

Agenda Item # 5
Attachment A

The following are the applicable sections of the Government Code relating to Municipal Service Reviews and Sphere of Influence Studies. For the discussion in Item #5 of this agenda, the applicable sections are bolded.

56425. (a) **In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.**
- (b) At least 30 days prior to submitting an application to the commission for a determination of a new sphere of influence, or to update an existing sphere of influence for a city, representatives from the city shall meet with county representatives to discuss the proposed sphere, and its boundaries, and explore methods to reach agreement on the boundaries, development standards, and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If no agreement is reached between the city and county within 30 days, then the parties may, by mutual agreement, extend discussions for an additional period of 30 days. If an agreement is reached between the city and county regarding the boundaries, development standards, and zoning requirements within the proposed sphere, the agreement shall be forwarded to the commission, and the commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section, and the commission shall give great weight to the agreement in the commission's final determination of the city sphere.
- (c) If the commission's final determination is consistent with the agreement reached between the city and county pursuant to subdivision (b), the agreement shall be adopted by both the city and county after a noticed public hearing. Once the agreement has been adopted by the affected local agencies and their respective general plans reflect that agreement, then any development approved by the county within the sphere shall be consistent with the terms of that agreement.
- (d) If no agreement is reached pursuant to subdivision (b), the application may be submitted to the commission and the commission shall consider a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section.
- (e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

- (1) The present and planned land uses in the area, including 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 that the agency provides or is authorized to provide.
 - (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- (f) Upon determination of a sphere of influence, the commission shall adopt that sphere.
- (g) **On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.**
- (h) The commission may recommend governmental reorganizations to particular agencies in the county, using the spheres of influence as the basis for those recommendations. Those recommendations shall be made available, upon request, to other agencies or to the public. The commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.
- (i) When adopting, amending, or updating a sphere of influence for a special district, the commission shall do all of the following:
- (1) Require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.
 - (2) Establish the nature, location, and extent of any functions or classes of services provided by existing districts.
- (j) Subdivisions (b), (c), and (d) shall become inoperative as of January 1, 2007, unless a later enacted statute, that becomes operative on or before January 1, 2007, deletes or extends that date.
56430. (a) **In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission.** The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:
- (1) Infrastructure needs or deficiencies.

- (2) Growth and population projections for the affected area.
 - (3) Financing constraints and opportunities.
 - (4) Cost avoidance opportunities.
 - (5) Opportunities for rate restructuring.
 - (6) Opportunities for shared facilities.
 - (7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.
 - (8) Evaluation of management efficiencies.
 - (9) Local accountability and governance.
- (b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.
- (c) **The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.**
- (d) Not later than July 1, 2001, the Office of Planning and Research, in consultation with commissions, the California Association of Local Agency Formation Commissions, and other local governments, shall prepare guidelines for the service reviews to be conducted by commissions pursuant to this section.