referenced in paragraph a. of this policy above.

Adopted June 16, 1988
Revised December 13, 1996
Revised November 4, 1999
Revised September 3, 2009
Revised July 7, 2011
Revised August 7, 2014
Revised April 1, 2021

CONFLICT OF INTEREST CODE

- A. The Political Reform Act, Government Code Sections 81,000 et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes.
- B. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices to conform to amendments to the Political Reform Act after public notice and hearing.
- C. The provisions Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference, and along with the attached Appendix "A" in which officials and employees are designated and Appendix B which sets forth disclosure categories, constitute the Conflict of Interest Code of the Santa Barbara Local Agency Formation Commission.
- D. Pursuant to Section 4 of the standard Code, designated officers and employees shall file statements of economic interest with the Executive Officer. Upon receipt of the statements filed, a copy shall be retained and the original shall be forwarded to the Elections Division of the Santa Barbara County Clerk-Recorder.

Adopted April 7, 1994

Revised April 1, 2021

APPENDIX A

Persons occupying the following positions are designated employees and must disclose financial interests in those categories described in Appendix B which are listed opposite their respective designated positions.

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Commissioners and Alternate Commissioners ⁽¹⁾	1,2,3,4
Executive Officer	1,2,3,4
Legal Counsel	1,2,3,4
<u>Commission Clerk</u>	<u>1.2.3a, 3c</u>
<u>Consultants</u>	<u>1.2.3</u>

⁽¹⁾ Board of Supervisors members report under the Conflict of Interest Code for the Board of Supervisors

CATEGORIES OF DISCLOSURE

Officers and employees shall report investments, interest in real property, income, and any business entity in which the person is an owner, director, officer, partner, trustee, employee, or holds any position of management which materially by any decision made or participated in by an officer or employee by virtue of his or her position with the Commission.

Category 1

~~All sources of income, including gifts; interests in real property which is located in whole or in part within the jurisdiction of Santa Barbara County, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is \$1,000 or more.~~

Category 2

~~Interests in real property which is located in whole or in part within, or not more than one-half mile outside the jurisdiction of Santa Barbara County, (Does not include the principal place of residence); and including any leasehold, beneficial or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is \$1,000 or more. Business positions or investments in or income from persons or business entities engaged in the appraisal, acquisition, or disposal of real property within the jurisdiction of the Commission.~~

Category 3

Business positions or investments in business entities and income from any source or sources of income, located in or doing business in Santa Barbara County and engaged in:

- a. The acquisition, sale lease, or development of real property;
- b. Provisions of insurance brokerage or consulting services; or
- c. Providing services of the type which have, in the past two years or which with reasonable foreseeability, may be used in the next one-year period by the filers division within the office. if the business entities or the source of sources of income are of the type which, within the previous two years, have provided or contracted to provide, or in the future with reasonable foreseeability might provide or contract to provide services, supplies, materials, machinery or equipment to or for the use of the Commission.

* The disclosure by consultants is subject to the following limitation: The LAFCO Executive Officer may determine in writing that a particular consultant, including a consultant filling a Designated Position, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

Category 4

~~Business positions or investments in business entities and income from any source or sources of income, if the business entities or source or sources of income are of the type which are subject to the regulation or supervision of the Commission and the designated officer or employee's duties involve the supervision or regulation (including, but not limited to, the issuance or granting of franchise, building permits or other use or business permits or any other land use control or regulation) of that type of business entity or source of income.~~

LAFCO STAFFING

A. Executive Officer Appointment

The manner of recruiting and appointing the Executive Officer is a matter of Commission discretion. The position serves at the pleasure of the Commission who may choose an Executive Officer whenever a vacancy occurs or at any time the services of the incumbent are not deemed satisfactory.

The Executive Officer is employed under contract to the Commission and provides all immediate managerial, analytical and clerical support.

B. Executive Officer Responsibilities

The Executive Officer implements the policies and directives established by the Commission, manages the LAFCO office, prepares and administers the budget, represents the Commission at meetings, et cetera.

The Cortese/Knox/Hertzberg Act sets forth specific statutory responsibilities including the following:

- Conduct and perform the day-to-day business of the Commission.
- Review each application which is filed and prepare a report, including recommendations thereon, and
- Prepare impartial analyses of ballot propositions for approval by the Commission when required.

C. Other Commission Support

~~The County Legal~~ Counsel under separate contract provides legal advice and support for LAFCO. If a conflict of interest ever occurs between LAFCO and the ~~County Legal Counsel~~, the Commission can obtain outside counsel.

In addition, the Cortese/Knox/Hertzberg Act directs the County Surveyor (or other County officer or employee as the Board of Supervisors may designate), to examine and report on the boundaries of applications submitted to LAFCO, on request by the Commission or the Executive Officer.

Adopted July 7, 1994
Revised April 1, 2021

CALIFORNIA ASSOCIATION OF LAFCOS (CALAFCO)

A. General Provisions

The California Association of LAFCOs, or CALAFCO, was formed in 1971 as a voluntary association. It provides a means of sharing information, coordinating LAFCO activities and representing LAFCO interests before the Legislature.

Commissioners are encouraged to participate in CALAFCO activities depending upon their interests to ensure closer coordination and information exchange with the Statewide association.

B. CALAFCO Board of Directors, Staff and Dues

In accordance with its Bylaws, the Association is governed by a Board composed of ~~13-16~~ LAFCO Commissioners elected by regions -- there are four regions (Northern, Central, Coastal and Southern). Each region elects four (4) Directors comprised of one City members, ~~four~~ one County members, ~~three~~ one Public members and ~~two~~ one Special District members.

A CALAFCO Executive Director manages Association affairs with assistance from staff volunteers from individual LAFCOs.

Annual membership dues are specified in the Association Bylaws for membership categories during the budget adoption process. Member LAFCO annual membership dues shall be levied based upon a population-based formula from the California Department of Finance estimates. according to CSAC's classification system for Rural, Suburban and Urban counties.

C. CALAFCO Newsletter "The Sphere"

The Association's quarterly newsletter details matters of interest to LAFCOs including significant legislative changes, litigation and activities in individual LAFCOs. Copies are distributed to all members of the Commission.

CALAFCO encourages newsletter articles by Commissioners and staff and is interested in knowing what subjects would be of interest for future articles.

D. Conferences and Workshops

The CALAFCO Annual Conference is held in the Fall alternating between locations in northern and southern California. There are discussions, workshops, presentations and informal activities.

The Association also sponsors an annual Staff Workshop, special issue workshops and other classes and seminars as needed.

E. Annual Business Meeting

The annual business meeting is held in conjunction with the Annual Conference. Each LAFCO in good standing has one vote when members of the Board are selected and other items of Association business decided.

Adopted July 7, 1994
Revised April 1, 2021