

June 14, 2023

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Special District Member

Carol Moore

City Member

Lou Penrose

Public Member

STAFF

Carolyn Emery

Executive Officer

Scott Smith

General Counsel

TO: Local Agency Formation Commission
of Orange County

FROM: Ad Hoc Committee
Executive Officer
Policy Analyst

SUBJECT: “Legislative Policy and Guidelines” Amendments

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 by the Local Agency Formation Commission of Orange County (OC LAFCO). 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 handbook includes the “Legislative Policy and Guidelines,” first adopted in 1999 to assist the Commission involving OC LAFCO’s participation in the legislative process and consideration of proposed legislation of LAFCO interest.

This staff report includes recommended changes to the legislative policy in response to the Commission’s key effort of legislative engagement discussed in the next section of this report.

DISCUSSION

On August 10, 2022, the Commission approved the agency’s Three-Year Strategic Plan (2022-2025). One of the four goals identified within the Plan is promoting legislative engagement and includes establishing a legislative ad hoc committee to develop principles and guidelines to proactively engage external organizations on legislative affairs. In accordance with Commission bylaws, OC LAFCO Chair appointed Commissioners Bucknum, McGregor, and Wagner to the legislative ad hoc committee. The committee and staff met on May 22 and established the following overall committee objectives: (1) Identify key stakeholders and organizations to proactively engage on legislation of LAFCO interest,

and (2) Develop guidelines to facilitate the engagement of key stakeholders and organizations on legislation of LAFCO interest.

The OC LAFCO Legislative Policy and Guidelines shown in Attachment 1 have been expanded to include guidelines for stakeholder engagement. The proposed amendments generally include the following areas:

- **Section II: Stakeholder Engagement**
 - Identifies local, regional, and statewide stakeholders for engagement on legislative affairs of LAFCO interest and outlines a process to engage stakeholders.
 - Identifies the responsibilities of the Legislative Ad Hoc Committee involving legislative affairs and in an advisory role to the Commission and assisting staff.
- **Section III: Procedures**
 - Clarifies the appointment process and establishes the composition of the OC LAFCO Legislative Ad Hoc Committee.

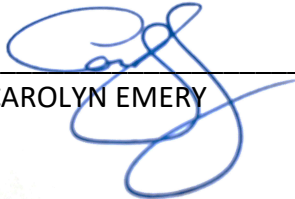
For ease of review, the amendments referenced above and other non-substantial changes to the legislative policy are indicated in redline format in Attachment 1.

RECOMMENDED ACTION


Staff recommends the Commission:

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

Respectfully Submitted,



CAROLYN EMERY



AMANDA CASTRO

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 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. [This section also provides guidelines for the engagement of key stakeholders involving these policy areas.](#)

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 Act 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 the ability to meet ~~their~~ legislative mandates and primary mission.
- A4. Oppose legislation that restricts the independent judgment of Commissioners in voting on matters being considered by their respective 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 LAFCOs 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 a 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 LAFCOs' 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 special districts 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's 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 with LAFCO's 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 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 governments.

E. Stakeholder Engagement

OC LAFCO's key legislative authority and powers involve making decisions and

preparing studies involving the jurisdictional boundaries of cities, special districts and the County. To facilitate communication and inform Orange County's cities, special districts, the County, and their respective statewide organizations and associations on proposed legislation relative to OC LAFCO's key policy areas (as described in Section II (A, B, C, and D)), the general guidelines outlined in this section will be applied.

E1. OC LAFCO staff and the Legislative Ad Hoc Committee will engage the following stakeholders on proposed legislation of LAFCO interest: (1) Orange County Legislators; (2) Association of California Cities - Orange County (ACC-OC); (3) California Special Districts Association (CSDA); (4) California State Association of Counties (CSAC); (5) League of California Cities (LOCC); (6) League of California Cities – Orange County (LOCC-OC) as follows:

1. Distribution of OC LAFCO legislative reports and position letters, as appropriate to Orange County Legislators, ACC-OC, CSDA, CSAC, LOCC, and LOCC-OC.
2. Conduct of annual general session for Orange County Legislators and representatives on ACC-OC, CSDA, CSAC, LOCC, and LOCC-OC to discuss anticipated or proposed legislation of LAFCO interest.

E2. In an advisory role to the Commission, the Legislative Ad Hoc Committee may assist staff as follows:

1. Proactive engagement of Orange County Legislators, ACC-OC, CSDA, CSAC, LOCC, and LOCC-OC board members and directors on legislation sponsored or co-sponsored by OC LAFCO.
2. Participation in discussions with Orange County Legislators and board members and directors of ACC-OC, CSDA, CSAC, LOCC, and LOCC-OC on key legislation of LAFCO interest.

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 a bill that the Commission believes is consistent with or would further OC LAFCO policy position, LAFCOs authority in general, implementation of the Cortese-Knox-Hertzberg Act, or reflects good governance principles as public policy.
Neutral	A position given to a bill that has no direct impact upon OC LAFCO, the LAFCO Community, or has been sufficiently amended to remove OC LAFCO’s support or opposition.
Watch	A position given to a bill that is of LAFCO interest but does not directly affect OC LAFCO or LAFCOs statewide at that time, including a spot bill or two-year bill where the author has indicated that the bill will be amended, or the subject area may change to not impact LAFCOs or OC LAFCO, the Commission’s mandated activities or the Cortese-Knox-Hertzberg Act.
Oppose	A position given to a bill that the Commission believes would be detrimental to LAFCOs authority in general, the policy positions of OC LAFCO, or to good governance principles relative to public policy.
Oppose Unless Amended	A position given to a bill 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 <u>suggestion</u> 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~~ suggested amendments for transmittal to the bill author.

- 2) The OC LACO Chair provides assistance to staff and the Commission in reviewing and responding to legislation of LAFCO interest that requires immediate attention.
- 3) The OC LAFCO Legislative Ad Hoc Committee is appointed by the OC LAFCO Chair, and will serve in an advisory role to the full Commission on legislative affairs including assisting staff with the engagement of key local, regional and statewide stakeholders and reviewing legislation of LAFCO interest, as directed by the Chair or Commission, or requested by staff. Any activity of the Committee will be provided to the Commission within legislative reports subsequent to the activity.

To ensure diverse perspectives and expertise involving the Commission's legislative activities, the Committee shall be comprised of three members of the Commission from different appointing authorities (i.e., city, county, special district and public).

- 4) 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.
- 5) 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.

Originally Adopted: 5/12/1999

Last Reviewed: 3/8/2023

Last Revised: ~~2/9/2022~~ 6/14/23

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