

LOCAL AGENCY FORMATION COMMISSION
POLICIES AND GUIDELINES

5 SERVICE REVIEWS¹

LAFCOS are required to comprehensively review all municipal services provided by agencies with SOIs. Service reviews are conducted before, or in conjunction with, but no later than the time LAFCO establishes or updates SOIs. Service reviews are not intended to be agency specific. Rather, they focus on all public and private service providers within an identified geographic area that provide the service under review. A service review process must include adoption of written evaluations of service related issues (§56430).

- 5.1** LAFCO shall conduct a service review of all municipal services provided in the county or other appropriate designated area. LAFCO shall include in the area designated for service review the county, the region, the sub-region, or other geographic area that makes sense from a public service provision standpoint (§56430).
- 5.2** LAFCO shall comprehensively review all of the agencies and private entities that provide the identified service or services within the designated area (§56430).
- 5.3** LAFCO shall complete service reviews for all municipal services provided by agencies with SOIs by January 1, 2008. After that date, service reviews shall be completed as necessary prior to, or concurrent with, SOI formations, updates, or substantial amendments (§56430).
- 5.4** LAFCO shall utilize service reviews to:
- Promote orderly growth and development in appropriate areas with consideration of service feasibility, service costs that affect housing affordability, environmental justice, and preservation of open space, important agricultural land and finite natural resources;
 - Encourage infill development and direct growth to areas planned for growth in General Plans;
 - Learn about service issues and needs and update service provider records;
 - Provide tools to support perspectives or planning efforts that address regional, cross county or statewide issues and processes;

¹Note: All code notations in the Policies and Guidelines refer to California Government Code unless otherwise noted.

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- Develop a structure for dialogue among agencies that provide services and a support network for smaller or ill-funded districts that provide valuable services;
 - Develop strategies to avoid unnecessary costs, eliminate waste, and improve public service provision while planning for provision of the infrastructure needed to support healthy growth; and
 - Provide ideas about opportunities to streamline service provision through use of shared facilities, approval of different or modified government structures, joint service agreements, shared resource acquisition, joint funding requests or strategies, or integrated land use planning and service delivery programs.
- 5.5** Service reviews do not replace designations or updates of SOIs, but should be conducted in the establishment or amendment of any SOIs.
- 5.6** LAFCO will attempt to minimize the number of required service reviews by clustering services or agencies as feasible and appropriate.
- 5.7** LAFCO shall work to streamline service review processes by:
- (1) integrating SOI proposal processing and related CEQA processes with service reviews where appropriate;
 - (2) placing high priority on reviews of services affected by pending or anticipated proposals where feasible and fair;
- (1) working with city and county planners to identify areas where the short-term conduct of service reviews is needed to support orderly growth and development; and
 - (2) requesting that technical information needed for service reviews be included in the General, Specific and Master Service Plans of land use agencies and special districts.
- 5.8** LAFCO shall use existing information resources, technical support from the county, cities and special districts when available and adequate, staging or tiering of reviews, and similar strategies to reduce service review processing costs and timelines. The intent is to avoid unnecessary processing costs and processing time while producing high quality technical reviews.
- 5.9** LAFCO shall encourage collaboration, cooperation and information sharing among service review stakeholders including participation in project scoping, designing the service review, negotiating funding strategies, developing information needs assessment and collection strategies, sharing Best Practices,

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- identifying applicable industry standards, selecting consultants if appropriate, and evaluating technical drafts.
- 5.10** Service reviews shall include evaluations of issues related to activated and latent powers (§56430).
- 5.11** LAFCO shall encourage private service providers to fully participate in service review processes (§56430).
- 5.12** Service review boundaries may need to cross county lines in order to provide the best analysis of multi-agency service structures. LAFCO will work with affected LAFCOS to create a joint decision-making process including consideration of formal inter-LAFCO agreements for conducting service reviews.
- 5.13** To augment technical capabilities of agencies involved in service reviews, LAFCO should utilize mentor LAFCO resources as feasible and encourage cities, special districts and the county to develop methods for providing technical assistance to smaller districts that need to be reviewed.
- 5.14** LAFCO shall independently review and verify service review information compiled by other agencies. Appropriate local, state, federal and industry standards, identified during the scoping process, will be used to support analysis of technical data and conditions.
- 5.15** Service reviews shall contain conclusions and recommendations for SOI or other government structure changes needed to implement positive service changes.
- 5.16** LAFCO shall prioritize service reviews, provide preliminary work plans including stakeholder lists and identify funding resources as part of its annual work plan and budget hearing processes. If a service review is not considered during budget hearings, LAFCO will review and approve its preparation at a later meeting.
- 5.17** The Executive Officer will conduct scoping meetings, prepare a mailing list, develop and implement final work plans consistent with LAFCO's recommendations, and prepare, or cause to be prepared, and issue each required draft service review.
- 5.18** The Commission may need to consider final service review work plans and other processing recommendations if necessary and at regularly scheduled meetings. The Commission may also be asked to initiate service review related SOI updates as appropriate.
- 5.19** Collaborative scoping and information sharing meetings, and informational workshops for agencies being reviewed, will be conducted as needed.

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- 5.20** An administrative draft of technical data, and related analysis, may be circulated to encourage the highest quality service review possible within fiscal or other constraints.
- 5.21** The Executive Officer shall issue a draft service review report, which includes service review conclusions and recommendations, and may include draft recommendations for required written determinations.
- 5.22** Written or electronic notice shall be provided to any party on the service review mailing list. A 21-day public review period shall be provided for a draft service review.
- 5.23** The Executive Officer shall prepare a staff report with general recommendations as well as recommendations for written determinations.
- 5.24** LAFCO shall hear and consider the draft service review report and recommendations at a noticed public hearing. At the hearing, the Commission may:
- (1) find that the draft service review report is adequate and final, approve appropriate recommendations and adopt written determinations;
 - (2) direct staff to address comments and concerns and prepare a final service review report; or
 - (3) continue the hearing.
- 5.25** For each service review, LAFCO shall adopt a written statement of its determinations with respect to each of the following:
- ~~Infrastructure needs or deficiencies;~~
 - ~~Growth and population projections for the affected area;~~
 - ~~Financing constraints and opportunities;~~
 - ~~Opportunities for rate restructuring;~~
 - ~~Opportunities for shared facilities;~~
 - ~~Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;~~
 - ~~Evaluation of management efficiencies; and~~

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- ~~Local accountability and governance.~~
 - *Growth and population projections for the affected area;*
 - *Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies;*
 - *Financial ability of agencies to provide services;*
 - *Status of, and opportunities for, shared facilities;*
 - *Accountability for community service needs, including governmental structure and operational efficiencies; and*
 - *The potential effect of agency services on agricultural and open space lands.*
- 5.26** A draft service review will be considered final if no substantive comments are received prior to the end of the hearing and LAFCO determines it satisfactory.
- 5.27** LAFCO may consider SOI actions that are based on an approved service review immediately after adoption of written determinations. Such action should be delayed if imminent requests for reconsideration are expected or oral or written requests for delay are received prior to the end of the service review hearing.
- 5.28** A request for reconsideration may be filed pursuant to policies and procedures contained in Section 3.7.