



Commissioners Handbook

CHAPTER 1

HISTORICAL BACKGROUND

The end of World War II saw California experiencing a tremendous population increase, which resulted in the sporadic formation of cities and special service districts. The results of this development boom became evident as more of California's agricultural land was converted to urban uses. Premature and unplanned development resulted in inefficient, expensive public services delivery systems, as well as the formation of various small units of local government.

In 1959, in recognition of this problem, Governor Edmund G. Brown appointed the Commission on Metropolitan Area Problems. The Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of overlapping, local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963, resulting in the creation of a Local Agency Formation Commission, or "LAFCo", operating in each County except San Francisco.

In 1965, the Legislature approved the District Reorganization Act (DRA). This Act combined separate laws governing special district boundaries into a single law. Another law, the Municipal Organization Act of 1977 (MORGA) consolidated various laws on city incorporation and annexation into one law.

These three laws contained many parallel and duplicative provisions. However, similar procedures varied slightly from one law to another, and the procedures necessary for one type of boundary change were found in vastly different sections of the three laws. All three laws contained application and hearing procedures for LAFCos, but there were inconsistencies among them. This made city and district boundary changes unnecessarily confusing and complicated for local agencies and LAFCos, as well as for residents and property owners.

The Cortese-Knox Local Government Reorganization Act of 1985 followed several years of cooperative effort between Assembly Member Dominic Cortese, former Chair of the Assembly Local Government Committee, and the California Association of Local Agency Formation Commissions (CALAFCo). The Act, which became operative January 1, 1986, consolidated the three major laws used by California's local governments for boundary changes into a single, unified law.



The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (AB 2838) further enabled LAFCOs to play a lead role in the orderly development of all local agencies. Government Code Section 56001 reiterates and emphasizes the State Legislature's policies of:

- Discouraging Urban Sprawl and Promoting Orderly Development
- Accommodating Growth Within the Agencies Which Can Best Provide Services
- Efficiently Extending Government Services
- Collaboration Amongst Local Officials in Addressing Regional Growth Issues
- Preserving Open-Space
- Providing Housing for People of all Incomes
- Giving Responsibility to the Agency that can Best Provide Government Services.
(G.C. 56001)



CHAPTER 2

THE ROLE OF LAFCo

A. Legislative Intent

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, over 500 cities and over 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 State's competing needs for affordable housing, economic opportunity, and conservation of natural resources.

In enacting the Cortese-Knox Local Government Reorganization Act, the Legislature set forth the intent, purpose and responsibilities of the Local Agency Formation Commission (LAFco). Guidance as to the primary purpose of LAFco, provided in Section 56001, states in part:

“The Legislature finds and declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development...

... The Legislature finds and declares that a single governmental agency, rather than several limited purpose agencies, is in many cases better able to access and be accountable for community service needs and financial resources and, therefore, is the best mechanism for establishing community service priorities.”

Section 56301 specifies the purposes of the Commission. Among the purposes of a commission are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies in each county and to shape the development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.

The Legislature provides further guidance to the Commission regarding the importance of maintaining open space within urban development patterns in Section 56377 of the Act:



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

- (a) Development or use of land for other than open-space 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 the 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.”*

In addition to these specific policy statements, LAFCo must also consider the legislative intent and policy statements contained in the California Environmental Quality Act of 1970 (CEQA). Commissioners are referred to Chapter 4 of this document for further information regarding CEQA.

B. Decision Maker

LAFCo is a quasi-legislative decision making body which is separate from, yet responsive and sensitive to the needs of each local governmental agency as well as the public-at-large. The members of the Commission, by majority action, establish public policy in the areas of annexations, urban patterns, provision of public services, and jurisdictional relationships between local governmental agencies. Clearly, LAFCo must maintain a regional, long-range perspective in exercising its authority and jurisdiction.

The wide range of duties and responsibilities of the Commission require each member to weigh the evidence and render: (1) Technical decisions based upon the need for and adequacy of public services, compatibility of proposals with long-range plans, and financial viability; and (2) Policy-decisions regarding such matters as urban sprawl, agricultural preservation, orderly growth and development, and environmental concerns. In considering these two aspects of the decision making process, the Commission must balance often conflicting concerns for short-term gain versus long-range goals and objectives.



CHAPTER 3

THE COMMISSION

The Local Agency Formation Commission is established as an independent body. In consideration of LAFCo's underlying purposes, the Commission should be independent in weighing and reviewing information and in making determinations upon the particular matter under review. The Commission should not allow itself to become unduly influenced by a single point-of-view.

A. Membership

The Legislature has established a balanced LAFCo membership to insure representation of all affected interests. Members are not, however, appointed to be a representative of a particular "City's" or "District's" viewpoint. City, District, County and Public members are appointed to ensure that various backgrounds and appreciations are reflected on the Commission. Commissioners should rely upon their expertise and experience while on LAFCo, but exercise responsibility through a regional perspective in making decisions.

There are two city members selected by, and serving at the pleasure of, the City Selection Committee. This Committee consists of the mayor of each city within the county. City members of LAFCo must be a member of a city council during the time they serve on the Commission.

There are two county members selected by, and serving at the pleasure of the County Board of Supervisors. County members of LAFCo must be County Supervisors during the time they serve on the Commission.

There are two district members of the Humboldt County LAFCo (not all LAFCos have provided for special district representation). District members are selected by, and serve at the pleasure of, the Independent Special District Selection Committee. As with the other members, district members must be members of a district board of directors during the time they serve on LAFCo.

Finally, there is one public member representing the general public who is selected by, and serves at the pleasure of the other six members of the Commission. During the time they serve on LAFCo, public members cannot serve on the governing body of any other governmental agency.

There is an alternate member appointed or selected for the city, county, district and public member. The alternate Commissioner shall serve on the Commission and vote in place of a regular Commissioner when that Commissioner is absent or disqualified. All members of LAFCo are selected for staggered four year terms that expire on the first Monday in May.



Effective January 1, 2007, SB 1196 allows LAFCo to approve a temporarily larger governing board of seven, nine, or eleven members for a consolidated or reorganized recreation and park district (Committee of Local Government, Chapter 643).

B. Procedures for Selection of Public Members

Prior to selecting a LAFCo public or alternate public member, the following procedures shall be followed and carried out by LAFCo staff:

1. Distribute a press release which:
 - a) Solicits nominations and applications
 - b) Specifies a one-month filing period
 - c) Briefly explains LAFCo's function
 - d) Indicates where forms can be acquired and identifies a contact person
2. Forward application forms to any interested individuals.
3. Receive the applications and prepare a list of applicants.
4. Forward all submitted applications and the applicant list to LAFCo at the next regularly scheduled meeting following the close of the filing period.

LAFCo shall:

1. Select a three member panel to review the submitted applications. The panel shall consist of:
 - a) One District or alternate District member.
 - b) One County or alternate County member.
 - c) One City or alternate City member.
2. The panel shall review the submitted applications, interview the five most qualified candidates, and prepare recommendations.
3. The panel shall present its recommendations to LAFCo at the next regularly scheduled meeting following LAFCo's receipt of the applications.
4. After reviewing the panel's recommendations, the LAFCo commissioners shall select the public or alternate public member.

C. Political Reform Act, Conflict of Interest



The Political Reform Act of 1974, California Government Code Section 81000, et seq., and specifically with Section 87300 et seq., requires that each agency adopt a Conflict of Interest Code. The Humboldt County Local Agency Formation Commission adopts the Conflict of Interest Code included as Appendix D.

D. Meeting Schedule of Humboldt County LAFCo

The Commission establishes the meeting schedule at their first meeting of the year. Typically, the regular meeting of the Humboldt County Local Agency Formation Commission is held on the third Wednesday of every other month, beginning with January and commencing at 9:00 AM in the Board of Supervisors Chambers at the County Courthouse, 825 5th Street, Eureka, California.

Special meetings of the Commission may be called at the discretion of the Chairperson or upon request of a majority of the members of the Commission. The order calling a special meeting shall specify the time and place of the special meeting and the business to be transacted.



CHAPTER 4

LAFCo POWERS AND DUTIES

A. LAFCo Powers

Proceedings for changes of organization of special districts or cities are subject to LAFCo review, pursuant to the Cortese/Knox Local Government Reorganization Act of 1985 (Government Code Section 56000, et seq.). Section 56375 of the Act specifies LAFCo's powers, which include the authority to review and approve, conditionally approve, modify or disapprove proposals for changes of organization or reorganization.

Changes of organization mean any of the following:

- A city incorporation;
- A district formation;
- An annexation to, or detachment from, a city or district;
- A disincorporation of a city;
- A district dissolution;
- A consolidation of cities or special districts;
- A merger or establishment of a subsidiary district;
- An authorization of a special district to exercise one of its latent powers or to extend the area over which a latent power is exercised; or
- A reorganization involving two or more of the above-listed changes of organization.

The following local government agencies are specifically excluded from LAFCo jurisdiction:

- A school district or community college district;
- A special assessment district;
- An improvement district;
- A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982;
- A permanent road division formed pursuant to Section 1160 of the Streets and Highways Code;
- An air pollution control district or an air quality maintenance district;
- A service zone of a fire protection district;
- A unified or union high school library district;
- A bridge or highway district;
- A joint highway district;
- A transit or rapid transit district;



- A metropolitan water district; or a separation of grade district.

LAFCo has the authority to initiate proposals involving district consolidation, dissolution, mergers, and the establishment of subsidiary special districts, or a reorganization that includes any of these changes of organization. Proposals initiated by the Commission must be consistent with a recommendation or conclusion of a special study or sphere of influence study prepared by the Commission (Cortese-Knox Local Government Reorganization Act, Section 56375(a)).

A city or district may provide new or extended services by contract or agreement outside its boundaries only if it first requests and receives written approval from LAFCo (Cortese-Knox Local Government Reorganization Act, Section 56133).

As per SB558, the requirement for voter approval under the Public Utilities Code does not apply when cities, sell, lease, or transfer their utilities under the CKH Act.

Effective January 1, 2007, AB 2223 requires LAFCos to approve, after notice and hearing, an annexation to a city of unincorporated island territory if the annexation is initiated on or after January 1, 2000, and before January 1, 2014, and other conditions are met. AB 2223 also extends until January 1, 2014 the requirement that a LAFCo waive the protest hearing for annexations of unincorporated islands of 150 acres or less (Salinas, Chapter 351).

County Service Areas (CSAs) are County-governed special districts. They provide governmental services and facilities within their boundaries that the County is authorized to perform, provided the County does not perform such services to the same extent on a countywide basis. Specific types of services and facilities that CSAs can provide are enumerated in Exhibit A. After receiving LAFCo approval, the CSA may exercise that latent power. LAFCo's authority, however, is restricted since it cannot authorize a CSA to exercise a latent power if it determines another local agency already provides substantially similar services or facilities to the territory where the CSA proposes to exercise the latent power.

If a board of supervisors desires that a CSA exercise a currently unauthorized power, the County shall first receive LAFCo approval. (County Service Area Law, Section 25213.5)

In reviewing changes of organization and reorganization, pursuant to the Cortese-Knox Local Government Reorganization Act, Section 56375, LAFCo has the authority to:

1. Require rezoning.
2. Review definiteness and certainty of boundaries.
3. Determine whether proposal is inhabited (12 or more registered voters), or uninhabited.



4. Determine exchange of property tax revenue for formation or incorporation.
5. Designate the conducting authority (Local City or District responsible for conducting a public hearing to discuss the proposal, and holding an election if a certain number of protests are received at the hearing.)
6. Require election both in the city and in the annexing territory where assessed value of land and number of voters in annexing territory is equal to or exceeds 50% of the city's assessed value and voters.
7. Determine the number of registered voters for an incorporation .
8. Approve annexation of non-contiguous city-owned land as specified.
9. Authorize "island" annexation under certain circumstances.

It is important to note that the Commission may not impose any condition directly regulating land use. The Cortese-Knox Local Government Reorganization Act Section 56375(a)(2) specifically states that:

“A commission shall not impose any conditions which would directly regulate land use density or intensity, property development, or subdivision requirements.”

B. Factors to be Considered in Reviewing a Proposal

The Commission is guided by its mandated purpose of discouraging urban sprawl and encouraging the orderly development of local governmental agencies. The Cortese-Knox Local Government Reorganization Act Section 56841 specifies certain factors which the Commission must consider in reaching its determination. No particular weight is given to these factors and the Commission is free to add additional factors in response to local conditions and circumstances. Those factors which the Commission must consider are:

1. Population, population density; land area and land use; per capita assessed valuation; topography, natural boundaries, drainage basins; and the likelihood of significant growth in the area and in adjacent incorporated and unincorporated areas during the next 10 years.
2. Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion, and alternative courses of action regarding the cost and adequacy of services and controls in the area and adjacent areas. “Services,” as



used in this subdivision, refers to governmental services (whether or not the services are services which would be provided by local agencies subject to this division) and includes the public facilities necessary to provide those services.

3. The effect of the proposed action and of alternative action, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
4. The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.
5. The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
6. Environmental justice when acting on boundary changes and consideration of comments from voters and residents of the affected territory (SB 162)
7. The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment of ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
8. Consistency with city or county general and specific plans.
9. The sphere of influence of any local agency which may be applicable to the proposal being reviewed.
10. The comments of any affected local agency.

C. CEQA, Environmental Review

As a public agency, LAFCo must comply with the provisions of the California Environmental Quality Act (CEQA). CEQA requires public agencies to assess the potential environmental impact of their actions. LAFCo is responsible for complying with CEQA when it considers an action that constitutes a "project" as defined by CEQA. These projects typically involve jurisdictional changes (e.g., district and city annexations, detachments, incorporation's, etc.) and the adoption of or amendments to spheres of influence.

To provide the criteria and procedures for compliance with CEQA, the Commission has adopted the State CEQA Guidelines, as amended annually. The following is a summary of the relevant CEQA provisions that apply to Humboldt LAFCo. For further information about CEQA, refer to Public Resources Code Sections 21000 et seq. For



information about the State CEQA Guidelines, consult Division 6, Title 14 of the California Administrative Code, Section 15000, et seq.

In accordance with CEQA, one of the following environmental determinations must be made by a city, a special district, the county, or LAFCo for actions that constitute a project:

1. The project is exempt from the provisions of CEQA and a Notice of Exemption is prepared.
2. A Negative Declaration is filed after an initial study finds that no significant impact will occur to the environment
3. An Environmental Impact Report, which identifies mitigation measures and alternatives, is prepared and certified after an initial study reveals that significant impacts will occur.

The Executive Officer's written determination requiring either an EIR or a Negative Declaration may be appealed to LAFCo. All appeals shall be submitted in writing no later than 10 working days after the Executive Officer's determination. The decision of LAFCo regarding the adequacy of environmental documents and/or appeals shall be final.

If a city, special district, or the county is the proponent, that entity usually assumes the role of **lead agency**. Lead agency responsibilities include conducting an environmental review, making the appropriate environmental determination, and certifying that finding. In some cases, Humboldt LAFCo assumes the lead agency role and makes the appropriate environmental determination in accordance with CEQA. Typically, LAFCo is the lead agency for proposals such as city incorporations and district formations. It is sometimes lead agency for district consolidations, mergers, and adoption of spheres of influence. In cases where another public agency has not acted as lead agency, LAFCo must carry out that function.

Passage of AB 1335 granted LAFCo the authority to initiate specific changes of organization such as district consolidations, dissolution's, mergers, as well as the establishment of subsidiary special districts, or a reorganization that includes any of these changes of organization (Government Code Section 56375). In these instances, LAFCo would be the lead agency. To ensure that environmental documents address the concerns of all agencies, LAFCo will solicit comments on its environmental documents from other affected agencies.

More often, Humboldt LAFCo functions as a **responsible agency**. As a responsible agency, LAFCo will review and consider the lead agency's environmental documents before making its own project decisions. This involves participation in the development



of the lead agencies' document and the review, evaluation, and certification of an environmental document previously prepared for the project by the lead agency. As responsible agency, LAFCo must be given the opportunity to provide input and comments to the lead agency during the preparation of all environmental documents. In this way, the Commission ensures that environmental documents address LAFCo's concerns. LAFCo is typically a responsible agency for proposals such as city annexations and detachments, district initiated annexations, detachments, and consolidations, and authorization of latent powers.

LAFCo has specific responsibility for evaluating certain impacts and environmental issues to fulfill its responsibilities under the Cortese/Knox Act. Issues that should typically be addressed in an environmental document, and which are of particular jurisdictional importance to LAFCo, include the following:

- Cumulative and regional impacts.
- Impacts to public service agencies including, but not limited to, water supply and distribution systems; wastewater treatment and sewer collection systems; solid waste disposal capacity and collection; fire protection; and public facilities maintenance districts.
- Premature conversion of prime agricultural lands to urban uses and protection/preservation of prime agricultural lands and resources.
- Growth inducement.
- Lead agency commitment to implement and monitor appropriate mitigation measures (when LAFCo is a responsible agency).

In addition to those issues where Humboldt LAFCo has jurisdiction as a responsible agency, the lead agency is responsible for preparation of the environmental document which must address all significant environmental issues associated with a proposed action, in compliance with the requirements of CEQA.

D. Terms and Conditions of LAFCo's Approval

In the review of proposed changes of organizations, LAFCo's have broad powers to amend proposals or attach conditions of approval.

The following are examples of such powers:

1. LAFCo can amend the boundaries of a proposal either by adding or deleting territory. No further changes can be made in a proposal's boundaries without LAFCo approval.



2. In the case of a city annexation, LAFCo can require that the city of which annexation is proposed prezone the territory before annexation.
3. LAFCo can require, as a condition to any of the above proposals, that another change of organization for a related or overlapping agency be initiated, conducted, and completed. For example, if a proposal is for the annexation of territory to a city, LAFCo can require that the territory also be annexed or detached to or from special districts.
4. LAFCo can require establishment of special assessment or improvement districts to finance capital facilities or improvements needed in the affected territory.
5. LAFCo can impose conditions relative to the distribution of assets, financial contracts, or obligations, among affected agencies.
6. LAFCo may impose conditions related to a local agency's employee salaries, benefits, and other personnel rights.

E. Spheres of Influence

The Local Agency Formation Commission is required to adopt a sphere of influence for each local governmental agency in the county within LAFCo jurisdiction. A "sphere of influence" is defined as a "plan for the probable physical boundaries and service area of a local government agency as determined by the commission," such as a city or special district (Government Code Sections 56076, 56301, 56378 & 56425).

An adopted sphere of influence is primarily a planning tool which provides guidance in reviewing individual proposals, promotes efficient provision of organized community services, and prevents duplication of services. Inclusion within an agency's sphere does not indicate that an affected area will automatically be annexed. An adopted sphere of influence is one of several factors the Commission must consider in reviewing individual proposals (56841).

In determining a sphere of influence, the Commission is required pursuant to Government Code Section 56425 to consider and make written determinations with respect to the following factors:

1. The present and planned land uses in the area, including but not limited to, residential, commercial, industrial development and agricultural and open space lands.



2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
4. The existence of social and economic interdependence and interaction between the area within the boundaries of a local governmental agency and the area which surrounds it and which could be considered within the agencies sphere of influence.

In addition, the Commission has also required that the additional factors below be considered in determining a sphere of influence.

1. The maximum possible service area of the agency based upon present and future service capabilities of the agency.
2. The range of services the agency is providing or could provide.
3. The projected future population growth of the area.
4. Local governmental agencies presently providing services to such area and the present level range and adequacy of services provided by such existing local governmental agencies.
5. The existence of agricultural preserves in the area which could be considered within an agency's sphere of influence and the effect on maintaining the physical and economic integrity of such preserves in the event that such preserves are within a sphere of a local governmental agency.

There are three different types of Sphere of Influence designations. These are:

1. An "expanded" sphere of influence;
2. A "zero" sphere of Influence; and
3. A "status quo" sphere of influence.

An "expanded" sphere of influence designation would imply that the district will, at some future time, be expected to expand its physical boundaries and service area. A "zero" sphere of influence would indicate that future dissolution of the district is either anticipated or desirable. A "status quo" sphere of influence would indicate that the district does not want to or cannot provide services outside the district's current service



area. In spheres of this nature, district boundaries and sphere boundaries are coterminous.

The report itself is typically organized into five (5) components or elements as follows: (1) Introduction; (2) Statistics; (3) Analysis; (4) Maps and (5) Environmental Document.

The Introduction element of the report discusses the background of the Cortese/Knox Local Government Reorganization Act of 1985, the purpose of sphere of influence reports, the required findings that the Commission must make, and the three (3) different types of sphere designations.

The Statistics element includes but is not limited to a project location description, a reference to the principal act establishing the district's powers, a discussion of the services provided by the district, a discussion of any latent powers granted the district, a discussion of the composition and selection of the district Board of Directors, the number of parcels within the district, the potential number of parcels within the district, a discussion of the population and population projections within the district, a discussion of any other service providers within the district (i.e. CDF), a discussion of the district's finances, including revenue sources, and an analysis of the district's current capacity and capacity at total buildout, consistent with current land use and zoning designations.

The Analysis element includes general background information about the district, including when it was formed, how it was formed, why it was formed and the description of services provided by the District. In addition, this section should also include an analysis of the any Community Plan policies as they relate to the area. The final component of this section includes a discussion and analysis of the required findings the Commission must make when designating the type of sphere and adopting the Sphere of Influence report.

Once the report has been prepared and the environmental document has been circulated for public and agency review, staff schedules the report for the Commission's consideration, determination and adoption, pursuant to Section 56427 of the C.G.C.

F. Other Functions

In addition to the specific powers and responsibilities vested in the Commission discussed in this Chapter, the Legislature has given LAFCo several general powers of significance.

1. The Commission may adopt standards and procedures for the evaluation of proposals, including standards for each of the factors enumerated in Government Code Section 56841. This Commission has adopted the general "Proposal Evaluation Policies" included as Appendix B.



2. The Commission may adopt and enforce rules and regulations for the orderly and fair conduct of hearings. Such rules and regulations have been adopted as part of this Commission's "Rules and Regulations" which are included as Appendix C.
3. The Commission may appoint and assign staff personnel and employ or contract for professional or consulting services to carry out and affect the functions of the Commission.
4. The Commission is also required to adopt and enforce a "Conflict of Interest Code" governing the disqualification of members for financial conflicts of interest. This Code also guides the members and staff in the preparation of annual financial disclosure statements. A copy of this Commission's Conflict of Interest Code is included as Appendix D.
5. The Commission is also required to prepare and transmit to the Board of Supervisors an estimate of the expenses for the coming fiscal year on or before the 10th day of June.

Effective January 1, 2009, AB 1263, classifies the process by which a LAFCo may use fees or services to recover their costs (Caballero, Chapter 64). The Commission is authorized to establish a schedule of fees for the costs of proceedings for filing and processing applications filed with the Commission, proceedings undertaken by the Commission and any reorganization committee, amending a sphere of influence, and reconsidering a resolution to make determinations.



APPENDIX A

BASIC PROCEDURES AND APPLICATION SUBMITTAL REQUIREMENTS



BASIC PROCEDURES AND APPLICATION SUBMITTAL REQUIREMENTS

LAFCo Procedures

The following is general information related to the procedures followed by Humboldt County LAFCo in considering proposed changes in local government organization. All references in this section are to the Government Code unless otherwise specified.

Preliminary Steps

1. Proponent reviews proposal with LAFCo staff. (Although this step is not required, a brief discussion with LAFCo staff before submitting an application could save the applicant time and needless frustration.) The following steps are suggested:
 - A. Call for an application assistance appointment;
 - B. Bring the following information:
 - (1) Assessor's parcel number for individual lots or project map for complex proposals;
 - (2) General Plan and zoning designations; and
 - (3) Development plans, if applicable. LAFCo generally requires approved development plans, such as a tentative map, specific plan, etc., when vacant territory is proposed for annexation to a city or district. A key consideration in 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 needed in the near future. Without approved development plans, it cannot 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. Applicant should obtain application forms and ascertain what environmental documentation will be necessary.



2. Proponent prepares application material for proposal. More complex proposals are treated separately in this guide, but all proposals must include the following:
 - A. A certified resolution * **OR** a petition of landowners/registered voters making application. A petition/application shall include all of the following (56700):
 - (1) State that the proposal is made pursuant to the Cortese/Knox Local Government Reorganization Act of 1985;
 - (2) State the nature of the proposal and list all proposed changes of organization;
 - (3) Set forth a description of the boundaries of the affected territory accompanied by a map showing the boundaries (see items B and C below);
 - (4) Set forth any proposed terms and conditions.
 - (5) State the reason or reasons for the proposal;
 - (6) State whether the petition is signed by registered voters or owners of land;
 - (7) Designate not to exceed three persons as chief petitioners, setting forth their names and mailing addresses;
 - (8) State whether the proposal is consistent with the spheres of influence for any affected city or district; and
 - (9) Request that proceedings be taken for the proposal pursuant to this part.
 - (10) A completed application. Contact LAFCo staff for an application.
 - B. Maps.
 - (1) All maps must be professionally drawn or copied. Rough sketches or pictorial drawings will be rejected.
 - (2) Every map shall bear a scale and a north arrow. Every map shall be of a sufficient size to allow Tax Area Services (California Board of Equalization) to plot the boundary without difficulty.



Every map shall be of a scale common to the industry (see item 8). All lettering and numbers on the map must be legible.

- (3) A vicinity map shall be included. It is strongly recommended that the filing be accompanied by a copy of the Board of Equalization tax rate area map (or portion thereof) with the subject territory delineated in red for the purpose of site location only. This shall be considered supporting documentation.
- (4) The point of beginning shall be clearly shown on the map and referenced to a known geographic point (see item 3.a.4 above.)
- (5) All dimensions needed to plot the boundaries must be given on the map of the subject territory. The relationship of the subject territory to street rights-of -ways and street centerlines must be clearly indicated.
- (6) The boundaries of the subject territory shall be distinctively delineated on the map without obliterating any essential geographic or political features. Boundary lines that are delineated by a line that exceeds 1.5 millimeter in width shall be rejected by the Board of Equalization. The use of graphic tape or broad tip marking pens to delineate the boundary is not acceptable.
- (7) Every map must clearly indicate all existing streets, roads and highways within and adjacent to the subject territory, together with the current names of these thoroughfares. Other pertinent physical features should be included.
- (8) Maps of the subject territory shall be drawn to these standard minimum scales:

(For a multiple-area filing, the size of each single area should govern the map scale.)

| <u>ACREAGE WITHIN PROJECT AREA</u> | <u>MINIMUM MAP SCALES</u> |
|--|-------------------------------|
| 1-40 acres | 1" =100' |
| 41-200 acres | 1" =200' |
| 201-1000 acres | 1" =400' or 1" =800' |
| over 1001 acres | 1" =800' or 1" =1200' |



- (9) If any segment of the boundary is shorter than 1/40 of the map scale (i.e., 10 feet on a 1" =400' scale map that segment should be shown enlarged in a marginal sketch.
- (10) When the boundary of the subject territory is of a complex nature, an index table listing the various courses with the bearing and distances shall be shown on the map.
- (11) When it is necessary to use more than one map sheet to show the boundaries of the subject territory, the sheet size shall be uniform. A small key map giving the relationship of the several sheets shall be furnished. Match lines between adjoining sheets shall be used. While the geography on adjoining sheets may overlap, the project boundaries must shop at the match lines.
- (12) If the subject territory has interior islands of exclusion or the boundary has a peninsula of exclusion (or inclusion) that area(s) shall be shown enlarged in a marginal sketch. This sketch shall be of sufficient size and scale to allow Tax Area Services to plot the boundary without difficulty. The parcels in the sketch that touch the boundary shall be clearly labeled with the assessor parcel numbers.
- (13) All parcels within the subject territory that touch the new boundary must be clearly labeled with the assessor's parcel number. It is recommended that assessor parcel maps with the subject territory delineated in red accompany the filing as supporting documentation.
- (14) The use of assessor parcel maps and copies of Board of Equalization maps shall be in addition to and shall not be a substitute for the required project map.
- (15) The applicant shall submit sixteen (16) reduced copies not exceeding 11 x 17 inches in size.
- (16) The applicant shall submit one full scale map (see item 8 for scale) of the area. All existing boundaries of entities shall be delineated in **red**, the boundaries of the proposal shall be delineated in **green**.

C. Boundary Descriptions

- (1) Every written geographic description must be self-sufficient within itself and without the necessity of reference to any extraneous



document. The written geographic description shall be a document separate from any maps. The polygon traverse of the written description must be within acceptable limits for error of closure.

- (2) The use of secondary references in the written description is cause for rejection. The cartographic staff must be able to plot the boundaries from the written description.
- (3) The written description shall be of the subject territory only. The legal description should include roadways on the proposal boundaries and avoid using centerlines of such roadways as boundaries. If a complete description of the special district is filed, that portion of the subject territory shall be clearly identified.
- (4) The point of beginning of the geographic description shall be clearly shown on the map and referenced to a known geographic position. It is recommended that the known point be described by the California state plane coordinate system. It is preferred that this point be either the point of beginning or the point of departure from and the point of return to an existing district boundary. Effective January 1, 2000, every description shall contain a minimum of one GPS point that is referenced to the California state plane coordinate system.
- (5) When writing a metes and bounds description of a contiguous annexation, all details of the contiguous portion(s) of the existing boundary may be omitted.
- (6) A specific parcel description in sectionalized land (e.g., The SW 1/4 of Section 22, T1N, R1W) is permissible without a metes and bounds description of the perimeter boundary.
- (7) A parcel description making reference only to a subdivision or a lot within a subdivision is not acceptable unless accompanied by a copy of the recorded subdivision map.
- (8) The written description shall state the acreage for each separate single area (see Section 4 for a definition of single area) and the combined total acreage of subject territory. Acreage shall be rounded off to the nearest whole acre.

* *Resolution of application must contain the same information as petition, except for signatures (56700 & 56800).*



- D. One copy of any environmental documents (pursuant to CEQA) associated with the project; however, if an environmental impact report (EIR) associated with the subject property was prepared, 15 copies of the certified EIR must be submitted with the application. Only one copy of the EIR appendices is required.
 - E. If the proposal includes annexation to a city, indication that the annexing city has rezoned the property, such as the city council resolution approving the rezoning.
 - F. Processing deposit and cost reimbursement acknowledgment.
3. Like other public agencies, Humboldt County 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 Chapter 3 of these guidelines.

LAFCo Proceedings

- 4. Proponent delivers to the Executive Officer a complete application (Section 56652).
- 5. The Executive Officer determines if:
 - A. The petition is sufficient as required by law and issues a determination on its sufficiency within 30 days of submittal;
 - B. LAFCo is to be the lead agency. If so, then the environmental review is undertaken by LAFCo; and
 - 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, the county and any affected city must agree to a tax exchange OR the county must negotiate a property tax exchange on behalf of any special district (Revenue and Taxation Code, Section 99).
- 6. The Executive Officer reviews the proposal and within 30 days of its receipt either:
 - A. Determines that the application is complete (and that all property tax agreements are on file) and issues a certificate of filing, setting the commission hearing within 90 days; or



- B. Determines that the application is not complete and notifies the proponent (56828).
7. The Executive Officer requests review of any information for the proposal from affected county departments, affected agencies, and other affected counties' LAFCos (56828).
 8. Proponents and/or LAFCo staff provide for a meeting with affected residents or landowners to give information and receive comments on the proposal (OPTIONAL).
 9. The Executive Officer at least 15 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 city within three miles, and the county in the case of incorporation or formation.
- NOTE:** Some commission actions can be made without notice and 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 (56837).
10. The Executive Officer reviews the application and any comments received. A written report, including recommendation, is then prepared. The report reviews pertinent factors and policies, spheres of influence, and general and specific plans.
 11. 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 sphere of influence will be changed, and the Executive Officer of the LAFCo of any other affected county (56833).
 12. 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 Humboldt County LAFCo in making its determination are: (56841)



- A. Population, density, land area and land use, per capita assessed valuation, topography, natural boundaries, drainage basins, proximity to populated areas, and likelihood of significant growth during 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 of 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. Conformity with appropriate city or county general and specific plans; and
 - H. The sphere of influence of any agency which may be applicable to the proposal being reviewed (see Section III for more about the adoption of spheres of influence).
13. 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 city, no new proposal can be made for two years unless waived by LAFCo (56851, 56855 & 57090);
 - B. Determine if the territory is inhabited or uninhabited (inhabited territory means territory within which there resides 12 or more registered voters);
 - C. Designate 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 (56837).
14. The Executive Officer sends the Commission's resolution to the chief petitioners, if any, to each agency whose boundaries will be changed, and to the conducting authority by certified mail (56853). The Commission may waive conducting authority proceedings entirely if all of the following conditions apply (56837):
- A. The subject area is uninhabited.
 - B. All of the owners of land within the affected territory have given their written consent to the change of organization or reorganization.
 - C. All affected agencies that will gain territory as a result of the change of organization or reorganization have consented in writing to a waiver of conducting authority proceedings.

Conducting Authority Proceedings

15. If conducting authority proceedings are not waived by the Humboldt County LAFCo, the clerk of the conducting authority sets the proposal for hearing within 35 days of the Commission's resolution date and gives notice. If authorized by the Commission, the conducting authority may approve the proposal without notice and hearing. Notice must be given by the clerk at least 15 days prior to the hearing, 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 LAFCo Executive Officer, chief petitioners, if any, persons requesting notice, and landowners within territory to be formed into or annexed to, or detached from an improvement district (57002 and 57025).
16. The conducting authority 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 clerk prior to the conclusion of the hearing and must be signed, have the



signature date, and must have the address or location of the property. The value of written protests must be determined (57050 and 57052).

17. The conducting authority shall adopt a resolution doing one of the following:
 - A. Ordering the change if the area is uninhabited and if no majority land value protest is received; or if it is inhabited and less than 25% voter or landowner protest is received.
 - B. Ordering the change subject to an election if the land is inhabited and 25% to 50% of the registered voters or landowners protest. A resolution calling for an election on the question is adopted and forwarded to the Elections Clerk and Executive Officer.

If the conducting authority has called for an election, the Executive Officer shall prepare an impartial analysis on the question for Commission approval. If it is approved by the voters, a resolution ordering the change is adopted. If it is denied, a resolution ordering the change to be terminated is adopted.

- C. Terminate proceedings if a written protest is received from landowners having a majority of the land value in uninhabited territory, or from a majority of the registered voters in inhabited territory.

A city detachment or district annexation may be terminated by the conducting authority (57079 and 57079.5). If a proposal is terminated, the same proposal cannot be submitted to LAFCo before one year from the date of adoption of the conducting authority resolution, or two years if an incorporation was included (57090).

Conducting authority proceedings and resolutions for changes of organization other than annexations and detachments may vary from the procedures described above. The applicable sections of law for the conducting authority should be consulted.

Completion and Effective Date

18. The clerk of the conducting authority shall file a certified copy of the conducting authority resolution approving, denying, or confirming an election with the Executive Officer. The clerk must also submit fees for the State Board of Equalization with Humboldt County LAFCo (57200).
19. The Executive Officer determines compliance of the conducting authority resolution with the Commission resolution. If it is in compliance, the Executive



Officer issues a certificate of completion, which completes the proceedings. If it is not in compliance, the resolution is returned to the conducting authority for correction. The certificate 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. If it is a city change, a notice is given to the Secretary of State. Property tax resolutions, if any, are forwarded to the County Auditor for property tax transfer (57200).

20. The Executive Officer gives the notice of completion and effective date to the conducting authority, agencies whose boundaries are affected and affected county departments.
21. The affected agencies recognize completion of the jurisdictional change: property and sales tax transfers, police and fire protection responsibilities, planning and inspection controls, etc.



APPENDIX B

PROPOSAL EVALUATION POLICIES



PROPOSAL EVALUATION POLICIES

1. To the greatest extent possible, boundaries should follow existing political boundaries and natural or man-made features such as rivers, lakes, railroad tracks, and roads. Where roads form a portion of the boundary, the boundary should not be drawn so as to divide the road along its centerline. Roads should either be fully included or excluded along the boundary of the proposal. Where boundaries are not in conformance with this policy, the proponent shall justify the reasons for non-conformance in writing.
2. Boundaries should not be drawn so as to create an island, corridor or strip, either within or immediately adjacent to the proposal. Where such island, corridor or strip is created, the proponent shall justify the reasons for non-conformance in writing.
3. Boundaries should avoid dividing an existing identifiable community, commercial district, or other area having social or economic homogeneity. Where such division occurs, the proponent shall justify the reasons for nonconformance with this policy in writing.
4. Where undeveloped or under-developed territory is proposed for annexation to an existing city, LAFCo requires that such territory be rezoned prior to submittal to LAFCo. Any required environmental review shall be conducted by the affected city at the time of rezoning.
5. Proposals shall take into account not only the present needs of the subject area, but also the future services which may be required to accommodate future growth and expansion.
6. If the proposal could result in significant or serious operational or economic problems, or in the disruption of existing services in the remaining adjacent territory, the proponent shall justify, in writing, why the boundaries of the proposal should not be adjusted in recognition of such problems.
7. New, expanded or consolidated services should be reviewed by one of the following governmental agencies shown in descending order of preference:
 - A. Annexation to an existing city.
 - B. Annexation to an existing multi-purpose district.
 - C. Annexation to an existing single purpose district.
 - D. Annexation to an existing county service area (CSA).
 - E. Incorporation of a new city.
 - F. Formation of a new multi-purpose district.
 - G. Formation of a new single purpose district.



- H. Formation of a new county service area (CSA).
- 8. If the proposal is for the formation of a new agency, the proponent shall demonstrate that the required services cannot be feasibly provided by an existing agency.
- 9. If the proposal is for the formation of a new agency, the proponent shall demonstrate the economic feasibility of the proposed formation, taking into account any and all potential sources of revenue.
- 10. In addition to the above, consideration of the following will be given in evaluating all proposals:
 - A. Conformance to the land use provisions of the General Plan for Humboldt County and the affected City.
 - B. Demonstrated ability to finance the required government services at a reasonable level.
 - C. Demonstrated capacity to serve the proposed territory with required facilities and personnel.
 - D. Conformance with the adopted Sphere of Influence of the affected agency.



APPENDIX C

RULES AND REGULATIONS



RULES AND REGULATIONS

SECTION 1. - GENERAL PROVISIONS

- Item 1.1 Authority: These rules shall apply to the Humboldt County Local Agency Formation Commission and are adopted pursuant to the authority vested in the Commission by Chapter 6.6 (commencing with Section 54773) of Part 1, Division 2, Title 5 of the California Government Code.
- Item 1.2 Repealed: All rules and regulations for the conduct of business previously adopted by this Commission are hereby repealed, and the rules and regulations herein adopted shall be the rules and regulations of this Commission.
- Item 1.3 Amendment: Amendment or repeal of any of these rules and regulations shall be by majority vote of the Commission, provided, however that no such amendment shall affect any matter pending before the Commission.

SECTION 2. - COMMISSION MEETINGS

- Item 2.1 Regular Meetings: The Commission at their first meeting of the year adopts a meeting schedule for the remainder of the year. Typically, the regular meeting of the Local Agency Formation Commission shall be held on the fourth Wednesday of every other month commencing at 9:00 A.M. in the Supervisors Chambers, County Courthouse, 825 5th Street, Eureka, California. Should a meeting date fall on a legal holiday, the meeting shall be rescheduled on a date and time to be determined at a regular meeting of the preceding month or at the discretion of the Chair or upon request of a majority of the members of the Commission.
- Item 2.2 Special Meetings: Special meetings of the Commission may be called in the manner provided by law at the discretion of the Chair or upon request of a majority of the members of the Commission. The order calling a special meeting shall specify the time and place of the special meeting and business to be transacted. The time set for a special meeting shall be at least 24 hours after the order thereof is received by Commissioners. No business other than that specified in the order calling the meeting shall be transacted at a special meeting. The Executive Officer shall cause notice of a special meeting to be delivered to Commission members and the news media in accordance with law.
- Item 2.3 Adjourned Meeting: Any meeting or public hearing may be adjourned to a date, time and place established by the Commission. Any adjourned



meeting or public hearing shall be deemed to be part of the original meeting or hearing so adjourned.

SECTION 3. - MEMBERSHIP AND ATTENDANCE

Item 3.1 **Regular Members:** The Commission shall consist of seven (7) regular members selected in conformance with Sections 54780, 54782.6 and 54782.7 of the Government Code. The terms of office of said Commissioners shall be as prescribed in Government Code Section 54783.

Item 3.2 **Alternate Members:** In addition to the seven (7) regular members of the Commission, five (5) alternate members shall be appointed pursuant to Sections 54782.5, 54782.6 and 54784 of the Government Code. The terms of office of said alternate Commissioners shall be as prescribed in Government Code Section 54783.

Alternate Commission members shall serve on the Commission and vote in place of a regular Commissioner when that Commissioner is absent or disqualified pursuant to Section 7. of these rules.

Item 3.3 **Attendance:** In order to maintain continuity in Commission business and remain current on issues before LAFCo, all Commissioners, including alternates, shall, if possible, attend all regular and special meetings of the Commission.

Item 3.4 **Absence:** In the event a regular or alternate Commissioners intends to be absent for a Commission meeting or to disqualify himself/herself from voting on a proposal or proposals for reasons other than those stated in Items 7.1 and 7.2 he/she shall so notify the Executive Officer at the earliest possible date in advance of the meeting.

If a regular or alternate Commissioner is absent for three (3) consecutive meetings, or a total of five (5) meetings in any twelve (12) month period, the Chairman, may with the concurrence of a majority of the Commission, request and recommend that the absent Commissioner's selecting body review his/her attendance record and select a replacement Commissioner for the remainder of the unexpired term.

SECTION 4. - CHAIRPERSON AND VICE-CHAIRPERSON

Item 4.1 **Election of a Chairperson:** At its first regular meeting in January, the Commission shall annually elect a person to the position of Chairperson



from among its members. The Chairperson shall serve until a successor is elected.

- Item 4.2 Duties of Chairperson: The Chairperson shall preside at all meetings of the Commission and shall conduct the business of the Commission in the manner prescribed by law and by these rules. The Chairperson shall preserve order and decorum and shall decide all questions of order and procedure subject to the concurrence of a majority of the Commission.

The Chairperson of the Commission shall not be prohibited from making motions or voting on any issue before the Commission if not prohibited by Section 7. of these rules.

- Item 4.3 Vice-Chairperson: At its first regular meeting in January, the Commission shall annually elect a Vice-Chairperson from among its members. The Vice-Chairperson shall have all the powers and duties of the Chairperson during the absence or disqualification of the Chairman.

SECTION 5. - COMMISSION STAFF

- Item 5.1 Executive Officer: The Commission may appoint an Executive Officer who shall conduct the day-to-day business of the Commission in addition to those duties prescribed by law and direction of the Commission. In the absence of a Commission appointed Executive Officer, the County Administrative Officer shall act as the Executive Officer as provided by Section 54777 of the Government Code.
- Item 5.2 Legal Counsel: The County Counsel for the County of Humboldt shall provide for legal counsel for the Commission. All questions of law shall be referred to legal counsel for opinion.
- Item 5.3 Clerk to the Commission: Among other duties as may be assigned, the Clerk shall attend all meetings of the Commission, maintain a record of all proceedings, prepare agendas, minutes and distribute same for Commission review and approval.
- Item 5.4 Additional Staff: The Commission may, as required by work load or special projects, appoint additional staff personnel to assist in carrying out the purposes and mandates of the Commission.

SECTION 6. - CONDUCT OF MEETINGS

- Item 6.1 Quorum: A majority of the members of the Commission constitute a quorum for the transaction of business. In the absence of a quorum, the



Commissioners present shall adjourn the meeting to a stated time and place in accordance with Item 2.3 of these rules.

Item 6.2 Vote Requirements: No act of the Commission shall be valid, legal or binding unless a majority of the Commission concurs through an affirmative vote.

The Commission may act by resolution or motion (which shall be evidenced by a minute order). All final determinations of the Commission on proposals, spheres of influence, and contracts shall be made by resolution.

Item 6.3 Voting Procedure: The roll need not be called in voting upon a motion or adoption of a resolution except when requested by a member. Prior to calling the roll, the clerk shall repeat the motion for the record. If the roll is not called, in the absence of an objection, the Chairperson may order a vote by asking “all in favor?” - Commissioners opposed?” When the roll is called on any motion or adoption of a resolution, any member present who does not vote in an audible voice shall be recorded as voting “aye”.

Item 6.4 Meeting Procedure: Unless otherwise ordered by the Chairperson, business at each regular meeting shall be taken up for consideration and disposition in the following order:

1. Call to Order
2. Roll Call
3. Minutes of Previous Meeting
4. Old Business
5. Public Hearings
6. New Business
7. New Filings
8. Executive Officer’s Report
9. Other Business
10. Correspondence
11. Public Appearances
12. Adjournment

Item 6.5 Public Participation: All meetings of the Commission shall be open to the public. Any interested person may address the Commission on public hearing matters. Upon approval of the Chairperson, public participation may be received regarding non-public hearing matters. The Chairperson may regulate the order of such presentations and reserves the right to limit the time allowed for each person to speak.



Upon being recognized by the Chair, persons addressing the Commission shall be required to state their name and address for the record.

SECTION 7. - DISQUALIFICATION

- Item 7.1 Conflict of Interest: A regular or alternate Commissioner shall disqualify himself/herself from voting on matters in which the Commissioner has a reportable financial interest, when it is reasonably foreseeable that such interest may be materially affected by the decision of the Commission.
- Item 7.2 Disqualified Commissioners: No provision of Item 7.1 regarding disqualification shall prevent a Commissioner from addressing the Commission during the consideration of a proposal as a private property owner, resident or officer of the affected city or district.
- Item 7.3 Changes of Organization/Reorganization: No regular or alternate Commissioner shall be required to disqualify himself/herself from participating and voting on matters affecting the boundaries or organization of the city or district of which he/she is an officer.
- Item 7.4 Extension of Services/Restoration of Powers: No district member or alternate shall be required to disqualify himself/herself from participating and voting on matters affecting the extension of service area or authorized service responsibility of the district of which he/she is an officer.
- Item 7.5 Spheres of Influence: No regular or alternate Commissioner shall be required to disqualify himself/herself from voting on sphere of influence determinations which affect the city or district of which the Commissioner is an officer.
- Item 7.6 Closed Sessions: No regular or alternate Commissioner shall attend or participate in a closed session held by the Commission to discuss pending or proposed litigation by the Commission against such Commissioner or against the City, District or other entity of which such Commissioner is an officer or employee; or by such Commissioner against the Commission, or by a City, District or other entity of which such Commissioner is an officer or employee against the Commission.

SECTION 8. - SUBMISSION OF PROPOSALS

- Item 8.1 Form: Proposals submitted for consideration and determination by the Commission shall be in the form prescribed by the Executive Officer in



accordance with the provisions of State Law. Please refer to Appendix A for basic general information application submittal requirements.

- Item 8.2 Filing Fee: Each submittal shall be accompanied by a deposit filing fee as determined by the Commission. The project proponent shall be responsible to pay for all actual costs involved in processing the application. No action shall be taken upon any application until the applicable filing fee has been deposited LAFCo.
- Item 8.3 Filing: No proposal shall be set for hearing or consideration before this Commission until and unless a "Certificate of Filing" has been executed and issued by the Executive Officer. The filing date of a proposal shall be the date of issuance of the "Certificate of Filing."
- Item 8.4 Prezoning: The Commission may, by resolution, authorize the LAFCo Executive Officer to require the pre-zoning of city annexations and shall be done prior to the issuance of the Certificate of Filing. The Commission may waive the pre-zoning requirements if the proposed annexation is determined to be exempt or excluded from the requirements of CEQA.
- Item 8.5 Withdrawal: Proponents may withdraw a proposal at any time prior to the date and time set for hearing or consideration by the Commission without prejudice for refiling. Refund of filing fees shall be at the discretion of a majority of the Commission. Withdrawal shall be in the form of a written request therefore filed with the Executive Officer.
- Item 8.6 Continuance: Proponents may request continuance of a hearing or consideration of a proposal in writing. Such request must be filed with the Executive Officer prior to the date and time set for hearing or consideration by the Commission. The Commission, by motion duly made and adopted, may grant or deny a request for continuation.
- Item 8.7 Information Requests. Any request for public information, which exceeds one hour of staff time, shall be made in writing and be accompanied by a deposit filing fee as determined by the Commission. No action shall be taken upon any information request until the applicable filing fee has been deposited with LAFCo

SECTION 9. - COMPENSATION OF COMMISSIONERS

- Item 9.1 Compensation: Commissioners shall receive the reasonable and necessary expenses incurred in attendance of Commission meetings and performance of official Commission business. Reasonable and necessary expenses shall include per diem and mileage expenses.



Alternate Commission members shall receive compensation at the same rate as regular members for each meeting at which they are in attendance or in performance of official Commission business.



APPENDIX D

CONFLICT OF INTEREST CODE



CONFLICT OF INTEREST CODE FOR THE HUMBOLDT COUNTY LOCAL AGENCY FORMATION COMMISSION

Section 1. Introduction.

In compliance with the Political Reform Act of 1974, California Government Code Section 81000, et seq., and specifically with Section 87300 et seq., the Humboldt County Local Agency Formation Commission hereby adopts this Conflict of Interest Code which shall be applicable to all designated employees of the Commission. The requirements of this Code are in addition to other requirements of the Act such as the general prohibition against conflicts of interest contained in Government Code Section 87100, and to any other state or local laws pertaining to conflicts of interest.

Section 2. Definition of Terms.

The definitions contained in the Political Reform Act of 1974, the regulations of the Fair Political Practices Commission (2 Cal. Adm. Code Sections 87100 et seq.), and any amendments to the Act or regulations are incorporated by reference into this Conflict of Interest Code.

Section 3. Designated Employees.

The persons holding positions listed in Exhibit 1 are designated employees. It has been determined that these officers and employees make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

Section 4. Disclosure Statements.

A designated employee shall be assigned one or more of the disclosure categories set forth in Exhibit 2. It has been determined that the financial interests set forth in a designated employee's disclosure category are the types of financial interests which he or she foreseeably can affect materially through the conduct of his or her office. Each designated employee shall file statements of economic interest disclosing his or her financial interest as required by the applicable disclosure category and with the exemptions specified in Exhibit 1.

Section 5. Place of Filing.

All designated employees required to submit a statement of economic interest shall file the original with the Humboldt County Clerk who shall be the filing officer for all designated employees of the Commission.



Section 6. Time of Filing.

- (a) Initial Statements. All designated employees employed by the commission on the effective date of this Code shall file statements within thirty days after the effective date of this Code.
- (b) Assuming Office Statements.
 - (1) All persons assuming designated positions after the effective date of this Code which are Merit System positions shall file statements within thirty days after assuming the designated positions.
 - (2) All other persons appointed to designated positions after the effective date of the Code, shall file statements within ten days after assuming office.
- (c) Annual Statements. All designated employees shall file statements no later than March 31.
- (d) Leaving Office Statements. All persons who leave designated positions shall file statements within thirty days after leaving office.

Section 7. Contents of Statements.

- (a) Contents of Initial Statements. Initial statements shall disclose any reportable investments and interest in real property and management positions held on the effective date of this Code.
- (b) Assuming Office Statements. Assuming office statements shall disclose any reportable investments and interest in real property and management positions held on the date of assuming office.
- (c) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, and income and management positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the Code or the date of assuming office whichever is later.
- (d) Contents of Leaving Office Statements. Leaving office statements shall disclose reportable investments, interests in real property and income and management positions held or received during the period between the closing date of the last statement filed and the date of leaving office.



Section 8. Manner of Reporting.

Disclosure statements shall be made on forms supplied by the Fair Political Practices Commission and shall contain the following information:

- (a) Contents of Investment and Real Property Reports. When an investment or interest in real property¹ is required to be reported², the statement shall contain the following:
 - (1) A statement of the nature of the investment or interest;
 - (2) The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
 - (3) The address or other precise location of the real property;
 - (4) A statement whether the fair market value of the investment or interest in real property exceeds one thousand dollars (\$1,000), exceeds ten thousand (\$10,000) or exceeds one hundred thousand dollars (\$100,000).

- (b) Contents of Personal Income Reports. When personal income is required to be reported³, the statement shall contain:
 - (1) The name and address of each source of income aggregating two hundred and fifty dollars (\$250) or more in value or twenty-five dollars (\$25) or more in value if the income was a gift, and a general description of the business activity, if any, of each source.
 - (2) A statement whether the aggregate value of income from each source was one thousand dollars (\$1,000), or less, greater than one thousand (\$1,000), or greater than ten thousand dollars (\$10,000).
 - (3) A description of the consideration, if any, for which the income was received;
 - (4) In the case of a gift, the name and the address of the donor, a description of the gift, and the date on which the gift was received.

- (c) Contents of Business Entity Income Reports. When income of a business entity, including income of a sole proprietorship, is required to be reported⁴, the statement shall contain:



- (1) The name, address, and a general description of the business activity of the business entity;
 - (2) In the case of a business entity which provides legal or brokerage services, the name of every person who paid fees to the business entity if the filer's pro rata share of fees from such person was equal to or greater than one thousand dollars (\$1,000);
- (d) Contents of Management Position Reports. When management positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.
- (e) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

Section 9. Disqualification.

Designated employees must disqualify themselves from making, participating in the making or using their official positions to influence the making of any governmental decision which may have a foreseeable material financial effect, distinguishable from its effect on the public generally, on:

- (a) Any business entity in which the designated employee has a direct or indirect investment worth more than one thousand dollars (\$1,000);
- (b) Any real property in which the designated employee has a direct or indirect interest worth more than one thousand dollars (\$1,000);
- (c) Any source of income, other than loans by a commercial lending institution in the regular course of business, aggregating two hundred fifty dollars (\$250) or more in value received by or promised to the designated employee within twelve months prior to the time when the decision is made; or
- (d) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that a designated employee's vote is needed to



break a tie does not make his or her participation legally required for purposes of this section.

Section 10. Manner of Disqualification.

A designated employee required to disqualify himself or herself shall notify the Chairman of the Commission in writing. Upon receipt of such statement, the Chairman shall reassign the matter to another employee. In the case of a designated employee who is a Commissioner, notice of disqualification shall be given at the meeting during which consideration of the decision takes place and shall be made part of the official record of the Commission.

FOOTNOTES

- 1 For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.
- 2 Investments and interests in real property which have a fair market value of less than \$1,000 are not investments and interest in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10%.
- 3 A designated employee's income includes his or her community property interest in the income of his or her spouse.
- 4 Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer, spouse and dependent children in the business entity aggregated a 10% or greater interest. In addition, the disclosure of persons who are clients or customers of a



business entity is required only if the source is within one of the disclosure categories of the filer.



EXHIBIT 1

| Designated Positions | Disclosure Category |
|----------------------------|---------------------|
| Commissioners ¹ | 1-5 |
| Executive Officer | 1-5 |
| Consultants ² | 2-4 |

1 With respect to Commissioners who are elected representatives of incorporated cities, independent special districts, or the Humboldt County Board of Supervisors, only those disclosure categories or items subject to disclosure not reported in a financial disclosure statement filed pursuant to the conflict of Interest Code of an incorporated city, independent special district, or the Humboldt County Board of Supervisors need be reported. Where a disclosure category or item subject to disclosure is also required pursuant to the Conflict of Interest Code of another local governmental entity, a copy of said financial disclosure statement shall be filed pursuant to Section 5. of this Conflict of Interest Code.

2 With respect to consultants, the Executive Officer may determine in writing that a particular consultant is hired to perform a range of duties that are limited in scope and thus is not required to comply with the disclosure requirements described in these categories. Such determination shall include a description of the consultants duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Officer shall forward a copy of this determination to the Board of Supervisors. Nothing herein excuses any such consultant from any other provisions of this Conflict of Interest Code.



EXHIBIT 2

General Provisions

When a designated employee is required to disclose investments and sources of income, he need only disclose investments in business entities and sources of income which do specified business in the jurisdiction, plan to do specified business in the jurisdiction or have done specified business in the jurisdiction within the past two years.

When a designated employee is required to disclose interests in real property, he need only disclose real property which is located in whole or in part within, or not more than two miles outside the boundaries of the jurisdiction.

Designated employees shall disclose their financial interest pursuant to the appropriate disclosure category as indicated in Appendix A.

Disclosure Categories

- Category 1: All investments in business entities and sources of income which engage in land use planning, engineering, or consulting.
- Category 2: All investments in business entities and sources of income which engage in land development, construction, or the acquisition and sale of real property.
- Category 3: All interests in real property.
- Category 4: Investments and interests in real property held by business entities or trusts.
- Category 5: Employment and management positions in business entities.



APPENDIX E

EXECUTIVE OFFICER'S JOB DESCRIPTION



LAFCo Executive Officer

DESCRIPTION OF BASIC FUNCTION AND RESPONSIBILITY:

To perform a variety of professional field and office work related to changes in local governmental jurisdiction, policy formation, and administration.

TYPICAL DUTIES:

- Prepares State mandated sphere of influence reports which establish the maximum feasible service area of cities and special districts.
- Analyzes and presents alternatives and makes recommendations concerning the reasonable and proper boundaries, financial requirements, service level impacts and feasibility of specific proposals.
- Develops information and prepares plans for future expansion of governmental services.
- Receives, processes and analyzes applications and petitions for reorganization or annexations to entities of local governments such as city or special district annexations, special district formations, consolidations, dissolution's, detachments, incorporation's and other organizational changes.
- Researches and performs specialized studies relating to proposals and feasibility reports before Local Agency Formation Commission.
- Researches and reports on each LAFCo application and recommends proper action.
- Advises and counsels applicants, governmental agencies, engineers and developers on methods of creating or annexing to an entity to acquire municipal services.
- Informs all interested parties of LAFCo actions and final decisions.
- Attends and/or participates in statewide conferences and speaks at public meetings.
- Discusses proposals during processing with governmental officials, County department heads and staff, attorneys and others.
- Attends meetings and provides information to the public and governmental officials regarding the technical requirements for processing jurisdictional changes to cities and special districts.-- Ensures that proposals are processed in accordance with all public notice and time limit requirements.



- Prepares and/or reviews environmental assessments, negative declaration, and environmental impact reports.
- Establishes, revises and updates policies regarding LAFCo operations for Commission adoption.

- Attends, provides staff support and analysis, and prepares agendas for all regular and special LAFCo meetings.

- Responsible for maintaining LAFCo files and records and daily administration of the LAFCo office.

- Prepares annual LAFCo budget and monitors financial transactions.

- Responsible for hiring and supervising clerical staff and any other LAFCo employees or consultants.

- Performs related duties as required.

JOB REQUIREMENTS:

Possession of:

- A valid California Driver's License.

Knowledge of:

- The principles, methods, and techniques related to the formation and organization of local governmental entities;
- State laws, codes, guidelines, and requirements related to local governmental reorganization, including the Cortese-Knox Local Government Reorganization Act and the California Environmental Quality Act (CEQA);
- Social, economic, and financial principles and practices associated with local governmental entities;
- Budget preparation.

Ability to:

- Communicate effectively in oral and written form;
- Identify and analyze complex problem situations, establish priorities for action based on such analysis, and take appropriate steps to resolve those problems identified;



- Prepare and present technical reports;
- Establish and maintain effective working relationships with staff, County and public officials, and the general public.

DESIRABLE QUALIFICATIONS:

- Bachelor's degree in planning or related field; three years of professional experience in public or private planning including some experience in a lead or supervisory capacity; or an equivalent combination of education and experience.

DISTINGUISHING CHARACTERISTICS:

This classification performs work which consists of complex professional duties at the advanced journey level and which is specifically related to the functions and responsibilities of the Local Agency Formation Commission. Employees in this classification receive limited supervision within a framework of Commission policy and State law.



APPENDIX F

HUMBOLDT COUNTY SPECIAL DISTRICTS



HUMBOLDT COUNTY GOVERNMENTAL AGENCIES

SUBJECT TO LAFCo JURISDICTION

INCORPORATED CITIES

Arcata
Blue Lake
Eureka
Ferndale
Fortuna
Rio Dell
Trinidad

COMMUNITY SERVICES DISTRICTS

Big Lagoon CSD
Carlotta CSD
Fieldbrook CSD
Humboldt CSD
Loleta CSD
Manila CSD
McKinleyville CSD
Miranda CSD
Orick CSD
Orleans CSD
Palmer Creek CSD
Patrick Creek CSD
Phillipsville CSD
Redway CSD
Weott CSD
Westhaven CSD
Willow Creek CSD

WATER DISTRICTS

Humboldt Bay Municipal WD
Alderpoint County WD
Hydesville County WD
Jacoby Creek County WD

SANITARY DISTRICTS

FIRE DISTRICTS

Arcata FPD
Blue Lake FPD
Ferndale FPD
Fortuna FPD
Garberville FPD
Humboldt #1 FPD
Loleta FPD
Myers Flat FPD
Petrolia FPD
Redway FPD
Rio Dell FPD
Samoa Peninsula FPD
Whitethorn FPD
Willow Creek FPD

CEMETERY DISTRICTS

Fortuna CD
Petrolia CD

PARK & RECREATION DISTRICTS

North Humboldt P & RD
Rohner P & RD

OTHER DISTRICTS

Humboldt Bay Harbor Recreation
& Conservation District
Resort Improvement District #1
Southern Humboldt Community
Hospital District
CSA #4 (CDF Winter Fire Protection)



Garberville SD

APPENDIX G

LAFCo PROCEDURES DIAGRAM/FLOW CHART
(Processing Changes of Organization)