



San Mateo LAFCo Overview  
San Mateo County Civics 101 Academy  
October 5, 2021



CORTESE-KNOX-HERTZBERG  
LOCAL GOVERNMENT REORGANIZATION ACT OF 2000

# Outline

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- Overview of LAFCo and Powers
- Types of Government Agencies
- Local Government in San Mateo County
- LAFCo and School Districts
- Municipal Service Reviews and Spheres of Influence



# What is LAFCo

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- The Local Agency Formation Commission (LAFCo) is a public agency for each county established by the Cortese-Knox-Hertzberg Local Government Act (State law).
- First created in 1963
- LAFCOs are independent from local, county, and state government.
- LAFCo Commission is comprised of 2 County Supervisors, 2 City Council members, 2 Special District members, and 1 public member.
- “All commission members shall exercise their independent judgement on behalf of the interests of the public as a whole and not solely of the appointing agency”



# LAFCo Administration

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- LAFCos can directly hire staff or contract with other government agencies - San Mateo LAFCo contracts with the County of San Mateo.
- Staff works solely for LAFCo
- LAFCo budget is adopted by the Commission and is independent of other agencies
- By State law LAFCo is funded in 1/3 (County, cities, and special districts)



# LAFCo Authority and Powers

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- With the primary purpose of regulating boundaries of cities and special districts, LAFCo adopts spheres of influence as plans for the boundaries of cities and special districts
- Processes annexation applications and applications for extension of services
- Prepares municipal service reviews of cities and districts in context of State policies promoting logical boundaries, efficient delivery of services and elimination of overlapping service delivery
- There are a number of actions and approvals that LAFCo does not regulate or review



# LAFCo Actions

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- Annex land to cities or special districts
- Detach land from cities or special districts (rare)
- Consolidate two or more cities or two or more special districts
- Form new special districts and incorporate new cities (unlikely)
- Dissolve special districts and disincorporate cities (not common)
- Merge cities and special districts
- Allow cities or special districts to provide services outside of their boundaries
- Authorize activation or divestiture of special district powers
- LAFCo can initiate dissolutions and consolidations, but not annexation



# The LAFCo Lens

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- Study boundaries/organization in context of State policies promoting logical boundaries, efficient delivery of services and elimination of overlapping agencies
- County distinguished from cities: As subdivision of State, primary role: Health, Human Services, Criminal Justice (State Mandated Programs) not a municipal service provider by design
- Where feasible, areas needing municipal services should annex to cities, particularly when land use is intensifying
- LAFCo adopts spheres of influence as plans for the boundaries of cities and special districts



# Types of government agencies

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- State of California
- County
- City
  - General law vs Charter
- Special Districts
  - Dependent vs Independent
  - Enterprise vs non-enterprise
  - Single vs multi-purpose
- Joint Powers Authorities (JPAs)
- Regional Government Agencies





# Enterprise vs. Non-Enterprise

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- Enterprise Districts
  - Similar to business enterprises
  - Charge fees to recover cost of services
  - Examples: Sewer and Water
- Non-Enterprise Districts
  - Provide services that don't lend themselves to fees
  - Examples: Mosquito & Vector Control District, Fire service, Open Space District
  - Cities and districts may have both “enterprise” and “non-enterprise” functions (e.g., Park & Rec, Harbor District)



# Legacy of Prop. 13

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- Prior to Prop. 13, property taxes were the major source of revenue for local government
- Agencies set their own rates
- In 1978, Prop. 13 passes
- Limit the property tax rate to 1%
- Allocation of property tax subject to state law
- Agencies locked into pre-Prop. 13 property tax rates
- Resulted in enterprise districts receiving a share of 1% property tax



# Local Government in San Mateo County

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- County
- 20 cities
  - Smallest – Colma (Pop. 1,507)
  - Largest – San Mateo (Pop. 105,661)
- 22 independent special districts
  - Including – Water/sewer, fire, healthcare, open space/recreation, harbor, and police districts
- 33 County-governed special districts
  - Water/sewer, street lighting, drainage
- 16 Joint Powers Agencies/Authorities
  - County Library, sewage treatment, fire



# Common Misconceptions About School Districts and LAFCo

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- City and school district boundaries do not align
- Cities can have multiple school districts or districts can cover multiple cities and unincorporated area
- Residents of unincorporated areas want to annex to city so they can change school districts
- Residents of one city want to detach and annex to other city to be included in “better” school district
- LAFCo refers inquiries to San Mateo County Office of Education  
- County Committee on School District Organization



# Municipal Service Reviews

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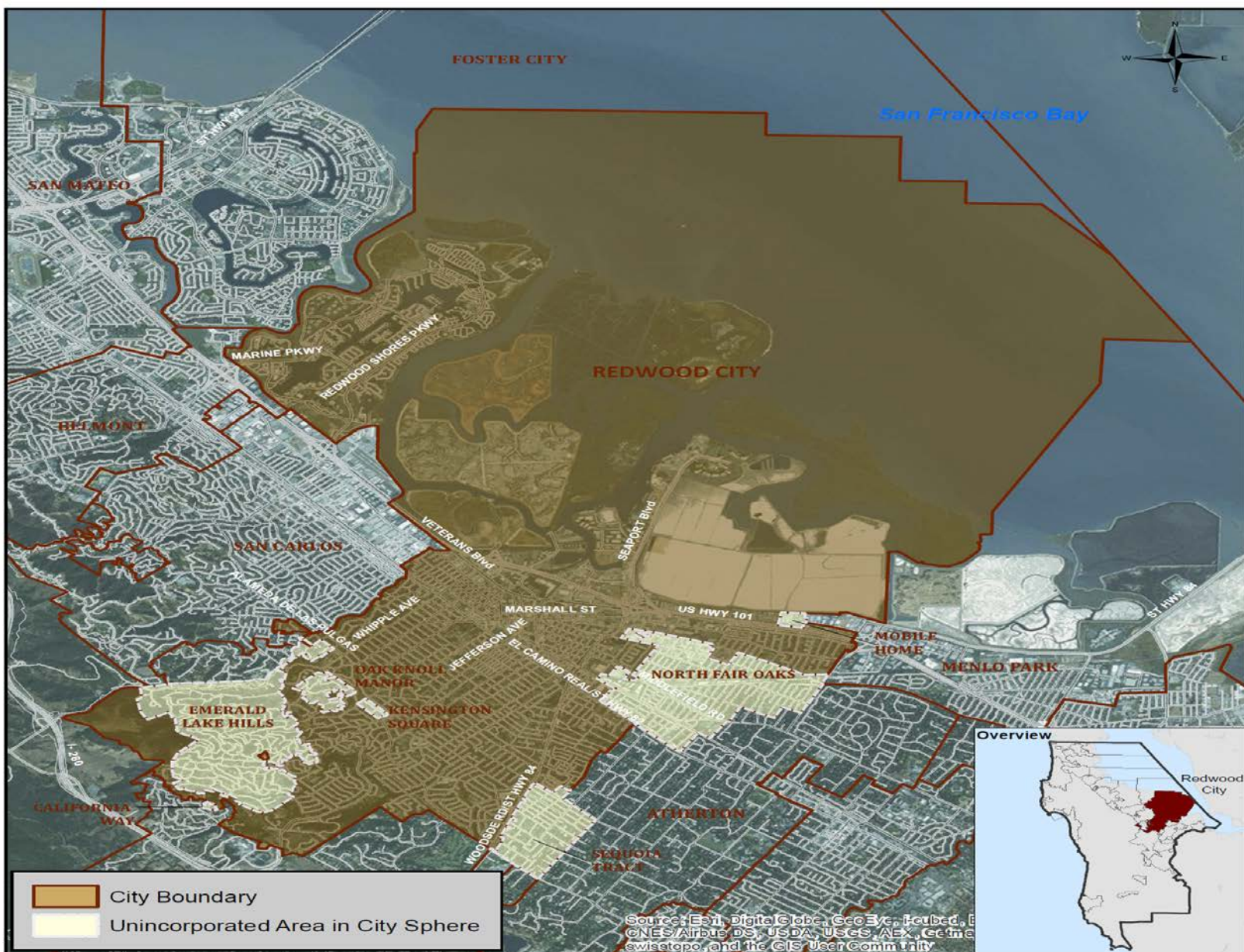
- Municipal Service Reviews (MSRs) are state mandated studies conducted by LAFCo
- They analyze governance structures, fiscal health and efficiencies of service providers
- The determinations and recommendations in an MSR are non-binding, but the Commission or other entity could take later action to initiate certain changes
- MSRs are a prerequisite to a Sphere of Influence



# Spheres of Influence
























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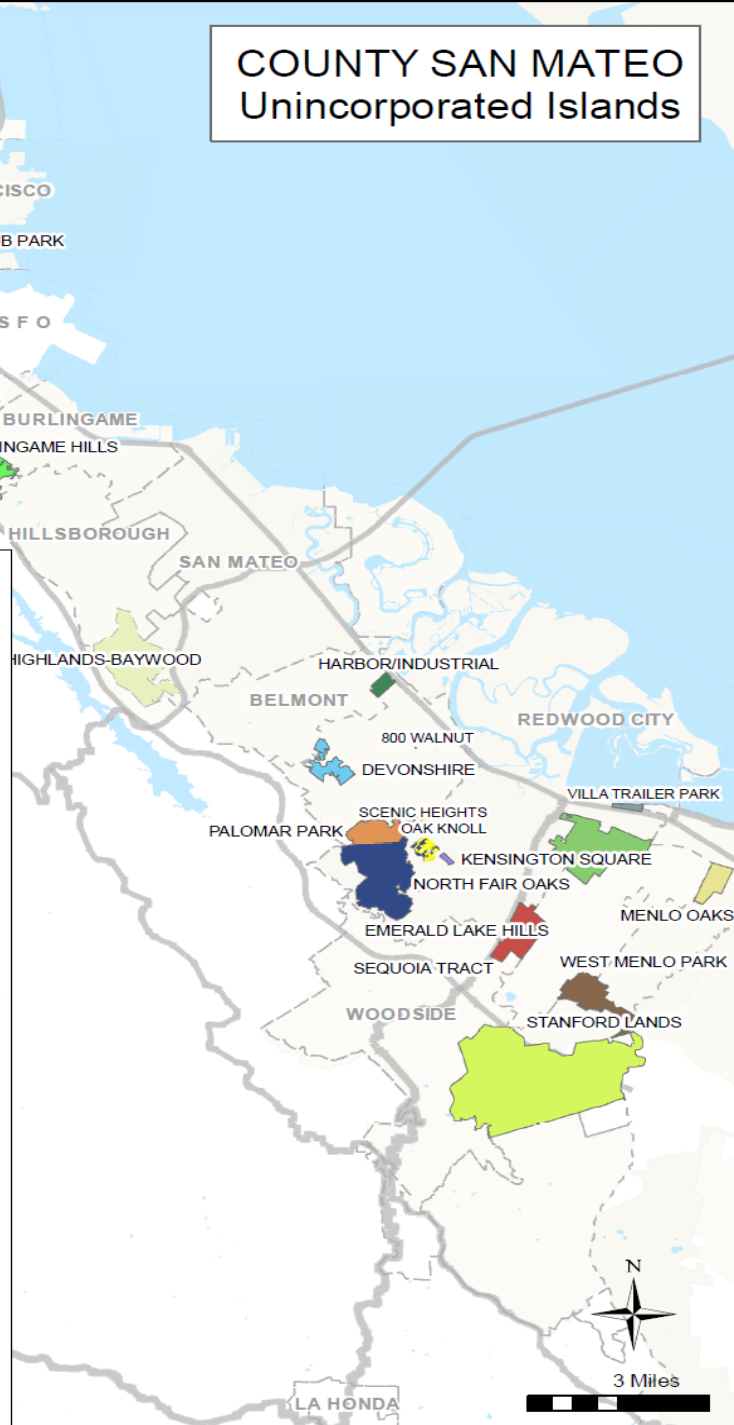
- Sphere of Influence (SOI) is a plan for the probable physical boundaries and service area of a local agency
- The MSR helps inform what the SOI could be
- Factors that need to be considered for an SOI include land uses and the need and capacity of public services
- City vs District SOI
- Types of SOIs
  - Expanded
  - Coterminous
  - Dissolution (Zero)



# REDWOOD CITY SPHERE OF INFLUENCE

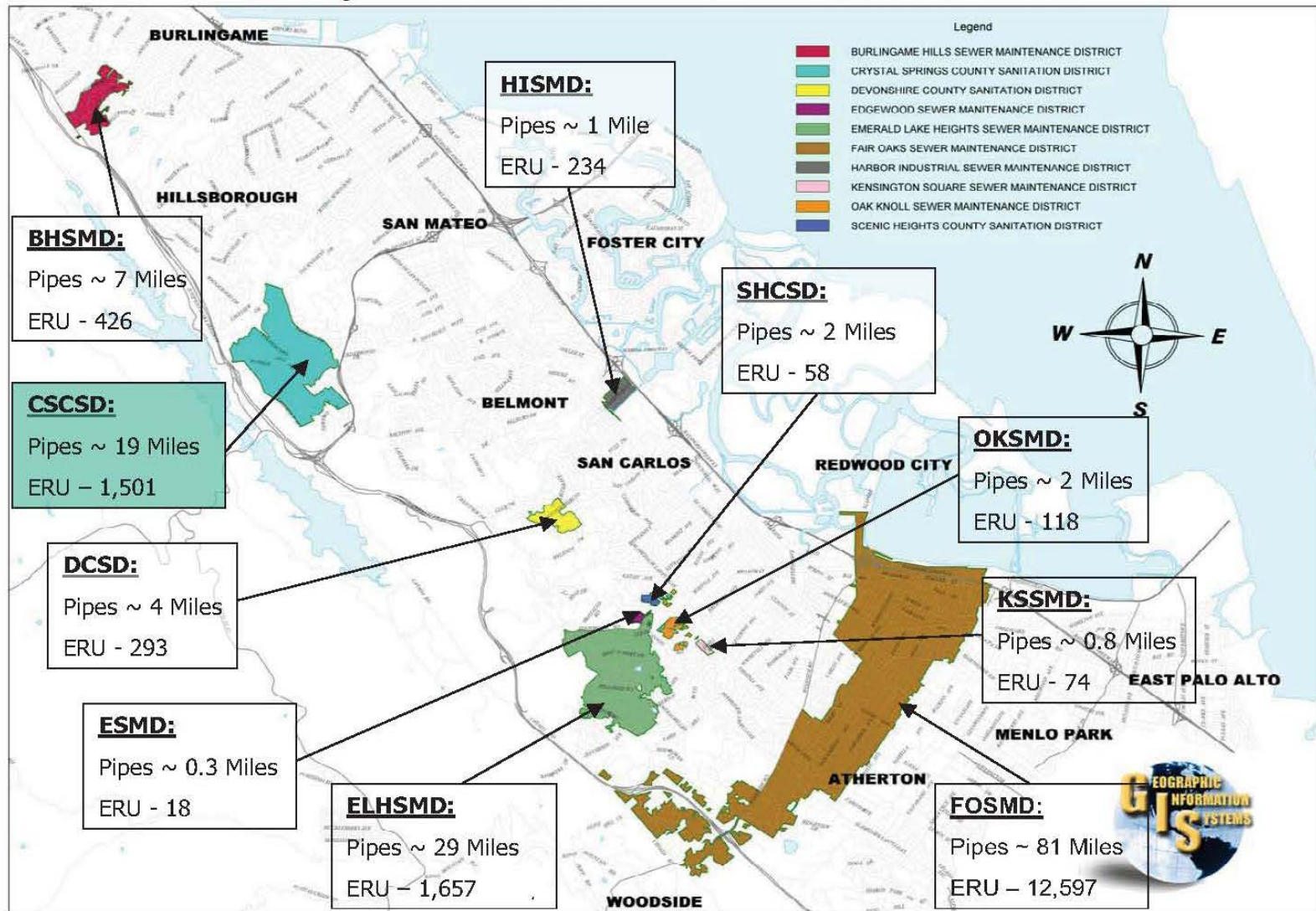
# COUNTY SAN MATEO Unincorporated Islands

	OLYMPIC GOLF CLUB, 197.2 Acres
	800 WALNUT, 0.2 Acres
	SF JAIL, 149.7 Acres
	OAK KNOL, 46.0 Acres
	SCENIC HEIGHTS, 16.0 Acres
	VILLA TRAILER PARK, 33.1 Acres
	013250140, 4.29 Acres
	HIGHLANDS-BAYWOOD, 794.2 Acres
	BROADMOOR, 276.6 Acres
	BURLINGAME HILLS, 193.4 Acres
	CALIFORNIA GOLF CLUB, 203.9 Acres
	COLMA (UNINCORPORATED), 63.5 Acres
	COUNTRY CLUB PARK, 53 Acres
	DEVONSHIRE, 157.2 Acres
	EMERALD LAKE HILLS, 893.9 Acres
	HARBOR/INDUSTRIAL, 60.6 Acres
	KENSINGTON SQUARE, 13.1 Acres
	MENLO OAKS, 158.1 Acres
	NORTH FAIR OAKS, 765.5 Acres
	PALOMAR PARK, 251.1 Acres
	SEQUOIA TRACT, 326.9 Acres
	STANFORD LANDS, 2814.1 Acres
	WEST MENLO PARK, 322.7 Acres





# County Administered Sewer and Sanitation Districts



# Resources

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- Website: <https://lafco.smcgov.org/>
- Martha Poyatos, Executive Officer, [mpoyatos@smcgov.org](mailto:mpoyatos@smcgov.org)
- Rob Bartoli, Management Analyst, [rbartoli@smcgov.org](mailto:rbartoli@smcgov.org)
- <https://calafco.org/>
- Report: What's so special about special districts?
- League of Cities
- CA Special Districts Association
- California Association of Counties