



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

1030 Seminary Street, Suite B
Napa, California 94559
Phone: (707) 259-8645
Fax: (707) 251-1053
www.napa.lafco.ca.gov

We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

October 7, 2013

Agenda Item No. 8b (Information)

September 30, 2013

TO: Local Agency Formation Commission
FROM: Peter Banning, Acting Executive Officer
SUBJECT: Legislative Report

The Commission will receive a status report on the first half of the 2013-2014 session of the California Legislature as it relates to items directly or indirectly effecting Local Agency Formation Commissions. The report is being presented for information only.

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California tasked with providing regional growth management services in all 58 counties. LAFCOs' duties and powers have increasingly expanded since their creation in 1963 as more than 200 bills have been subsequently enacted and resulting in two distinct responsibilities: regulating the physical development of cities and special districts and informing such decisions through mandated planning activities.

A. Background

The California Association of LAFCOs or "CALAFCO" was established in 1971 to assist all 58 commissions in fulfilling their prescribed regulatory and planning duties. This includes serving as an advocacy resource in proposing and/or reviewing new legislation and facilitated through an appointed 16-member Legislative Committee. The Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors with regard to new legislation that would have either a direct impact on LAFCO law or laws LAFCO helps to administer. Committee actions are guided by the Board's adopted policies, which are annually reviewed and amended to reflect current year priorities. LAFCO of Napa County ("Commission") currently has one appointed representative on the Committee: Juliana Inman.

B. Commission Review

Attached is a legislative report from CALAFCO summarizing proposed legislation that may be pertinent to LAFCOs.

Attachments:

- 1) CALAFCO Legislative Update and Policies

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Greg Pitts, Commissioner
Councilmember, City of St. Helena

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Chair
County of Napa Supervisor, 1st District

Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

Brian J. Kelly, Vice Chair
Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Peter Banning
Acting Executive Officer

Assembly Local Government Committee
Assembly Member Katcho Achadjian, Chair

LEGISLATIVE UPDATE FROM SACRAMENTO
2013 CALAFCO ANNUAL CONFERENCE
August 30, 2013

Life After Redevelopment – Are Infrastructure Financing Districts (IFDs) the Solution?

- AB 1080 (Alejo) – would allow local governments to establish a Community and Revitalization and Investment Authority (Authority) in a disadvantaged community to fund specified activities, and allows an Authority to collect tax increment. **SENATE APPROPRIATIONS.**
- AB 229 (Assembly Speaker Perez) – would create infrastructure and revitalization financing districts (modeled after IFDs in existing law), authorizes a military base reuse authority to form a district, and allows these districts to finance a broader range of projects and facilities to clean-up and develop former military bases. **ASSEMBLY FLOOR.**
- AB 243 (Dickinson) - would create infrastructure and revitalization financing districts (modeled after IFDs in existing law), broadens the range of projects and facilities they can finance, lowers the voter approval threshold necessary to form a district and issue bonds to 55%, and extends the life of districts to 40 years. **SENATE FLOOR.**
- SB 1 (Senate President Pro Tem Steinberg) - would allow local governments to establish Sustainable Communities Investment Authorities (Authorities) to finance specified activities within a Sustainable Communities Investment Area. **ASSEMBLY APPROPRIATIONS.**
- SB 33 (Wolk) – would eliminate the voter approval requirement for a city or county to create an IFD and would expand the type of projects that could be financed by an IFD, including watershed lands, flood management, habitat restoration, cleanup and development of brownfield properties (Polanco Act), projects that implement a transit priority project, or regional transportation plan. **ASSEMBLY FLOOR.**
- SB 628 (Beall) – would allow a city or county to create an IFD to implement a transit priority project without having to hold an election and would require the local entity to use 25% of the tax increment revenues for affordable housing. **SENATE FLOOR.**

LAFCO-Related Bills

- AB 453 (Mullin) – would add LAFCOs to the list of eligible applicants for financial assistance grants and loans made by the Strategic Growth Council for planning purposes and would require that LAFCOs consider greenhouse gas emissions associated with development when reviewing proposals for a change of organization. **SENATE APPROPRIATIONS.**
- AB 678 (Gordon and Dickinson) – would require a healthcare district that leases or transfers its assets to a corporation to conduct a community health needs assessment, and places new requirements on LAFCOs to consider these community health needs assessment in their municipal service reviews. **SENATE APPROPRIATIONS.**
- AB 743 (Logue) – would delete the sunset date that allowing a LAFCO to waive the protest hearing for the annexation of unincorporated islands of 150 acres or less, subject to specific requirements, thereby making the provisions permanent. **SIGNED – Chapter 138, Statutes of 2013.**
- AB 1427 (Assembly Local Government Committee) - annual Assembly Local Government Committee Omnibus bill that makes several minor noncontroversial changes to the Cortese-Knox-Hertzberg Act. **SIGNED - Chapter 87, Statutes of 2013.**
- SB 56 (Roth) – would reallocate vehicle license fee revenue to recently incorporated cities and to cities that annexed inhabited territory to fix the consequences of a budget bill, SB 89 (Budget Committee, Chapter 35, Statues of 2011). **SENATE APPROPRIATIONS.**
- SB 772 (Emmerson) – would require a LAFCO, as part of a municipal service review, to request specified information from entities that provide wholesale or retail supply of drinking water. **2 YEAR BILL.**

CONTACT INFORMATION: Assembly Local Government Committee – (916) 319-3958

Misa Yokoi-Shelton

Debbie Michel

Associate Consultant

Chief Consultant

Assembly Local Government Committee

Assembly Local Government Committee

misa.yokoi-shelton@asm.ca.gov

debbie.michel@asm.ca.gov

CALAFCO Legislative Update
August 30, 2013
(Updates as of August 22, 2013)

AB 1427 – Local Government Committee Omnibus Bill
Status; Signed by Governor on 8/12/13
CALAFCO Sponsored

1. Independent vs. dependent special district definition. Existing law defines an “independent district” or “independent special district” to include any special district that has a legislative body, whose members are elected by registered voters or landowners within the district or whose members are appointed to fixed terms. This bill clarifies that difference between an independent district and a dependent district.
2. Landowner definition. Existing law defines a “landowner” as any of the following:
 - A person shown as the landowner on the last equalized assessment roll by the county at the time the determination is required to be made;
 - Any person shown in the recorded written agreement of sale as the purchase; or
 - Any public agency owning land other than highways, rights-of-way, easements, waterways, or canals.This bill adds the plural forms of “person” in the definition.
3. Independent special district selection committee. Existing law specifies the makeup, meeting requirements, and election proceedings of an independent special district selection committee. Existing law also requires that the selection committee to appoint two regular members and one alternate member to the commission. This bill clarifies that appointed and elected commissioners are members of an independent special district’s legislative body.
4. Santa Clara County. Santa Clara County has special provisions regarding reorganization proposals. Existing law prohibits the LAFCO from reviewing a reorganization that includes an annexation to any city in Santa Clara County that is within the urban service area of the city and the annexation is initiated by resolution. Instead, the city council must be the conducting authority for the reorganization and must make specified findings in adopting a resolution approving the reorganization. This bill clarifies that this provision of law applies to city annexations and reorganizations involving city annexations.
5. Petitions for a merger of a district. Existing law specifies procedures for petitions for a merger or establishment of a subsidiary district. This bill corrects the typo, “resident voter district,” to “registered voter district.”
6. Protest hearing notice. Existing law requires a LAFCO executive office to give notice of the protest hearing, and sets forth procedures for those notice requirements. A protest hearing must be held within 60 days from the date specified for the hearing in the notice. If inhabited territory is proposed to be annexed to a city with more than 100,000 residents in the County of Los Angeles, the protest hearing date must be at least 90 days, but not more than 105 days, after the adoption date of the resolution initiating the proceeding. This bill repeals the extended protest period.
7. Dissolution. Existing law sets forth procedures for dissolution. This bill corrects a wording error, changing “consolidation” to “dissolution” in the relevant section.
8. Election location. For a change of organization or reorganization that is subject to voter confirmation, a LAFCO must determine where the election will be held.

AB 743 (Logue) – Island Annexations
Status: Awaiting Governor’s signature
CALAFCO Support

The bill was originally introduced to remove the sunset date provision to waive protest proceedings for certain island annexations and increase the size of the islands from 150 to 300 acres. After considering the feedback from several member LAFCOs and external stakeholders, the bill was amended to remove the increase in acreage (keeping it at 150 acres), and to reset the effective island creation date from January 1, 2000 to January 1, 2014, thus allowing



CALAFCO 2013 Legislative Policies

As amended by the Board of Directors on 3 May 2013

1. LAFCo Purpose and Authority

- 1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et. seq.
- 1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et. seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3. Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

- 2.1. Support the independence of LAFCo from local agencies.
- 2.2. Oppose the re-composition of any LAFCo to create special seats and recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.

- 2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

- 3.1. Support legislation which clarifies LAFCo authority to identify, encourage and insure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.
- 3.4. Support policies and tools which protect prime agricultural and open space lands.
- 3.5. Support the continuance of the Williamson Act and restoration of program funding through State subvention payments.

4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as a management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.
- 4.2. Support recognition of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.

Water Availability Promote adequate water supplies and infrastructure planning for current and planned growth. Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of expanding water company service areas on orderly growth, and the impacts of consolidation or dissolution of water companies providing services.

annexation of contiguous disadvantaged unincorporated communities under study and watch by the CALAFCO Legislative Committee and Board of Directors. Through efficient and effective updates of Municipal Service Reviews, Spheres of Influence, and other studies, promote adequate and sustainable levels of service delivery.

Issues of Interest

Housing Provision of territory and services to support housing plans consistent with regional land use plans and local LAFCo policies.

Transportation Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.

Flood Control The ability and effectiveness of local agencies to maintain and improve levees and protect current infrastructure. Carefully consider and value of uninhabited territory, and the impact to public safety of uninhabited territory proposed for annexation to urban areas which is at risk for flooding. Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair. Support efforts that encourage the creation of habitat conservation plans.

Adequate Municipal Services in Inhabited Territory Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. Promoting environmental justice for underserved inhabited communities, funding sources should be identified for extension of municipal services to these communities, including options for