



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

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

Agenda Item 7b (Discussion)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer
Dawn Mittleman Longoria, Analyst II

MEETING DATE: February 3, 2020

SUBJECT: Legislative Report

BACKGROUND AND SUMMARY

This item is being presented to the Commission for discussion purposes. No formal actions will be taken as part of this item.

Commission Request for Agenda Item

On November 18, 2019, the Commission requested a future agenda item to discuss State funding opportunities for LAFCOs to complete municipal service reviews.

It is important to note on February 21, 2019, Assembly Bill (AB) 1253 was introduced by Assembly Member Rivas and co-authored by Senators Caballero and Hertzberg, and was sponsored by CALAFCO. AB 1253, included as Attachment One, seeks one-time grant funding for LAFCOs to initiate and complete the dissolution of inactive special districts as well as complete specific studies and actions related to municipal service provision for disadvantaged communities.

On March 15, 2019, consistent with local policy, staff submitted a letter to the Legislature in support of AB 1253. The submitted letter is included as Attachment Two. After passing through the Assembly floor, but before the Senate Governance and Finance Committee voted on AB 1253, the author requested a cancellation of the hearing and the bill was pulled. It is anticipated AB 1253 will be re-introduced this year as a budget trailer bill.

If signed into law, AB 1253 could serve as a pilot program for a future grant program to provide State funding to LAFCOs to complete municipal service reviews. Staff recommends the Commission closely watch AB 1253 and consider taking a formal position when the bill is re-introduced. CALAFCO sponsored the bill in response to a recommendation from the Little Hoover Commission Report of 2017. It was recommended that the Legislation provide one-time grant funding for in-depth studies of potential reorganization of local service providers.

Kenneth Leary, Vice Chair
Councilmember, City of American Canyon

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

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

Diane Dillon, Commissioner
County of Napa Supervisor, 3rd District

Ryan Gregory, Alternate Commissioner
County of Napa Supervisor, 2nd District

Gregory Rodeno, Chair
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

CALAFCO, as a non-profit organization, has limited funds and resources to devote to legislative activity. The Board has adopted policies and priorities for its legislative activity that include processes for recommending legislation and action on existing bills. The CALAFCO Legislative Committee considers legislation, makes legislative proposals, and takes positions where deemed appropriate. The CALAFCO Legislative Committee makes recommendations to the Board. When it is deemed appropriate for CALAFCO to take a position on legislation, comments are provided in writing which include the reason for the position. These written comments are provided to stakeholders and testimony is given when needed. LAFCOs are requested to write letters and contact their legislators in response to CALAFCO's legislative position.

Annually, the Senate Local Government Committee introduces a LAFCO Omnibus bill. Member LAFCOs can submit legislative proposals to the Legislative Committee for possible inclusion in the Omnibus bill. Also, legislative proposals for bills other than the Omnibus bill may be submitted to the Legislative Committee following the adopted procedure. Sponsorship of a bill requires significant time and resources from CALAFCO staff and members. The process requires close interaction with a legislator and with staff of legislative committees. Sponsorship requires approval of the CALAFCO Legislative Committee and the Board for a bill of priority or direct concern for the organization.

California Government Code Section 56133.5

In 2015, then-Assembly member Bill Dodd authored Assembly Bill 402, enacted on January 1, 2016, and codified as California Government Code (G.C.) Section 56133.5. This statute established a pilot program that allows Napa and San Bernardino LAFCOs to authorize cities and special districts to provide municipal services outside their jurisdictional boundaries and spheres of influence to support existing or planned uses if the Commission makes all of the following determinations at a noticed public hearing:¹

- 1) The extension of service or services deficiency was identified and evaluated in a municipal service review.
- 2) The extension of service will not result in either (1) adverse impacts on open space or agricultural lands or (2) growth inducing impacts.
- 3) A sphere of influence change involving the affected territory and its affected agency is not feasible under this division or desirable based on the adopted policies of the commission.

G.C. Section 56133.5 is scheduled to be repealed on January 1, 2021.

¹ For purposes of G.C. Section 56133.5, "planned use" means any project that is included in an approved specific plan as of July 1, 2015.

On November 18, 2019, the Commission directed staff to submit a letter to the Legislature regarding local participation in the pilot program. The letter, included as Attachment Three, was submitted on November 20, 2019. The letter recommends the Legislature extend the pilot program beyond the date of its scheduled repeal on January 1, 2021.

On January 7, 2020, Senator Dodd introduced Senate Bill (SB) 799, which would amend G.C. Section 56133.5 to remove the scheduled repeal date. The bill text and a fact sheet for SB 799 are included as Attachments Four and Five, respectively.

The Commission previously requested an opportunity to discuss any proposed amendments to the pilot program and solicit feedback from local agencies prior to taking a formal position. With this in mind, staff recommends circulating the SB 799 bill text and fact sheet to all local agencies in Napa County and invite their comments prior to the Commission's next scheduled meeting of April 6, 2020. The Commission is invited to discuss the recommended outreach efforts and provide direction to staff as appropriate.

Legislative Committee

The Commission's Legislative Committee (Commissioners Dillon and Mohler) will meet in the foreseeable future to review all bills that are relevant to LAFCOs. The Legislative Committee will return at a future Commission meeting with additional information on current bills and possible recommendations to take formal positions.

ATTACHMENTS

- 1) AB 1253 Text (February 21, 2019)
- 2) Submitted Letter of Support for AB 1253 (March 15, 2019)
- 3) Letter to Legislature Regarding Local Participation in G.C. Section 56133.5 Pilot Program
- 4) SB 799 Text (January 7, 2020)
- 5) SB 799 Fact Sheet

ASSEMBLY BILL**No. 1253**

Introduced by Assembly Member Robert Rivas
(Coauthors: Senators Caballero and Hertzberg)

February 21, 2019

An act to add and repeal Section 75131 of the Public Resources Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1253, as introduced, Robert Rivas. Local agency formation commissions: grant program.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for special districts, as specified. The act requires a local agency formation commission in each county to encourage the orderly formation and development of local agencies based upon local conditions and circumstances, among other things.

Existing law also establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities.

This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community, as defined, and for

other specified purposes, including the initiation of an action, as defined, that is limited to service providers serving a disadvantaged community and is based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make the grant program subject to an appropriation for the program in the annual Budget Act, and would repeal these provisions on January 1, 2026.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and declares:

2 (a) Local agency formation commissions play a critical role in
3 the logical formation of local agency boundaries, the promotion
4 of orderly development, and the efficient and effective provision
5 of services.

6 (b) It is the intent of the Legislature in adding Section 75131 to
7 the Public Resources Code to assist local agency formation
8 commissions in initiating studies of existing government agencies
9 and their provision of services and to consider action based on the
10 results of these studies, including dissolving inactive districts, for
11 the purpose of creating streamlined local government services and
12 improved efficiency in service delivery.

13 SEC. 2. Section 75131 is added to the Public Resources Code,
14 to read:

15 75131. (a) (1) The council shall establish and administer a
16 local agency formation commissions grant program for the
17 purposes described in subdivision (b), subject to an appropriation
18 for this program in the annual Budget Act.

19 (2) Program funds provided to participating local agency
20 formation commissions shall be used to supplement, and not
21 supplant, existing funding and staffing levels.

1 (3) Program funds provided to participating local agency
2 formation commissions shall not be used to conduct a service
3 review of municipal services pursuant to Section 56430 of the
4 Government Code.

5 (4) All local agency formation commissions shall be eligible to
6 participate in the program.

7 (5) The council shall, after consulting with the California
8 Association of Local Agency Formation Commissions
9 (CALAFCO), adopt guidelines, timelines, and application and
10 reporting criteria for development and implementation of the
11 program to serve the purposes of this section and mutually meet
12 the needs of the council and the CALAFCO.

13 (6) The council, in granting funds pursuant to the program, shall
14 give preference to a local agency formation commission whose
15 decisions are consistent with the goals of the sustainable
16 communities strategy adopted pursuant to Section 65080 of the
17 Government Code.

18 (b) The council shall award grants to local agency formation
19 commissions for any of the following purposes:

20 (1) The payment of costs associated with initiating and
21 completing the dissolution of a special district that is listed by the
22 Controller as inactive pursuant to Section 56879 of the Government
23 Code.

24 (2) The payment of costs associated with a study prepared
25 pursuant to Section 56378 of the Government Code of the services
26 provided within a county by a public agency to a disadvantaged
27 community to do either or both of the following:

28 (A) Identify if there are any efficiencies to be gained in the
29 provision of services.

30 (B) Determine what alternatives, if any, exist for improving
31 efficiency and affordability of infrastructure and service delivery.

32 (3) The payment of costs to do any of the following:

33 (A) Initiate an action described in paragraph (2) of subdivision
34 (a) of Section 56375, other than the dissolution of a special district
35 that is listed by the Controller as inactive pursuant to Section 56879
36 of the Government Code, that is limited to service providers serving
37 a disadvantaged community and is based on determinations found
38 in a study prepared pursuant to Section 56378 of the Government
39 Code, as approved by the commission.

1 (B) Develop and implement reorganization plans with timelines
2 for expected outcomes.

3 (C) Incentivize service providers to work with the local agency
4 formation commission to develop and implement reorganization
5 plans with timelines for expected outcomes.

6 (c) (1) In order to obtain a grant award pursuant to paragraph
7 (1) of subdivision (b), a local agency formation commission shall
8 submit to the council an application for reimbursement of the costs
9 of the dissolution proceedings, in the form and manner specified
10 by the council. At a minimum, the application shall include all of
11 the following:

12 (A) The notification provided to the commission by the
13 Controller of the inactive district(s) and the requirement to initiate
14 dissolution proceedings.

15 (B) A full budget accounting for costs of the dissolution.

16 (C) All reports and documents pertaining to the final dissolution
17 action.

18 (2) The council shall review the application for reimbursement
19 and, provided all documentation is in order, issue reimbursement
20 to the local agency formation commission within 60 days of receipt
21 of the application.

22 (d) (1) In order to obtain a grant award pursuant to paragraph
23 (2) of subdivision (b) for purposes of conducting a study, a local
24 agency formation commission shall submit to the council an
25 application, in the form and manner specified by the council. At
26 a minimum, the application shall include all of the following:

27 (A) A resolution adopted by the commission authorizing
28 submission of the grant application and a commitment to review
29 and consider the recommendations and potential actions contained
30 in the study.

31 (B) A full budget accounting for estimated costs of the study to
32 be performed.

33 (C) A full explanation of the reason for the study.

34 (D) The most recent completed municipal service review or
35 study in which determinations were made by the local agency
36 formation commission indicating the agency to be studied is a
37 candidate for a change of organization or reorganization.

38 (E) An identification of the disadvantaged community that is
39 expected to benefit from the study.

1 (2) The council shall review the applications submitted pursuant
2 to paragraph (1), select the program participants based on criteria
3 that furthers the purposes of this section, and notify the participants
4 of their selection within two months of receiving the application.
5 Funds shall be issued by the council to the local agency formation
6 commission within 60 days of notification.

7 (3) A local agency formation commission that receives a grant
8 pursuant to paragraph (2) of subdivision (b) shall commence the
9 study within 30 days of receipt of funding and shall complete the
10 study within two years of commencing the study. Upon completion
11 of the study, the local agency formation commission shall do all
12 of the following:

13 (A) Submit to the council a final report within 30 days of the
14 completion of the study and the commission's adoption of a
15 resolution making determinations. The report shall be in the form
16 and manner specified by the council. At a minimum, the report
17 shall include all of the following:

18 (i) The full study conducted.

19 (ii) The resolution making determinations as adopted by the
20 local agency formation commission.

21 (iii) A full budget accounting report of the funds used.

22 (iv) A reimbursement of any unexpended funds.

23 (v) The local agency formation commission's plan for future
24 action based on the study's conclusions.

25 (B) Upon the request of the council, participating local agency
26 formation commissions shall provide the council with any
27 supplemental information necessary to substantiate the information
28 contained in the report submitted pursuant to this subdivision.

29 (4) A local agency formation commission shall repay the entire
30 amount of the grant awarded pursuant to this subdivision to the
31 council if the study funded pursuant to this subdivision is not
32 completed within two years of receipt of the grant funds. The local
33 agency formation commission shall make this repayment within
34 30 days from the two-year anniversary of receipt of the grant funds.

35 (e) (1) A local agency formation commission that elects to
36 apply for a grant pursuant to paragraph (3) of subdivision (b) shall
37 submit to the council an application, in the form and manner
38 specified by the council. At a minimum, the application shall
39 include all of the following:

1 (A) A resolution adopted by the commission authorizing
2 submission of the application for purposes defined in the
3 application.

4 (B) Change of organization or reorganization plans with
5 timelines for expected outcomes.

6 (C) A full budget accounting for estimated costs of the action
7 to be performed.

8 (D) The most recent completed study in which determinations
9 were made by the local agency formation commission indicating
10 the agency should be reorganized or dissolved, or, if there exists
11 a municipal services review or study with like determinations that
12 is no more than five years old.

13 (E) An identification of the disadvantaged community that is
14 expected to benefit from the action.

15 (2) The council shall review the applications submitted pursuant
16 to paragraph (3) of subdivision (b), select the program participants
17 based on criteria that furthers the purposes of this section, and
18 notify the participants of their selection within two months of
19 receiving the application. Funds shall be issued by the council to
20 the local agency formation commission within 60 days of
21 notification.

22 (3) A local agency formation commission that receives funds
23 pursuant to paragraph (3) of subdivision (b) shall commence action
24 within 30 days of receipt of funding.

25 (4) A local agency formation commission that receives funds
26 pursuant to paragraph (3) of subdivision (b) shall hold a public
27 hearing to consider the action described in paragraph (2) of
28 subdivision (a) of Section 56375, except the dissolution of a special
29 district that is listed by the Controller as inactive pursuant to
30 Section 56879 of the Government Code. If the action is approved
31 by a local agency formation commission, that local agency
32 formation commission shall order the change of organization or
33 reorganization subject to Section 57075 of the Government Code,
34 except that the level of protest necessary to require an election for
35 confirmation by the registered voters residing within the affected
36 territory shall be determined by the corresponding percentage of
37 registered voters or land owners required to qualify a recall on the
38 ballot pursuant to subdivision (a) or (d), as appropriate, of Section
39 11221 of the Elections Code. The calculation of registered voters
40 shall be made pursuant to subdivision (b) of that section. Upon

1 completion of the change of organization or reorganization, the
2 local agency formation commission that receives funds pursuant
3 to paragraph (3) of subdivision (b) shall do both of the following:

4 (A) Submit to the council a final report within 30 days of the
5 final action. The report shall be in the form and manner specified
6 by the council. At a minimum, the report shall include all of the
7 following:

8 (i) The final action taken by the local agency formation
9 commission.

10 (ii) If proceedings were terminated as a result of protest, all
11 necessary information pertinent to support that fact.

12 (iii) All reports and documents pertaining to the final action or
13 protest action.

14 (iv) A full budget accounting report of the funds used.

15 (v) The reimbursement of any unexpended funds.

16 (B) Upon the request of the council, the participating local
17 agency formation commission shall provide the council with any
18 supplemental information necessary to substantiate the information
19 contained in the report submitted pursuant to this subdivision.

20 (f) The Legislature finds and declares that there is a compelling
21 public interest in allowing the council to implement and administer
22 this section as expeditiously as possible, and to thereby accelerate
23 local agency formation commission efforts. The guidelines,
24 timelines, and application and reporting criteria adopted by the
25 council for purposes of this section shall be exempt from the
26 rulemaking provisions of the Administrative Procedure Act
27 (Chapter 3.5 (commencing with Section 11340) of Part 1 of
28 Division 3 of Title 2 of the Government Code) for the purpose of
29 carrying out the duties enumerated in this section.

30 (g) For the purposes of this section, the following terms shall
31 apply:

32 (1) “Disadvantaged community” means a community with an
33 annual median household income that is less than 80 percent of
34 the statewide annual median household income.

35 (2) “Local agency formation commission” means a local agency
36 formation commission that operates in a county pursuant to the
37 Cortese-Knox-Hertzberg Local Government Reorganization Act
38 of 2000 (Division 3 (commencing with Section 56000) of Title 5
39 of the Government Code).

AB 1253

— 8 —

1 (h) This section shall not be interpreted to effect the
2 independence or discretion exercised by a local agency formation
3 commission in carrying out an action pursuant to this section.

4 (i) This section shall become inoperative on July 31, 2025, and,
5 as of January 1, 2026, is repealed.

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

Attachment Two

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

March 15, 2019

The Honorable Robert Rivas
California State Assembly
State Capital Room 5158
Sacramento, CA 95814

Subject: *Support of AB 1253*

Dear Assemblymember Rivas:

The Napa Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support for ***Assembly Bill 1253***. Sponsored by CALAFCO, the bill establishes a five-year pilot grant program to provide grants to LAFCOs to address known service and governance concerns in disadvantaged communities. This program provides grants to LAFCOs for conducting special in-depth studies and analyses of local government agencies and services for the purposes of creating improved efficiencies in the delivery of local government services and completing the dissolution of inactive special districts. The grant program would be administered by the Strategic Growth Council and sunset on December 31, 2025.

The Legislature established LAFCOs in 1963 to encourage the orderly formation of local government agencies. Since that time, the regulatory role and responsibilities of LAFCOs has substantially increased without additional funding. Operating in all 58 California counties, LAFCOs are responsible for meeting important statutory directives to maintain orderly boundaries and seek greater efficiencies in delivering local services, and yet these directives often times cannot be met under current funding mechanisms. As a result, much needed LAFCO activities are sometimes delayed or rejected.

In August 2017, the Little Hoover Commission published a report on special districts and their oversight by LAFCOs, which contained several recommendations directly related to LAFCO. One recommendation was for the Legislature to provide one-time grant funding to pay for specified LAFCO activities, particularly to incentivize LAFCOs or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes.

By establishing this one-time grant funding, ***AB 1253*** provides an additional tool for LAFCOs to address known service and governance concerns in disadvantaged communities by conducting detailed studies and potentially implementing greater efficiencies in delivering local services based on local circumstances and conditions. For these reasons, Napa LAFCO is pleased to support ***AB 1253***.

Margie Mohler, Chair
Councilmember, Town of Yountville

Scott Sedgley, Commissioner
Councilmember, City of Napa

Kenneth Leary, Alternate Commissioner
Councilmember, City of American Canyon

Brad Wagenknecht, Vice Chair
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Ryan Gregory, Alternate Commissioner
County of Napa Supervisor, 2nd District

Gregory Rodeno, Commissioner
Representative of the General Public

Erik Lawrence, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

Support of AB 1253

March 15, 2019

Page 2 of 2

Thank you for authoring this important piece of legislation. Please feel free to contact me should you have any questions about Napa LAFCO's position.

Sincerely yours,



Brendon Freeman

Executive Officer

cc: Senator Robert Hertzberg, co-author
Senator Anna Caballero, co-author
Pamela Miller, Executive Director, CALAFCO
Margie Mohler, Napa LAFCO Chair



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

Attachment Three

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

November 20, 2019

TO: California State Legislature

FROM: Local Agency Formation Commission of Napa County

SUBJECT: California Government Code Section 56133.5 Pilot Program

The Local Agency Formation Commission (LAFCO) of Napa County submits this report to the Legislature in compliance with California Government Code Section 56133.5(d). This report summarizes LAFCO of Napa County's participation in the pilot program.

LAFCO of Napa County received one request for extension of service pursuant to the pilot program. The City of Napa requested authorization to provide public water service outside its jurisdictional boundary and sphere of influence to the Carneros Inn Mutual Water Company. LAFCO of Napa County approved the request on October 7, 2019. The written report that accompanies LAFCO of Napa County's approval is available online at:

https://www.napa.lafco.ca.gov/uploads/documents/10-7-19_6b_CarnerosOSA-Napa.pdf

It is important to note the pilot program in Napa County has resulted in several public benefits as described in the referenced report dated October 7, 2019. Toward this end, LAFCO of Napa County respectfully recommends the Legislature extend the pilot program beyond the date of its scheduled repeal on January 1, 2021.

If you have any questions, please do not hesitate to contact me at (707) 259-8645 or bfreeman@napa.lafco.ca.gov.

Sincerely,

Brendon Freeman
Executive Officer

Distribution: Secretary of the Senate
Chief Clerk of the Assembly
Legislative Counsel
Napa LAFCO Commissioners
Sam Martinez, San Bernardino LAFCO Executive Officer
Pamela Miller, CALAFCO Executive Director
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Representative of the General Public

Eve Kahn, Alternate Commissioner
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Brendon Freeman
Executive Officer

SENATE BILL**No. 799**

Introduced by Senator DoddJanuary 7, 2020

An act to amend Section 56133.5 of the Government Code, relating to local agency formation.

LEGISLATIVE COUNSEL'S DIGEST

SB 799, as introduced, Dodd. Local agency services: contracts: Counties of Napa and San Bernardino.

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, a city or district may only provide new or extended services by contract or agreement outside of its jurisdictional boundary if it requests and receives written approval, as provided, from the local agency formation commission in the county in which the extension of service is proposed. The act establishes a pilot program under which the commissions in the Counties of Napa and San Bernardino, upon making specified determinations at a noticed public hearing, may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to support existing or planned uses involving public or private properties, as provided. Existing law repeals this pilot program as of January 1, 2021.

This bill would delete the January 1, 2021, repeal date with regard to the pilot program, thereby continuing its operation indefinitely.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Counties of Napa and San Bernardino.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 56133.5 of the Government Code is
2 amended to read:

3 56133.5. (a) A pilot program is hereby established for the
4 Napa and San Bernardino commissions. If consistent with adopted
5 policy, the Napa and San Bernardino commissions may authorize
6 a city or district to provide new or extended services outside its
7 jurisdictional boundary and outside its sphere of influence to
8 support existing or planned uses involving public or private
9 properties, subject to approval at a noticed public hearing in which
10 the commission makes all of the following determinations:

11 (1) The extension of service or services deficiency was identified
12 and evaluated in a review of municipal services prepared pursuant
13 to Section 56430.

14 (2) The extension of service will not result in either (1) adverse
15 impacts on open space or agricultural lands or (2) growth inducing
16 impacts.

17 (3) A sphere of influence change involving the affected territory
18 and its affected agency is not feasible under this division or
19 desirable based on the adopted policies of the commission.

20 (b) Subdivision (d) of Section 56133 shall apply to any request
21 for new or extended services pursuant to this section.

22 (c) For purposes of this section, “planned use” means any project
23 that is included in an approved specific plan as of July 1, 2015.

24 (d) The Napa and San Bernardino commissions shall submit a
25 report before January 1, 2020, to the Legislature on their
26 participation in the pilot program, including how many requests
27 for extension of services were received pursuant to this section
28 and the action by the commission to approve, disapprove, or
29 approve with conditions. The report required to be submitted
30 pursuant to this subdivision shall be submitted in compliance with
31 Section 9795 of the Government Code.

32 (e) The pilot program established pursuant to this section shall
33 be consistent with Chapter 8.5 (commencing with Section 1501)
34 of the Public Utilities Code.

35 ~~(f) This section shall remain in effect only until January 1, 2021,~~
36 ~~and as of that date is repealed.~~

37 SEC. 2. The Legislature finds and declares that a special statute
38 is necessary and that a general statute cannot be made applicable

1 within the meaning of Section 16 of Article IV of the California
2 Constitution because of the unique circumstances relating to the
3 continuing implementation of the pilot program described in
4 Section 56133.5 of the Government Code in the Counties of Napa
5 and San Bernardino.

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SB 799 – DODD

LOCAL AGENCY SERVICES: CONTRACTS

Summary

SB 799 will extend indefinitely the provisions of AB 402 (signed into law by Governor Jerry Brown in 2015), continuing a pilot program in Napa and San Bernardino counties that allows Local Agency Formation Commissions (LAFCOs) to authorize city or district services outside urban boundaries as long as open space or agriculture are not adversely affected.

Background

LAFCOs are independent regulatory agencies that regulate local boundaries of cities and most special districts. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directed commissions to achieve three main purposes: create logical public agency boundaries, preserve agriculture and open space, discourage urban sprawl and encourage government to provide efficient services. Changes to boundaries are significant as these boundaries affect the timing and location of development.

When a city/district, county and property owner desire to extend its services, it must extend its sphere of influence to cover the property as a precondition of extending those services, unless limited exceptions apply. The exceptions are for impending threats to the public's health and safety or where the commission is assured the territory will be annexed into the city/district at a later date.

The result is that local jurisdictions may be required to extend their spheres of influence to serve an already existing or planned use, even when such an expansion is not in the best interest of agriculture and open space or the efficient provision of services. Consequently, contrary to the intent of current law, this requirement can actually encourage sprawl.

Existing Law

AB 402, signed into law by Governor Brown in 2016, established a pilot program in Napa and San Bernardino counties allowing the LAFCO to authorize a city/district to provide services outside its boundaries and Sphere of Influence (SOI) to serve existing or planned uses, subject to approval at a publicly noticed hearing where the commission makes specified determinations, including that such services will not adversely impact agriculture or open space.

As the Napa and San Bernardino LAFCOs reports to the Legislature show, the pilot program was a success in both counties. San Bernardino LAFCO authorized three requests for extension of services and they received two more requests pending approval. Napa LAFCO authorized the one request they received. Given the public benefits afforded by the pilot program in both Napa and San Bernardino counties and the likelihood that these counties will again require the flexibility afforded by the pilot program, it is appropriate to make permanent



the provision of AB 402, set to expire Jan. 1, 2021.

This Bill

SB 799 will make permanent the provisions of AB 402, a pilot program in Napa and San Bernardino counties that allows a Local Agency Formation Commission to authorize city or district services outside urban boundaries as long as open space or agriculture are not adversely affected.

Support

Opposition

Contact

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