



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

SPHERES OF INFLUENCE POLICY

Adopted on June 1, 1977 (Resolution No. 97-F)

Previous Revision on February 2, 2010 (Resolution No. 2011-1)

Last Revision on November 4, 2020 (Resolution No. 2020-32)

1. OVERVIEW

The Knox-Nisbet Act of 1963 (former Government Code Section 54773 et seq.) established the Local Agency Formation Commission to promote the orderly development of local government agencies in the County and discourage urban sprawl. The law was subsequently combined with other laws regarding boundary changes and recodified as the Cortese-Knox- Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000-57550).

Among its objectives, LAFCO is authorized to perform studies which will contribute to the logical and reasonable development of local governments to provide for the present and future needs of each county and its communities. (Government Code Section 56301). State law further provides that, in order to carry out its responsibilities for planning and shaping the logical and orderly development of local government agencies, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county. (Government Code Section 56425). 'Sphere of Influence' means a plan for the probable physical boundaries and service area of a local government agency. (Government Code Section 56076).

2. TYPES OF SPHERES

There are several types of sphere boundaries that the Commission may adopt:

- a) Coterminous Sphere: A sphere of influence may be coterminous, or identical, with the agency's current jurisdictional boundary.
- b) Larger-than-jurisdiction Sphere: A sphere of influence may be larger than the agency's current jurisdictional boundary. This designation identifies areas that should be annexed into the agency in the foreseeable future.
- c) Smaller-than-jurisdiction Sphere: A sphere of influence may be smaller than the agency's current jurisdictional boundary. This designation identifies areas that should be detached from the agency in the foreseeable future.
- d) Zero Sphere: A sphere of influence may be removed entirely if the Commission determines that the service responsibilities and functions of the agency should be reassigned to another local government, and that the agency assigned a "zero sphere of influence" should be dissolved.

3. SPHERE DETERMINATIONS

In accordance with Government Code Section 56425, the Commission is required to consider and prepare a written statement of its determination with respect to each of the following:

- a) The present and planned land uses in the area, including agricultural and open-space lands;
- b) The present and probable need for public facilities and services in the area;
- c) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, including the funding of capital, debt, service, and operations;
- d) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
- e) For an update of a sphere of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

None of the individual factors listed above will be deemed to be a determining factor but will be reviewed collectively when considering the establishment or revision to a sphere of influence for a city or special district.

4. SPHERE UPDATES

Spheres of influence are to be adopted by the Commission following a public hearing and are to be reviewed and updated every five years. After adoption, the sphere of influence "shall be used by the Commission as a factor in making regular decisions on proposals over which it has jurisdiction. The Commission may recommend governmental reorganizations to particular agencies in the county, using the sphere of influence as a basis for such recommendations... (Government Code Section 56425)." The purpose of a sphere of influence study is to provide the Commission information needed to determine an agency's potential growth and to make recommendations towards future service provisions within areas the county.

5. POLICY GUIDELINES

The Commission will use spheres of influence to discourage inefficient development patterns and to encourage the orderly expansion of local government agencies. Spheres of influence will be used to:

- a) Provide long-range guidelines for the efficient provision of services and timely changes of governmental organization;
- b) Discourage duplication of services by two or more local government agencies;
- c) Guide the Commission in considering individual proposals for changes of organization; and
- d) Identify the need for specific reorganization studies.

5.1 Municipal Service Reviews: Pursuant to Government Code Section 56425, spheres of influence shall be reviewed and/or updated every five years. Additionally, state law mandates that spheres be prepared or updated in conjunction with or after completion of a related Municipal Service Review (Government Code Section 56430).

5.2 Overlapping Spheres: To promote efficient and coordinated planning among the county's various agencies, city spheres shall not overlap, and districts that provide the same type of service should not have overlapping sphere boundaries.

5.3 Logical Service Provider: When more than one agency could serve an area, the agencies' services capabilities, costs for providing services, and the desires of the affected community will be key factors in determining a sphere of influence.

5.4 Service Efficiencies: The Commission will encourage the elimination or consolidation of small, single-purpose special districts when a more efficient alternative exists for providing the necessary services. Whenever a combination of urban services is required, general purpose governments or multi-services districts will be preferred to single-purpose districts.

5.5 Sphere Designations and Annexation: Before territory can be annexed to a city or special district, it must be within the agency's sphere (Government Code Section 56375.5). However, a sphere is only one of several factors the Commission considers when evaluating changes of organization.

5.6 Long-Range Planning: LAFCO recognizes the planning accomplishments of local agencies in the County. In developing spheres of influence, the Commission will consider those adopted plans, and policies of local governments which encourage staged, cost-effective development patterns and the efficient provision of services. Sphere boundaries will identify probable boundaries for an agency's expansion and will be periodically reviewed to reflect changing conditions and circumstances.

Once established, an agency's sphere of influence will be a primary guide to the Commission in its decisions on individual proposals affecting that agency. Before the Commission may approve a change of organization inconsistent with the adopted sphere of influence, the Commission shall amend the sphere of influence.

5.7 Consistency with General Plans and Pre-Zoning: The Commission will review the existing and future land uses of territory prior to including it within a city's sphere in order to determine the logical extension of municipal services and the probable future boundary of a city or district. The Commission strongly encourages each city to include all territory within its sphere of influence within the city's General Plan and each special district to address in its infrastructure, facilities and operational planning documents.

5.8 Land Use Inconsistencies: City and County general plans will be a significant factor in determining spheres of influence. Where a city's and the County's general plan for the same area are inconsistent, the Commission should encourage the affected agencies to resolve any inconsistencies. In the event the inconsistency cannot be resolved, by law the final decision for the Sphere of Influence must remain with LAFCO.

5.9 Encourage Annexation of Unincorporated Islands: The Commission acknowledges that unincorporated islands are generally costly for County government to serve and often have impacts on the surrounding city or district. Cities and special districts (where applicable), will be encouraged to annex unincorporated islands within their sphere of influence.

5.10 Urban Development: Proposals for urban development within a city's sphere of influence should first be considered for annexation to that city, unless such annexation would create a "leapfrog" pattern of expansion with respect to existing city boundaries.

5.11 Water Supply: LAFCO recognizes that the water resources of Santa Cruz County are limited, and the Commission's objective is to ensure that its decisions relating to water do not lead to adverse impacts on the natural resources of Santa Cruz County. In reviewing sphere of influence adoptions and amendments, LAFCO shall be guided by the potential impacts of the proposal on water resources and will consider the efforts of the water agencies and land use agencies to maintain stream and river flows, promote high water quality of surface waters and groundwater, and reduce groundwater overdraft.

To assist in the review of Spheres of Influence and other LAFCO reports, the Commission will utilize the following data sources to maintain an ongoing data base of the supply, demand, and related water data of the local water agencies subject to LAFCO's boundary regulation:

- a) The Public Water System Annual Reports filed by each public water agency with the California Department of Public Health;
- b) The Urban Water Management Plans prepared by water suppliers with 3000 or more customers as required by the California Water Code Sections 10610 et.seq.; and
- c) The annual Water Resources Report prepared for consideration by the Santa Cruz County Board of Supervisors.

It is preferable that the residents who use water also participate in the governance of the system that provides the water. Therefore, in making decisions on spheres of influence and boundary changes, the Commission will favor water supply entities for which the users of the system participate in the governance of the system.

5.12 Coastal Zone: In an effort to promote cooperation among the land use agencies with jurisdiction over lands in the Coastal Zone, any application to LAFCO for a sphere of influence amendment regarding land in the Coastal Zone shall contain the following information:

- a) A statement that the staffs of the Coastal Commission and other land use agencies with jurisdiction over the land which is the subject of the application have reviewed and jointly discussed the sphere of influence amendment application with respect to consistency with applicable general plans, the Coastal Act, and local coastal programs. The statement should also memorialize the results of the review;

- b) Preliminary review and comments from the Coastal Commission staff as to potential issues of Coastal Act consistency; and
- c) Review and comments from any other land use agency with jurisdiction, through a Local Coastal Program or otherwise, over the land which is the subject of the application, including an analysis of consistency of the proposed amendment with its general plan.

LAFCO will consider consistency with the Coastal Act and the relevant general plans in making its Sphere of Influence determination.