

# MENDOCINO

## Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482

Telephone: (707) 463-4470 | Fax: (707) 462-2088 | E-mail: [eo@mendolafco.org](mailto:eo@mendolafco.org) | Web: [www.mendolafco.org](http://www.mendolafco.org)

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### **MEMBERS**

**Jerry Ward, Chair & Treasurer**  
Public Member

**Carre Brown, Vice Chair**  
County Board of Supervisors

**Kevin Doble**  
Ukiah City Council

**Gerardo Gonzalez**  
Willits City Council

**Dan Hamburg**  
County Board of Supervisors

**Theresa McNerlin**  
Ukiah Valley Sanitation District

**Tony Orth**  
Brooktrails Township CSD

### **ALTERNATE MEMBERS**

**Scott Ignacio**  
Point Arena City Council

**John McCowen**  
County Board of Supervisors

**Carol Rosenberg**  
Public Member

**Angela Silver**  
Calpella County Water District

### **STAFF**

**Executive Officer**  
Uma Hinman

**Analyst**  
Larkyn Feiler

**Commission Clerk**  
Elizabeth Salomone

**Counsel**  
Scott Browne

### **Regular Meetings**

First Monday  
of each month  
at 9:00 AM  
in the Mendocino  
County Board  
of Supervisors Chambers  
501 Low Gap Road

## A G E N D A

### Policies and Procedures Committee Meeting

September 14, 2017 1:00pm

Ukiah Valley Conference Center  
200 S School Street, Ukiah, CA 95482

#### 1. CALL TO ORDER AND ROLL CALL

Commissioners Dan Hamburg, Theresa McNerlin, and Tony Orth

#### 2. MATTERS FOR DISCUSSION & POSSIBLE ACTION

- a) Approval of the July 31, 2017 Policies and Procedures Committee Meeting Minutes
- b) Annual Legislative Platform Development for 2017  
Discuss a Draft Legislative Platform per the recently adopted Legislative Policy.
- c) Annexation Tax Negotiations Procedures  
Draft policy and/or procedures to improve understanding and communication regarding the property tax exchange negotiation and agreement process set forth in Revenue and Taxation Code § 99(b), which is applicable to certain LAFCo applications.
- d) Budget Policy  
Discuss developing a policy to specify conditions for budget line exceedance.
- e) Other Policy & Procedure Update Discussions and/or Recommendations  
Opportunity for Committee to discuss additional Policy & Procedure Manual needs or maintenance.

#### ADJOURNMENT

The next Regular Commission Meeting is scheduled for  
October 2, 2017 at 9:00am  
in the County Board of Supervisors Chambers  
501 Low Gap Road, Ukiah, California

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### Agenda Item 2a

#### **MEMBERS**

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Public Member

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County Board of Supervisors

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#### **Regular Meetings**

First Monday  
of each month  
at 9:00 AM  
in the Mendocino  
County Board  
of Supervisors Chambers  
501 Low Gap Road

## MINUTES

### Policies and Procedures Committee Meeting

July 31, 2017 12:00pm

Ukiah Valley Conference Center  
200 S School Street, Ukiah, CA 95482

#### **CALL TO ORDER AND ROLL CALL**

Chair McNerlin called the meeting to order at 12:01pm.

Members Present: Commissioners Dan Hamburg, Theresa McNerlin,  
and Tony Orth

Staff Present: Uma Hinman and Elizabeth Salomone

#### **MATTERS FOR DISCUSSION & POSSIBLE ACTION**

1. Approval of the January 20, 2017 Policies and Procedures Committee Meeting Minutes

Upon motion by Commissioner Orth and second by Commissioner Hamburg, the minutes for the January 20, 2017 Policies and Procedures Committee Meeting were approved by unanimous vote:

Ayes: Commissioners Hamburg, McNerlin, and Orth

2. Legislative Policy Development

The following draft policy was considered with consensus for recommendation to full Commission.

#### Legislative Policy

- 1) The Commission shall consider adoption of a legislative platform annually, at the first regular Commission meeting following the CALAFCO publication of their legislative platform, or as needed.
- 2) In situations when proposed legislation affecting LAFCo cannot be considered by the full Commission due to timing, the Executive Officer is authorized to provide written or e-mail correspondence regarding the Commission's position if the position is consistent with the adopted legislative platform of the Commission.
- 3) The Chair (or Vice Chair in the absence of the Chair) shall review and either sign the letter or approve the e-mail prior to it being submitted.
- 4) After submission, the Executive Officer shall forward the signed letter or approved e-mail to the Commission.
- 5) The correspondence will be included on the next available Commission agenda for affirmation.

The CALAFCO 2017 Legislative Policies are to be reviewed by Chair McNerlin and staff for full Commission consideration.

*(Continued...)*

3. Annexation Tax Negotiations Procedures

The Committee directed the Executive Officer to coordinate with the County Executive Office to clarify the process of tax apportionment agreements and discuss ways to streamline the process. The Committee will subsequently consider a draft policy and recommend to the full Commission.

4. Other Policy & Procedure Update Discussions and/or Recommendations

Policies on the Commission budget will be considered on a future agenda.

**ADJOURNMENT**

There being no further business the meeting was adjourned at 1:03pm.

The next Regular Commission Meeting is scheduled for  
September 11, 2017  
in the County Board of Supervisors Chambers  
501 Low Gap Road, Ukiah, California

**MENDOCINO**  
**Local Agency Formation Commission**

**Staff Report**

DATE: September 14, 2017  
TO: LAFCo Policies & Procedures Committee  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Draft 2017 Legislative Platform

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**BACKGROUND**

Upon recommendation of the Policies and Procedures Committee, the Commission considered and adopted the following policy at its August 7, 2017 meeting:

Legislative Policy

- 1) The Commission shall consider adoption of a legislative platform annually, at the first regular Commission meeting following the CALAFCO publication of their legislative platform, or as needed.
- 2) In situations when proposed legislation affecting LAFCo cannot be considered by the full Commission due to timing, the Executive Officer is authorized to provide written or e-mail correspondence regarding the Commission's position if the position is consistent with the adopted legislative platform of the Commission.
- 3) The Chair (or Vice Chair in the absence of the Chair) shall review and either sign the letter or approve the e-mail prior to it being submitted.
- 4) After submission, the Executive Officer shall forward the signed letter or approved e-mail to the Commission.
- 5) The correspondence will be included on the consent calendar of the next available Commission agenda for ratification.

Item 1 of the policy requires the Commission to adopt a legislative platform each year, which will be based upon CALAFCO's legislative platform. Commissioner McNerlin has reviewed the 2017 CALAFCO legislative platform and provided suggestions on revising the platform for Mendocino LAFCo.

Attached is a Draft 2017 Legislative Platform with strikethroughs and underlining indicating recommended changes from the CALAFCO 2017 Legislative Platform for Committee discussion.

**STAFF RECOMMENDATION**

Policies & Procedures Committee discuss draft legislative platform and make recommendation to full Commission.

Attachments:

- (1) Draft 2017 Legislative Platform

# Mendocino LAFCo

## DRAFT 2017 Legislative Platform

### 1 LAFCo Purpose and Authority

- 1.1 Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code Section 56000 et seq., and oppose legislation which diminishes LAFCo authority.
- 1.2 Support authority for each LAFCo to establish local policies to apply Government Code Section 56000 et. seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3 Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.
- 1.4 Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or polices which create conflicts or hamper with those responsibilities.
- 1.5 Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6 Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

### 2 LAFCo Organization

- 2.1 Support the independence of LAFCo from local agencies.
- 2.2 Oppose the re-composition of any LAFCo to create special seats and recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.
- 2.3 Support representation for special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4 Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

### 3 Agriculture and Open Space Protection

- 3.1 Support legislation which clarifies LAFCo authority to identify, encourage, and ensure the preservation of agricultural and open space lands.
- 3.2 Encourage a consistent definition of agricultural and open space lands.
- 3.3 Support polices which encourage cities, counties, and special districts to direct development away from prime agricultural lands.
- 3.4 Support polices and tools which protect prime agricultural and open space lands.
- 3.5 Support the continuance of the Williamson Act ~~and restoration of program funding through State subvention payments.~~

### 4 Orderly Growth

- 4.1 Support the recognition and use of spheres of influence as a management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.
- 4.2 Support recognition of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.
- 4.3 Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.

4.4 Support communication among cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to LAFCo.

4.5 Support the cooperation between counties, ~~and~~ cities, and special districts on decision related to development within the city's designated sphere of influence.

## **5 Service Delivery and Local Agency Effectiveness**

5.1 Support the use of LAFCo resources to review Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCos and regional planning agencies.

5.2 Support LAFCo authority as the preferred method of local governance. Support the availability of LAFCo tools which provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.

5.3 Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure, and ability to efficiently deliver proposed services.

5.4 Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.

5.5 Support collaborative efforts among agencies and LAFCos that encourage opportunities for sharing of services, staff, and facilities to provide more efficient and cost effective services. Support legislation which provides LAFCo with additional opportunities to encourage shared services.

## **2017 Legislative Priorities**

### **Primary Issues**

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#### **Authority of LAFCo**

Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues. Support legislation that maintains or enhances LAFCo's ability to make decisions regarding boundaries and formations, as well as to enact recommendations related to the delivery of services and the agencies providing them, including consolidations, reorganizations, or dissolutions.

#### **Agriculture and Open Space Protection**

Support policies, programs, and legislation that recognize LAFCo's mission to protect and mitigate the loss of prime agricultural and open space lands and that encourage other agencies to coordinate with local LAFCos on land preservation and orderly growth. Support efforts that encourage the creation of habitat conservation plans.

#### **Water Availability**

Support polices, programs, and legislation that promote an integrated approach to water availability and management. Promote adequate water supplies and infrastructure planning for current and planned growth as well as to support the sustainability of agriculture. Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of

expanding water company service areas on orderly growth, and the impacts of consolidation or dissolution of water companies providing services.

### **Viability of Local Services**

Support legislation that maintains or enhances LAFCo's ability to review and act to determine the efficient and sustainable delivery of services and the financial viability of agencies providing those services to meet current and future needs including those identified in regional planning efforts such as sustainable communities strategies. Support legislation which provides LAFCo and local communities with options for local governance and service delivery to ensure efficient, effective, and quality service delivery. Support efforts which provide tools to local agencies to address aging infrastructure, fiscal challenges and the maintenance of services.

### **Issues of Interest**

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#### **Housing**

Provision of territory and services to support housing plans consistent with regional land use plans and LAFCo policies.

#### **Transportation**

Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.

#### **Flood Control**

The ability and effectiveness of local agencies to maintain and improve levees and protect current infrastructure. Carefully consider the value of uninhabited territory, and the impact to public safety of proposed annexation to urban areas of uninhabited territory which is at risk for flooding. Support legislation that includes assessment for agency viability in decisions involving new funds for levee repair and maintenance. Support efforts that encourage the creation of habitat conservation plans.

#### **Adequate Municipal Services in Inhabited Territory**

Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. To promote environmental justice for undeserved inhabited communities, funding sources should be identified for extension of municipal services, including options for annexation of contiguous disadvantaged unincorporated communities. Promote the delivery of adequate, sustainable, efficient, and effective levels of service through periodic updates of Municipal Service Reviews, Spheres of Influence, and other studies.

# MENDOCINO

## Local Agency Formation Commission

### Staff Report

DATE: September 14, 2017  
TO: Policies and Procedures Committee  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Property Tax Exchange Agreement Policy Development

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#### **Background**

During its July 31<sup>st</sup> meeting, the Policies and Procedures Committee discussed and reviewed a draft policy change to address the Commission's direction to review the tax share agreement process for applications. The Committee directed staff to meet with staff from the County CEO's office to discuss coordination between LAFCo and the County for applications that trigger the tax agreement requirement.

#### **EO Report on County Meeting**

EO Hinman met with Carmel Angelo, Alan Flora, and Steve Dunicliff on August 16<sup>th</sup> to discuss the process of tax share negotiations. A flowchart of LAFCo's annexation process and copies of the CKH sections that trigger the Revenue and Tax Code Section 99 tax share negotiations were provided to County staff. We reviewed LAFCo's application process, emphasizing that application processing cannot move forward until a tax share agreement is reached and resolutions from both the County and the affected district(s) are submitted. EO Hinman noted that while LAFCo has no authority over the tax share negotiation process, LAFCo staff could help facilitate the process and communication.

County staff stated that tax sharing would be most appropriate in cases where like services were being transferred. It was also noted that the County would need it to be a no net-loss of revenue situation. The County's process is to schedule the negotiation for the BOS once the Assessor and Auditor have prepared the breakdown of tax apportionments.

The County noted that the earlier in the process they receive notification of the application and tax share negotiation requirement, the better. We talked about LAFCo staff sending an informative email to the CEO at the pre-application stage, if appropriate. EO Hinman informed County staff of that form letters had developed and would be sent to the CEO and Auditor's Office upon receipt of (otherwise) complete applications.

In conclusion, the County would like to be looped in as early in the process as possible and staff would schedule the tax share agreement for hearing with the Board of Supervisors once they received the input from the Assessor/Auditor.

Application Materials. Applications to the Commission must contain all the information and materials required by the CKH Act (G.C. §56652 and 56653), including a plan for services, as well as



the applicable fees or deposit toward fees as specified by the LAFCo Fee Schedule. Except when the Commission is the Lead Agency pursuant to the CEQA (as defined in Public Resources Code §21067), an application must also contain complete documentation of the Lead Agency's environmental determination. No application for a change of organization or reorganization will be deemed complete and scheduled for hearing unless Revenue and Taxation Code (Section 99) requirements for tax apportionment agreements have been satisfied.

### **Staff Policy Recommendation**

The following draft policy proposes revisions to the existing Application Materials Policy shown in track changes (new language underlined and deleted language ~~struckthrough~~):

#### Chapter 10, Section 4. Application Requirements

1. Application Materials. ...No application for a change of organization or reorganization will be deemed complete and scheduled for public hearing ~~unless~~ until proof of a property tax exchange agreement, in the form of adopted resolutions, is provided by the local agencies whose service area or service responsibility will be altered by the proposed jurisdictional change pursuant to Revenue and Taxation Code (Section 99) (b)(6) requirements for tax apportionment agreements have been satisfied. To facilitate the tax exchange process, upon receipt of applications requiring the process, LAFCo staff will provide notification of the application to the County CEO, Auditor and Assessor, with a copy also provided to the applicant's District Supervisor.

The following shows the revised Application Materials Policy without track changes:

1. Application Materials. ...No application for a change of organization or reorganization will be deemed complete and scheduled for public hearing until proof of a property tax exchange agreement, in the form of adopted resolutions, is provided by the local agencies whose service area or service responsibility will be altered by the proposed jurisdictional change pursuant to Revenue and Taxation Code Section 99(b)(6). To facilitate the tax exchange process, upon receipt of applications requiring the process, LAFCo staff will provide notification of the application to the County CEO, Auditor and Assessor, with a copy also provided to the applicant's District Supervisor.

Additionally, attached are two template letters for providing official notice that an application has been filed with LAFCo and outlining key parts of the property tax exchange agreement process per RTC § 99. The first letter is a Notice of Filing to the Mendocino County Assessor and Auditor-Controller required per RTC § 99(b). Though not required by state law, the second letter is a Notice of Initiating Property Tax Exchange Agreement Process to the Mendocino County CEO and District Supervisor.

### **Recommended Action:**

Staff recommends that the Policies and Procedures Committee review the proposed policy revisions and make a recommendation regarding the proposed policy to the Commission.

### **Attachments to be provided at meeting:**

- (1) Notice of Filing template letter
- (2) Notice to County CEO and District Supervisor template letter