



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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Agenda Item No. 5e (Consent: Information)

January 30, 2012

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: New Legislation for 2012

The Commission will review a report from staff summarizing pertinent new legislation affecting LAFCOs that becomes effective in 2012. This includes SB 244, AB 54, and AB 912. The report is being presented to the Commission for information only.

Local Agency Formation Commissions (LAFCOs) are responsible for administering the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This includes approving or disapproving, with or without modifications, change of organization or reorganization proposals as well as outside service extension requests. LAFCOs inform their regulatory duties through a series of planning activities, most notably preparing municipal service reviews and sphere of influence updates every five years.

A. Information

The first year of the California Legislature's 2011-2012 session generated the introduction of over 2,500 bills. Close to one-third or 750 of the introduced bills were ultimately chaptered and have or will take effect by either January 1 or July 1, 2012. Nearly two dozen of the chaptered bills directly affect LAFCO law or the laws LAFCO helps to administer. This includes three specific bills staff believes are particularly pertinent to LAFCO of Napa County ("Commission") as summarized below.

Senate Bill 244 (Lois Wolk): Disadvantaged Unincorporated Communities

This legislation becomes effective on July 1st and requires LAFCOs to take proactive measures in addressing the needs of disadvantaged unincorporated communities – defined as areas with an annual median household income that is less than 80 percent of the statewide average – through its existing and regulatory duties. This includes prohibiting LAFCOs from approving an annexation to a city of 10 or more acres when there is an existing disadvantaged unincorporated community adjacent to the subject territory proposed for annexation unless the disadvantaged unincorporated community is subject to a separate annexation filing. LAFCOs must now also explicitly consider the needs of disadvantaged unincorporated communities as part of the municipal service review and sphere of influence update processes.

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Representative of the General Public

Keene Simonds
Executive Officer

A key takeaway with respect to considering the impact of SB 244 is that it further directs LAFCOs to focus on social equity; a focus that began earnestly in January 2008 with the requirement that LAFCOs consider the effect of boundary changes in promoting environmental justice. It is unclear at this time whether the new law will have measurable impact in Napa County given the referenced definition of disadvantaged unincorporated communities has not been applied locally. However, it appears reasonable to assume unincorporated areas adjacent to American Canyon – namely the Watson Lane and American Canyon Road areas – would be subject to the elevated annexation and review requirements underlying the new law.

Assembly Bill 54 (Jose Solorio): Mutual Water Companies

This legislation became effective January 1st and now requires mutual water companies to file boundary maps with LAFCOs. The new law also requires mutual water companies to respond in writing to information requests made by LAFCOs as part of the municipal service review process within 45 days of notice.

As articulated by the author, AB 54's core objective is to make mutual water companies more accountable to the public. This includes establishing mandatory board training and establishing fund reserve minimums. Locally, there is little information presently available regarding the extent of mutual water companies operating in Napa County. With this in mind, staff believes the new law and its filing requirements for mutual water companies elevates the Commission's understanding of service levels and needs within the affected communities.

Assembly Bill 912 (Rich Gordon): Special District Dissolution

This legislation became effective January 1st and establishes an expedited process to dissolve special districts if it is consistent with an earlier recommendation made by LAFCO. Two specific authorizations are created by the new law. First, LAFCO can now order dissolution at a noticed hearing without holding protest or election proceedings for applications initiated by the affected district. Second, LAFCO can now order dissolution at a noticed hearing if no majority protest exists and without holding election proceedings for applications not initiated by the affected district.

AB 912's focal aim is to help make it easier in amicable situations for dissolving special districts by creating a LAFCO mechanism to avoid the uncertainty and costs tied to holding elections. Staff believes this new law may be particularly helpful to the Commission in addressing the ongoing governance issues affecting the Napa River Reclamation District No. 2109; governance issues highlighted in a 2008 report prepared by the Commission that concluded, among other matters, the District should reorganize into a community services district.

B. Commission Review

This item has been agendaized as part of the consent calendar for information only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair.