

MEMORANDUM

TO: Gloria L. Young
San Francisco LAFCo

FROM: Nancy C. Miller
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RE: **Future Work Plan/Review of Governmental Services**

DATE: September 13, 2002

This memo is provided in response to the Commission's request for information regarding LAFCo's ability to review governmental services. LAFCo is statutorily authorized to study a wide range of services in order to provide information that may be used to promote efficiency, upgrade services and reduce costs.

Moreover, such reviews frequently analyze alternatives for restructuring and simplifying governmental service providers. The scope of review is very broad.

LAFcos throughout California are preparing to review a wide-range of services within their jurisdictions as mandated by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code § 56000 et seq.). The Act requires LAFcos to conduct service reviews before updating service providers' spheres of influence. Since spheres of influence must be updated at least every five years, service reviews will also be conducted periodically. Due to the fact that the City and County of San Francisco is a consolidated government, San Francisco LAFCo is in the unique position of not administering any sphere of influence. However, the Commission has broad authority to study public services in order to achieve the same desirable goals as other LAFcos. Thus the Commission may wish to look to other LAFcos for direction.

Purposes of Government Service Study's:

Service Study's may serve to:

- Promote orderly growth and development in appropriate areas with consideration of service feasibility, service costs that affect housing affordability, and preservation of open space;
- Encourage infill development;
- Learn about service issues and needs;

- Plan for provision of high quality infrastructure as needed;
- Provide tools to support regional perspectives or planning that address regional, cross county or statewide issues and processes;
- Develop a structure for dialogue among agencies that provide services;
- Develop a support network for smaller or ill funded districts that provide valuable services;
- Provide backbone information for service provider directories or inventory reference documents;
- Develop strategies to avoid unnecessary costs, eliminate waste, and improve public service provision;
- Provide ideas about opportunities to streamline service provision through use of shared facilities, approval of different or modified government structures, joint service agreements, or integrated land use planning and service delivery programs; and
- Promote shared resource acquisition, insurance policies, joint funding requests or strategies.

Examples of LAFCo Special Government Service Studies:

A. Santa Cruz LAFCo: In 2001, Santa Cruz LAFCo created a Water Report by compiling supply and demand information previously generated by all of the primary water suppliers within its jurisdiction. The purpose of the report was to provide a basis for revising Santa Cruz LAFCo's water policies. (www.santacruzlafco.org)

B. Nevada LAFCo: Nevada County is in the process of preparing to hire an independent consultant to review the County's water services. The study will cover five public agencies, cities, an irrigation district and mutual water companies serving the territory. The Commission will use an independent consultant due to the complexity of the subject matter and to reduce controversy by heightening credibility. (www.lafco.co.nevada.ca.us)

C. San Luis Obispo LAFCo: San Luis Obispo LAFCo has conducted comprehensive services reviews of the infrastructure needs and deficiencies of the cities within its boundaries. For example, the Commission studied services such as wastewater collection, police and fire protection, and roadways within the City of Pismo Beach. (www.slolafco.com)

D. Riverside LAFCo: Riverside LAFCo is preparing to review public services tied to urban development such as water, wastewater, police and fire protection, library, roads,

electricity, parks and recreation, animal control and flood control.
(www.co.riverside.ca.us/lafco)

E. Napa LAFCo: Napa LAFCo is in the process of studying a variety of municipal services including lighting and landscaping, sewage and sanitation, and flood control and storm drainage. (napa.lafco.ca.gov)

F. Ventura LAFCo: In 2001, Ventura LAFCo studied special districts covering such areas as health care, cemeteries, parks and recreation, ports and harbors, resource conservation, sanitation and municipal water. Ventura LAFCo recently solicited proposals from independent firms to review water and wastewater service provided in the County. (www.ventura.lafco.ca.gov)

G. Santa Barbara LAFCo: Santa Barbara LAFCo recently created a Technical Task Force for Municipal Service Reviews comprised of representatives from the County, cities, special districts, Santa Barbara County Association of Governments (SCBAG), and Santa Barbara LAFCo. (www.sblafco.org)

H. San Diego LAFCo: In 1997, San Diego LAFCo extensively surveyed numerous fire protection agencies in the County to study the potential for consolidating fire protection services. Thereafter in 1999, pursuant to its responsibility to conduct special studies of ways to “reorganize, simply and streamline governmental structure,” San Diego LAFCo studied “all issues impacting fire protection service funding.” The report examined the “discretionary and mandatory aspects of fire protection funding” and funding alternatives, “the unintended consequences of state legislation concerning the allocation of property tax revenues,” and “the evolution of funding fire protection services in San Diego County.”

San Diego LAFCo is also looking at issues related to transferring water rights from irrigation districts to municipalities. Similarly, San Francisco LAFCo could study more advantageous ways to provide water services and/or make the Hetch Hetchy system more efficient. (www.co.san-diego.ca.us/sdlafco)

I. Orange County LAFCo: This year, Orange County LAFCo received a Water and Sanitation Service Provision Study for South Orange County that identified long-term benefits of consolidating two existing water districts. The Commission responded by requesting one of the districts to lead and complete a nine-month study of the fiscal impact of consolidation. The district will provide quarterly updates to Orange County LAFCo and final recommendations for the Commission to implement.
(www.orange.lafco.ca.gov)

J. Sacramento LAFCo: Sacramento LAFCo is preparing to undertake a special services study of fire and wastewater/sewage services. The study will look outside of the County and explore ways to adopt more of a regional approach to service provision.
(www.saccounty.net/slafco)

