Incorporation and Annexation Process

A Comparison

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• Sac LAFCo (Web Site)  www.saclafco.org
• League of Cities (Web Site)  www.cacities.org
• Office of Planning and Research (Web Site)  www.opr.ca.gov
• LAFCo is a Commission created by the State Legislature

• Oversees incorporations and annexations, formation of districts and consolidations of local government

• Evaluate service delivery issues and costs

• 7 Commissioners

• Regional perspective
Incorporation

• 25% of Registered Voters of affected territory must sign a petition within 6 months, or

• Legislative Body may adopt a Resolution Making Application

• Incorporation Committee will submit a Master Service Element
  • Who and How will municipal services be provided
    • Park, fire, water, sewer, flood control, etc.
Incorporation – LAFCo Process

- LAFCo prepares an environmental analysis
- Prepare a Comprehensive Fiscal Analysis
- Prepare Executive Officer’s Report and recommendations
- Conduct Public Hearings
- If approved, LAFCo will call the election
• LAFCo must determine if the city is financially viable, i.e., similar level of service at substantially similar service cost

• LAFCo must determine whether or not the city will be required to make a Revenue Neutrality Payment to the County.
  
  • Surplus revenue over costs
  
  • Term about 25 years
• California has 478 cities
• 108 Chartered
• 370 General Law cities
• 80% of Residents live in cities
• Charter Cities allow for special situations based on local conditions
Charter Cities

• A charter can only be adopted or changed by a majority of residents living in the city
• Citizens can establish the terms and number of council members or impose other limitations upon their city council through a charter provision
• State Constitution allows City Charters to provide sub-governments in all or part of a city (township/borough concept)
Annexation Process

• 5% of Registered Voters in affected territory must sign a petition, or

• The City may adopt a Resolution Making Application

• No election is required unless there is protest
Annexation Process

- LAFCo conducts environmental review
- City prepares Master Services Element
- LAFCo conducts analysis
- City and County must agree to a Property Tax Sharing Agreement
- If approved, no election is required unless LAFCo receives 25% or more protest from registered voters living in the territory to be annexed