



Interview

The Evolving Relationship Between LAFCO and Districts - It's Nothing to Laugh About

By Kristin Withrow, CSDA Communications Specialist

Local Agency Formation Commissions (LAFCO) are unique to California. They exist in each county to provide an organizational structure to the forms of local government in their county and to provide service oversight to ensure the public is receiving the services they need in an efficient manner. In some instances, an adversarial relationship between LAFCO and districts has developed. That friction appears to have begun an evolution.

Santa Cruz LAFCO Executive Officer Joe Serrano provided a LAFCO 101 crash course in August at the CSDA 2023 Annual Conference and is currently involved in helping a Santa Cruz CSDA Chapter form. We caught up with Serrano to hear how his message has been received and learn more about the shift he is helping to spearhead.

Serrano sees an alignment to four core tenets for LAFCOs across the state:

1. Helping others
2. Making things better
3. Finding out how things work
4. Connecting with others

History

After World War II, there was a surge in development in the state that was occurring without oversight or organized

boundaries, so in 1963 the Legislature created the Local Agency Formation Commission (LAFCO) with one LAFCO per county in the state. Each LAFCO represents their local area and keeps control locally. Their commissions include representatives from their County Board of Supervisors, cities, and independent special districts. They can create new districts, annex, consolidate or merge areas into districts.

Each LAFCO is required to perform an oversight review with a report created every five years. The review covers level of service, operations, governance - essentially, it's a report card. Problematically, many LAFCOs only reach out to special districts when it is time for their review. This results in a feeling of judgment and "gotcha" from the districts.

Relationship Building

Relationship building is key to the evolution that has begun. It allows more genuine conversation and the feeling of partnership versus authority and oversight. Sometimes, it is about the angles presented to districts based on the LAFCO findings.

"'We found some areas of improvement' is a different message than 'here's what you're doing wrong,'" explained Serrano.

This softer tone provides an opportunity for the district to choose their direction and make changes instead of having another entity tell them what to do.

“In the last 3 years, we’ve done consolidations, reorganizations, annexations and dissolutions and most, if not all, of them were initiated by the affected agencies themselves. LAFCO is not forcing it on them. We provide findings and the districts are determining the best way to serve their community,” said Serrano.

There are three misconceptions Serrano has identified that have driven the current adversarial tenor:

- **Misconception: LAFCO is a watchdog** - this term was coined as a simple explanation of the purpose of LAFCO in the 70’s. Serrano believes a better definition is “LAFCO’s are the ones who determine which local agency is the most logical provider of public services.”
- **Misconception: LAFCO is the DeathEater of special districts** - referencing the popular Harry Potter series and the characters that could suck the soul out of someone, Serrano wants to dispel this notion. “We are not here to get rid of districts. In fact, we share the common goal of ensuring districts provide the best service to the public.”
- **LAFCO is useless to my district because our boundaries will never change** - LAFCO isn’t only there to review boundaries, they provide resources to help districts operate more efficiently and effectively.

Serrano is a proponent of better operational interaction between his Santa Cruz County LAFCO and the districts they oversee. He sees the service review as a collaborative effort to provide insight into district operations, and views including the district leadership in the process and results as key to a good relationship. Serrano provides the districts an opportunity to share things they are proud of, give insight into their challenges, and Serrano shares the draft report so the agency isn’t caught off guard once the results are published.

Additionally, the LAFCO report is meant to be a working document that is referenced to create goals and view measurable progress the district can be proud of. This allows the districts to feel like they are empowered to make changes and improvements with the LAFCO supporting their needs.

“LAFCOs are at a crossroads. We can do what we’ve been doing for the last 30 years, or we can do more to help the districts rather than be an obscure agency that tells them what they do wrong,” explained Serrano.

The LAFCO Evolution

Moving from the historic ‘watchdog’ mentality to a more collaborative, service-oriented model takes time and needs to happen over the course of natural evolution of the Commissioners, counties, cities and special district representatives. For those districts who have a long-held understanding of the LAFCO as adversarial, it may be time to reconsider district/LAFCO interactions. When Serrano presented his evolved viewpoint of the LAFCO-District paradigm at the CALAFCO Annual Conference in the fall of 2023, it was well received by LAFCO attendees from across the state. CALAFCO brings LAFCO leaders together to explore best practices in the field. They discuss many of the same topics that districts explore for their own operations - website best practices, consistency of service, service offerings, sample service reviews, and more.

Many LAFCOs, including Santa Cruz LAFCO, are leading the way with service reviews, conducting community workshops to inform residents, and forming stakeholder groups to bring parties together.

“We can operate under the status quo, or we can implement new ways to be more efficient,” said Serrano. “That’s what we’re asking districts to do, but we are also doing it as well. The LAFCOs I’ve been talking to are open to this evolution of relationship.”

Relationship 101 - Get to Know Your LAFCO

1. If there is a chapter or group already formed, include LAFCO in a meeting to get to know the group and start building that relationship.
2. Conduct one-on-one informal meetings with the district general manager and LAFCO to begin understanding each other.
3. Invite LAFCO to give an introductory presentation at the next board meeting. Provide an opportunity for the board members to ask questions.