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November 2, 2026

TO: Chair Becker and Commissioners

FROM: Keene Simonds, Executive Officer
Joelle Burila, Local Government Analyst I

SUBJECT: Review and Direction of Legislative Policy L-107:
Jurisdictional Issues Associated with Proposed or Pending
Changes of Organization or Reorganization

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review Legislative Policy L-107 and consider whether to provide direction to staff on potential amendments. The item is presented consistent with the Commission's adopted workplan and its request following the April 6, 2026 meeting to revisit L-107 and its consultation procedure for addressing jurisdictional disputes involving proposals requiring LAFCO approval. This review traces the policy's adoption in 2010 and revision in 2016 and describes how the policy is administered today. It also addresses the concerns raised by the Lower Sweetwater Fire Protection District (FPD) and identifies related topics for the Commission's consideration. Should the Commission wish to proceed with amendments, staff would prepare draft changes for review and comment by the Cities and Special Districts Advisory Committees and return with an action item at a future meeting.

BACKGROUND

May 2010 Approval: Addressing "Jurisdictional Shopping"

San Diego LAFCO adopted L-107, *Jurisdictional Conflicts Associated with Proposed Development*, on May 3, 2010. The policy responded to a recurring issue in the Commission's review of development-related annexations, in which land use, financial, or service disputes between affected jurisdictions were complicating and delaying LAFCO proceedings. Among the most prominent of these was a late 1990s dispute between the City of El Cajon and the County of San Diego over the City's proposal to annex a 14-acre unincorporated site for a 130,000-square-foot Home Depot store. The Commission disapproved the proposal, which then proceeded to litigation. The matter was characterized at the time as an example of "jurisdictional shopping," in which developers negotiated with competing land use jurisdictions to secure the most favorable terms. Similar disputes followed, which often surfaced only after a proposal reached the Commission, and led LAFCO to develop the early-consultation procedure formalized as L-107.¹

As adopted, L-107 focused on jurisdictional conflicts arising from proposed development, principally land use disputes between the County and cities and the related service and financial impacts, with special districts included primarily as service providers. It required the affected agencies to meet before a proposal was formally submitted, allowed the Executive Officer to waive consultation for routine proposals with no significant jurisdictional impacts, and provided that unresolved disputes be reported to the Executive Officer before the proposal proceeded.

April 2016 Revisions: Broadening to Address Other Jurisdictional Issues

On April 4, 2016, the Commission approved revisions to L-107 bridging a gap between the policy language and evolving staff practice. The accompanying agenda report explained staff had informally used the L-107 process for issues beyond development and land use, including community character, service effects, and financial impacts. Staff accordingly recommended the Commission broaden the policy to match this expanded practice and give it a formal policy basis going forward. The policy was retitled *Jurisdictional Issues Associated with Proposed or Pending Changes of Organization or Reorganization*, and its scope was extended to interested parties and to both proposed and pending LAFCO actions. "Pending" is understood to mean proposals on file but not yet considered by the Commission. The revised text also included changes the staff report did not separately discuss:

¹ Adoption of L-107 followed the Commission's December 7, 2009 acceptance of a draft policy for a 60-day review period, during which the draft was circulated to all 18 cities, the County, and special districts. Staff also presented the draft to the Special Districts Advisory Committee on February 19, 2010, and to the Cities Advisory Committee on February 22, 2010.

- The applicant or proponent became responsible for initiating consultation.
- The waiver standard changed from "significant jurisdictional impacts" to "identified and unresolved jurisdictional issues."

DISCUSSION

This item is for San Diego LAFCO to consider what changes, if any, it wishes to make to Policy L-107 and its provisions for identifying and addressing jurisdictional disputes associated with proposals. The review is part of the Commission's adopted workplan. To inform the discussion, the following sections summarize the current policy and its administration, review the concerns raised by the Lower Sweetwater FPD, and identify related topics for the Commission's consideration.

Current Policy and Administration

Policy L-107 addresses jurisdictional issues associated with proposed or pending changes of organization and reorganization and comprises six provisions:

1. **Consultation.** Before filing, the applicant must meet with affected agencies and interested parties to identify and attempt to resolve jurisdictional issues. The Executive Officer may waive this requirement only when it can be determined with certainty that there is "no possibility" the proposal will result in "identified and unresolved jurisdictional issues."
2. **Topics.** Consultation should address disputes involving development standards, land use and zoning, governmental services and their financial sustainability, and other community or governmental concerns.
3. **Agreement.** Any agreement reached must be confirmed in the application by the signatures of the parties.
4. **Commission consideration.** The Commission considers any agreement to the extent it is consistent with State law and LAFCO policy.
5. **No agreement.** If the parties cannot agree, they notify the Executive Officer in writing of the dispute and their desired outcomes, and the proposal proceeds.
6. **Communication.** Agencies are encouraged to improve communication on proposed changes.

LAFCO staff administers L-107 mainly through the Jurisdictional Consultation Form in the agency's application packet, which was revised alongside the policy in 2016. The form functions as a self-disclosure. Applicants complete and sign it when jurisdictional issues have been identified for a proposed or pending application, reporting the

issues, the outreach undertaken, and their status. Like any self-disclosure, the form reflects only what the applicant knows at the time it is completed, and not all disputes are known at filing. Jurisdictional issues typically surface at three distinct stages:

- **Before filing.** Pre-application meetings routinely identify affected agencies, likely service and boundary issues, and potential opposition. When significant issues arise at this stage, applicants typically resolve them with the affected agencies, restructure the proposal, or decide not to file. Many disputes that would once have required an L-107 disclosure never reach a formal application, or their filing is delayed while pre-application discussions continue.
- **At the time of filing.** When a dispute is known at the time of filing, the L-107 disclosure has worked as intended and, in major cases, has led to a more structured process. In 2020, Rainbow Municipal Water District and Fallbrook Public Utility District filed coordinated proposals to detach from the San Diego County Water Authority and annex to Eastern Municipal Water District. Both disclosed that the Water Authority would object, principally on financial and governance grounds. Those disclosures led to the creation of an ad hoc committee of all three agencies to inform LAFCO's administrative review. The committee's work directly informed staff's recommendation that any approval be conditioned on separate multi-million-dollar exit fees paid by each district to the Water Authority. The Commission conditionally approved both proposals in July 2023.
- **After filing.** Most disputes are not known to the applicant or LAFCO at the time of filing. They surface during the LAFCO administrative review, usually when affected agencies receive notice of the proposal. The two-part Valiano proposal (OAS/RO19-26) is a recent example:
 - *Wastewater.* Notice of the request for the City of Escondido to provide outside wastewater service to the development by contract prompted Rincon del Diablo Municipal Water District to assert that it was better positioned to serve the site. Consistent with the spirit of L-107, staff met individually with the parties. The dispute was analyzed in the agenda report, and the Commission approved service by Escondido in August 2025.
 - *Fire protection.* The proposal also sought detachment from Rancho Santa Fe FPD and annexation to San Marcos FPD so one agency would handle building code enforcement, although Rancho Santa Fe FPD remained the likely first responder given its adjacent station. Consistent with the spirit of L-107, the Executive Officer required consultation, and staff convened the parties, who agreed to an approval condition requiring an outside service agreement. The Commission conditionally approved the reorganization in October 2025.

Objections Raised by Lower Sweetwater FPD: Executive Officer Waiver Authority

Lower Sweetwater FPD provides fire protection and emergency medical services to the unincorporated Lincoln Acres community through a contract with the City of National City. The FPD has objected to the Executive Officer's recent waiver of L-107 consultation for an anticipated reorganization of 2616 East 24th Street, which would detach the property from the FPD and annex it to the City of National City. The filing stems from a condition the Commission imposed in November 2024, consistent with L-113, when it approved an emergency out-of-agency wastewater service extension to address a failed septic system serving the existing residence. After the FPD requested consultation in November 2025, the Executive Officer issued a waiver. Among the reasons cited were that the Commission requires the filing, and the FPD remains able to participate as an affected agency during administrative review and, if it wishes, to state its opposition directly to the Commission at the hearing. At the FPD's request, the waiver was presented as an information item on April 6, 2026.

As with most policies, L-107 leaves certain matters to administrative interpretation. Setting aside the merits of the specific matter, the FPD's objections highlight two such areas for the Commission's discussion as part of this scheduled review:

- **Commission-conditioned filings.** Does Policy L-107 and its pre-submittal consultation process apply to filings required by the Commission? Staff interpret the policy as not applying to these filings because the applicant has no discretion over whether to submit them. The Lower Sweetwater FPD, however, takes the position that the policy does not provide for such an exception.
- **Waiver standard.** What threshold governs a waiver, and what may the Executive Officer consider in applying it? The policy allows a waiver when there is "no possibility" of jurisdictional issues that are both identified and unresolved. In practice, this means either that no issue exists or that the issue has been resolved. The policy does not say how an issue may be resolved. In the FPD's case, the Executive Officer concluded the Commission had already resolved the FPD's dispute when it assigned the FPD a zero sphere of influence, reflecting the Commission's determination that the FPD should ultimately be dissolved and its service responsibilities transferred. The question is whether "resolved" may include resolution through the Commission's adopted policies and determinations, or only agreement among the parties. A related question is whether the standard should apply to any identified issue, as it does now, or only to significant issues, as the original 2010 standard did.

Related Policy Questions

Beyond the concerns raised by the Lower Sweetwater FPD, staff have identified five additional topics for the Commission's consideration as part of this scheduled review. Each involves a matter the policy currently leaves to the Executive Officer's administrative discretion, which the Commission could choose to address more specifically. The Commission may identify others.

- **Meaning of "jurisdictional issue."** The policy does not define the term. The 2010 policy narrowed the topic by addressing conflicts between land use jurisdictions over development, services, and boundaries. The 2016 revision broadened its reach to include concerns of residents, property owners, and interested parties, as well as community character and environmental impacts. As a result, the term now covers nearly any objection to a proposal, and it offers no clear threshold for when consultation is warranted.
- **Meaning of "interested parties."** The policy references interested parties, organizations, and local community or governmental concerns as part of the process for identifying and discussing issues. However, it does not clearly define which specific individuals or entities should be involved or contacted.
- **Meaning of "consultation."** The policy establishes a consultation requirement but does not clearly define what the process entails, including who must be consulted, the appropriate form or setting for communication, how consultation should be documented, or what constitutes adequate consultation. Since 2016, the policy has placed responsibility for consultation on the applicant. However, in practice, staff has facilitated most consultations, often regarding issues the applicant was not aware of when filing. This may place additional responsibilities on applicants, particularly individual landowners, who may be expected to identify relevant parties, coordinate outreach, and address concerns without clear guidance on the scope or expectations of the process.
- **Post-submittal disputes.** Although the 2016 revision extended the policy to "proposed or pending" actions, every provision assumes consultation occurred before filing. As described above, most disputes now surface post filing (pending) during the administrative review and are handled through a process the policy neither describes or governs.
- **Disclosure to the Commission.** Unresolved disputes are reported only to the Executive Officer. The policy does not provide for presenting them, or the parties' positions, to the Commission. The 2010 Cities Advisory Committee had originally recommended that the Commission itself be informed.

Any revisions would also address administrative items, including aligning the Jurisdictional Consultation Form with the policy's signature requirement and updating statutory references.

ANALYSIS

L-107's purpose remains sound. Since 2010, it has given San Diego LAFCO a policy basis for expecting applicants to identify and work through jurisdictional disputes before a proposal reaches the Commission, rather than presenting the Commission with unresolved conflicts to sort out at the hearing. It has also given affected agencies a recognized avenue to raise reasonable concerns early, when they are most likely to be resolved. Recent examples, from Rainbow and Fallbrook to Valiano, show both purposes at work, even when the specific steps occurred outside the policy's literal pre-filing framework.

While L-107 has served the Commission well, refinements are worth considering. The policy's open-ended language indirectly delegates considerable discretion to the Executive Officer in deciding when consultation is warranted, who is involved, and when a waiver is appropriate. Staff believe it has generally exercised this discretion successfully. L-107 remains the Commission's policy, however. Applicants benefit when decision-makers make their expectations known in advance, particularly when they are investing significant resources in proposals that ultimately require LAFCO approval. Clear expectations also benefit affected agencies by clarifying when and how their concerns will be considered, while promoting transparency and predictability for the public. If the Commission would like clearer benchmarks, staff requests direction on which questions identified in this report should be addressed to prepare draft amendments for future Commission consideration.

RECOMMENDATION

This item is presented to San Diego LAFCO for discussion only. Staff recommends the Commission receive the report and provide direction to staff as appropriate. Should the Commission wish to pursue amendments, staff will prepare draft changes addressing the questions identified by the Commission, present them to the Cities and Special Districts Advisory Committees and other stakeholders for review and comment, and return with an action item at a future meeting.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on San Diego LAFCO's agenda for discussion as part of the business calendar. The following procedures are recommended in the consideration of this item:

- 1) Receive verbal presentation from staff unless waived.
- 2) Invite comments from interested audience members.
- 3) Discuss item and provide feedback and any direction.

On behalf of the Executive Officer,



Joelle Burila
Local Government Analyst I

Attachments:

- 1) Policy L-107
- 2) Applicant Form Disclosing Jurisdictional Disputes

LEGISLATIVE POLICY L-107

Subject

JURISDICTIONAL ISSUES ASSOCIATED WITH PROPOSED OR PENDING CHANGES OF ORGANIZATION OR REORGANIZATION

Purpose

To establish a procedure for cities, special districts, the County of San Diego, and other interested parties and organizations to identify and discuss potential jurisdictional issues associated with proposed or pending LAFCO discretionary actions.

Background

Proposed changes of organization or reorganization may involve issues of concern for affected local residents, property owners, registered voters, interested parties, and organizations, as well as potential jurisdictional issues for affected cities, special districts, counties, and other public agencies.

While LAFCO is prohibited by State Law from directly regulating land use density or intensity, property development, or subdivision requirements [Government Code § 56375(a)(6)], LAFCO is required to consider a number of factors in the review of a proposal, including: the effects of a proposal on adjacent areas (Government Code § 56668(c); the proposal's consistency with city or county general and specific plans (Government Code § 56668(h); the comments of any affected local agency or other public agency (Government Code § 56668(j); any information or comments from the landowner or owners, voters, or residents of the affected territory (Government Code § 56668(n); and, any information relating to existing land use designations (Government Code § 56668(o).

When there are potential jurisdictional issues associated with proposed or pending jurisdictional changes, LAFCO staff has historically encouraged the lead agency and applicant to consult with all affected jurisdictions and interested parties to identify, discuss, and resolve the jurisdictional issues prior to LAFCO submittal. Proposal-related jurisdictional issues may involve questions about community character and/or cohesion; the ability of an agency to extend public services; potential environmental impacts; appropriate transitional areas between jurisdictions; special district detachment issues; or other local community or governmental concerns.

Therefore, the following policy has been adopted to encourage and facilitate early identification, discussion and potential resolution of any jurisdictional issues associated with proposed or pending LAFCO changes of organization of reorganization. While the identified jurisdictional issues may not be ultimately resolved to the satisfaction of all interested parties, the policy requires the proposal applicant or proponent to engage the interested parties and/or jurisdictions, to address the concerns associated with the proposal, and to determine if the identified issues have been resolved, or if additional discussions would allow for resolution.

Policy

It is the policy of the San Diego Local Agency Formation Commission that:

1. Prior to submission of a proposal requesting LAFCO consideration of a change of organization or reorganization, the proposal applicant and representatives from affected public agencies, interested parties, and/or organizations, shall meet at the earliest possible stage for the purpose of identifying and attempting to resolve any issues associated with the proposed jurisdictional change(s). The Executive Officer may waive the consultation procedure outlined in this provision when it can be determined with certainty that there will be no possibility that the proposal in question will result in identified and unresolved jurisdictional issues.
2. The consultation process described in provision no. 1 should identify any jurisdictional issues or concerns related to:
 - a. Differing development standards;
 - b. Existing and/or planned land uses and zoning, including densities, community character, and appropriate jurisdictional transition areas;
 - c. Existing and/or planned provision of governmental services, including any potential impacts to service levels or financial ability to sustain service levels; and,
 - d. Any other local community or governmental concerns.
3. If an agreement is reached regarding provision no. 2, the subject proposal's

LAFCO application shall include signed confirmation by representatives of the agencies or interested parties. LAFCO applications shall include signature confirmation forms documenting the agreement.

4. The Commission shall consider the agreement in its evaluation of the proposed jurisdictional change(s) to the extent that it is consistent with State Law and San Diego LAFCO policies and procedures.
5. If the parties have consulted in accordance with this policy and are unable to reach agreement, the parties shall, in writing, inform the Executive Officer of the areas in which they are unable to reach agreement and the desired outcome. Thereafter, the proposal shall proceed in accordance with State Law and applicable San Diego LAFCO policies and procedures.
6. Affected local agencies shall be encouraged to explore additional methods to improve future inter- and intra-departmental and jurisdictional communications for the purpose of discussing and commenting on proposed or pending jurisdictional changes at the earliest possible stage.

Adopted: May 3, 2010
Revised: April 4, 2016

Cross-reference:

SAN DIEGO LAFCO POLICY:

- L-100 CITY ANNEXATION OF UNINCORPORATED TERRITORY WITHIN SPECIAL DISTRICTS
- L-103 RECOGNITION OF UNINCORPORATED COMMUNITIES

SAN DIEGO LAFCO PROCEDURES:

- SPHERES OF INFLUENCE
- LAFCO-INITIATED PROPOSALS

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SAN DIEGO LAFCO JURISDICTIONAL CONSULTATION Policy L-107 Form

Completion of this Jurisdictional Consultation Form is necessary if there are jurisdictional issues associated with a pending or future LAFCO application. The purpose of the jurisdictional consultation procedure is to encourage the early identification and resolution of jurisdictional issues and concerns. To assist LAFCO staff in the review of your LAFCO application and to determine whether adequate measures have been taken to identify and resolve issues, please respond to the following questions.

1. What jurisdictional issues pertain to the LAFCO proposal or pending LAFCO action?

- ☐ a. Differing development standards between existing and proposed service providers or jurisdictions;
- ☐ b. Existing and/or planned land uses and zoning, including densities, community character, and appropriate jurisdictional transition areas;
- ☐ c. Existing and/or planned provision of governmental services, including any potential impacts to service levels or financial ability to sustain service levels;

2. What parties (local agencies or organizations) are opposed to the proposed LAFCO action? _____

3. Are there any other local community or governmental concerns associated with the LAFCO proposal or pending LAFCO action: ☐ Yes ☐ No

Please specify: _____

4. Respond to the following for efforts that have been taken to resolve jurisdictional issues:

- a. List the dates of any meetings/discussions held to resolve jurisdictional issues: _____
- b. List the jurisdictions and organizations that participated in the meetings/discussions: _____

- c. What was the outcome of the meetings/discussions: _____

5. If the jurisdictional issues were not resolved, discuss whether additional consultation is needed and a preferred outcome: _____

6. If the parties resolved the issues associated with the pending or future LAFCO action, then sign the statement (below) and return this form and any applicable agreements that have been reached.

As a representative/proponent of the proposed LAFCO action (e.g., annexation, detachment, sphere change, etc.), I believe the jurisdictional issues associated with this LAFCO proposal:

☐ have been resolved
☐ have not been resolved

Attached is a copy of the related agreement or other document demonstrating that jurisdictional issues have been satisfactorily resolved.

Signature of proponent

Print name

Telephone

Date

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