



Local Agency Formation Commission
LAFCO of Napa County

1700 Second Street, Suite 268
Napa, California 94559
Telephone: (707) 259-8645
Facsimile: (707) 251-1053
<http://napa.lafco.ca.gov>

April 7, 2008
Agenda Item No. 8c

March 28, 2008

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Legislative Report (Discussion)

The Commission will receive a report on the legislative activities of the California Association of Local Agency Formation Commissions. The report summarizes the bills under consideration in the current legislative session relevant to the Commission. The report is being presented for discussion.

Staff is a member of the California Association of Local Agency Formation Commissions (CALAFCO) Legislative Committee. The Legislative Committee meets on a regular basis to review, discuss, and offer legislative recommendations to the CALAFCO Board of Directors. The CALAFCO Board recently met to review the work of the Legislative Committee and consider positions on bills that have either a direct impact on LAFCO law or the laws LAFCO helps to administer. A summary of the key bills CALAFCO is currently tracking as part of the current legislative session follows.

Bills Sponsored or Supported by CALAFCO

Assembly Bill 1998 (Jim Silva)

Transferring Administration of LAFCO Disclosure Requirements to the FPPC

Existing law requires all affected parties to disclose their political expenditures and contributions made in support of or in opposition to change of organization or reorganization proposals that may come before LAFCO. Political expenditures and contributions made during protest proceedings are also subject to disclosure requirements. These disclosure requirements were made mandatory beginning this year as a result of AB 745 (Silva). AB 1998 is co-sponsored by CALAFCO and would change the responsibility for administering the disclosure requirements from LAFCO to the Fair Political Practices Commission (FPPC). CALAFCO is seeking this change because the FPPC is more experienced and prepared in the filing and review of disclosure statements than LAFCO staff. The FPPC recently issued a letter opposing the bill unless amended to provide funding to assume the added work responsibility.

Jack Gingles, Commissioner
Mayor, City of Calistoga

Juliana Inman, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alternate Commissioner
Councilmember, City of American Canyon

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

Keene Simonds
Executive Officer

Assembly Bill 2484 (Anna Caballero)

Expanding the Definition of Change of Organization to Include Special Districts Providing New Services and Divesting Service Powers

Existing law designates LAFCO as the sole authority in approving or disapproving change of organizations. Change of organizations are currently defined under law to include 1) city incorporations, 2) district formations, 3) annexations or detachments involving cities or districts, 4) city disincorporations, 5) district dissolutions, 6) consolidations involving cities or districts, and 7) merger or establishment of subsidiary districts. AB 2484 is co-sponsored by CALAFCO and would expand the definition for change of organizations to include proposals involving districts providing new or different functions or classes of services as well as divesting service powers. CALAFCO is seeking this change to clarify that proposals in which districts shall provide new services authorized under their principal acts represents substantive change of organizations, and divesting service powers warrants LAFCO review and approval. There is no formal opposition to this bill at this time.

Assembly Bill 3047 (Anna Caballero)

Annual CALAFCO Omnibus Bill

Existing law establishes a LAFCO in every county in California with regulatory and planning responsibilities. AB 3047 is co-sponsored by CALAFCO and includes several non-substantive changes to LAFCO law aimed at clarifying and improving existing procedures and processes.

Senate Bill 301 (Gloria Romero)

Extension of Vehicle License Fee Subventions for Incorporations to July 2014

Existing law establishes a formula to provide additional vehicle-license fee (VLF) subventions to cities upon their incorporation or annexation of inhabited areas through July 1, 2009. This additional funding is intended to backfill the loss in property tax revenues for cities as a result of Proposition 1A (2004). SB 301 is sponsored by the California League of Cities and would eliminate the sunset date for additional VLF subventions for inhabited annexations and extend the sunset date another five years for incorporations. CALAFCO recognizes the importance of VLF subventions in making incorporations and inhabited annexations financially feasible and supports the bill.

Senate Bill 1458 (Senate Local Government Committee)

Comprehensive Rewrite of County Service Area Law

Existing law establishes procedures for the formation and operation of County Service Areas (CSA), which are governed by county board of supervisors and empowered to provide a range of municipal services. SB 1458 represents a comprehensive rewrite of CSA law to make it more consistent with the provisions of LAFCO law. CALAFCO participated in the working group convened last year that made recommendations to the Senate Local Government Committee on changes to CSA law and supports this bill.

Bills Under CALAFCO Review

Assembly Bill 2278 (Greg Aghazarian)

Authorizing Fire Protection Districts to Negotiate Property Tax Sharing Agreements

Existing law provides procedures for counties and cities to negotiate their respective share of property taxes at the time annexations to cities are proposed. The law specifies LAFCO cannot consider an annexation proposal until a property tax agreement has been reached. With respect to annexations involving special districts, the law currently states that the county shall determine the share of property taxes “in consultation” with the affected special district. AB 2278 would allow fire protection districts to negotiate their share of property taxes. The CALAFCO Legislative Committee generally recognizes that special districts should have a more direct role in negotiating their share of property taxes at the time of annexation. However, this bill only provides negotiation power for fire protection districts, which are not the only districts that provide fire protection services in California. The CALAFCO Legislative Committee is recommending a watch position.

Assembly Bill 2367 (Felipe Fuentes)

Prohibiting Changes to Zoning Standards for Annexed Land from Two to Five Years

Existing law specifies that a city cannot change its general plan designation or zoning standard for annexed land that does not conform to the rezoning assignment present at the time of application to LAFCO for a period of two years unless the city makes specific findings at a public hearing. AB 2367 would extend the prohibition on the city changing its general plan designation or zoning standard for annexed land that does not conform to the rezoning assignment for a period of five years. The bill would also eliminate the ability of a city to make findings to override these restrictions. The CALAFCO Legislative Committee believes this is an important change to help protect against potentially bait-and-switch land use actions and is recommending a support position.

Senate Bill 375 (Darrell Steinberg)

Establishing Sustainable Communities Strategies

Existing law authorizes the California Transportation Commission to prescribe study areas for analysis and evaluation in regional transportation plans (RTP) prepared by designated regional transportation agencies. SB 375 is co-sponsored by the League of Conservation Voters and would require RTPs to include a sustainable communities strategy (SCS) to guide smart growth practices in the region with the goal of reducing greenhouse gas emissions. Projects consistent with the regional SCS would be eligible for additional transportation funding and qualify for an abbreviated review under the California Environmental Quality Act. This bill has been amended to require regional transportation agencies consider spheres of influence in preparing their SCS. CALAFCO is concerned that this bill should it become law may create planning conflicts if and when differences emerge between SCS and local LAFCO policies and has adopted a watch position.

Senate Bill 1191 (Elaine Alquist)

Authorizing Community Service Districts to Provide Broadband Services

Existing law establishes procedures for the formation and operation of Community Service Districts (CSD), which are generally governed by resident voters and empowered to provide a range of municipal services. SB 11911 would expand CSDs' service powers to include operating and providing broadband services. The intent of this bill is to facilitate the development of broadband services in unincorporated areas before transferring ownership to private entities. This proposed provision was originally included in the comprehensive rewrite of CSD law in 2005 but was removed due to strong objections by private broadband service providers. The CALAFCO Legislative Committee is recommending a watch position.

The next meeting of the CALAFCO Board is May 2, 2008 in Los Angeles. The next meeting of the CALAFCO Legislative Committee is May 21, 2008 in Ontario.

Attachment:

- 1) 2008 CALAFCO Adopted Legislative Policies and Priorities



CALAFCO Legislative Policies

Adopted by the Board of Directors on 9 November 2007

1. LAFCo Purpose and Authority

- 1.1. Support legislation which enhances LAFCo authority and powers to carryout 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 addition of unrelated responsibilities which dilute LAFCo ability to meet its primary missions.
- 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 their own jurisdiction.

2. LAFCo Organization

- 2.1. Support the independence of LAFCo from local agencies.
- 2.2. Oppose the recomposition of any or all LAFCos without respect to the existing balance of powers that has evolved within each commission or the creation of specials seats on a LAFCo.
- 2.3. Support representation of special districts on all LAFCos 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 mitigate the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open spaces lands in law and application.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.

4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as the management tool to provide better planning of growth and development, and to preserve agricultural and open space.
- 4.2. Support adoption of LAFCo spheres by other agencies involved in determining long-term growth and infrastructure plans.
- 4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.
- 4.4. Support communication between cities, counties, and districts through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to LAFCo.

- 4.5. Support cooperation between a county and city on decisions related to development within the city's designated sphere of influence.

5. Service and Local Agency Effectiveness

- 5.1. Support the use of LAFCo resources to review regional growth plans and scenarios to ensure reliable services, orderly growth and sustainable communities, and that assure conformity with LAFCo's legislative mandates.
- 5.2. Support LAFCo authority and tools which provide communities with local governance and efficient service delivery options, including authority to condition proposals that assure conformity with LAFCo's legislative mandates.
- 5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed agency's long-term financial viability, governance structure and its ability to efficiently deliver proposed services.
- 5.4. Support availability of tools for LAFCo to mitigate and ensure equitable distribution of revenues to local government agencies consistent with their service responsibilities.

Authority of LAFCo Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation impacts of the proposal.

Agriculture and Open Space Protection Preservation of prime agriculture, open space, and natural habitats that maintain the quality of life in California. Support that recognizes LAFCo ability to protect prime agricultural and open space lands, and that encourage other agencies to coordinate with local LAFCos on preservation and orderly growth.

Water Availability Insure adequate water supplies and infrastructure planning for current and planned growth. Support policies that assist LAFCo in obtaining accurate data to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of expanding private and mutual water company service areas on orderly growth.

Issues of Interest

Housing Provision of territory and services to support affordable housing, and the consistency of regional land use plans with local LAFCo policies.

Transportation Infrastructure impact of transportation systems on future growth and services needs, and ability of local agencies to provide future services.

Flood Control The ability and effectiveness of local agencies to maintain and improve levees, and the public safety of uninhabited flood risk territory proposed for annexation to urban areas. Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair.

2008 Legislative Priorities

Primary Issues

Viability of Local Governments Support legislation that maintain or enhances LAFCo's ability to review and act to assure the efficient and sustainable delivery of local services and the viability of agencies providing those services to meet current and future needs. Support legislation which provides LAFCo and local communities with options for local governance and service delivery, including incorporation as a city.