

February 9, 2022

9b | Commission
Discussion

REGULAR MEMBERS

CHAIR

Douglass Davert

Special District Member

VICE CHAIR

Donald P. Wagner

County Member

IMMEDIATE PAST CHAIR

Derek J. McGregor

Public Member

Lisa Bartlett

County Member

Wendy Bucknum

City Member

James Fisler

Special District Member

Mike Posey

City Member

ALTERNATES

Andrew Do

County Member

Kathryn Freshley

Special District Member

Peggy Huang

City Member

Lou Penrose

Public Member

STAFF

Carolyn Emery

Executive Officer

Scott Smith

General Counsel

TO: Local Agency Formation Commission
of Orange County

FROM: Executive Officer
Policy Analyst

SUBJECT: Proposed Amendments to the “Legislative Policy and
Guidelines”

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires each LAFCO to adopt written policies and procedures. The “Orange County LAFCO Handbook” is a compilation of the Commission’s adopted written policies and procedures. The policies and procedures contained within the handbook are intended to supplement State law and guide the Commission in carrying out its legislative and local missions.

The Commission’s “Legislative Policy and Guidelines” were first adopted by the Commission in 1999 and were last amended in 2015. A review of the policy is included in the current Work Plan, and staff is recommending several amendments to the policy to improve the effectiveness of the Commission in reviewing legislation and adopting positions on bills.

For ease of review, the proposed amendments are indicated in redline format in Attachment 1 and are summarized in the table on the next page of this report.

Table 1: Summary of Proposed Changes


Section	Page	Summary Changes
Policy	1	Updated language for consistency with current agency review process.
Guidelines: A, B, C, D	1-4	Updated language to add clarity and improvement to the guidelines and policy areas.
Procedures: A, B	4	Updated language to add clarity and improvement to the procedures for monitoring and reviewing legislation.
Procedures C	4-5	Amended language for types of positions.
Procedures: C1 thru C4	5-6	Updated language for consistency with current agency process and to improve efficiency.

RECOMMENDED ACTION


Staff recommends that the Commission:

1. Adopt the Legislative Policy and Guidelines, as amended.

Respectfully Submitted,



CAROLYN EMERY



LUIS TAPIA

Attachments:

1. OC LAFCO Legislative Policy and Guidelines (Redline)
2. OC LAFCO Legislative Policy and Guidelines (As Amended)

Legislative Policy and Guidelines

I. POLICY

Orange County LAFCO (OC LAFCO) has long recognized the importance of participating in the legislative process and making recommendations on legislation of interest to the Commission and LAFCOs statewide. It is the policy of OC LAFCO to actively participate in the legislative process under the guidelines further expressed in this policy. The Commission will provide feedback and guidance on legislation of LAFCO interest and through the procedures outlined below utilize ~~an ad hoc legislative committee~~ the OC LAFCO Chair to provide interim review and direction on legislation requiring immediate response.

II. GUIDELINES

The following guidelines are intended to provide guidance for the Commission and staff as they participate in the legislative process through discussions with legislators and affected stakeholders and ~~during the adoption of legislative positions~~ consider proposed legislation of LAFCO interest. The guidelines are organized into the following policy sections: (A) LAFCO Purpose and Authority; (B) LAFCO Organization; (C) Orderly Growth; (D) Service Delivery and Local Agency Effectiveness. This section of the policy provides guidelines for the review and consideration of legislation involving the four key policy areas: (A) LAFCO Purpose and Authority; (B) LAFCO Governance; (C) Orderly Formation of Boundaries; and (D) Service Delivery and Local Agency Effectiveness.

A. LAFCO Purpose and Authority

- A1. Support legislation that enhances LAFCO's authority and powers to perform the duties mandated by the California Legislature and codified in the Cortese-Knox-Hertzberg Local Reorganization Act of 2000 (Government Code Section 56000 et seq.).
- A2. Support legislation that recognizes the authority for each LAFCO to establish local policies to apply Government Code Section 56000 et seq. based on local needs and conditions and oppose any limitations to that authority.

- A3. Oppose legislation that dilutes LAFCO’s authority and ability to meet its legislative mandates and primary mission.
- A4. Oppose legislation that restricts the independent judgment of Commissioners in voting on matters being considered by ~~OC~~-LAFCO.
- A5. Oppose legislation that grants special status to any individual agency or proposal to circumvent the LAFCO process.

B. LAFCO ~~Organization~~Governance

- B1. Support legislation that confirms the independence of ~~OC~~ LAFCO from local agencies.
- B2. Support legislation that recognizes the importance of balanced representation on ~~OC-LAFCO-~~ LAFCO provided by cities, the county, special districts, and the public in advancing the public interest.
- B3. Support legislation that ~~promotes-~~ encourages communication and collaborative decision-making among neighboring LAFCOs when growth pressures and multi-county special districts extend beyond ~~OC~~ LAFCO’s LAFCO’s jurisdiction.

C. Orderly ~~Growth~~Formation of Boundaries

- C1. Support legislation that ~~promotes-~~ encourages the recognition and use of spheres of influence as long-range planning tools for ~~OC-LAFCO~~ LAFCOs and local agencies that guide future Commission decisions on individual jurisdictional boundary changes involving cities or special districts, the incorporation of a new city, ~~or~~ the formation of a new special district, and other complex reorganizations that include consolidations, mergers, or the formation of a subsidiary district.
- C2. Support legislation that ~~promotes~~ encourages the recognition of LAFCO spheres of influence by other agencies by requiring that those agencies refer to LAFCO determined spheres of influence in the development of local and regional planning documents by the county, cities, and district and facilitate the logical and economical extensions of all their facilities and services.
- C3. Support legislation that ~~promotes~~ encourages orderly boundaries of local agencies and ~~encourages~~ the transition of unincorporated areas to adjacent local agencies based upon within the their designated spheres

of influence ~~of local agencies~~.

- C4. Support legislation that ~~promotes~~ encourages collaboration among cities, special districts, the County of Orange, and the public ~~that promote the alignment of interests~~ to address municipal service deficiencies within unincorporated areas and facilitate annexation.
- C5. Support legislation that ~~promotes~~ encourages cooperation between cities, the County of Orange, and other affected agencies and stakeholders on decisions involving new development within the ~~City's cities'~~ designated spheres of influence.

D. Service Delivery and Local Agency Effectiveness

- D1. Support legislation that ~~promotes~~ encourages the use of ~~OC-LAFCO~~ LAFCO resources to review Regional Transportation Plans, ~~including with a focus on~~ sustainable community strategies and other growth plans to ensure reliable services, orderly growth, ~~sustainable communities~~, and conformity with LAFCO's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCOs and regional planning agencies.
- D2. Support legislation that promotes LAFCO authority and tools that provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity within LAFCO's legislative mandates.
- D3. Support legislation that ~~promotes~~ encourages the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- D4. Support legislation that enhances ~~OC-LAFCO's~~ LAFCO's ability to mitigate the fiscal impacts of change of organization proposals through tax sharing conditions or other terms and conditions.
- D5. Support legislation that promotes legislation that encourages the availability of tools for ~~OC-LAFCO~~ LAFCOs to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.
- D6. Support legislation that supports collaborative efforts among agencies

and LAFCOs ~~that~~ and encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost-effective services.

- D7. Support legislation which clarifies LAFCO's ability to review shared service agreements and provides LAFCO with additional opportunities to encourage shared services.
- D8. Support legislation providing tax reform to mitigate negative fiscal impacts to local governments from past and present tax revenue shifts away from those local governments.
- D9. Oppose legislation that shifts tax revenue away from local governments without the adequate provision of a constitutionally guaranteed "backfill" to offset the lost revenues of those local governments.

III. PROCEDURES

The following procedures will provide guidance to the Commission for the active monitoring of legislation and activities ~~related to OC LAFCO's mission, the County of Orange and Southern California~~ of LAFCO interest.

- A. Newly introduced or identified legislation of LAFCO interest is to be reviewed by OC LAFCO's staff and ~~bills of LAFCO interest will be~~ presented to the Commission for review and ~~possible potential~~ action in a quarterly or interim legislative report. The legislative ~~updates reports~~ shall be presented to the Commission in ~~a timely manner that aligns line~~ with the legislative deadlines and to allows for the greatest potential for the Commission's comments to be received by the legislators and affected stakeholders. In the event that there is a need to respond immediately, the ~~Ad Hoc Legislative Committee~~ OC LAFCO Chair may direct the Executive Officer to respond accordingly ~~to legislation~~.
- B. To increase the efficiency of staff resources and the preparation of legislative ~~updates reports, the Commission may encourage participation in the California Association of LAFCOs (CALAFCO) Legislative Committee and legislative discussions by the Coalition of California LAFCOs (CCL)~~ staff will monitor the legislative activities of LAFCO interest through participation on the California Association of LAFCOs (CALAFCO) Legislative and Advisory Committees and discussions with the CALAFCO Southern Region LAFCOs.
- C. The Commission may consider adopting legislative positions ~~where~~ when deemed appropriate. The general position categories include:

Position	Description
Support	A position given to bills that the Commission believes are consistent with or would further OC LAFCO policy positions, LAFCO’s authority in general, implementation of the Cortese-Knox-Hertzberg Act, or reflects good governance principles as public policy.
Neutral	A position given to bills that have no direct impact upon OC LAFCO, the LAFCO Community, or have been sufficiently amended to remove OC LAFCO’s support or opposition, but the sponsor and/or legislative author requests a position from OC LAFCO.
Watch	A position given to bills that are of LAFCO interest but do not directly affect OC LAFCO or LAFCO’s statewide at that time, including spot bills or two-year bills where the author has indicated that the bill will be amended, or the subject area may change to not impact OC LAFCO, the Commission’s mandated activities or the Cortese-Knox-Hertzberg Act. These bills will be tracked but do not warrant taking a position at that time.
Oppose	A position given to bills that the Commission believes would be detrimental to LAFCO’s authority in general, the policy positions of OC LAFCO, or to good governance principles as public policy.
Support Unless Amended—or Oppose Unless Amended	A position given to bills for which a support or oppose position could be taken if amendments were made to address identified concerns of the Commission. This may include changing a previously stated position of the Commission. These <u>This</u> positions can be changed by the Commission (or the Ad Hoc Committee <u>OC LAFCO Chair</u> under certain circumstances) if identified amendments are presented and accepted by the legislator. <u>This position warrants the preparation of draft amendments by the Commission.</u>
<u>Sponsor</u>	<u>A position given to a bill for which OC LAFCO is the sponsor or co-sponsor. Inherent in this position is OC LAFCO’s support of the bill.</u>

1. Staff recommendations of legislative positions shall be accompanied by a draft position letter for distribution to the bill author, committee chair, or

governor depending on the status of the bill and the legislative cycle. Neutral or watch positions may not warrant distribution of a position letter. An oppose unless amended position warrants the Commission to provide proposed amendments for transmittal to the bill author.

2. The ~~Ad Hoc Legislative Committee comprised of three Commissioners~~ OC LAFCO Chair provides assistance to staff and the Commission in reviewing and responding to legislation of LAFCO interest that requires immediate attention.
3. To allow for the timely transmittal of a ~~legislative position letter on a bill or bills~~ that may affect one or more of the Commission's legislative policy and guidelines, the Commission's Executive Officer is authorized to submit a letter, provided the Commission has previously adopted a position on the bill.
4. To allow for the timely transmittal of a legislative position on a bill or bills that may affect one or more of the Commission's legislative policy and guidelines, the ~~Commission's Legislative Ad Hoc Committee~~ OC LAFCO Chair may direct the Commission's Executive Officer to submit a letter on the Commission's behalf if the Commission has not yet previously adopted a position on the bill.

Original Adoption Date: 5/12/1999

Date of Last Review: ~~10/14/2015~~ 2/09/2022

Date of Last Revision: ~~10/14/2015~~ 2/09/2022

Legislative Policy and Guidelines

I. POLICY

Orange County LAFCO (OC LAFCO) has long recognized the importance of participating in the legislative process and making recommendations on legislation of interest to the Commission and LAFCOs statewide. It is the policy of OC LAFCO to actively participate in the legislative process under the guidelines further expressed in this policy. The Commission will provide feedback and guidance on legislation of LAFCO interest and through the procedures outlined below utilize the OC LAFCO Chair to provide interim review and direction on legislation requiring immediate response.

II. GUIDELINES

The following guidelines are intended to provide guidance for the Commission and staff as they participate in the legislative process through discussions with legislators and affected stakeholders and consider proposed legislation of LAFCO interest. This section of the policy provides guidelines for the review and consideration of legislation involving the four key policy areas: (A) LAFCO Purpose and Authority; (B) LAFCO Governance; (C) Orderly Formation of Boundaries; and (D) Service Delivery and Local Agency Effectiveness.

A. LAFCO Purpose and Authority

- A1. Support legislation that enhances LAFCO's authority and powers to perform the duties mandated by the California Legislature and codified in the Cortese-Knox-Hertzberg Local Reorganization Act of 2000 (Government Code Section 56000 et seq.).
- A2. Support legislation that recognizes the authority for each LAFCO to establish local policies to apply Government Code Section 56000 et seq. based on local needs and conditions and oppose any limitations to that authority.
- A3. Oppose legislation that dilutes LAFCO's authority and ability to meet its legislative mandates and primary mission.

- A4. Oppose legislation that restricts the independent judgment of Commissioners in voting on matters being considered by LAFCO.
- A5. Oppose legislation that grants special status to any individual agency or proposal to circumvent the LAFCO process.

B. LAFCO Governance

- B1. Support legislation that confirms the independence of LAFCO from local agencies.
- B2. Support legislation that recognizes the importance of balanced representation on LAFCO provided by cities, the county, special districts, and the public in advancing the public interest.
- B3. Support legislation that encourages communication and collaborative decision-making among neighboring LAFCOs when growth pressures and multi-county special districts extend beyond LAFCO's jurisdiction.

C. Orderly Formation of Boundaries

- C1. Support legislation that encourages the recognition and use of spheres of influence as long-range planning tools for LAFCOs and local agencies that guide future Commission decisions on individual jurisdictional boundary changes involving cities or special districts, the incorporation of a new city, the formation of a new special district, and other complex reorganizations that include consolidations, mergers, or the formation of a subsidiary district.
- C2. Support legislation that encourages the recognition of LAFCO spheres of influence by other agencies by requiring that those agencies refer to LAFCO determined spheres of influence in the development of local and regional planning documents by the county, cities, and district and facilitate the logical and economical extensions of all their facilities and services.
- C3. Support legislation that encourages orderly boundaries of local agencies and the transition of unincorporated areas to adjacent local agencies based upon their designated spheres of influence.
- C4. Support legislation that encourages collaboration among cities, special districts, the County of Orange, and the public to address municipal service deficiencies within unincorporated areas and facilitate annexation.

- C5. Support legislation that encourages cooperation between cities, the County of Orange, and other affected agencies and stakeholders on decisions involving new development within the cities' designated spheres of influence.

D. Service Delivery and Local Agency Effectiveness

- D1. Support legislation that encourages the use of LAFCO resources to review Regional Transportation Plans, with a focus on sustainable community strategies and other growth plans to ensure reliable services, orderly growth, and conformity with LAFCO legislative mandates. Support efforts that enhance meaningful collaboration between LAFCOs and regional planning agencies.
- D2. Support legislation that promotes LAFCO authority and tools that provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity within LAFCO legislative mandates.
- D3. Support legislation that encourages the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- D4. Support legislation that enhances LAFCO's ability to mitigate the fiscal impacts of change of organization proposals through tax sharing conditions or other terms and conditions.
- D5. Support legislation that promotes legislation that encourages the availability of tools for LAFCOs to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.
- D6. Support legislation that supports collaborative efforts among agencies and LAFCOs and encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost-effective services.
- D7. Support legislation which clarifies LAFCO's ability to review shared service agreements and provides LAFCO with additional opportunities to encourage shared services.
- D8. Support legislation providing tax reform to mitigate negative fiscal impacts to local governments from past and present tax revenue shifts

away from those local governments.

- D9. Oppose legislation that shifts tax revenue away from local governments without the adequate provision of a constitutionally guaranteed “backfill” to offset the lost revenues of those local governments.

III. PROCEDURES

The following procedures will provide guidance to the Commission for the active monitoring of legislation and activities of LAFCO interest.

- A. Newly introduced or identified legislation of LAFCO interest is to be reviewed by OC LAFCO’s staff and presented to the Commission for review and potential action in a quarterly or interim legislative report. The legislative reports shall be presented to the Commission in line with the legislative deadlines and to allow for the greatest potential for the Commission’s comments to be received by the legislators and affected stakeholders. In the event that there is a need to respond immediately, the OC LAFCO Chair may direct the Executive Officer to respond accordingly.
- B. To increase the efficiency of staff resources and the preparation of legislative reports, staff will monitor the legislative activities of LAFCO interest through participation on the California Association of LAFCOs (CALAFCO) Legislative and Advisory Committees and discussions with the CALAFCO Southern Region LAFCOs.
- C. The Commission may consider adopting legislative positions when deemed appropriate. The general position categories include:

Position	Description
Support	A position given to bills that the Commission believes are consistent with or would further OC LAFCO policy positions, LAFCO’s authority in general, implementation of the Cortese-Knox-Hertzberg Act, or reflects good governance principles as public policy.
Neutral	A position given to bills that have no direct impact upon OC LAFCO, the LAFCO Community, or have been sufficiently amended to remove OC LAFCO’s support or opposition.
Watch	A position given to bills that are of LAFCO interest but do not

	directly affect OC LAFCO or LAFCO’s statewide at that time, including spot bills or two-year bills where the author has indicated that the bill will be amended, or the subject area may change to not impact OC LAFCO, the Commission’s mandated activities or the Cortese-Knox-Hertzberg Act.
Oppose	A position given to bills that the Commission believes would be detrimental to LAFCO’s authority in general, the policy positions of OC LAFCO, or to good governance principles as public policy.
Oppose Unless Amended	A position given to bills for which a support position could be taken if amendments were made to address identified concerns of the Commission. This may include changing a previously stated position of the Commission. This position can be changed by the Commission (or the OC LAFCO Chair under certain circumstances) if identified amendments are presented and accepted by the legislator. This position warrants the preparation of draft amendments by the Commission.
Sponsor	A position given to a bill for which OC LAFCO is the sponsor or co-sponsor. Inherent in this position is OC LAFCO’s support of the bill.

1. Staff recommendations of legislative positions shall be accompanied by a draft position letter for distribution to the bill author, committee chair, or governor depending on the status of the bill and the legislative cycle. Neutral or watch positions may not warrant distribution of a position letter. An oppose unless amended position warrants the Commission to provide proposed amendments for transmittal to the bill author.
2. The OC LAFCO Chair provides assistance to staff and the Commission in reviewing and responding to legislation of LAFCO interest that requires immediate attention.
3. To allow for the timely transmittal of a position letter that may affect one or more of the Commission’s legislative policy and guidelines, the Commission’s Executive Officer is authorized to submit a letter, provided the Commission has previously adopted a position on the bill.
4. To allow for the timely transmittal of a legislative position on a bill or bills that may affect one or more of the Commission’s legislative policy and guidelines, the OC LAFCO Chair may direct the Commission’s Executive Officer to submit a letter on the Commission’s behalf if the Commission has

not yet previously adopted a position on the bill.

Original Adoption Date: 5/12/1999

Date of Last Review: 2/09/2022

Date of Last Revision: 2/09/2022