



LOCAL AGENCY FORMATION COMMISSION

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Rob Bartoli, Executive Officer
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Purpose of LAFCo

Created by the California legislature in 1963, LAFCo is a State-mandated, independent commission with countywide jurisdiction over changes in organization and boundaries of cities and special districts including annexations, detachments, incorporations, and formations. As required by State law, LAFCo adopts a net operating budget, which is apportioned in thirds to the County of San Mateo, the 20 cities in the County, and 21 of the 22 independent special districts; the majority of the Midpeninsula Regional Open Space District territory is located in Santa Clara County and the District is under the funding mandate for Santa Clara LAFCo.

The Commission has responsibility in the following areas affecting local government in the County:

1. To discourage urban sprawl and encourage the orderly growth and development of local government agencies;
2. To prevent premature conversion of agricultural and open space lands;
3. To review, approve, or disapprove proposals for changes in the boundaries and organization of the 20 cities, 22 independent special districts, and 33 active County-governed special districts, plus incorporations of cities and formations of special districts;
4. To conduct municipal service reviews and establish and periodically update spheres of influence – future boundary, organization, and service plans – for the County, cities, and special districts; and
5. To perform and assist in studies of local government agencies with the goal of improving efficiency and reducing costs of providing urban services.

Commission Roster

The Commission is made up of two members of the County Board of Supervisors, two members of city councils from cities in the County, two board members of independent special districts in the County, a public member, and four alternate members (County, city, special district, and public). The Commission contracts with the County of San Mateo for staff, facilities, and legal counsel. The Executive Officer serves in the administrative capacity, which includes staff review of each proposal, sphere of influence studies, and assistance to local agencies and the public.

Commissioner	Member Type	Term Expires
Ann Draper Mike O'Neill, Chair	Public	May 2026
Kati Martin, Vice Chair	Special District	May 2026
Harvey Rarback	City	May 2025
Ray Mueller	County	May 2022
Vacant	Special District	May 2024
Warren Slocum	County	May 2024
Tygarjas Bigstycyk	City	May 2026
Chris Mickelsen	Alternate Special District	May 2024
Ann Schneider	Alternate City	May 2023
James O'Neill	Alternate Public	May 2026
Noelia Corzo	Alternate County	May 2024

Commission Meetings

1. LAFCo meetings are held on the third Wednesday of odd-numbered months (January, March, May, July, September, November) at 2:30 pm in the Board of Supervisors' Chambers at the Hall of Justice, 400 County Center, Redwood City. Extra meetings may be held as needed.
2. If an agenda item is of interest to you, the Chair will call for comments from the audience when the item is ready for discussion. Please complete a speaker slip available on the table in the foyer and give it to the Commission Clerk to assist the Chair in organizing the progress of the hearing.
3. When addressing the Commission, please proceed to the microphone and state your name, the organization you are representing, or your city of residence for the Clerk.



Broadmoor Police Protection District Special Study

PURPOSE: In 2022, the San Mateo Local Agency Formation Commission (LAFCo) authorized a special study of BPPD to evaluate the operations and services provided by the District and **focused on the District's operations, finances and governance.**

FINDINGS: The Special Study, adopted by the Commission in March 2023, identified the following financial issues:

- Significant **budget deficits** in five out of the last six fiscal years for a cumulative total loss of \$1.4M
- District **liabilities have exceeded assets** since end of FY 2017
- Pattern of adopting **unbalanced budgets**
- **Reliance on fund balance** to address unbalanced budgets
- The fund balance, the District's only reserve, has been greatly reduced over the past several budget cycles
- District faces a **projected budget deficit** in FY 2022-23

SUMMARY OF RECOMMENDATIONS:

- Develop accounting, financial & administrative policies to guide consistent decision-making
- Engage in long-term financial planning to address rising pension costs and withstand financial crises
- Prepare and present detailed quarterly financial reports and independent audit findings to BPPD Board
- Explore alternative staffing models and/or levels of service to align with current financial limitations

SINCE STUDY ADOPTION:

- LAFCo staff provided an informational overview of the dissolution process at the May 17 Commission meeting. **No action was taken by LAFCo.**
- Staff received updated police calls for service data from Chief Connelly and will be amending the Special Study at the July 2023 meeting.

NEXT STEPS:

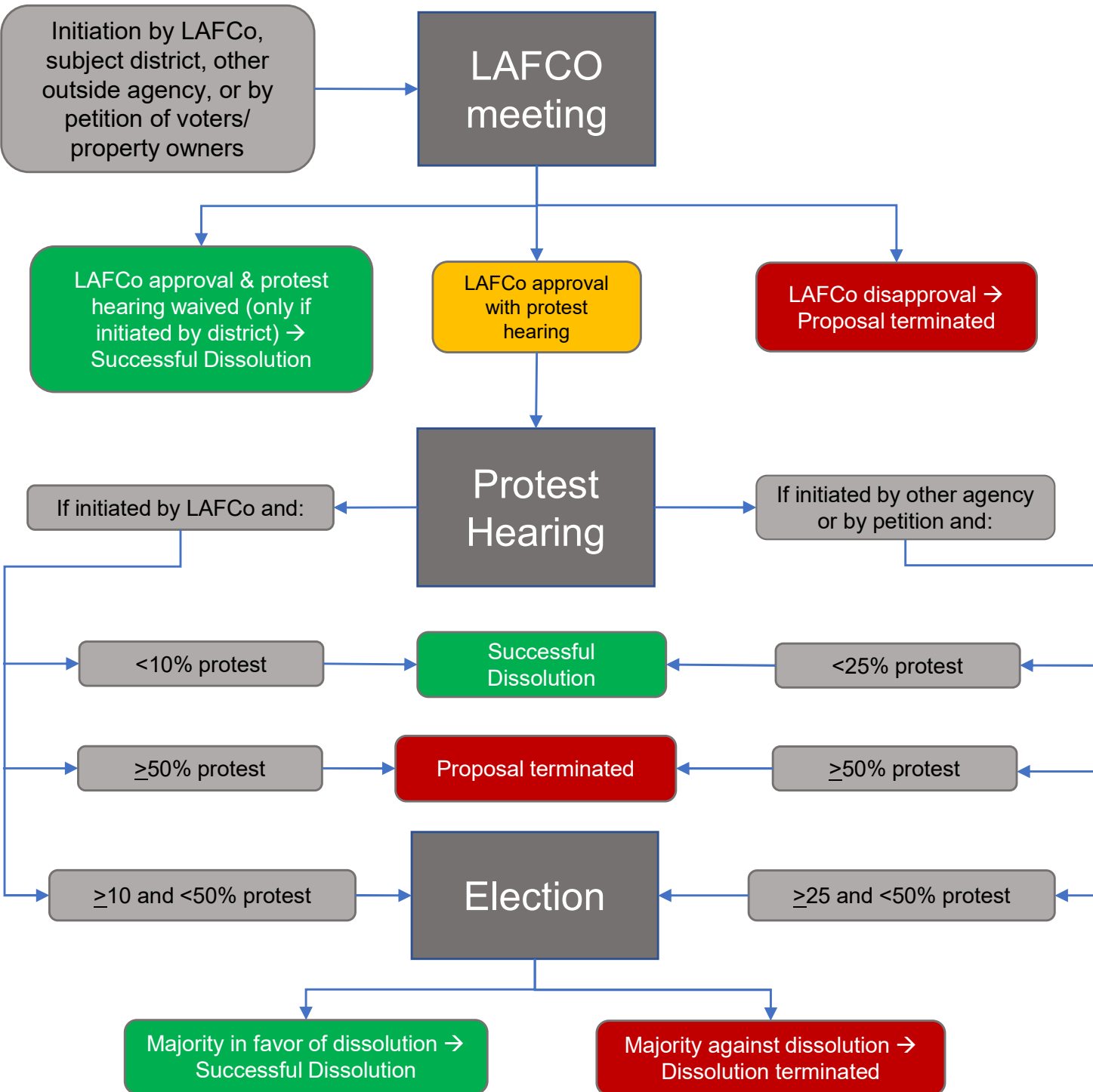
- LAFCo will continue to partner with BPPD and affected agencies to address the above issues
- LAFCo will present BPPD updates to the Commission at 90 days (July), 6 months (September) and 12 months (March 2024) post-study adoption

What is LAFCo?

Local Agency Formation Commissions (LAFCo) are independent public agencies that regulate the boundaries of cities & special districts and process changes to the organization of local governments, such as annexations, detachments, incorporations & dissolutions.

LAFCo serves several purposes, including the encouragement of orderly formation & development of local agencies and discouragement of urban sprawl.

Dissolution of a Special District



Key Points

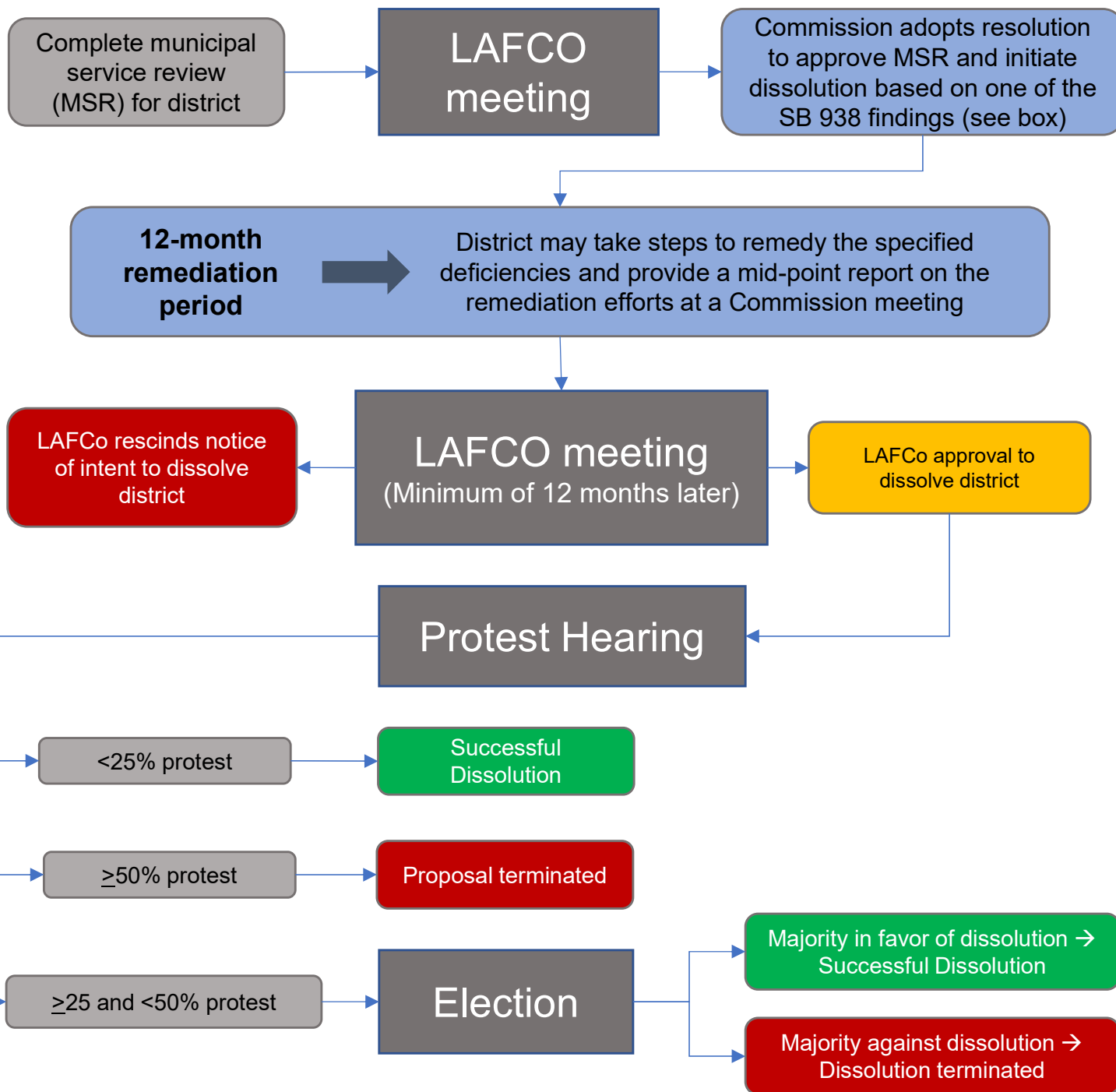
Dissolution proposal must include a plan for service that describes:

- The services currently provided by the subject district
- The level & range of those services
- The successor agency that will provide services & when new service will begin
- Any improvements, upgrades or other conditions that the successor agency would require
- How services will be financed & how liabilities will be paid

Protest thresholds:

- **Successful dissolution:** <25% of registered voters OR <25% of landowners within the district who also own <25% of the assessed value of land in district. (Threshold is <10% if LAFCo-initiated.)
- **Proposal terminated:** ≥50% of registered voters OR ≥50% of landowners who also own ≥50% of assessed value of land in district.
- **Election is ordered:** At least 25% & less than 50% of registered voters OR at least 25% & less than 50% of landowners who also own at least 25% & less than 50% of assessed value in district (Lower threshold is 10% if LAFCo-initiated.)

Dissolution of a Special District via SB 938



What is SB 938?

Signed into law in 2022, SB 938 creates a higher voter protest threshold for LAFCo-initiated dissolutions that meet specific criteria (25% protest threshold instead of 10%). A minimum of a 12-month remediation period must occur before action can be taken.

What are the requirements to initiate dissolution using SB 938?

Commission must adopt a municipal service review (MSR) that includes a finding that at least one of the following conditions is met:

- One or more documented chronic service provision deficiencies AND Board management is not actively engaged in efforts to fix deficiencies
- Expenditure of public funds in an unlawful or reckless manner AND no action has been taken to prevent similar future spending
- Willful neglect and failure to adhere to the California Public Records Act and other public disclosure laws
- Failure of Board to meet the min. # of times required by its principal act in the prior year AND no action has been taken to ensure future mtgs are held on timely basis
- Consistent failure to perform timely audits over the last three years
- Recent audits show chronic issues with the district's fiscal controls AND no action has been taken to remediate the issue