



CITY OF SACRAMENTO
CALIFORNIA

29

OFFICE OF THE
CITY MANAGER

February 3, 1983

CITY HALL
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(916) 449-5704

FILED
By the City Council
Office of the City Clerk

City Council
Sacramento, California

Honorable Members in Session:

FEB 8 1983

SUBJECT: LAFCO Moratorium on Annexations - Information Item

On January 10, 1983 the First District Court of Appeals rendered a decision in the case, "Resource Defense Fund vs Santa Cruz Local Agency Formation Commission", which has the effect of prohibiting Local Agency Formation Commissions from processing any proposals of any kind until the Commission has adopted Spheres of Influence for all special districts and cities. The Court held that a LAFCO is required by law to consider Spheres of Influence when deliberating on annexations, detachments, etc. and, therefore, LAFCO cannot consider such actions in the absence of adopted Spheres of Influence.

This decision completely shuts down proposal processing in 56 of the 58 LAFCO's in the State.

Three remedial bills have been introduced in the Legislature at the request of the California Association of LAFCO's (CALAFCO) which would, by statute, provide a grace period of 18 to 24 months during which LAFCO's, while conducting Sphere of Influence studies, could continue to process and complete individual proposals.

At its meeting of February 2, 1983, the Sacramento LAFCO approved its Executive Officer's recommendation to hire 5 people on a temporary basis to finish the Spheres of Influence as quickly as possible. The Executive Officer's report and recommendations are attached.

The Sacramento LAFCO will be able to resume proposal processing when all the Spheres of Influence are adopted or when remedial legislation becomes law; whichever occurs first. In either case, all proposals will be delayed for a minimum of four to six months.

The significance of the situation for the City of Sacramento is that all actions involving the City which are pending before LAFCO will be held in abeyance for four to six months.

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The pending matters are:

- Willow Creek Annexation to the City of Sacramento (South Natomas area)
- Morrison Creek Annexation to the City of Sacramento (Florin-Perkins area)

This memo is provided for information only. No action is required by the Council.

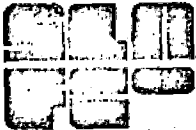
Respectfully submitted,



MAC MAILES
Assistant City Manager
for Community Development

For City Council Information:


WALTER J. SLIPE, City Manager



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

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January 26, 1983

Commission

Public Members

Barbara W. Pennington,
Dennis Doré Inks, *Alternate*

City Members

Ronald V. Jacobsen, Commission Chairman
Terry Kaslanis
George E. "Bud" Hannaford, *Alternate*

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Illa Collin, *Alternate*

Special District Members

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John S. Farrell
Executive Officer

Karen L. Hall
Staff Analyst

Marilyn Ann Flemmer
Commission Clerk

TO: Sacramento Local Agency Formation Commission
FROM: John S. Farrell, Executive Officer
RE: SPHERE OF INFLUENCE PROGRAM
(Santa Cruz County Appellate Court Decision)

The effect of the Santa Cruz decision on the Sacramento Local Agency Formation Commission is such that "before your Commission may approve a proposal within its jurisdiction, it must develop, determine, adopt and consider the Sphere of Influence of EACH local governmental agency which may include the subject territory in its Sphere of Influence."

The language of the decision is fairly concise, yet there are different interpretations of what key words mean. For example, the case prohibits a LAFCo from approving a proposal if the Sphere of Influence requirement has not been satisfied. May a Commission deny a proposal if a Sphere of Influence has not been adopted? Furthermore, do Spheres need to be completed for only local governmental agencies directly affected by a proposed boundary change (i.e., Willow Creek Annexation to the City of Sacramento; detachment from Natomas Fire District, Sylvan Cemetery District) or for all underlying agencies, i.e., Port District, Abatement District, S.M.U.D., etc.)?

A special committee of CALAFCo met on Thursday, January 20, 1983, to review effects of the decision and to discuss legislative remedy for the immediate problems of economic hardship and excessive delay that

will be created for those persons whose routine projects pose no threat to the legislative intent of the judgment. Your Executive Officer is serving on that Committee. While the Committee agreed that legislation is urgently needed which will provide a "grace period" for LAFCo's to complete their Spheres while normal proposal processing continues, no one believes it will be effective within a reasonable period of time.

Answers to the processing problems posed by the Appellate Court decision will not be immediately forthcoming; and, without clarification from the Court or legislature, both Commission Counsel and I advise your Commission to strictly interpret the decision and NOT TAKE ANY TYPE OF ACTION UNTIL ALL SPHERES OF INFLUENCE ARE COMPLETED.

SACRAMENTO COUNTY SPECIAL DISTRICTS SUBJECT TO THE APPELLATE COURT DECISION

There are over 100 special districts remaining in Sacramento County for which the Sphere of Influence requirement has not been satisfied. The number and class of agencies are noted below:

- 22 fire agencies
- 19 park agencies
- 18 water purveyors
- 5 sanitation
- 1 drainage
- 20 reclamation
- 5 street lighting
- 4 resource conservation
- 5 flood control
- 1 port
- 1 mosquito abatement
- 1 municipal utility
- 1 Community Services District (Rancho Marieta)

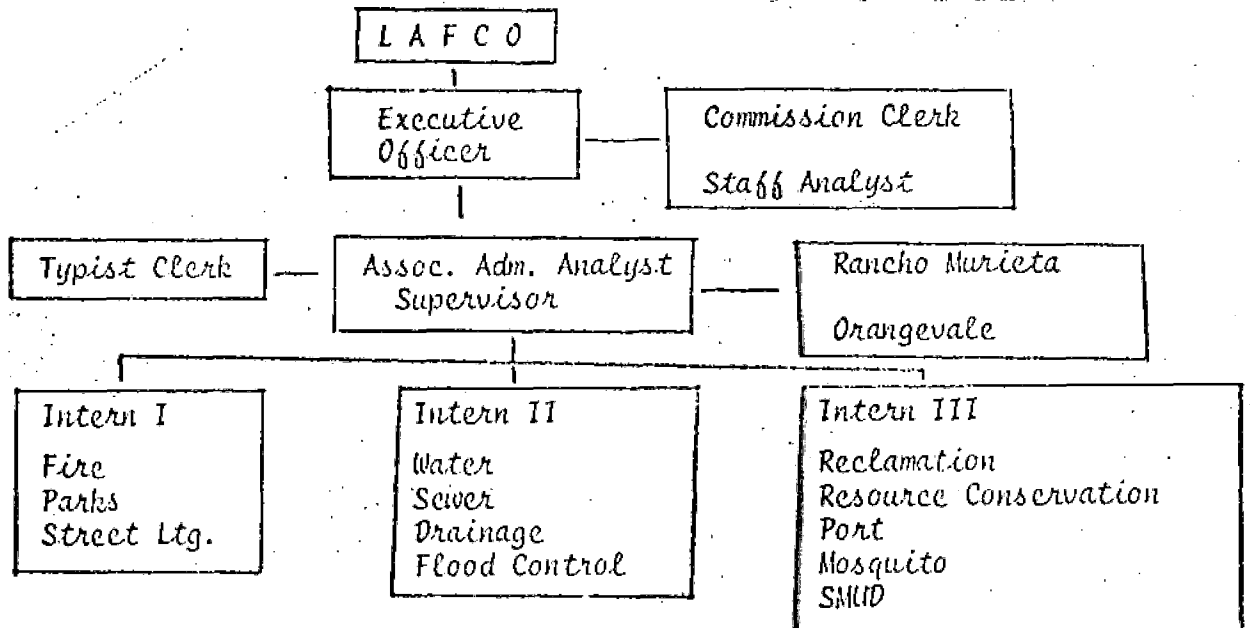
In addition to these agencies, at some point in the near future, your Commission will be entertaining a proposal to create a Community Services District for the community of Orangevale. The proposed Community Services District will also need a Sphere of Influence.

PROPOSED SPHERE OF INFLUENCE WORK PROGRAM

To complete the Sphere of Influence work program so that proposals move forward in the most expeditious and timely fashion, I recommend that your Commission authorize me to hire the equivalent of an additional five persons for a minimum of six months to work exclusively on developing Spheres of Influence. Recommended positions include the equivalent of:

- (1) Associate Analyst or Planner
- (3) Administrative Trainees or Student Interns
- (1) Typist Clerk II

Each individual would be assigned a specific area of responsibility. For example: permanent LAFCO staff (Executive Officer, Staff Analyst, and Commission Clerk) would continue to process proposals and work on pending or continued matters. However, all other staff would devote full time to completing the Sphere of Influence studies.



The Associate Analyst/Planner would be responsible for direct supervision of the Sphere work force as well as special areas of study. The cost for this position for six months is \$12,426. The hourly rate for a student intern is \$5.75. The cost for three full-time persons for six months at \$5.75/hour is \$15,696. The cost of a typist clerk II for six months is \$5,484. Since these positions will be limited term, and extra help in nature, no benefits are to be provided for these employees.

(1) Associate Analyst/Planner	\$12,426
(3) Student Interns	\$15,696
(1) Typist Clerk, II	<u>\$5,484</u>
	\$33,606

Source of Funding

Because of mid-year personnel changes and the underfilling of the Assistant Executive Officer position with a Staff Analyst, the Commission's 1982-83 budget should have a year end fund balance of \$10,000 - \$12,000. Furthermore, over the past six years, LAFCo has accumulated approximately \$45,000 in available fund balance (year end roll over/reserve) which could be appropriated into the Commission budget to fund the necessary work.

Executive Officer Comments

The Santa Cruz Appellate Court Decision is the most significant to affect LAFCo since the Sphere of Influence mandate was chaptered into law. The statewide impact might well be substantial. While the decision may create some short term (hopefully) hardship, it is very important

because it reinforces legislative intent in creating LAFCo -- preventing urban sprawl, protecting agricultural lands and open space and assuring the orderly and economic delivery of governmental services.

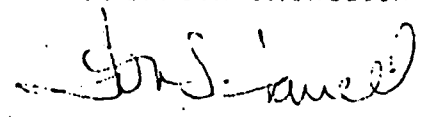
Your staff has long held and emphasized to you the importance of completing the Sphere of Influence work program, not merely to satisfy the requirement of the law, but because the Spheres are the ONLY positive planning tools the Commission has at its disposal to implement state and local policy. (See attached report dated December 17, 1981.)

Recommendation

It is, therefore, my recommendation that your Commission:

1. Appropriate \$35,000 in Unappropriated Reserves into the LAFCo budget. (From 0740 into 4540.)
2. Authorize me to hire the equivalent of five persons to fill the positions outlined in this report.
3. Direct me to report back to you at 60 day intervals on the progress of the Sphere Work Program.
4. Conceptually support special legislation that would provide a grace period of 18-24 months in which to complete the Spheres of Influence while normal proposal processing continues.

Respectfully submitted,
SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION



John S. Farrell
Executive Officer

