

SHASTA LAFCO

POLICIES & PROCEDURES

CHAPTER 6 SPHERES OF INFLUENCE

Section 1. Introduction

1.1 Legislative Intent

Pursuant to Section 56300(a) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (hereinafter “LAFCO Statute” or “LAFCO Act”), “It is the intent of the Legislature that each commission, not later than January 1, 2002, shall establish written policies and procedures and exercise its powers pursuant to this part in a manner consistent with those policies and procedures”

1.2 Statutory Authority

A number of sections in the LAFCO Act make provisions for the development, adoption, amendment, and review of spheres of influence, among them:

“56301: Among the purposes of a commission are the discouragement of urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and the encouragement of the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objectives of the commission is to make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide the present and future needs of each county and its communities.”

“56425(a): In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”

“56076: ‘Sphere of influence’ means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.”

“56425(e): In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

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

“56425(f): Upon determination of a sphere of influence, the commission shall adopt that sphere, and shall periodically review and update the adopted sphere not less than every five years.”

“56425(g): The commission may recommend governmental reorganization to particular agencies in the county, using the sphere of influence as the basis for such recommendations . . .”

1.3 Chapter Purpose and Limitation

The purpose of this chapter is to establish the general policies and procedures that the Local Agency Formation Commission of Shasta County (hereinafter “Shasta LAFCO”, “LAFCO”, or “Commission”) will apply to the development, adoption, and update of the statutorily required spheres of influence.

This chapter is limited to policies and procedures pertaining to spheres of influence. Policies and procedures pertaining to changes of organization and reorganization within an adopted sphere of influence are set forth in a separate chapter. These policies and procedures are not to be considered all-inclusive; rather this chapter represents the framework for implementing the specific requirements set forth in the LAFCO Act. In all cases, the statute is the prevailing document.

Section 2. General Policies

Shasta LAFCO first adopted policies pertaining to the development and amendment of spheres of influence in November 1983. The policies were amended in December 1983, February 1986, and November 1998. The policies set forth hereafter supersede all previous sphere policy actions.

2.1 Declaration of Intent

It is the intent of Shasta LAFCO to support the viability of the local governmental agencies that provide essential services. Local agencies should be so constituted and organized as to best provide for the economic and social needs of the county and its communities, efficient governmental services for orderly land use development, and controls required to conserve environmental resources. The public interest will be served by considering “resources” in the broad sense to include ecological factors, such as open space, wild life, and accept elements of land, water, and air. LAFCO intends for its sphere of influence plans to serve as a “master plan” for future organization of local government within the County of Shasta.

Shasta LAFCO will use spheres of influence as a tool to discourage urban sprawl, as well as encourage orderly changes of organization of local governmental agencies. Once established, the sphere of influence will also be the primary guide in the determination of the merits of any proposed change of organization or reorganization involving the incorporated cities and independent special districts and territory adjacent thereto.

2.2 Sphere Term

Shasta LAFCO recognizes the limited usefulness of long-term projections. The accuracy of projections decreases with the increasing number of years from the date of the projection. Therefore, Shasta LAFCO has determined that the spheres of influence adopted by LAFCO should be limited to probable future growth within the next twenty years as projected in the general plans of the various cities and the County of Shasta.

2.3 Agency Proliferation

Shasta LAFCO's sphere of influence determinations will be designed to discourage the proliferation of local governmental agencies and the existence of overlapping public service responsibilities except where there is a clearly demonstrated benefit to such overlap.

2.4 Agency Consolidation

Shasta LAFCO recognizes that some political boundaries may be artificial, dividing what may, in fact, be a single community or communities in all other respects. In such a case, LAFCO's sphere of influence determinations are intended to encourage local governmental agencies to investigate the feasibility of political and functional consolidation.

2.5 Agency "Hierarchy"

Wherever it can be demonstrated that a full range of urban services is required by existing or proposed development, it is the position of Shasta LAFCO that general-purpose governments or multi-purpose special districts are preferred to single-purpose special districts. Therefore, it shall be a policy of Shasta LAFCO to discourage formation of a new single-purpose independent special district within a general-purpose or multi-purpose agency sphere of influence except in the following situations:

- (1) There exists a public health and safety problem that places existing development in immediate danger and the needed essential service cannot reasonably be provided by the general-purpose government within whose sphere of influence the proposed special district would be located.
- (2) The boundary of the proposed district is located at least 10,000 feet from a general-purpose government and there is not a reasonable likelihood of annexation of the proposed district area to the general-purpose government within five years.
- (3) The affected general-purpose government, which provides the same essential service, is in favor of formation of the new special district.
- (4) The proposed district is limited to essential services not provided by the affected local general-purpose government and the local general-purpose government has no intention to assume responsibility for provision of the essential service.

2.6 Service/Policy Interdependence

Shasta LAFCO recognizes that there may be a significant measure of interdependence among service decisions and other aspects of policy determination. From the LAFCO perspective, in urban areas requiring the full range of municipal services, services should be provided and decisions made by a single, general-purpose government (i.e., city) rather than overlapping local agencies. Further, all lands for new subdivision or industrial development which are within a designated city sphere of influence should be annexed to the city prior to development, or may receive services by contract pursuant to Section 56133 subject to execution of an annexation agreement and any other conditions set forth by the city whose sphere of influence contains the territory.

2.7 Unincorporated Urbanized Areas

Shasta LAFCO recognizes that there are unincorporated urban areas and communities that are not within reasonable proximity to a city, and could not, therefore, be assigned to a city sphere of influence. Ideally these areas would be assigned to an existing multi-purpose special district sphere of influence; however, these areas may, in fact, be using a service provided by a single-purpose special district, and would, therefore, initially be assigned to the sphere of influence of that single-purpose district.

2.8 Lands Under Study

Further to the issue of unincorporated urbanization, existing, highly urbanized unincorporated areas with special financial and social problems may be the subject of a special designation of “lands under study” until such time as a final decision may be reached as to how the area should be provided urban services, and, by extension, assigned to an agency sphere of influence.

2.9 Coterminous Sphere of Influence

Shasta LAFCO may allocate a sphere of influence boundary which is “coterminous” to an agency’s jurisdictional boundary in the case where LAFCO determines, after due consideration of all factors, that insufficient evidence has been presented to support the agency’s ability to expand and provide services beyond its jurisdictional boundary within the next five years.

2.10 Zero Sphere of Influence

Shasta LAFCO may designate a “zero” sphere of influence in the case where LAFCO determines, after due consideration of all factors, that the public service responsibilities and functions of one local agency should be reallocated to some other unit of government and that, ultimately, the local agency with the “zero” sphere of influence should cease to exist.

2.11 Sphere Boundaries

To the degree possible, Shasta LAFCO will locate sphere of influence boundary lines along readily identifiable physical features on the land such as waterways, major highways and roads, major power lines. Absent these kinds of features, the sphere boundary line will be drawn along section lines. To the degree possible, parcel lines will not be used, and in no case will parcels be split by a sphere boundary line.

Section 3. Policies Regarding Spheres for Cities

In addition to the Section 56425 factors that are to be considered by LAFCO in determining spheres of influence, Shasta LAFCO will apply the following policies to the determination of spheres of influence for cities:

3.1 Financial Capabilities

Before Shasta LAFCO assigns an unincorporated urbanized area to a city sphere, the city should be able to demonstrate that they have the financial capabilities to adequately provide the necessary municipal services, or that the required services are already being provided by existing private companies or larger multi-purpose special districts.

3.2 Growth Impacts

In assigning territory to a city sphere, Shasta LAFCO will consider the effect of the growth of the city and the extension of municipal services on adjacent single-purpose and multiple-purpose districts, adjacent cities, and county government.

3.3 Agriculture/Open Space Impacts

In assigning territory to a city sphere, Shasta LAFCO will give consideration to the existence of agricultural preserves and open space lands in the potential sphere area and the effect the growth of the city and the extension of services would have on such preserves and lands. Such consideration shall include, but not be limited to the physical and economic impacts on such lands and the ability of maintaining the viability and economic integrity of such lands.

3.4 Appropriate City

In the case where territory could be assigned to the sphere of influence of either one city or another, Shasta LAFCO will consider which city will naturally or most likely inherit and can best cope with the issues associated with development and urbanization. Among the issues, LAFCO may consider:

- (1) The source of vehicular congestion;
- (2) The impacts of residential, commercial, and industrial noise and artificial lighting;
- (3) Methods available for the preservation and development of a stable economic, social and ethnic balance;
- (4) Methods available to the city that would provide for a broad base of citizen participation in local government;
- (5) Policies and practices of the city which can provide for the preservation and development of a balance between residential, commercial, industrial agricultural and open space land uses; and,
- (6) Geographic and topographic factors.

3.5 City Sphere Boundaries

Shasta LAFCO will endeavor to establish city sphere boundaries that do not create unincorporated “islands”, peninsulas, or corridors unless these areas are designated or reserved for open space or regional facilities that are best left unincorporated.

In the event of general plan and zoning changes which would convert such “island” or peninsula areas from open space or regional facilities to land use and zoning designations which could result in development typical of a city, LAFCO would endeavor to include these areas in the city sphere boundary.

3.6 Urban Service Area

It is the position of Shasta LAFCO that urban growth within a city sphere of influence should be compact, thereby preserving future land use options. Therefore, Shasta LAFCO may exercise its option to designate an urban service area boundary within a city sphere of influence. Pursuant to Section 56080 of the LAFCO Act:

“Urban service area means developed, undeveloped, or agricultural land, either incorporated or unincorporated, within the sphere of influence of a city, which is served by urban facilities, utilities, and services or which are proposed to be served by urban facilities, utilities, and services during the first five years of an adopted capital improvement program of the city if the city adopts that type of program for those facilities, utilities, and services. The boundary around an urban area shall be called the ‘urban service area boundary’ and shall be developed in cooperation with a city and adopted by a commission”

In establishing an urban service area boundary, Shasta LAFCO will give consideration to the city’s willingness and ability to provide needed services as evidenced by related time schedules for planned incremental expansion of services. Cities are encouraged to develop capital improvement programs and other plans for the phased extension of services that will assist LAFCO in determining logical service area boundaries.

3.7 Urban Transition Area

Shasta LAFCO will consider the residual lands between the designated urban service area and the sphere of influence boundary as an urban transition area. From the LAFCO perspective, this transition area will most likely be used for urban expansion within fifteen years. LAFCO will discourage premature, sprawling development of land within the urban transition area.

Section 4. Policies re Spheres for Special Districts

In addition to the Section 56425 factors that are to be considered by LAFCO in determining spheres of influence, Shasta LAFCO will apply the following policies to the determination of a special district sphere of influence:

4.1 Rural Areas

It is the position of Shasta LAFCO that independent and dependent special districts are the appropriate agencies to provide essential services in rural areas in which only a limited range of

services are required, or where a broader range of services are required but it is not economically feasible to create a city to provide those services.

4.2 Financial Capabilities

Before Shasta LAFCO assigns territory to a special district sphere of influence, the district should be able to demonstrate that they have the financial capabilities to adequately provide the necessary municipal services, or that the required services are already being provided by existing private companies or larger multi-purpose special districts.

4.3 Growth Impacts

In assigning territory to a special district sphere, Shasta LAFCO will consider the effect of the growth of the district and the extension of district services on adjacent single-purpose and multiple-purpose districts, adjacent cities, as well as the County of Shasta as a local governmental agency.

4.4 Zero Spheres

Where one single-purpose special district is coterminous with, or lies substantially within, the boundary or sphere of influence of a general-purpose government which, over time, is likely to assume the public service responsibilities and functions of the special district, Shasta LAFCO may allocate a “zero” sphere of influence which encompasses no territory beyond the district’s jurisdictional boundary.

Where two or more single-purpose special districts provide different services to substantially the same area, Shasta LAFCO may allocate a “zero” sphere of influence to both agencies based upon the position that the existing district should merge with an existing city, or that they should consolidate into a single, multi-purpose special district. The provision of services by multi-purpose local agencies is to be preferred over the provision of those services by overlapping, single-purpose special districts.

4.5 Consolidated Spheres

It is the position of Shasta LAFCO that where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated a “consolidated sphere of influence” to include the areas served by both districts. This would be the case where Shasta LAFCO believes that a particular service should be provided to the entire area by a single local agency.

Section 5. Procedures

Shasta LAFCO shall apply the procedures set forth below to the development, adoption, update, and amendment of spheres of influence. These procedures are not to be considered all-inclusive; rather, they are to be considered as the “procedural framework” for implementing the specific requirements set forth in the statute. In all cases, the statute is the prevailing document.

5.1 Municipal Services Reviews

Prior to, and in order to prepare, update, or amend spheres of influence in accordance with Section 56425 of the LAFCO Act, Shasta LAFCO shall conduct municipal services reviews as

required under Section 56430 of the statute. Shasta LAFCO's adopted policies and procedures pertaining to municipal services reviews are set forth in a separate chapter.

5.2 City/County Agreement: When a city applies to LAFCO for a sphere determination, Section 56425 of the LAFCO Act shall apply, as follows:

“(b) At least 30 days prior to submitting an application to the commission for a determination of a new sphere of influence, or to update an existing sphere of influence for a city, representatives from the city shall meet with the county representatives to discuss the proposed sphere, and its boundaries, and explore methods to reach agreement on the boundaries, development standards, and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If no agreement is reached between the city and county within 30 days, then the parties may, by mutual agreement, extend discussions for an additional period of 30 days. If an agreement is reached between the city and county regarding the boundaries, development standards, and zoning requirements within the proposed sphere, the agreement shall be forwarded to the commission, and the commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section, and the commission shall give great weight to the agreement in the commission's final determination of the city sphere.”

“(c) If the commission's final determination is consistent with the agreement reached between the city and county pursuant to subdivision (b), the agreement shall be adopted by both the city and county after a noticed public hearing. Once the agreement has been adopted by the affected local agencies and their respective general plans reflect that agreement, then any development approved by the county within the sphere shall be consistent with the terms of that agreement.”

“(d) If no agreement is reached pursuant to subdivision (b), the application may be submitted to the commission and the commission shall consider a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section.”

The meeting and agreement requirements set forth above shall become inoperative as of January 1, 2007, unless there is a later enacted statutory provision that either extends or deletes that date.

5.3 Special Districts Functions/Services

Pursuant to Section 56425(f) of the LAFCO Act: “For any sphere of influence or a sphere of influence that includes a special district, the commission shall do all of the following:

- (1) Require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.
- (2) Establish the nature, location, and extent of any functions or classes of services provided by existing district.
- (3) Determine that, except as otherwise authorized by the regulations, no new or different function or class of services shall be provided by any existing district, except upon approval by the commission.”

5.4 Public Hearing Requirement

Pursuant to Section 56427 of the LAFCO Act, Shasta LAFCO shall adopt, amend, or revise spheres of influence after a public hearing called and held for that purpose. At least 15 days prior to the date of any such hearing, the Executive Officer shall give mailed notice of the hearing to each affected local agency and the County, and to any interested party who has filed a written request for such notice with the Executive Officer. In addition, at least 15 days prior to the date of any such hearing, the Executive Officer shall cause notice of the hearing to be published in a newspaper of local circulation. At any sphere of influence hearing, Shasta LAFCO shall hear and consider oral or written testimony presented by any affected local agency, the County, or any interested person who wishes to appear including landowners, residents and tenants in the area affected by the Commission’s sphere of influence decisions. LAFCO may continue from time to time any hearing on a proposed sphere of influence.

5.5 Environmental Review

Shasta LAFCO, as lead agency, will be responsible for preparation, circulation, and adoption of the appropriate environmental review document required by the California Environmental Quality Act of 1970 (CEQA), as amended, (Public Resources Code Section 21000 et. seq.), and the State CEQA Guidelines, as well as Shasta LAFCO’s CEQA policies.

CEQA requires LAFCO, as lead agency, to make one of three basic environmental determinations with respect to the potential effects of the municipal services review (which is deemed to be a “project” under CEQA). The project may qualify for an Exemption, either Statutory (SE), General (GE), or Categorical (CE). Qualification for an exemption under any one of these categories requires no further analysis. If the project is not exempt, LAFCO must prepare either a Negative Declaration (ND) where no significant environmental effects are identified, or an Environmental Impact Report (EIR) where one or more impacts are found to be potentially significant.

Because no two spheres of influence will be exactly alike, Shasta LAFCO will need to evaluate each on its specific merits and characteristics in terms of making the determination as to the applicability of an Exemption, Negative Declaration, or Environmental Impact Report.

5.6 General Order of Review

Shasta LAFCO’s development of new or updated spheres of influence will occur in the general order shown on the list of agencies located in the Exhibits section at the end of LAFCO’s Policies & Procedures manual, beginning with the three incorporated cities in the County, followed by the dependent and independent special districts in Shasta County.

5.6.1 Modification of Order: Shasta LAFCO has authorized the Executive Officer to modify the order of review should specific conditions or issues warrant doing so, examples being as follows:

5.6.1.1 The order of review may be changed of an application for a sphere amendment (typically in conjunction with a proposed change of organization or reorganization). Pursuant to Section 56428(a) of the LAFCO Act, “Any person or local agency may file a written request with the executive officer requesting amendments to a sphere of influence or urban service area adopted by the commission. The request shall state the nature of the proposed amendment; state the reasons for the request, include a map of the proposed amendment, and contain any additional data and information as may be required by the executive officer.”

5.6.1.2 LAFCO may change the order of sphere review if an agency fails to respond in a timely or complete fashion to LAFCO’s request for information and participation in the sphere update process, and the lack of response would significantly impede LAFCO’s ability to proceed on the update. In such a case, the non-responding agency will be relegated to the bottom of the list, and would not be eligible for a priority review in the event of a later petition in order to accomplish a change of organization or reorganization.

5.7 Project Introduction

LAFCO will introduce its sphere review and update project to the affected agencies via a presentation to the governing body of the agency. A letter to each agency will request an opportunity to outline the project at one of their regular meetings. Following the presentation, LAFCO will ask the agency to designate a department and/or lead staff to assemble and submit the data and information, as well as participate in the review dialogue. The Executive Officer will make the presentations.

In the event a presentation cannot be scheduled, LAFCO will proceed directly to the formal notification discussed under the next section.

5.8 Formal Notification

5.8.1 Concurrent Notification: To the extent possible, staff will carry out sphere updates in a *concurrent* rather than *sequential* fashion, meaning that staff will begin the process by contacting *all of the agencies* in a given review group *at the same time*, rather than one at a time.

5.8.2 Request for Information: LAFCO will request information from the agency whose sphere is under review. The request will cite the statutory requirement for sphere updates, as well as the requirement for written determinations based upon statutory factors. Among other elements, the request will ask for an agency profile, reports, plans, maps, and for narrative responses to questions related to the statutory factors.

5.9 Completeness Determination and Initial Analysis

LAFCO will make a determination as to the completeness and sufficiency of the information provided by the agency. If the response is incomplete or insufficient for LAFCO to proceed to

the initial analysis phase, the agency will be so notified and provided an opportunity to provide additional data and information.

When the required information and data is deemed to be complete and sufficient enough on which to proceed, LAFCO staff will commence the initial analysis. The analytical process will include dialogue, and meetings if necessary, with agency staff for the purpose of confirming the data as well as developing and understanding of the implications of the information in the context of the statutory determinations that LAFCO must make in the course of a sphere of influence review.

5.10 Administrative Draft Sphere of Influence Report

Upon completion of the analysis, LAFCO staff will prepare and issue an administrative draft sphere of influence report for limited circulation. The intent of the administrative draft is to provide the agency under review an opportunity to identify any unintended errors, omissions, or misinterpretations of data.

5.11 Draft Sphere of Influence Report

Following the administrative draft review period, a draft sphere of influence report will be prepared and circulated for public review for a prescribed period leading up to a public hearing and adoption action by LAFCO.

At the public hearing, the Commission will receive all comments, oral and written, on the draft sphere of influence report, after which the Commission will be asked to take action adopting the draft document. The adopting action will also include a direction to staff to prepare a final sphere of influences report, with responses to the comments on the draft documents to be included in the final report.

5.12 Final Sphere of Influence Report

A final sphere of influence report will be prepared and circulated for public review for a prescribed period leading up to a public hearing and adoption action.

At the public hearing, the Commission will receive all comments, oral and written, on the final document, after which the Commission will be asked to take an adopting action.

5.13 Executive Officer's Report and Recommendation

The Executive Officer shall prepare a report and recommendation on the draft and final sphere of influence report, whether prepared in response to a landowner or agency application for a sphere amendment, or as a product of LAFCO-initiated sphere reviews and updates. The Executive Officer's report and recommendation shall be completed not less than five days before the date specified in the notice of hearing. The Executive Officer shall send copies of the report to the person or agency making a sphere amendment request, or the agency subject to the LAFCO-initiated sphere review, each affected local agency, and each person who has filed a request for a report.

5.14 Final Distribution and Subsequent Use

The final sphere of influence report will be distributed to the study agency and other affected agencies, as well as retained in the LAFCO office for public review.

LAFCO, local agencies, and the public may subsequently use the determinations in the sphere of influence report to pursue changes of organization and reorganization.

Section 6. Periodic Review and Update

6.1 Commission Review

The policies and procedures pertaining to spheres of influence, as set forth in the sections above, shall be subject to periodic review by the Commission. Based upon the review, the Commission may direct changes and additions to the policy and procedural statements.

6.2 Statutory Update

The policies and procedures set forth in the sections above shall also be subject to immediate change in the event of statutory changes which would have the effect of rendering Shasta LAFCO's policies and procedures pertaining to spheres of influence inconsistent or out of compliance with the LAFCO Act.

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