

San Luis Obispo Local Agency Formation Commission

Serving the Area of San Luis Obispo County Since 1963



www.slolafco.com

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Mission Statement

The San Luis Obispo Local Agency Formation Commission (LAFCO) is committed to serving the residents of San Luis Obispo County and the State of California by discouraging urban sprawl and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

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San Luis Obispo

LOCAL AGENCY FORMATION COMMISSION

COMMISSIONERS

Chairman: Richard Roberts, Public Member
Vice Chairman: Bruce Gibson, County Member
Muril Clift, Special District Member
Ed Eby, Special District Member
James R. Patterson, County Member
Duane Picanco, City Member
Kris Vardas, City Member

ALTERNATES

Roberta Fonzi, City Member
Frank R. Mecham, County Member
Tom Murray, Public Member
Vacant, Special District Member

STAFF

David Church, AICP, Executive Officer
Raymond A. Biering, Legal Counsel
Mike Prater, LAFCO Analyst
Donna J. Bloyd, Commission Clerk



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CHAPTER 1 INTRODUCTION

Local Agency Formation Commissions (LAFCOs) were created to help organize, manage, and regulate the provision of public services to development. LAFCOs were created in 1963 in response to the post World War II development boom and the proliferation of development and local agencies providing public services to California's fast growing communities. The results of this development boom became evident as more of California's agricultural land was converted to urban uses. This premature and unplanned development pattern created inefficient and expensive systems of delivering public services using multiple small units of local government. A number of pieces of legislation were passed to help manage this situation, the most recent being the Cortese-Knox-Hertzberg Act of 2000 (CKH Act).

Authority and Mandate

A section of the California Government Code, the CKH Act, provides LAFCO with its powers, procedures and functions. This law give LAFCOs the power to "approve or disapprove with or without amendment, wholly, partially, or conditionally" proposals concerning the formation of cities and special districts and other changes of jurisdiction or organization of local government agencies.

The CKH Act makes significant changes to LAFCOs' policies, procedures, and operations. It streamlines and clarifies procedures and strengthens LAFCOs' role and powers to prevent urban sprawl and protect open space. It includes many changes related to making LAFCOs more balanced and independent in representation and operation, making LAFCOs more accountable and visible to the public and enhancing communication among LAFCOs and other local government agencies.

LAFCO is required to review and approve or disapprove proposals for boundary changes or governmental reorganizations of cities and special districts, including (1) the formation of special districts and cities and (2) the annexation and detachment of territory to cities and special districts. In addition, LAFCO is required to determine a sphere of influence for each local governmental agency within its county. A sphere of influence is a twenty-year growth plan for the probable physical boundary and service area of the agency. After adoption, it is used by the Commission as a factor considered in review of proposals.

LAFCO must consider the effect that any proposal may produce on existing agricultural lands. By guiding development toward vacant urban land and away from agricultural preserves, LAFCO assists with the preservation of valuable agricultural resources.



In reviewing proposals, LAFCO is required to consider certain factors such as the conformity between city and county plans, current levels and needs for future services to the area, and the social, physical and economic effects that agency boundary changes may present to the community. The State of California, through legislation, gives LAFCOs the authority to achieve the following objectives:

Encourage the Orderly Formation of Local Governmental Agencies

LAFCOs review proposals for the formation of new local governmental agencies and changes of organization in existing agencies. In California there are 58 LAFCOs working with nearly 4,000 governmental agencies in 58 counties, 500+ cities, and 3,000+ special districts. Agency boundaries are often unrelated to one another and sometimes overlap at random, often leading to higher service costs to taxpayers and general confusion regarding service area boundaries. LAFCOs' decisions strive to balance the competing needs in California for affordable housing, economic opportunity, and conservation of natural resources.

Preserve Agricultural Land Resources

LAFCO must consider the effect that any proposal may produce on existing agricultural lands. By guiding development toward vacant urban land and away from agricultural land, LAFCO assists with the preservation of valuable agricultural resources. The CKH Act strongly discourages the use of prime agriculture land for development. The definition of prime agriculture land is found in the CKH Act. In 2008 San Luis Obispo LAFCO adopted Agricultural Goals-Policies-Guidelines developed to help preserve agricultural resources. These policies can be found in Section 2.8 of the Policies chapter.

Discourage Urban Sprawl

Urban sprawl can best be described as irregular and disorganized growth occurring without apparent design or plan. This pattern of development is characterized by the inefficient delivery of urban services (police, fire, water, and sanitation) and the unnecessary loss of agricultural resources. By discouraging sprawl, LAFCO limits the misuse of land resources and promotes a more efficient system of local governmental agencies.



San Luis Obispo LAFCO Membership

The Commission is comprised of seven regular members (Two County Board of Supervisors, two City Council Members, two Special District Members, and one Public Member) and four Alternate Commissioners (One County Board of Supervisor, one City Council Member, one Special District Member, and one Public Member). Current membership is shown below:

Member	Type	Term Expiration
Muril Clift	Special District Member	December 2012
Ed Eby	Special District Member	December 2014
Bruce Gibson	County Member	December 2013
James R. Patterson	County Member	December 2011
Duane Picanco	City Member	December 2011
Richard Roberts	Public Member	December 2012
Kris Vardas	City Member	December 2013

Alternates	Type	Term Expiration
Roberta Fonzi	City Member	December 2014
Tom Murray	Special District Member	December 2012
Frank R. Mecham	County Member	December 2011
Vacant	Special District Member	December 2013

The County Board of Supervisors appoints two regular representatives and one alternate representative from the County. The cities convene a special committee composed of the mayors from each city to appoint two regular and one alternate representative. The Special Districts elect representatives through a process implemented by the Executive Officer pursuant to the CKH Act. The LAFCO Commission appoints public representatives to serve on the Commission.

San Luis Obispo LAFCO Staff

The Commission's staff serves in an administrative capacity, reviewing proposals, preparing special studies, and acting as the liaison with state and local agencies and the public. Staff may be contacted by phone at (805) 781-5795, via e-mail through the Commission's website at www.slolafco.com, or by the e-mail addresses listed below:

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CHAPTER 2

POLICIES

The CKH Act requires that each LAFCO establish policies and procedures. The CKH Act also states that LAFCOs are to exercise their powers consistent with those policies and procedures. The policies should encourage and provide for urban development patterns balanced with the goals of preserving open space and agricultural land while discouraging urban sprawl. In this chapter, the policies are broken into eight different sections:

- 2.1. General Policies
- 2.2. City Incorporations
- 2.3. City Annexations
- 2.4. Special District Annexations
- 2.5. Formation of Special Districts
- 2.6. Sphere of Influence and Service Reviews
- 2.7. Municipal Service Review Policies
- 2.8. Memorandum of Agreement Policies
- 2.9. Agricultural Policies

The policies in this chapter reflect the legislative intent of the CKH Act and provide for the consistent implementation based upon local conditions and circumstances. This chapter also incorporates by reference (1) policies that are explicitly required by the CKH Act, (2) new definitions stated in the CKH Act, and (3) implementation of any new LAFCO authority. The CKH Act clarified the many factors that LAFCOs must consider and balance in making decisions as is stated in the Act:

“The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with the sometimes competing state interests of discouraging urban sprawl, preserving open space and prime agriculture lands, and efficiently extending government services.”

2.1 General Policies

The following General Policies are to be used by the San Luis Obispo LAFCO in making decisions regarding all proposals as applicable and appropriate:

1. The Commission shall endeavor to balance the need to efficiently provide public services with the sometimes-competing interests of discouraging urban sprawl, preserving prime agriculture land and open space (CKH Act 56001).



2. While serving on the Commission, all members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole, to implement the CKH Act (CKH Act 56325.1).
3. Cities and Special Districts are discouraged from annexations outside of their sphere of influence unless the need for such services is clearly demonstrated (CKH 56375.5).
4. Jurisdictions are encouraged to create places to live that integrate various land uses as a way of providing for a diverse social and economic community.
5. Cities are encouraged to annex unincorporated islands as well as land that is mostly surrounded by the municipality (CKH 56001, 56375.3).
6. The Commission encourages development of vacant land within a municipality over development in fringe areas and discourages strip or noncontiguous annexations to Cities (CKH 56301).
7. The Commission prefers urban development within Cities as opposed to development in the unincorporated area (CKH 56001).
8. The Commission will recognize and preserve clearly defined, long-term agricultural and open space areas established by the County or other jurisdictions to preserve critical environmental areas and to bolster local economies (CKH 56001).
9. The Commission favors annexation to an existing agency over creation of a new agency. When the formation of a new government entity is proposed, the Commission shall make a determination as to whether existing agencies can feasibly provide the service in a more efficient manner (CKH 56301).
10. The Commission discourages Special Districts from extending services by agreement without annexation. A municipality or district may provide new or extended services by contract or agreement outside its boundaries only if it requests and receives written approval from LAFCO (CKH 56133).
11. The Commission normally will require annexation to a municipality rather than annexation to a sanitation, sanitary, community service or water district in the unincorporated area (CKH 56001).
12. The Commission will require, as a condition to city annexation, detachment of the annexed territory from the special district where appropriate (CKH 56001).



13. The Commission prefers the merger of a special district with a municipality upon incorporation, whenever possible, as being in the best interest of the local citizens.
14. In any proposal, the impacts on affordable housing must be considered. The Commission will consider the impact of the creation of new jobs on affordable housing stock, not only in the jurisdiction to which the annexation is proposed, but also in neighboring jurisdictions. The agency to which the annexation is proposed should demonstrate to the Commission that the effects of the proposed project on affordable housing have been mitigated (CKH 56001).
 - a. The Commission recognizes that providing a range of housing opportunities for persons and families of all incomes is an important factor in promoting orderly development.
15. Prior to annexation of territory within an agency's sphere of influence, the Commission encourages development on vacant or underutilized parcels already within the boundaries of a jurisdiction. The agency should provide LAFCO with a build-out estimate or inventory and document how it was prepared.
16. In any proposal requiring water service, the Commission requires that the agency to which the annexation is proposed should demonstrate the availability of an adequate, reliable and sustainable supply of water. In cases where a phased development is proposed, the agency should demonstrate that adequate service capacity will be provided as needed for each phase. In cases where a proposed annexation will be served by an onsite water source, the proponent should demonstrate its adequacy (CKH 56668 (k)).
17. The Commission shall review and update the spheres of influence for all applicable jurisdictions in the County every five years, or as necessary, pursuant to the CKH Act and an approved local work plan. (CKH 56425 (g))
18. A municipal service review (MSR) shall be prepared to update the spheres using the guidelines adopted by San Luis Obispo LAFCO and in accordance with the CKH Act.
19. The Commission shall give "great weight" to a proposal that is supported by a community's long-range vision for its growth and development.



2.2 Policies for City Incorporation

1. Incorporation will be discouraged where a municipal government already exists adjacent to the area. Existing jurisdictional boundaries of other agencies shall be recognized and evaluated.
2. When other municipalities are adjacent, the Commission will consider as preferable, in the order listed, the following actions:
 - a. Annexation to an existing municipality.
 - b. Reorganization, consolidating one or more of the municipalities and the unincorporated area.
 - c. Incorporation.
3. Incorporation will be given more favorable consideration if:
 - a. A community is geographically located some distance from any other municipality.
 - b. There is a demonstrated public need for additional governmental services and controls or a need for a higher level of some or all of those services being provided.
 - c. The needed governmental services can be shown to be most quickly and economically provided by incorporation.
 - d. The area to be incorporated is compact, contiguous, possesses a community identity and includes a variety of land uses that provides for a balanced community.
 - e. The proposed incorporation must reflect and consider the general plan of the County and affected Cities.
 - f. The proposed incorporation must not conflict with the logical growth of adjacent cities as reflected in Commission approved spheres of influence.
 - g. The proposed incorporation does not represent an attempt to incorporate only revenue-producing territories to preempt neighboring cities from receiving those revenues.



- h. The proposed boundaries do not create or result in areas that are difficult to serve.
- i. The proposed boundaries must be definite and certain and wherever possible, should conform to lines of assessment and consider topographic, geographic, and historic boundaries.
- j. The effect of incorporation on a special district must be considered.
- k. Within the proposal there must be a cost-versus-benefits justification of the proposed incorporation.
- l. Sufficient revenue to supply required municipal services is evident in the incorporation proposal.
- m. Consideration will be given to the effect of incorporation upon adjacent landowners, governmental agencies, and the County.
- n. A Comprehensive Fiscal Analysis (CFA) must be completed pursuant to CKH Act 56800 and the LAFCO incorporation guidelines prepared by the State Office of Planning and Research.
- o. The incorporation would result in a similar exchange of both revenue and responsibility for service delivery between the County, the proposed municipality and other involved agencies (CKH 56815).
- p. The incorporation proposal shall fully consider the State Guidelines for incorporation. These guidelines are advisory to the Commission in the review of an incorporation proposal and should be used in preparing any incorporation proposal.

2.3 Policies for City Annexations

- 1. The boundaries of a proposed annexation must be definite and certain and must conform to lines of assessment whenever possible.
- 2. The boundaries of an area to be annexed will not result in any areas difficult to serve.
- 3. There is a demonstrated need for governmental services and controls in the area proposed for annexation.



4. The municipality has the resources capable of meeting the need for services in the area proposed for annexation and has submitted studies and information documenting its ability to serve.
5. There is a mutual social and economic community of interest between the residents of the municipality and the proposed territory.
6. The proposed annexation is compatible with the municipality's general plan. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.

2.4 Policies for Annexation to Special Districts

1. A demonstrated need exists for the required services and there is no reasonable alternative manner of providing these services.
2. The proposed annexation represents a logical and reasonable expansion of the district.
3. The proposed annexation reflects the plans of the adjacent governmental agencies.
4. The proposed annexation does not represent an attempt to annex only revenue producing property.
5. The proposed boundaries must be definite and certain and conform to lines of assessment whenever possible.
6. The district has the capability of meeting the need for services and has submitted studies and information documenting its capabilities.

2.5 Policies for Formation of Special Districts

1. There is a demonstrated need for services or controls which can be provided by a special district.
2. There is no alternative which would provide for the required service in a more reasonable manner.
3. There will be sufficient revenue to adequately finance the required services or controls.



4. The proposal does not represent a conflict with the reasonable and logical expansion of adjacent governmental agencies.
5. The boundary configuration will not create or result in areas difficult to serve.
6. The boundaries of the proposed formation must be definite and certain and must conform to lines of assessment whenever possible. The boundaries must not conflict with boundaries of other public agencies possessing the same powers unless properly justified.

2.6 Sphere of Influence Review Policies

The CKH Act provides the legislative authority and intent for establishing a sphere of influence and is included by reference in these policies. A sphere of influence is the 20-year growth boundary for a jurisdiction's physical development. These policies are intended to be consistent with the CKH Act and take into consideration local conditions and circumstances. All procedures and definitions in the CKH Act are incorporated into these policies by reference.

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 and the proliferation of local governmental agencies and to encourage efficiency, economy, and orderly changes in local government.
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. No proposal which is inconsistent with an agency's adopted sphere of influence shall be approved until the Commission, at a noticed public hearing, has considered an amendment or revision to that agency's sphere of influence.
4. The adopted sphere of influence shall reflect city and county general plans, growth management policies, annexation policies, resource management policies, and any other policies related to ultimate boundary area of an affected agency unless those plan or policies conflict with the legislative intent of the CKH Act (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.

In accordance with the CKH Act a municipal service review shall be conducted prior to the update of a jurisdiction's sphere of influence. The service review is intended to be a basis for updating a jurisdiction's sphere of influence.

5. LAFCO will designate a sphere of influence line for each local agency that represents the agency's probable physical boundary and includes territory eligible for annexation and the extension of that agency's services within a zero to twenty-year period.
6. LAFCO shall consider the following factors in determining 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 (CKH 56425 (e)(1)).
 - b. Capability of the local agency to provide needed services, taking into account evidence of resource capacity sufficient to provide for internal needs and urban expansion (CKH 56425 (e)(2)).
 - c. The existence of agricultural preserves, agricultural land 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 (CKH 56426.5 (a)).
 - 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, and area, ownership patterns, assessed valuations, and proximity to other populated areas.
 - f. The agency's capital improvement or other plans that delineate planned facility expansion and the timing of that expansion.
 - g. Social or economic communities of interest in the area (CKH 56425 (e)(4)).



8. LAFCO may adopt a zero sphere of influence encompassing no territory for an agency. This occurs if LAFCO determines that the public service functions of the agency are either nonexistent, 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.
9. 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 the area.
10. 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 an agency's sphere of influence. Exclusion of these areas from an agency's sphere of influence indicates that detachment is appropriate.
11. Where an area could be assigned to the sphere of influence of more than one agency providing needed service, the following hierarchy shall apply dependent upon ability to serve:
 - a. Inclusion within a municipality sphere of influence.
 - b. Inclusion within a multipurpose district sphere of influence.
 - c. Inclusion within a single-purpose district sphere of influence.

In deciding which of two or more equally capable agencies shall include an area within its sphere of influence, LAFCO shall consider the agencies' service and financial capabilities, social and economic interdependencies, topographic factors, and the effect that eventual service extension will have on adjacent agencies.
12. 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.
13. Nonadjacent publicly owned properties and facilities used for urban purposes may be included within that public agency's sphere of influence if eventual annexation would provide an overall benefit to agency residents.
14. At the time of adoption of a city sphere of influence, LAFCO may develop and



adopt in cooperation with the municipality, an urban area boundary pursuant to policies adopted by the Commission in accordance with Government Code Section 56080. LAFCO shall not consider any area for inclusion within an urban service area boundary that is not addressed in the general plan of the affected municipality or is not proposed to be served by urban facilities, utilities, and services within the first five years of the affected city's capital improvement program.

15. LAFCO shall review sphere of influence determinations every five years or when deemed necessary by the Commission. 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 LAFCO Executive Officer. Any local agency or county making such a request shall reimburse the Commission for the actual and direct costs incurred by the Commission. The Commission may waive such reimbursement if it finds that the request may be considered as part of its periodic review of spheres of influence.
16. LAFCO shall adopt, amend, or revise sphere of influence determinations following the procedural steps set forth in CKH Act 56000 et seq.

2.7 Municipal Service Review Policies

The following policies are meant to guide San Luis Obispo LAFCO in the preparation of the municipal service review for jurisdictions:

1. The Commission shall use the Municipal Service Review Guidelines found in Appendix A as a framework for preparing a municipal service review for a jurisdiction.
2. In order to prepare an update of spheres of influence in accordance with Section 56425, the Commission shall conduct a municipal service review of the municipal services provided by the local agency or service jurisdiction.
 - a. LAFCO shall complete a municipal service reviews consistent with the provisions contained in the CKH Act.

2.8 Memorandum of Agreement Policies

1. LAFCO shall work together with the affected jurisdictions and facilitate a constructive dialogue of the issues related to a service review with the goal of achieving an agreement which can be given "great weight" by the Commission in its deliberations. The following steps shall be taken to encourage such



discussions and develop a memorandum of agreement (MOA) between a city (or district is applicable) and the County regarding a city's sphere of influence.

- a. Prepare agendas and facilitate initial meetings between representatives of the city, district and the County to identify potential sphere of influence areas and possible land use development standards. The County Agriculture Commissioner's Office and the property owners should be included in these discussions as appropriate.
- b. The negotiation period shall begin when the preparation of the Municipal Service Review is initiated prior to adoption of the resolution of application.
- c. LAFCO staff shall prepare a draft memorandum of agreement that includes a map of the proposed sphere of influence along with provisions which address development processes and/or zoning requirements.
- d. Conduct a series of meetings to discuss issues and agree to specific language provisions and SOI boundaries, if possible.
- e. Provide the city and County with a final memorandum of agreement for a public hearing and consideration by the City council and the County Board of Supervisors.
- f. If the city and County Board of Supervisors approve the memorandum of agreement, the Commission is required to give the agreement "great weight" in making a decision regarding the sphere of influence.
- g. If the sphere of influence approved by the Commission is consistent with the agreement, the city and the county shall implement the provisions of the agreement by amending their respective general plans.
- h. If the Commission changes the sphere of influence agreed upon by the city and the County, the agreement shall not be implemented; however, it may be renegotiated if both parties agree to further discussions.

2.9 Agricultural Policies

The policies in this section are designed to assist LAFCO in making decisions that achieve the Goals stated in the previous section. A policy is a statement that guides decision making by indicating a clear direction on the part of LAFCO. The following policies support the goals stated above and shall be used by San Luis Obispo LAFCO when considering a proposal that would involve agricultural resources:



- Policy 1.** Vacant land within urban areas should be developed before agricultural land is annexed for non-agricultural purposes.
- Policy 2.** Land substantially surrounded by existing jurisdictional boundaries should be annexed before other lands.
- Policy 3.** In general, urban development should be discouraged in agricultural areas. For example, agricultural land should not be annexed for nonagricultural purposes when feasible alternatives exist. Large lot rural development that places pressure on a jurisdiction to provide services and causes agricultural areas to be infeasible for farming should be discouraged.
- Policy 4.** The Memorandum of Agreement between the City and County should be used and amended as needed to address the impacts on and conversion of Agricultural Lands on the fringe of a City.
- Policy 5.** The continued productivity and sustainability of agricultural land surrounding existing communities should be promoted by preventing the premature conversion of agricultural land to other uses and, to the extent feasible, minimizing conflicts between agricultural and other land uses. Buffers should be established to promote this policy.
- Policy 6.** Development near agricultural land should not adversely affect the sustainability or constrain the lawful, responsible practices of the agricultural operations.
- Policy 7.** In considering the completeness and appropriateness of any proposal, the Executive Officer and this Commission may require proponents and other interested parties to provide such information and analysis as, in their judgment, will assist in an informed and reasoned evaluation of the proposal in accordance with these policies.
- Policy 8.** No change of organization, as defined by Government Code 56021, shall be approved unless it is consistent with the Spheres of Influence of all affected agencies.
- Policy 9.** Where feasible, and consistent with LAFCO policies, non-prime land should be annexed before prime land.
- Policy 10.** The Commission will consider feasible mitigation (found in the following guidelines) if a proposal would result in the loss of agricultural land.



Policy 11. The Commission encourages local agencies to adopt policies that result in efficient, coterminous and logical growth patterns within their General Plan and Sphere of Influence areas and that encourage protection of prime agricultural land in a manner that is consistent with this Policy.

Policy 12. The Commission shall approve annexations of prime agricultural land only if mitigation that equates to a substitution ratio of at least 1:1 for the prime land annexed is agreed to by the applicant (proponent), the jurisdiction with land use authority. The 1:1 substitution ratio may be met by implementing various measures:

- a. Acquisition and dedication of farmland, development rights, and/or agricultural conservation easements to permanently protect farmlands with similar characteristics within the County Planning Area.
- b. Payment of in-lieu fees to an established, qualified, mitigation/conservation program or organization sufficient to fully fund the acquisition and dedication activities stated above in 12a.
- c. Other measures agreed to by the applicant and the land use jurisdiction that meet the intent of replacing prime agricultural land at a 1:1 ratio.

Policy 13. Property owners of agricultural lands adjacent to a LAFCO proposal shall be notified when an application is submitted to LAFCO.



CHAPTER 3 PROCEDURES

The following is a step-by-step guide to the basic procedures followed by San Luis Obispo LAFCO in considering proposed changes in local government organization. More detailed procedures can be found in the CKH Act and “A Guide to LAFCO Procedures for City and Special Districts Change of Organization and Reorganization” which are incorporated by reference into this policy document. All references in this section are to the Government Code unless otherwise specified.

3.1 Preliminary Steps

1. Proponent reviews proposal with LAFCO staff. Although this step is not required, a brief discussion with LAFCO staff before application submittal could save the proponent time. These following steps are suggested:
 - a. Call for an appointment.
 - b. Bring the following information:
 - (1) Assessor’s parcel numbers (APNs) for individual lots or project maps for complex proposals.
 - (2) General plan and zoning designations.
 - (3) Development plans, if applicable. LAFCO generally requires approved development plans, such as tentative maps, specific plans, etc, when vacant territory is proposed for annexation to a municipality or district. A key consideration of LAFCO’s review of annexation requests is the timing of the action. LAFCO discourages the annexation of vacant land until it can be demonstrated that services are required. Approved development plans also provide the information necessary to evaluate a proposal. The plans show what land uses are planned, the level of services required, how services will be provided, and the conditions under which service will be extended. They also enable LAFCO to evaluate the impact of a jurisdictional change on adjacent areas.
 - c. LAFCO staff will review procedures, information requirements, and fees.
 - d. Proponent should obtain application forms and ascertain what environmental documentation will be necessary.
2. Proponent prepares application material for proposal. More complex proposals



may need additional information, but all proposals must include the following:

- a. A certified resolution or petition of landowners/registered voters making the application. A petition or resolution of application shall include all of the following (56700):
 - (1) State that the proposal is made pursuant to the CKH Act.
 - (2) State the nature of the proposal and list all proposed changes of organization.
 - (3) Set forth a legal description of the boundaries of the affected territory accompanied by a map showing the boundaries.
 - (4) Set forth any proposed terms and conditions.
 - (5) State the reason(s) for the proposal.
 - (6) State whether the petition is signed by registered voters or landowner(s). (Not applicable to a resolution of application.)
 - (7) Designate not more than three persons as chief petitioners, setting forth their names and mailing addresses. (Not applicable to a resolution of application.)
 - (8) State whether the proposal is consistent with the spheres of influence of any affected municipality or district.
 - (9) Request that proceedings be taken for the proposal pursuant to this part.
 - (10) A resolution of application shall include a plan for services prepared according to CKH 56653.
- b. One copy of a metes and bounds legal description of the perimeter of the subject proposal.
- c. A Mylar, digital, or sepia parcel map of the subject property and ten prints.
- d. Two copies of a vicinity map of the subject property.
- e. One copy of any environmental documents (pursuant to CEQA)



- associated with the proposal if, however, an environmental impact report (EIR) associated with the subject proposal was prepared, 15 hard copies of the certified EIR must be submitted with the application along with one digital copy. Only one copy of the EIR appendices is required.
- f. One large-scale topographical map of the subject property and a clear 8.5 by 11 inch map of the property.
 - g. If the proposal includes annexation to a municipality, indicate that the annexing municipality has rezoned the property, such as a city council resolution approving the rezoning.
 - h. Processing fees.
3. As with other public agencies, San Luis Obispo LAFCO is required to comply with the California Environmental Quality Act (CEQA) for purposes of considering the environmental impact of its actions. Each proposal must receive the appropriate environmental review for consideration by the Commission in making its decision. For a detailed discussion of environmental requirements, please refer to Section IV of these Guidelines.

3.2 LAFCO Proceedings

1. Proponent delivers a complete application to the LAFCO Executive Officer (Section 56652).
2. The LAFCO Executive Officer determines if:
 - a. The application is sufficient as required by law and issues a determination on its sufficiency within 30 days of submittal.
 - b. If LAFCO is to be the lead agency, then the environmental review is undertaken by LAFCO.
 - c. A satisfactory exchange of property tax has taken place. Master property tax agreements may be applicable or separate property tax exchange resolutions may be required. If negotiations leading to adoption of separate resolutions are required, either the County or any affected municipality must agree to a tax exchange or the County negotiates a property tax exchange on behalf of any Special District (Revenue and Taxation Code Section 99).
3. The LAFCO Executive Officer reviews the proposal and within 30 days of its receipt and either:



- a. Determines that the application is complete (and that all property tax agreements are on file) and issues a Certificate of Filing and sets the Commission hearing within 90 days; or
 - b. Determines that the application is not complete and notifies the proponent (56658).
4. The LAFCO Executive Officer requests review of any information for the proposal from affected County Departments, affected agencies, and other affected counties' LAFCOs (56378).
 5. Proponents and/or LAFCO staff provides for a meeting with affected residents or landowners to give information and receive comments on the proposal (optional).
 6. The LAFCO Executive Officer, at least 21 days prior to the date set for hearing, gives notice by:
 - a. Publication in a newspaper of general circulation;
 - b. Posting near the door of the hearing room; and
 - c. Mailing to each affected agency which contains territory or whose sphere of influence contains territory within the proposal, chief petitioner(s), persons requesting notice, each municipality within three miles, and the County in the case of incorporation or formation.
 - d. Posting on the LAFCO website at www.slolafco.com.
 - e. For proposals requiring a public hearing, mailing to each registered voter and landowner within the affected territory and within 300 feet of the exterior boundary of the property that is the subject of the hearing. (This requirement may be waived if individual notices have already been provided by the initiating agency.) If this would require that more than 1,000 notices should be mailed, notice may be provided pursuant to Section 56157.
- Note:** Some Commission actions can be made without a noticed hearing, such as annexations and detachments with written consent of all landowners. Notice and opportunity to request a public hearing must be given to agencies whose boundaries are affected (56662 & 56663).
7. The LAFCO Executive Officer reviews the application and any comments



received and prepares the written report and recommendation. The report reviews pertinent factors and policies, spheres of influence, and general and specific plans.

8. The Executive Officer mails the report at least five days prior to the hearing to each Commissioner, each person named in the application to receive a report, each affected local agency requesting a report, each agency whose boundaries or spheres of influence will be changed, and the Executive Officer of the LAFCOs of any other affected county (56665).
9. The Commission hears the proposal on the noticed date and time. The hearing may be continued for up to 70 days. The Commission must consider a number of factors and policies in compliance with state law. Among the factors considered by the San Luis Obispo LAFCO in making its determination are (56668):
 - a. Population, density, land area and land use, per capita assessed valuation, topography, natural boundaries, drainage basins, proximity to populated areas, likelihood of significant growth during the next ten years.
 - b. Need for organized community services, present cost and adequacy of government services and controls, probable future needs, probable effect of change of organization and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.
 - c. The effect of the proposed action or alternative actions on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the County.
 - d. Conformity of the proposal to Commission policies on providing planned, orderly, efficient patterns of urban development, and with state policies and priorities on conversion of open space uses.
 - e. Effect of the proposal on maintaining the physical and economic integrity of lands in an agricultural preserve in open space uses.
 - f. Definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment and ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
 - g. A regional transportation plan adopted pursuant to Section 65080 and consistency with appropriate City or County general and specific plans.



- h. The sphere of influence of any agency which may be applicable to the proposal being reviewed.
 - i. Comments of any affected local agency or other public agency.
 - j. The ability of the newly formed or receiving entity to provide the services which are the subject of the application, including the sufficiency of revenues for those services following the proposed boundary change.
 - k. Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.
 - l. The extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the Council of Governments (COG).
 - m. Any information or comments from the landowner or owners.
 - n. Any information relating to existing land use.
 - o. The extent to which the proposal promotes environmental justice.
10. Within 35 days of the hearing, the Commission will adopt a resolution of determination taking the following actions:
- a. Approve or deny with or without conditions or revisions to the proposal. If denied, no new proposal can be made for one year unless waived by LAFCO. If the proposal included incorporation or consolidation of a municipality, no new proposal can be made for two years unless waived by LAFCO (57090);
 - b. Determine if the territory is inhabited or uninhabited (inhabited territory means territory within which there reside 12 or more registered voters);
 - c. Designate LAFCO or the Executive Officer as the Conducting Authority (56029);
 - d. Assign a short-term designation; and
 - e. Authorize proceedings without notice, hearing, or an election if there is 100% consent and only annexations, detachments, and CSA formations.



11. The LAFCO Executive Officer sends the Commission's resolution to the proponents, if any, and each agency whose boundaries will be changed by the proposal (56882). In the case of uninhabited territory, the Commission may waive conducting authority proceedings entirely if all of the following conditions apply (56663):
 - a. The owners of land that will gain or lose territory as a result of the change or organization or reorganization have consented in writing to a waiver of conducting authority proceedings.
 - b. No agency has submitted written opposition to a waiver of protest proceedings

12. In the case of inhabited city and district annexations or detachments, or both, the Commission may waive protest proceedings pursuant to Part 4 (commencing with Section 57000) entirely if both of the following conditions apply:
 - a. The Commission has provided written notice of Commission proceedings to all registered voters and landowners within the affected territory and no opposition from registered voters or landowners within the affected territory is received prior to or during the Commission's meeting. The written notice shall disclose to the registered voters and landowners that unless opposition is expressed regarding the proposal or the Commission's intention to waive protest proceedings, that there will be no subsequent protest and election proceedings; and
 - b. No affected local agencies have submitted written opposition to a waiver of protest proceedings.

3.3 Conducting Authority Proceedings

1. If Conducting Authority Proceedings are not waived, LAFCO sets the proposal for protest hearing within 35 days of the Commission's resolution date and gives notice. If authorized by the Commission, the protest hearing may be held without notice and hearing.
2. The date of the hearing shall not be less than 21 days nor more than 60 days after the date the notice is given and shall be:
 - a. Published in a newspaper of general circulation;
 - b. Posted near the hearing room door; and



- c. Mailed to each affected agency which contains territory or whose sphere of influence contains territory within the proposal, the Executive Officers of other affected LAFCOs, chief petitioners if any, persons requesting notice, and landowners within territory to be formed into or annexed to or detached (57001, 57002 and 57025).
3. The Executive Officer or LAFCO hears the proposal at the noticed time and date. The hearing may be continued for up to 60 days. Any written protests must be filed with the Executive Officer or Commission prior to the conclusion of the hearing and must be signed, have the signature date, and address or location of the property. The value of written protests must be determined and action taken by LAFCO resolution to order the change, with or without an election, or terminate proceedings.
4. The Commission shall perform all Conducting Authority Proceedings in accordance with the provisions of the CKH Act.
5. The Commission may delegate to the Executive Officer the authority to act on matters related to the implementation of the Conducting Authority responsibility as applicable and appropriate.

3.4 Completion and Effective Date

1. Immediately after completion of proceedings ordering a change of organization or reorganization without an election or confirming an order of a change of organization or reorganization after an election, the Executive Officer prepares a Certificate of Completion and makes the required filings (57200).
2. The Certificate of Completion is recorded with the County Recorder. If no effective date is specified in the Commission resolution, the recordation date is the effective date. A Statement of Boundary Change or Creation is issued by the Executive Officer and filed, with the appropriate fees, with the State Board of Equalization and County Assessor (57202, 57203, 57204). Property tax resolutions, if any, are forwarded to the County Auditor for property tax transfer (Revenue and Taxation Code, Section 99).
3. The Executive Officer gives the Certificate of Completion and effective date to agencies whose boundaries are affected and affected County Departments.
4. The affected agencies recognize completion of the jurisdictional change: Property and sales tax transfers, polices and fire protection responsibilities, planning and inspection controls, etc.



CHAPTER 4

CALIFORNIA ENVIRONMENTAL QUALITY ACT POLICIES

The following policies shall be used to guide LAFCO with regard to implementing the California Environmental Quality Act (CEQA) for proposals evaluated by LAFCO.

1. The Commission shall take actions that maintain a high-quality and healthful environment for the people of San Luis Obispo County now and in the future.
2. The Commission shall take actions necessary to protect and enhance the environmental quality of San Luis Obispo County.
3. The Commission shall take actions that will provide the people of San Luis Obispo County with clean air and water, a vibrant and diverse economy, and enjoyment of aesthetic, natural, scenic, and historic environmental qualities.
4. The Commission shall carry out the environmental review process in an efficient, expeditious manner in order to conserve the available financial and governmental resources with the objective that these resources may be better applied toward the mitigation and avoidance of significant effects on the environment.
5. The Commission shall organize and write environmental documents in such a manner that they will be meaningful and useful to decision-makers and the public and consistent with CEQA guidelines.
6. The Commission shall consider the involvement of the public in actions affecting the environment as an essential and indispensable element of the decision-making process.
7. The Commission shall prefer avoidance of adverse impacts over mitigation. If, however, mitigation is necessary onsite or offsite mitigation should be fully implemented.
8. The Commission shall help prevent the elimination of the County's fish and wildlife species and preserve for future generations sustainable representations of the County's native plant and animal communities.
9. The Commission shall balance preventing negative environmental effects while providing a decent home and satisfying living environment for every San Luis Obispo County resident.



APPENDIX A

MUNICIPAL SERVICE REVIEW INFORMATION GUIDELINES

The following questions are designated to help agencies and LAFCO compile information needed to complete municipal service reviews. Information sources will vary depending upon jurisdictions. Answers to these questions will be used by LAFCO to prepare service reviews and will be used to update jurisdictions' spheres of influence.

1. Growth and Population projections for the affected area.
 - a. How does the projected growth of the proposed sphere of influence areas compare with present County land use designations?
 - b. How have surrounding County land use patterns evolved and what impacts have they caused on infrastructure, e.g., roads, water, sewer, fire, police?
 - c. Will changes as proposed in the sphere of influence increase pressure to develop surrounding County lands causing an increase in growth potential?

Information Sources: City and County general plans, EIRS, US Census website, State Department of Finance, planning departments, Council of Governments, and economic reports.

2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies
 - a. Are the jurisdiction's water resources and facilities adequate to serve the area in the existing boundaries? What about future growth or expansions?
 - b. What is the jurisdiction's current status with regard to wastewater collection, treatment, and disposal? What are the plans for the future?
 - c. What is the present condition of the streets, roads, and circulation? Where are the problem areas and what are the future needs and plans?
 - d. Does the jurisdiction have adequate police and fire resources to meet the existing needs of the community? What about future needs?



Information Sources: Water master plans, urban water management plans, Department of Water Resources annual reports, wastewater master plans, general plans, EIRs, circulation elements, regional transportation plans and EIRs, capital improvement plans, Insurance Service Office (ISO) ratings, police and fire department websites, questionnaires, and interviews.

3. Financial ability of agencies to provide services.
 - a. What is the current fiscal status of the jurisdiction? What are the indicators?
 - b. Will the fiscal impacts of the proposed changes to the sphere of influence be greater or lesser than the fiscal benefits?
 - c. Does the jurisdiction have financial reserves? If so, what percentage of the general fund do their reserves represent?
 - d. How will the jurisdiction fund needed capital improvement projects, i.e., bonds, loans, other?
 - e. How does the jurisdiction analyze and establish rates and fees?
 - f. How will the sphere of influence action impact the rates and fees within the jurisdiction?
 - g. How will the sphere of influence territories pay their share of the jurisdictions' costs for services?

Information Sources: Budgets for the last three years, city managers, state and city annual reports, Department of Finance, retail sales and transient occupancy tax (TOT), city fiscal policies, development impact fee information, debt information, joint-financing efforts, and UCSB Economic Report, Budget processes, special purchasing contracts, bidding policies, service studies, and interviews rates and fees studies, EIRs, cost-of-service studies, and rates and fees policies.

4. Status of, and opportunity for, shared facilities.
 - a. Does the jurisdiction share facilities with other agencies?



- b. Has either the jurisdiction or County suggested sharing facilities in the SOI/Annexation areas?
- c. Are there presently any shared relationships for services between agencies in the sphere of influence areas? Are there opportunities for sharing in the future?
- d. Is there any or will there be any duplication of facilities in the sphere of influence area?

Information Sources: Capital improvement plans, shared road construction plans, open space preservation plans, City and County recreational facilities, and shared water storage and distribution facilities.

- 5. Accountability for community service needs including governmental structure and operational efficiencies.
 - a. Does the jurisdiction strive to involve the public in decision-making?
 - b. Does the jurisdiction facilitate local media coverage and public information programs?
 - c. Are elected and appointed representatives accessible and attentive to their constituents?
 - d. Are annual budget and audit reports available to the public?
 - e. Does the jurisdiction have the administrative capacity to assume expanded responsibilities over the SOI areas without decreasing existing services?
 - f. Does the jurisdiction have a customer-oriented service philosophy, including written goals and mission statements, master services plans, customer outreach programs, and an active quality control program?
 - g. Does the jurisdiction maintain capital improvement programs and enterprise fund management plans?
 - h. Does the jurisdiction maintain sound accounting principles and best practice fiscal management programs?



- i. Does the Jurisdiction have a reasonably good record of safety, environmental and permit compliance?
- j. How will services to the sphere of influence areas be enhanced by the jurisdiction?
- k. Will services to the sphere of influence areas proposed for exclusion be enhanced, decreased, or remain the same?
- l. Will opportunities for public participation in the development review process be enhanced in the jurisdiction or the County for the SOI areas?

Information Sources: Interviews, websites, public involvement policies, public information programs, customer complaint processes, customer surveys, budgets for the last three years, city managers, state and city annual reports, fiscal management policies, and indicator reports.

- 6. Any other matter related to effective or efficient service delivery, as required by commission policy.



APPENDIX B AGRICULTURAL GOALS-POLICIES-GUIDELINES

The Cortese-Knox-Hertzberg Act strongly encourages the preservation of prime agriculture land. LAFCO's mission is to discourage urban sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies. In general terms, San Luis Obispo LAFCO's current policy base discourages premature conversion of agricultural lands, guides development away from existing agricultural lands and encourages the development of existing vacant lands within city boundaries prior to conversion of additional agricultural lands. The CKH Act clarified the many factors that LAFCOs must consider and balance in making decisions:

“The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with the sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agriculture lands, and efficiently extending government services.”

The written goals, policies, and guidelines in this document express LAFCO's intent to more specifically address the preservation of agricultural land, consistent with current policies and LAFCO's mandate. LAFCO must consider the effect that any proposal may produce on existing agricultural lands. This is balanced with the need to ensure orderly development and the efficient provision of services to certain areas. By guiding development toward urban areas and away from agricultural land, LAFCO helps to preserve important and valuable agricultural resources.

Definitions. Several terms are important in understanding agricultural resources. These terms and definitions are found below and are applicable throughout these policies. The Cortese-Knox-Hertzberg Act has a definition for agricultural land and prime agricultural lands that may include lands other than class one or two soil classification.

56016. *"Agricultural lands" means 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.*

56064. *"Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:*



(a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.

(b) Land that qualifies for rating 80 through 100 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 as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003, developed pursuant to Public Law 46, December 1935.

(d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing 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.

(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.

The Cortese-Knox-Hertzberg Act further describes the intent of the legislation with regard to agricultural resources in Government Code section 56377, which states:

56377. *In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:*

(a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

(b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the Sphere of Influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing Sphere of Influence of the local agency.



Government Code Section 56377 has been used by LAFCOs as the basis for developing more specific policies that address local circumstances and conditions.

Guidelines

Guidelines provide further direction regarding the application of the goals and policies, but are more flexible giving LAFCO more discretion in application. These guidelines are used to advise and assist the public, agencies, property owners, farmers and other stakeholders with regard to LAFCO's expectations in reviewing a proposal that involves agricultural resources.

Guideline 1.

Applications submitted to LAFCO involving agricultural resources shall include analysis that evaluates the potential impacts (direct and indirect) of the proposal on agricultural resources. The California Environmental Quality Act (CEQA) analysis for a proposal shall evaluate the impacts affecting agricultural resources. At a minimum the following topics should be addressed:

- a. Detailed analysis of direct and indirect impacts on agricultural resources of the site and surrounding area.
- b. Potential diversion, availability and use of water that could impact agricultural lands or operations.
- c. A detailed description of the agricultural resource that is affected, including but not limited to soil types, existing and potential productivity, and surrounding land uses
- d. Use of transfer of development credits programs and purchase of development credits for the preservation of agricultural land and other approved programs.
- e. Analysis of mitigation measures that could offset impacts.
- f. Consultation with the County Agricultural Commissioners office.
- g. Williamson Act, Agricultural Easements, and other preservation programs.
- h. Urban Reserve Lines, Urban Limit Boundaries and Spheres of Influence.
- i. County and City General Plan Policies.



Guideline 2.

Consider including agricultural land as defined in the Cortese-Knox-Hertzberg Act into a Sphere of Influence if the following factors are addressed:

- a. Potential impacts of the conversion of the prime agricultural land.
- b. Future capability of farming activities for the site and surrounding area.
- c. Existing and potential productivity of the prime agricultural land.
- d. Land Preservation status: Williamson Act, easements, etc.
- e. Growth patterns in the surrounding area.
- f. General Plan Policies and Standards.
- g. Other relevant issues, such as potential impacts on agricultural tourism.

Guideline 3.

Consider approval of proposals that convert agricultural land when the Commission finds that the proposal will lead to planned, orderly, and efficient development. A proposal leads to the planned, orderly, and efficient development if all of the following criteria are met:

- a. The land subject to the change of organization or reorganization is contiguous either to lands developed with an urban use or to lands which have received all discretionary approvals for urban development.
- b. The proposed development of the subject lands is consistent with the Sphere of Influence of the affected agency or agencies.
- c. The land subject to the change of organization is likely to be developed within five years.

Guideline 4.

If a LAFCO proposal involves a loss of prime agricultural lands, property owners, Cities, the County, Special Districts, Community Advisory Councils, Resource Conservation Districts, and agricultural conservation agencies should work together as early in the process as possible to adequately mitigate the impacts.

Guideline 5.

Detachment of prime agricultural lands and other open space lands should be encouraged if consistent with the Sphere of Influence for that agency.



Guideline 6.

The following factors should be considered for an annexation of prime agricultural and open space lands:

- a. The proponent of the annexation should provide a land use inventory of the jurisdiction that indicates the amount of available land within the subject jurisdiction for the proposed land use.
- b. Evaluation of effective measures to mitigate the loss of agricultural lands, and to preserve adjoining lands for agricultural use to prevent their premature conversion to other uses. Such measures may include, but need not be limited to:
 1. Acquisition and dedication of farmland, development rights, open space and agricultural conservation easements to permanently protect adjacent and other agricultural lands within the county
 2. Participation in other development programs that direct development toward urban areas (such as transfer or purchase of development credits)
 3. Payments to responsible, recognized government and non-profit organizations for the purpose of preserving agricultural lands;
 4. Establishment of buffers to protect adjacent agricultural operations from the effects of development

Guideline 7.

Annexation for land uses in conflict with an existing agricultural preserve contract shall be prohibited, unless the Commission finds that it meets all the following criteria:

- a. The area is within the annexing agency's Sphere of Influence.
- b. The Commission makes findings required by Government Code Section 56856.5.
- c. The parcel is included in an approved city specific plan.
- d. The soil is not categorized as prime.
- e. Mitigation for the loss of agricultural land has been secured in the form of



agricultural easements to the satisfaction of the annexing agency and the County.

- f. There is a pending, or approved, cancellation for the property that has been reviewed by the local jurisdictions and the Department of Conservation.
- g. The Williamson Act contract on the property has not been renewed and final approval of the non-renewal has been granted.