



City of Calistoga  
Planning Commission  
**Agenda Item Summary**

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<b>DATE</b>	August 24, 2016
<b>ITEM</b>	Municipal Service Review and Sphere of Influence Update
<b>APPLICANT</b>	County of Napa LAFCO
<b>STAFF CONTACT</b>	Erik V. Lundquist, Senior Planner
<b>POTENTIAL CONFLICTS</b>	None
<b>RECOMMENDATION</b>	Discuss and provide recommendation to City Council

# CITY OF CALISTOGA

## STAFF REPORT

**TO:** CALISTOGA PLANNING COMMISSION  
**FROM:** ERIK V. LUNDQUIST, SENIOR PLANNER  
**MEETING DATE:** AUGUST 24, 2016  
**SUBJECT:** MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

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1 **ITEM**

2 Consideration of a recommendation to the City Council regarding the County of Napa  
3 Local Agency Formation Commission's Draft Municipal Service Review and Sphere of  
4 Influence Update.

5 **BACKGROUND**

6 LAFCO

7 Local Agency Formation Commissions (LAFCOs) are independent government  
8 agencies that were created by State legislation in 1963. LAFCOs were formed to  
9 facilitate and encourage the orderly formation of local government agencies, discourage  
10 urban sprawl and preserve agricultural and open space resources. They are  
11 responsible for reviewing, approving, or disapproving changes in organization  
12 (boundaries) to cities and special districts including annexations, detachments, new  
13 formations and incorporations. A LAFCO operates in each county within California  
14 except San Francisco.

15 Municipal Service Review

16 The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs that  
17 LAFCOs review and update each local agency's Sphere of Influence every five years as  
18 needed. As a prerequisite to a Sphere review, LAFCOs must prepare a Municipal  
19 Service Review (MSR). The intent of the MSR is to evaluate the adequacy, efficiency,  
20 and effectiveness of services in relationship to local needs and circumstances. It is  
21 presented in written form and includes a statement of determinations with respect to  
22 each of the following points:

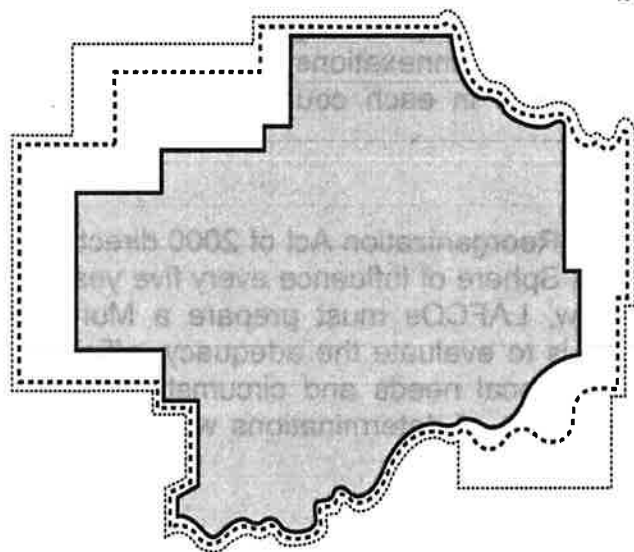
- 23 • The present and planned land uses in the area;
- 24 • The present and probable need for public services and facilities in the area;
- 25 • The present capacity of public facilities and adequacy of public services that the  
26 agency provides;
- 27 • The existence of any social or economic communities of interest in the area if  
28 LAFCO determines that they are relevant to the service provider; and




- The presence of disadvantaged unincorporated communities for those agencies that provide water, wastewater, or structural fire protection services.

The County of Napa LAFCO has prepared a Draft MSR for Calistoga evaluating the adequacy and range of governmental services that are being provided within the City's planning area and has made preliminary written determinations involving service factors (Chapter 6) that LAFCO must consider as part of the MSR.

Sphere of Influence Update

State planning law encourages cities to look beyond their jurisdictional boundaries (city limits) when conducting long range planning efforts. For this reason, the City's General Plan includes an area known as the "Planning Area" which is larger than the city limits (Attachment 1). The Planning Area includes land that the City has determined bears some relation to the City's planning efforts. It encompasses most of the upper Napa Valley, as well as the hillsides that surround Calistoga on three sides. The Planning Area contains visual and open space resources that are an asset to the City as well physical facilities and conditions that are important to the health, safety and welfare of the community. Although the City has no regulatory authority within the Planning Area, adoption of a Planning Area boundary signals to the County and other governmental agencies that Calistoga has recognized that development in the Planning Area has an impact on the future of the City. Under State law, the City is invited to comment on development within the Planning Area that is subject to review by the County.



-  **Current City Limits:**  
Encompasses incorporated territory where land use is controlled by the city.
-  **City's Sphere of influence:**  
Adopted by the LAFCO, encompasses incorporated and unincorporated territory that is the city's ultimate service area.
-  **City's Planning Area Boundary:**  
Encompasses incorporated and unincorporated territory bearing a relation to the city's planning. The planning area may extend beyond the sphere of influence.

Within the Planning Area is the City's "Sphere of Influence". A Sphere of Influence ("Sphere" or "SOI") is a planning boundary that designates the City's probable future boundary and service area. The purpose of the Sphere is to ensure the provision of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services. The adjoining figure illustrates the theoretical relationship between the Planning Area, Sphere of Influence and city limits.

Currently, the City's Sphere is coterminous with its city limits with the exception of one City-owned parcel on the eastern edge of the city. It is not uncommon (and more the norm) for a city to have a Sphere that extends beyond city limits.

**THEORETICAL PLANNING  
 BOUNDARIES**

72 **DISCUSSION**

73 Study Areas:

74 LAFCO's review of the City's Sphere presents an opportunity to discuss revisions that  
75 may be needed to accommodate planned population and employment growth, public  
76 facility needs or other social/economic interests. As such, LAFCO established three  
77 study areas to reflect Calistoga's outside water service area, which extends north of the  
78 City along State Highway 128, Petrified Forest Road, and Tubbs Lane, among other  
79 areas as shown in Figure 7-1. The merits in establishing these study areas relates to  
80 the role of the Sphere in designating each agency's present and probable future service  
81 area. Traditionally, cities have been required to request and receive written approval  
82 from LAFCO before providing new or extended services by contract or agreement  
83 outside their jurisdictions but within their spheres. However, Government Code Section  
84 56133.5 establishes a pilot program to authorize service provision outside a local  
85 agency's jurisdictional boundary and sphere of influence under special circumstances.  
86 So expanding the Sphere of Influence to provide new or extended services to these  
87 properties may not be necessary at this time.

88 As a result of Government Code Section 56133.5 and Policy P4.1-1 in the General Plan  
89 that states that "annexation of any unincorporated land shall be discouraged", LAFCO  
90 has indicated that the expansion of the SOI is not necessary at this time. Furthermore,  
91 the overall benefit of expanding the Sphere is minimal. The City would receive  
92 additional property tax revenue but the costs incurred with providing services (e.g.,  
93 roadway maintenance and emergency services) would potentially exceed that revenue.  
94 The development potential in these study areas would also be limited to large lot  
95 residential subdivisions, which would not service a community need.

96 However, should the Planning Commission find that expanding the city's Sphere is  
97 logical and appropriate at this time, a recommendation to expand the Sphere may be  
98 forwarded to the City Council for consideration.

99 Future Steps:

100 Should the City Council and LAFCO ultimately agree on expanding the Sphere to  
101 incorporate one or more of the study areas, a formal process would be initiated that  
102 would involve the subsequent review by the Planning Commission, City Council and  
103 LAFCO. The public would have additional opportunities to comment on the expansion at  
104 public hearings before each decision-making body. The process would also require  
105 amendment of the City's General Plan to reflect the expanded Sphere boundary and to  
106 designate appropriate land uses within each expansion area.

107 It is important to note that expansion of the Sphere does not automatically trigger  
108 annexation proceedings nor will it result in the taking of private property. As explained  
109 earlier, the Sphere is simply a boundary that designates the City's probable future  
110 boundary and service area. Any subject areas included in an expanded Sphere would  
111 remain unincorporated until such time when the property owner or the City initiates  
112 annexation proceedings.

113 **RECOMMENDATION**

114 Staff recommends that the Planning Commission review the Municipal Service Review  
115 and Sphere of Influence Update and provide comments and a recommendation to the  
116 City Council.

**ATTACHMENTS**

1. General Plan Figure INTRO-2 *City Limits and Planning Area*
2. Draft Municipal Service Review and Sphere of Influence Update dated June 30, 2016 (*Only Distributed to Planning Commission*)  
Available at [http://www.napa.lafco.ca.gov/uploads/documents/Calistoga\\_MSR-SOI\\_DraftReport.pdf](http://www.napa.lafco.ca.gov/uploads/documents/Calistoga_MSR-SOI_DraftReport.pdf)