

**LOCAL AGENCY FORMATION COMMISSION
(LAFCO)
OF MONTEREY COUNTY**

SPHERE OF INFLUENCE POLICIES AND CRITERIA

I. LEGISLATIVE AUTHORITY

The State Legislature has provided Local Agency Formation Commissions (LAFCO's) with the following directions in the preparation of spheres of influence:

1. "Among the purposes of a Local Agency Formation Commission are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local governmental agencies based upon local conditions and circumstances. One of the objects of the Local Agency Formation Commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local governmental agencies so as to advantageously provide for the present and future needs of each County and its communities..."
2. "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 Local Agency Formation Commission shall develop and determine the sphere of influence of each governmental agency within the County. As used in this section, "sphere of influence" means a plan for the probable ultimate physical boundaries and service area of a local governmental agency. In determining the sphere of influence of each local governmental agency, the Commission shall consider and prepare a written statement of its determinations 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 the adequacy of public services which the agency provides or is authorized to provide.
 - 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."
3. Every determination made by a Commission involving proposals for changes of organization or reorganization shall be consistent with the spheres of influence of the local agencies affected by those determinations.

4. The Commission may recommend governmental reorganizations to particular agencies in the County, using spheres of influence as the basis for such recommendations."

II. DEFINITIONS

1. Agricultural Lands: Land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program (Government Code Section 56016).
2. Agricultural Preserve: Lands subject to an existing land conservation agreement established pursuant to the California Land Conservation Act of 1965 (the Williamson Act, Government Code Section 51200 et seq.).
3. County: Monterey County.
4. Essential Services: Those basic services necessary to protect the health, safety, and general well-being of a community, including but not limited to police, fire, water, sanitation, etc.
5. General Purpose Government: A City or County government.
6. LAFCO: Monterey County Local Agency Formation Commission.
7. Local Agency: A City or special district.
8. Open Space Lands: Parcel or area of land or water which is substantially unimproved and devoted to open space use as defined in Government Code Section 65560.
9. Planning Concern Area: An area established by the Local Agency Formation Commission with the assistance of the appropriate cities and the County designating a general area of concern of a city for which planning decisions and other governmental actions of the County may have an impact on the city. A "Planning Concern Area" will usually be larger than the adopted sphere of influence boundary and may take into consideration the planning area of the city as identified within their local general plans.
10. Prime Agricultural Land: (A) Land that, if irrigated, qualifies for rating as Class I or II in the USDA Natural Resources Conservation Service land-use capacity classification, whether or not the land is actually irrigated, provided that irrigation is feasible; (B) land that qualifies for rating 80-100 in the Storie Index Rating; (C) land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre; (D) land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a non-bearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre for three of the previous five calendar years; (E) Land that has returned from the production of unprocessed agricultural plant products an annual gross

value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years. (Government Code Section 56064).

11. Regional Agencies: Association of Monterey Bay Area Governments (AMBAG), Regional Water Quality Control Board, Central Coast Regional Coastal Commission, Air Pollution Control Board, etc.
12. Sphere of Influence: A plan for the probable physical boundaries and service area of a local agency. The area around a local agency eligible for annexation and extension of urban service within a twenty-year period.
13. Sphere of Influence Boundary: Boundary, adopted by the Monterey County Local Agency Formation Commission, which delineates the limits beyond which a local governmental agency will not annex territory.
14. Urban Services: Those services which are provided to an urban area including, but not limited to, police, structural fire protection, non-agricultural water, sewer, drainage, street lighting, streets and roads.
15. Urban Service Districts: Special districts which are authorized to provide public sanitary sewer services or domestic water distribution services.
16. Urban Service Area: Urban developed areas within an urban service district or city sphere of influence, which is now served by existing urban facilities, utilities, and services or is proposed to be served by urban facilities, utilities and services within the next five years.
17. Urban Transition Area: Area within the spheres of influence boundaries of a city or an urban service district which is not programmed for urban facilities or utility extensions within the next five years. This area will most likely be used for urban expansion within approximately five to twenty years.
18. Future Study Area: Territory outside of an adopted sphere of influence that may warrant inclusion in the sphere in future years. Further study would have to be completed prior to inclusion.
19. Principal County: Principal County has the meaning contained in any definition of principal county, as set forth in the principal act. If the principal act has no definition of principal county, or if there is any inconsistency between the definitions contained in two or more applicable principal acts, principal county means the county having all or the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district or districts for which a change of organization or reorganization is proposed.

III. POLICY GUIDELINES FOR SPHERES OF INFLUENCE

The Commission will generally apply the following policy guidelines in the spheres of influence program, in addition to the local conditions and circumstances of each local agency. The Monterey County Local Agency Formation Commission will consider the particular local conditions and circumstances of each agency and community.

1. LAFCO intends that its sphere of influence determination will serve as a master plan for the future organization of local government within the County. The spheres shall be used to discourage urban sprawl; limit proliferation of local governmental agencies; encourage efficiency, economy and orderly changes in local government; promote compact, community centered urban development; and minimize adverse impacts on lands classified as prime agriculture.
2. The sphere of influence lines shall be a declaration of policy which shall be a primary guide to LAFCO in the decision on any proposal under its jurisdiction. Every determination made by the Commission shall be consistent with the spheres of influence of the agencies affected by those determinations.
3. Any proposal which is inconsistent with an agency's adopted sphere of influence shall not be approved until the Commission, at a noticed public hearing, has considered an amendment or revision to that agency's sphere of influence.
4. Inclusion within an agency's sphere of influence does not assure annexation to that agency. The Commission shall evaluate boundary change proposals as they relate to all of the relevant factors listed in the Cortese-Knox Local Government Reorganization Act of 1985 (Government Code Section 56841 et seq.).
5. When possible, a single larger general purpose agency, rather than a number of adjacent smaller ones, established for a given service in the same general area will be preferred. Where an area could be assigned to the sphere of influence of more than one agency providing a particular needed service, the following hierarchy shall apply dependent upon ability to serve.
 - a. Inclusion within a City sphere of influence.
 - b. Inclusion within a multi-purpose district sphere of influence.
 - c. Inclusion within a single-purpose district sphere of influence.

In deciding which of two or more equally ranked agencies shall include an area within its sphere of influence, LAFCO shall consider the agencies' service and financial capabilities, social and economic interdependence, topographic factors, and the effect that eventual service extension will have on adjacent agencies.

6. Duplication of authority to perform similar functions in the same territory will be avoided. Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.

7. The adopted sphere of influence shall reflect City and County General Plans, plans of regional agencies, growth management policies, annexation policies, resource management policies, and any other policies related to ultimate boundary or service area of an affected agency unless those plans or policies conflict with the legislative intent of the Cortese-Knox-Hertzberg Act of 2000 (Government Code Section 56000 et seq.).

Where inconsistencies between plans exist, LAFCO shall rely upon that plan which most closely follows the Legislature's directive to discourage urban sprawl, direct development away from prime agricultural land and open-space lands, and encourage the orderly formation and development of local governmental agencies based upon local conditions and circumstances.

8. Extension of urban type services promotes urban development and such development belongs in cities or areas of development concentration in the unincorporated area of Monterey County. In evaluating proposals involving urban development requiring an urban level of governmental services, the Commission will discourage the formation of new special districts or premature annexation of territory within existing city spheres of influence or logical expansion area. The Commission will discourage boundary change proposals involving urban development outside adopted city spheres of influence that have the potential to negatively impact prime agriculture or open space lands, public service capacity, existing local governmental agencies, or generally represents illogical growth patterns.
9. This Commission, in recognition of the mandated requirements for considering impacts on open space lands and agricultural lands, will develop and determine spheres of influence for Cities and urban service districts in such a manner as to promote the long-term preservation and protection of this County's "Resources." The Commission believes the public interest will be best served by considering "Resources" in a broad sense to include open space, recreational opportunities, wildlife, and agricultural land. Sphere of influence determinations must conform with the Commission's Agricultural Preservation Policy adopted in November, 1979.
10. The Commission recognizes the many inter-relationships and impacts which one agency's land use, planning, and governmental decisions may have on other agencies even though they may be outside of the "sphere of influence" of the secondary agency. Consequently, this Commission, when necessary, will seek to establish and identify Areas of Planning Concern for each city within the County. The "Planning Concern Area" will seek to identify those areas which in a broad sense affect the city in terms of planning and land use decisions. Such "Planning Concern Areas" will be established with the assistance and guidance of the affected cities and the County. The "Planning Concern Area" normally will extend beyond the adopted "sphere of influence" of the city. Once established, the Commission will solicit the cooperation and involvement of the affected cities and the County to jointly involve one another in planning decisions for these areas.

IV. PROCEDURAL GUIDELINES

1. LAFCO will designate a sphere of influence for each local agency representing the agency's probable physical boundary within a zero to twenty year period.

2. LAFCO shall consider the following factors in determining or amending an agency's sphere of influence:
 - a. Present and future need for agency services and the service levels specified for the subject area in applicable general plans, growth management plans, annexation policies, resource management plans, and any other plans or policies related to an agency's ultimate boundary and service area.
 - b. Capability of the local agency to provide essential and urban services, taking into account evidence of resource capacity sufficient to provide for internal needs and urban expansion.
 - c. The existence of agricultural preserves, agricultural lands and open space lands in the area and the effect that inclusion within a sphere of influence shall have on the physical and economic integrity of maintaining the land in non-urban use.
 - d. Present and future cost and adequacy of services anticipated to be extended within the sphere of influence.
 - e. Present and projected population growth, population densities, land uses, land area, ownership patterns, assessed valuations, and proximity to other populated area.
 - f. The agency's capital improvement or other plans that delineate planned facility expansions and the timing of that expansion.
 - g. Social or economic communities of interest in the area.
3. The Commission may establish an urban service area within an adopted sphere of influence to discourage urban sprawl and to promote compact growth patterns. Urban service areas consist of territory now served by urban facilities, utilities and services or proposed to be served within the next five years, and may include the following:
 - a. Urbanized Areas. This includes all existing areas, either incorporated or unincorporated, developed to urban densities.
 - b. Urban Expansion Areas. This consists of vacant land, either incorporated or unincorporated, which is capable of holding urban growth expected within the next five years.

The territory included within urban service areas will be considered by LAFCO to be eligible for annexation within five years. Consideration will be given to city and special district capability to provide needed services with related time schedules for planned expansion of services. Cities and special districts are encouraged to develop Capital Improvement Programs and other plans for the phased extension of services to assist LAFCO in determining logical urban service area boundaries.

4. The Commission may establish urban transition areas within adopted spheres of influence to discourage premature pressure for development. Transition areas consist of the residual lands between designated urban service areas and the ultimate sphere of influence boundary. This land will most likely be used for urban expansion within approximately five (5) to twenty (20) years. Territory included within urban transition areas, but not within urban service areas, generally will not be considered eligible for annexation to receive urban services within five years.
5. LAFCO may adopt a zero sphere of influence encompassing no territory for an agency. This occurs where LAFCO determines that the public service functions of the agency are either non-existent, no longer needed, or should be reallocated to some other agency of government.

The local agency which has been assigned a zero sphere of influence should ultimately be dissolved. Special districts that lie substantially within the boundary or sphere of influence of a general purpose government which is capable of assuming the public service responsibilities and functions of that special district may be allocated a zero sphere of influence designation.

6. Territory not in need of urban services, including open space, agriculture, recreational, rural lands or residential rural areas, shall not be assigned to an agency's sphere of influence unless the area's exclusion would impede the planned, orderly and efficient development of an area.
7. LAFCO may adopt a sphere of influence that excludes territory currently within that agency's boundaries. This occurs where LAFCO determines that the territory consists of agricultural lands, open space lands or agricultural preserves whose preservation would be jeopardized by inclusion within the agency's sphere of influence. Exclusion of these areas from an agency's sphere of influence indicates that detachment is appropriate.
8. Two or more local agencies providing the same service(s) may be allocated a consolidated sphere of influence to include the areas served by both agencies. This would be the case where LAFCO believes that the particular service(s) should be provided to the entire area by a single local agency.
9. LAFCO may establish future study areas outside of adopted spheres of influence. These areas indicate territory which may ultimately be appropriate for inclusion within an agency's sphere upon future study or modified conditions.
10. LAFCO shall adopt, amend or revise sphere of influence determinations following the procedural steps set forth in the Cortese-Knox-Hertzberg Act of 2000 (Government Code Section 56076 et seq.).
11. LAFCO shall review sphere of influence determinations not less than every five years. If a local agency or the County desires amendment or revision of an adopted sphere of influence, the local agency by resolution may file such a request with the Executive Officer. The request shall state the nature of the proposed amendment and the reasons

for the request, include a map of the proposed amendment, and contain additional data and information as may be required by the Executive Officer.

12. The Commission encourages any private individual desiring a revision of an adopted sphere of influence to request that the affected local agency initiate sphere reconsideration by resolution to promote consultation between the parties.
13. 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 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.
14. If the Commission's final determination is consistent with the agreement reached between the city and county pursuant to subdivision 13, 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.
15. If no agreement is reached pursuant to subdivision 13, 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.
16. When adopting, amending, or updating a sphere of influence for a special district, the Commission shall do all of the following:
 - a. Require existing districts to file written statements with the Commission specifying the functions or classes of services provided by those districts.
 - b. Establish the nature, location, and extent of any functions or classes of services provided by existing districts.
17. In order to prepare and to update spheres of influence in accordance with Section 56425, the Commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the Commission. The Commission shall include in the area designated for service review the county, the region, the subregion, or

any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- a. Infrastructure needs or deficiencies.
- b. Growth and population projections for the affected area.
- c. Financing constraints and opportunities.
- d. Cost avoidance opportunities.
- e. Opportunities for rate restructuring.
- f. Opportunities for shared facilities.
- g. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.
- h. Evaluation of management efficiencies.
- i. Local accountability and governance.

18. In conducting a service review, the Commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

19. The Commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.

20. Individuals desiring LAFCO to initiate revision or amendment of an existing sphere of influence shall file a written request with the Executive Officer. The request shall state the nature of the proposed amendment and the reasons for the request, include a map of the proposed amendment area, and contain additional data and information as may be required by the Executive Officer.

21. The Executive Officer shall review each request for amendment, prepare a report and recommendation, and place the request on the agenda of the next meeting of the Commission for which notice can be given after determining conformance with the California Environmental Quality Act. Copies of the Executive Officer report shall be provided to the person(s) making the request, each affected local agency, and each person who has filed a request for a report.

22. Any local agency, county, or private individual making such a request shall reimburse the Commission for the actual and direct costs incurred by the Commission. The

Commission may waive such requirement if it finds that the request may be considered as part of its periodic review of spheres of influence.

23. The Monterey County Local Agency Formation Commission 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 general circulation which is circulated within the territory affected by the sphere of influence proposed to be adopted or amended.

LAFCO may continue from time to time any sphere of influence hearing. At any sphere of influence hearing, 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.

24. On the date and time set for hearing and provided in the notice, the Commission may, without further notice, consider the amendments to a sphere of influence or set a future date for the hearing on the request.
25. For annexations and Sphere of Influence applications, Monterey County LAFCO shall consider as part of its decision whether the proposal mitigates its regional traffic impacts by, for example, monetary contribution to a regional transportation improvement fund as established by the Transportation Agency of Monterey County or otherwise.
26. For annexations and Sphere of Influence applications, Monterey County LAFCO shall consider as part of its decision whether the city in which the annexation or Sphere of Influence amendment is proposed has included certain goals, policies, and objectives into its General Plan that encourages mixed uses, mixed densities, and development patterns that will result in increased efficiency of land use, and that encourages and provides planned, well-ordered, efficient urban development patterns.

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