

February 4, 2015

To all City Managers

Subject: Service Plans

As a follow-up to the Commission's December 2014 Annexation Program Guidelines (enclosed), this letter advises cities about the statutory and policy requirements for service plans to be submitted with each reorganization application.

1. Why a Service Plan?

Govt. Code §56653(a) states, "whenever a local agency or school district submits a resolution of application for a change of organization or reorganization pursuant to this part, the local agency shall submit with the resolution of application *a plan for providing services within the affected territory*."

2. What is in a Service Plan?

GC §56653(b): The plan for providing services shall include all of the following information and any additional information required by the commission or the executive officer:

- (1) An enumeration and description of the services to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

3. How is a service plan prepared?

Pursuant to Fresno LAFCo policy, a Master Service Plan shall be prepared by each city, in cooperation with the Commission staff. This master service plan shall include the information listed above. The service plan shall be evaluated and approved by the affected city and the Commission. This plan shall be on file with the affected city and Commission, and be made available to any interested person or agency upon request.

A service plan can be prepared by any staff member. At its most basic, the service plan simply reflects information that is already in your city's approved urban service plans for sewer/wastewater, water, parks, police and fire services, and so forth.

A service plan should include any general plan goals, policies, standards such as street classification, and desired levels of urban services. Your annual budget can play a role with your service plan as it contains financial goals, a Capital Improvement Plan, discussion of rates to support services and maintenance of city systems, and debt obligations that fund capital construction.

The service should be considered and approved by your city council and the Council resolution attached as an appendix. This will help LAFCo maintain its library of cities' plans.

The service plan shall be considered to meet the requirement of state law for a service plan for each proposal submitted thereafter with the following exceptions:

- Specific service, improvement, and financial data may be requested by the executive officer for specific applications.
- The affected city shall indicate for each application when the master service plan is not current and needs revision.
- The master service plan shall be reviewed annually and updated as necessary by the staff of the affected city in cooperation with the executive officer of the Commission. Any changes shall be evaluated and approved by the City and Commission.

A project-specific service plan is only required with a reorganization application where no current master service plan has been adopted by the agency and Commission.

4. Why is all this necessary?

A. Because service delivery efficiency is one of LAFCo's primary goals.

GC §56001. The Legislature has found and declared 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 and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and *efficiently extending government services*.

GC §56076. "Sphere of influence" means a plan for the probable physical boundaries *and service area of a local agency*, as determined by the commission.

GC §56301. Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, *efficiently providing government services, and encouraging the orderly formation and development of local agencies* based upon local conditions and circumstances.

B. Because service planning supports the Commission's December, 2014, Annexation Program Guidelines.

Each annexation implements the city's general plan, and the subject territory has been rezoned to be consistent with the general plan prior to submitting an application to LAFCo. City service plans should conform to the city's general plan. So all of these parts work together and your service plan is simply evidence of this efficiency.

The Commission approved the Annexation Program Guidelines to emphasize the use of city resolutions of applications versus property-owner petitions. The latter is still a legal and viable means of applying for a reorganization, but for reasons described in the enclosure, the former is encouraged. However, even with property-owner petitions for reorganization, LAFCo policy requires that the service plan "shall be prepared by each city, in cooperation with the Commission staff. This master service plan shall comply with all requirements of state law and the Commission, and shall be evaluated and approved by the affected city and the Commission." Since your staff may be asked by developers to participate on a project-specific basis, it may be more efficient to devote staff time to prepare a 'master' service plan that can be used for multiple applications.

Thank you for your consideration of this matter. If you have any questions, please do not hesitate to contact LAFCo staff.

Sincerely,

David E. Fey, AICP
Executive Officer

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Enclosure: Annexation program Guidelines

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