

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**  
**Prepared on:** 7/1/04  
**Department Name:** County Administrator's Office  
**Department No.:** 012  
**Agenda Date:** 7/13/04  
**Placement:** Departmental  
**Estimate Time:** 15 minutes  
**Continued Item:** NO  
**If Yes, date from:**

---

**TO:** Board of Supervisors

**FROM:** Michael F. Brown  
County Administrator

**STAFF CONTACT:** Jason Stilwell, Project Manger  
568-3413

**SUBJECT:** Update on Sphere of Influence Change and Annexation Policy Guide.

---

## **Recommendation(s):**

That the Board of Supervisors receive an update on the preparation of a draft Sphere of Influence Change and Annexation Policy Guide and provide direction as appropriate.

## **Alignment with Board Strategic Plan:**

This recommendation is primarily aligned with Goal No. 5, Maintain and Enhance the Quality of Life for all Residents.

## **Executive Summary and Discussion:**

When considering commenting on the Mahoney Ranch annexation proposal to the City of Santa Maria the Board of Supervisors directed staff to prepare a guideline that summarizes the issues related to proposed sphere of influence changes and annexations. The Santa Barbara Local Agency Formation Commission (LAFCO) requests information, feedback, comment, and reports from the County when LAFCO considers changes to spheres of influence or annexation requests by local agencies. A check list of issues to consider could assist the Board in responding to these requests.

The attached Guide is a draft in progress. Staff has developed this initial document to present to the Board and to receive comment and feedback. The document has been circulated to the County department directors, LAFCO, and each city manager of the County's eight municipalities. Staff has received some initial feedback from these individuals and intends to work to receive comment and feedback from all interested parties. This comment and feedback will be considered and, as applicable, incorporated into the draft document which will be brought back to the Board within the next two months for further consideration.

The draft document is divided into four sections. The first is an overview of the summary and purpose of the policy guide. It states the comprehensive policy guideline has three primary goals: 1) proactive planning 2) cooperation and 3) coordination.

The second section of the document outlines the County's role in reviewing LAFCO actions. It states that LAFCO works with affected agencies involved in a proposed boundary change to identify all the pertinent issues. The primary objectives of LAFCO are also described in this section. They are: 1) to encourage the orderly formation of local governmental agencies, 2) to preserve agricultural land resources, and 3) to discourage urban sprawl.

The third section of the document is the draft sphere of influence policy guide. This section outlines the purposes of spheres of influence and provides topics and questions for Board consideration when commenting to LAFCO on proposed changes to spheres of influence.

The fourth section of the document is the draft annexation policy guide. This section provides topics and questions for the Board to consider when commenting on proposed annexations. The topics and the associated issues the draft document suggests the Board consider include: 1) Timing, 2) Logistical, 3) Housing, 4) Services, and 5) Fiscal.

Additionally, the LAFCO "Reportback" process has been revised based on the feedback and experience of the Mahoney Ranch annexation. Reportbacks are information gathering documents and questionnaires LAFCO uses to receive information pertaining to requested sphere of influence changes and annexations. The purpose of the "Reportback" from Planning and Development is to verify plans, zoning, agricultural land information and General Plan consistency. LAFCO also requests the "Reportback" address the various factors and standards LAFCO must consider when reviewing an annexation proposal. The information is used in preparing the LAFCO Executive Officer Report, which is the staff report the Commission receives in conjunction with conducting a hearing and taking action on the proposal. These reports to LAFCO will now be coordinated by the County Administrator's Office and brought to the Board of Supervisors for its consideration.

**Mandates and Service Levels:**

There is no mandate to develop or adopt a Sphere of Influence Change and Annexation Policy Guide.

**Fiscal and Facilities Impacts:**

None from the recommendations

**Concurrence:** County Planning and Development

cc: Santa Barbara County Department Heads  
Jim Armstrong, City Administrator, City of Santa Barbara  
Marlene Demery, City Manager, City of Solvang  
Dave Durflinger, City Manager, City of Carpinteria

Report on Draft Sphere of Influence Change and Annexation Policy Guide

Agenda Date: 7/13/04

Page 3 of 3

Carolyn Galloway-Cooper, City Administrator, City of Guadalupe

Gary Keefe, City Administrator, City of Lompoc

Tim Ness, City Manager, City of Santa Maria

Fred Stouder, City Manager, City of Goleta

Steve Thompson, City Manager, City of Buellton

Bob Braitman, Executive Officer, LAFCO

Attachments:

1. Draft Sphere of Influence Change and Annexation Policy Guide

**Santa Barbara County**

**Sphere of Influence Change**

**And**

**Annexation Policy Guide**

**Received by the Board of Supervisors**

**July 13, 2004**

## **Section 1 - Summary and Purpose of Policy Guide**

The purpose of this document is to give the Board of Supervisors a policy guideline to use in responding to the Santa Barbara Local Agency Formation Commission's (LAFCO) requests for referrals, comments, "Reportbacks" and other information pertaining to proposed sphere of influence changes and annexations.

Potential changes to boundaries occur within the County's jurisdiction and may impact the County's operations and/or be inconsistent with County policy. It is important for the County to coordinate the multiple issues facing proposed sphere of influence amendments and annexations. These multiple issues can affect the County and its residents and service users in myriad and different ways and must be considered comprehensively. It is imperative the County considers how a proposed change to the boundaries of a local agency would impact and interact upon all aspects of the County.

This policy guide seeks to comprehensively consider the effect that changes to a local agency has on the County as a whole and will be used to guide Board comments on sphere changes and significant annexations. It sets guidelines to assist County leaders and staff in evaluating how the proposal impacts the county and its residents.

This comprehensive policy guideline has three primary goals. These are:

**Proactive Planning.** A comprehensive policy guideline can help the County be proactive in planning for changes proposed by local agencies. The guide can enable the County to be in a position to plan for and be prepared for proposed changes to a local agency's sphere of influence or a proposed annexation.

**Cooperation.** A comprehensive policy guideline can enable the County to better cooperate with local agencies. Municipalities and special districts can have a better understanding of the County's policies as they relate to the local agencies sphere of influence amendments and annexations.

**Coordination.** A comprehensive policy guideline can facilitate better coordination of services to the public. Consultation with neighboring jurisdictions ensures land use decisions about areas of concern are mutually compatible. The County provides many public services; some of these, such as public safety, road maintenance, and sewer services are often provided by local agencies as well. It is important for the County to coordinate with local agencies about how these local services will be provided in the future to assure service users and County taxpayers receive efficient levels of service.

When the Board of Supervisors considers a sphere of influence change or annexation, including a tax exchange agreement, it will receive an assessment of the proposal's consistency with this guideline.

## **Section 2 - County's Role in Reviewing LAFCO Actions**

It is the responsibility of the (LAFCO) to review and consider changes in boundaries of local agencies, including municipalities and special districts. These changes primarily involve expansions to serve growing populations and new development. LAFCO works with affected agencies involved in a boundary change to identify all the pertinent issues. The commission requests that the County provide them with the tax exchange agreements for annexations and an assessment of land use issues and the proposal's consistency with county policy (also know as "reportbacks") for all boundary changes.

LAFCO's primary objectives are as follows:

### **To 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 57 LAFCOs working with nearly 4,000 governmental agencies in 57 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 the taxpayer and general confusion regarding service area boundaries. LAFCO decisions strive to balance the competing needs in California for affordable housing, economic opportunity, and conservation of natural resources.

### **To Preserve Agricultural Land Resources**

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

### **To 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.

### **Section 3**

## **Sphere of Influence Policy Guide**

A sphere of influence is the planned probable physical boundary and service area of a local agency as determined by the Santa Barbara Local Agency Formation Commission (LAFCO). A sphere of influence represents the area to which a city or special district is expected to eventually provide services. Establishment of this boundary is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in any given area. The Sphere of Influence requirement also works to discourage urban sprawl by preventing overlapping jurisdictions and duplication of services.

Designated spheres of influence are intended to resolve uncertainty concerning the availability and source of services for undeveloped land, promote orderly land use and service planning by public agencies, and provide direction to landowners when and if they seek additional or higher levels services. A sphere of influence indicates to local land use authorities and service providers where LAFCO perceives a need for services or future growth of an agency. Spheres of influence are informed by municipal service reviews – comprehensive studies of agencies and services in the region. Service reviews and sphere updates work in conjunction to coordinate local needs and policies.

LAFCO regulates, through approval or denial, the boundary changes proposed by other public agencies or individuals but does not have the power to initiate boundary changes on its own, except for proposals involving the dissolution or consolidation of special districts and the merging of subsidiary districts. LAFCO cannot tell the County or cities what their planning goals should be but rather coordinates the orderly development of a community through reconciling differences between city and county plans.

Land use impacts associated with sphere changes can vary widely depending on the how the area under consideration is being used or whether the site supports natural resources. If the land under consideration is already urban in nature, the impacts associated with the expansion of the sphere may be minimal and the proposal consistent with county policy. If the land is in agriculture and/or is considered prime agricultural land or has natural resources, the sphere change could result in significant impacts and could be inconsistent with County policy. Therefore it is important for the County to actively participate in the review of sphere expansion plans. This sphere of influence process guide provides topics and questions for Board use when it considers commenting to LAFCO on proposed changes to spheres of influence.

**Sphere of Influence Policy  
Summary Matrix**

<b>Topic Area</b>	<b>Policy Questions for Consideration</b>
<b>Land Use:</b>	
Boundaries	Does the sphere change result in fragmenting agricultural land?
Consistency	Is the sphere change consistent with city, LAFCO, County plans?
Landowner	Has the landowner(s) petitioned for the sphere change?
Municipal Service Review	Is this sphere change consistent with the findings of the Municipal Service Review?
Natural Resources	Could the sphere change impact natural resources or sensitive habitat?
Prime Agriculture	Does the sphere change include prime agricultural land?
<b>Policy Direction:</b>	
Recommended Action	Does the Board recommend LAFCO should proceed with this proposed sphere of influence change?

DRAFT



## Section 4

### **Annexation Policy Guide**

Annexation is the process by which a local agency adds territory to its jurisdiction while at the same time subtracting the service or territory from the unincorporated area of a county. Municipalities within the County seeking to implement their general plans expand their incorporated boundaries by annexing lands within their spheres of influence. Other local jurisdictions, such as special districts, annex land to their jurisdiction by similar means; however, the County often retains a greater service role than is the case when land is annexed to a municipality.

Annexations can impact the County in a number of ways. For instance there could be financial impacts, changes in levels of service, impacts on surrounding unincorporated land, and/or quality-of-life issues.

For an annexation to be approved by LAFCO, the territory must be within a local agency's sphere of influence. This policy assumes the proposed annexation is within the local agency's sphere of influence and therefore the fundamental question of "is the property appropriate for municipal annexation?" has been addressed. The annexing jurisdiction, County, and LAFCO complete rigorous analyses and processes in considering whether a parcel should be added to a jurisdiction's sphere of influence.

This Annexation Policy Guide provides topics and questions for Board use when considering proposals for annexation of unincorporated areas into a city or other local agency. The topics and the associated issues the County considers include the following:

- **Timing** - Once an area is within a sphere, a primary issue is timing of the annexation. If a jurisdiction has a significant amount of under and undeveloped land within its urban boundary that could be used to accommodate the proposed uses in the annexation area, it may be appropriate to utilize that urban land prior to annexing additional lands, particularly if the annexation area is in active agriculture.
- **Logistics** - The County is responsible for reviewing essential land use information associated with each annexation to ensure accuracy.
- **Housing** - Annexing land for the purposes of housing has the potential to impact the County's ability to obtain affordable housing funding and attain its Regional Housing Needs Assessment number of designated units that must be planned for every five years. The number of units that must be planned for in the unincorporated area of the county and the cities is assigned by state Housing and Community Development and allocated by the Santa Barbara County Association of Governments.
- **Services** - Annexation changes the roles of government service providers. The annexing jurisdiction will have greater service responsibilities and the detaching agency or agencies and the County will have diminished roles. Reviewing service issues can help

## DRAFT SPHERE OF INFLUENCE CHANGE AND ANNEXATION POLICY GUIDE

assure agencies understand their future roles and responsibilities and will provide LAFCO information that would be helpful to them in determining the orderly formation of local government agencies.

- **Fiscal** - Fiscal concerns are important for a variety of reasons. It is important to determine the most fiscally effective alternative for providing government services. The effect of an annexation on existing financing structures (such as special districts or community facility districts) is important as is the effect of an annexation on a government agency's finance plan and ability to continue to provide a comparable level of service in the future. Also, tax exchange agreements will often have to be negotiated between the annexing agency and detaching agencies.

DRAFT

## Annexation Policy Summary Matrix

<u>Topic Area</u>	<u>Policy Questions for Consideration</u>
<b>Timing:</b>	
Compatibility with Agriculture	Will the proposed use be compatible with adjacent agricultural uses?
Contiguity	Is the annexation contiguous to the city?
Infill	Does the annexation eliminate existing boundary distortions?
Premature Conversion	Does the annexation convert agriculture land prematurely?
Public Use	Is the annexation for a public purpose?
Urbanization	Will the annexation result in urbanization?
Williamson Act (Preservation Agmnt)	Is the property covered by a Williamson Act agreement?
<b>Logistics:</b>	
County Urban Limit Line	Is the proposed annexation area within the County's adopted urban limit line?
Current and Proposed Uses	Have the area's current uses/conditions/ownership and historic uses/conditions/ownership been identified?
Zoning	Is the area proposed for annexation pre-zoned? If not, does the local agency intend to rezone some or all of the area proposed for annexation?
Sphere of Influence	Is the area to be annexed within the local agency's sphere of influence?
<b>Housing:</b>	
CDBG	Will the annexation affect the County's population regarding CDBG funding?
HOME	Will the annexation impact the County's HOME Consortium relationship?
RHNA	Does the annexation include future housing eligible for RHNA credit sharing?
<b>Services:</b>	
City Capacity	Does the local agency have the capacity to provide the area with adequate public services?
County Districts	Does the annexation affect any County dependent districts?
County Services	Does the annexation affect the County's ability to provide future services to nearby unincorporated areas?
CSAs	Is service responsibility changing?
Fire Service	Does annexation impact County Fire's revenue or service?
Municipal Service Reviews	Does the LAFCO Municipal Service Review demonstrate that the area proposed for annexation can be adequately served?
Service Efficiency	What is the service impact on users?
Transportation	Will the annexation improve the area's transportation system?
Urban Services	Will adequate urban services be provided?
<b>Fiscal:</b>	

DRAFT SPHERE OF INFLUENCE CHANGE AND ANNEXATION POLICY GUIDE

CFDs & CSDs	Does the annexation include land in a CFD or CSD?
Financial Feasibility	Are there less costly service alternatives?
Reverse Economies of Scale	Does the annexation hinder County's ability to provide future services?
Revenue Sources	Should user fees be charged or should general revenues fund potential discretionary fee chargeable services?
Tax Exchanges	Does the annexation require a tax exchange agreement? If so, what should the proposed tax exchange agreement require and how will the County and its dependent districts be impacted?
User Financial Impact	What are service costs to the residents?
<b>Policy Direction:</b>	
Recommended Action	Does the Board recommend LAFCO should proceed with this proposed annexation?

DRAFT