

Policy and Procedural Guidelines for Disincorporations

I. PURPOSE

To provide a process and guiding principles for the analysis of a municipal disincorporation.

II. BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act) provides for OC LAFCO review of a proposed municipal disincorporation. The Act also gives OC LAFCO the authority to adopt written procedures and policies. With the dissolution of redevelopment agencies and the continuing economic struggles of local agencies, OC LAFCO has adopted the following guiding principles to help provide certainty for public agencies involved in a proposed disincorporation.

III. PROCESS

- A. OC LAFCO staff will establish in writing a timeline and process upon receipt of a proposal for a disincorporation as established in the Act.
- B. The Commission will appoint members of a stakeholder working group. The stakeholder working group will consist of applicants, OC LAFCO staff, County staff, residents and others with the specialized knowledge needed to ensure that the process is thorough, transparent and detailed.
- C. All meetings of the stakeholder working group shall follow open meeting laws.
- D. The stakeholder working group may appoint sub-committees to research issues and sub-committee meetings shall be private, unless State law mandates otherwise. However, all work completed by sub-committees shall be presented to the full stakeholder working group and to the Commission in a public meeting.

IV. GUIDING PRINCIPLES

- A. If possible, the disincorporation will provide for a whole and healthy community in terms of municipal services after disincorporation, consistent with the goals and policies of the Act.

- B. If possible, successor agencies shall be made fiscally whole as a result of disincorporation.
- C. As a general principle, assets and liabilities of the disincorporating agency shall remain with the residents of that area.

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