

To: Olin Woods, Chair and Members of the  
Yolo Local Agency Formation Commission

From: Elisa Carvalho, Assistant Executive Officer

Date: July 26, 2010

Subject: CALAFCO Legislation Update

## **Recommended Action**

Receive and review update on LAFCO related legislation.

## **Reason for Recommended Action**

On May 5, 2010, LAFCO staff provided the Commission information on CALAFCO adopted positions for proposed legislation in the 2009-10 legislative session. The session is nearing its end and the legislature has since acted on much of the proposed legislation.

## **Background**

An update on legislation that CALAFCO has been monitoring is below. The bills, some of which have been signed into law, are divided according to assigned CALAFCO positions: supported, opposed, watched, or no position.

## **SUPPORT**

### **Signed into Law**

**AB 419** (Caballero) – Beginning January 1, 2011, requires a county or city to send LAFCO election requests to the elections official within 45 days. If the either the city or county fail to

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take action within 45 days, the elections official is required to place the item on the ballot at the next regular election. The current law does not include a timeframe.

**AB 1668** (Knight) - Would require the city council to, within 60 days of a vacancy in an elective office, fill that vacancy by appointment or call a special election to fill the vacancy, as specified. This Bill would also revise the initial terms of office for city council members and elective officers following incorporation. The language is also in the Omnibus Bill.

**AB 2795** (Assembly Local Government Committee) - This is a CKH Omnibus Bill. It has 11 sections. The items include clarification of commission authority to initiate proposals by resolution of application, clarification that it is the board of supervisors' or city council's responsibility, rather than LAFCO's, to call special district elections, and extension of the property tax exchange process deadline to 90 days. CALAFCO sponsored this Bill.

**SB 1023** (Wiggins) - Provides an expedited process for the consolidation of specified Resort Improvement Districts (RIDs) and Municipal Improvement Districts (MIDs) into Community Service Districts (CSDs).

In Process

**SB 894** (Senate Local Government Committee) - This is a Senate Omnibus Bill that makes various technical, non-significant changes to local government laws other than CKH. There are several technical changes on section cross references and it adds cross references to mediation authorization for action brought before the superior court on a decision made pursuant to CKH. This Bill was heard in the Assembly Local Government Committee on June 30, 2010. It has been re-referred to the Assembly Appropriations Committee with a recommendation for the consent agenda. It will most likely be scheduled for the first week of August.

OPPOSE

**SB 211** (Simitian) - Allows Santa Cruz County to form a park district outside the LAFCO process. CALAFCO was informed that Senator Simitian withdrew the Bill because of growing local opposition. This Bill was gutted and amended to a non-LAFCO item.

WATCH

Signed into Law

**AB 711** (Charles Calderon) - Provides a loan for the East LA incorporation proponents. This Bill transfers \$45,000 from the Environmental Enhancement and Mitigation Program Fund to the General Fund and appropriates that amount to the Controller for allocation to Los Angeles County LAFCO. The loan provisions are consistent with CKH.

In Process

**AB 853** (Arambula) – Requires additional municipal service review and sphere of influence considerations and allows residents to petition the county for annexation of unincorporated

fringe communities. This Bill has been significantly amended to include most of the changes that CALAFCO requested. The revised Bill eliminates all references to the comprehensive service plan that were in the previous version. Instead, the Bill now requires LAFCO to identify in its future MSR determinations and SOI updates the location and infrastructure needs and deficiencies of any unincorporated "disadvantaged inhabited community" that provides water, wastewater, or fire protection services. The Bill would apply to MSR/SOI studies after July 1, 2011.

The Bill retains the provision to allow residents to petition the county to adopt a resolution of application for an annexation; however, it now requires the lands to be within the sphere of influence and contiguous with the city. Nothing in the Bill changes any of the other CKH requirements for an annexation application to be complete (prezoning, property tax exchange agreement, etc.) or the normal annexation process, including protest provisions. All the various definitions (fringe, legacy, and island) have also been removed.

CALAFCO is still working with the author on this Bill. CALAFCO's concern is time and cost for LAFCO to prepare the inventory of infrastructure needs and deficiencies for disadvantaged unincorporated communities that provide water, wastewater, and fire protection. Costs associated with these requirements would have to be passed onto cities, counties, and special districts that are part of the LAFCO budget allocation. The Bill was last amended on July 1, 2010. The Bill was re-referred to the Senate Appropriations Committee on July 15, 2010.

**SB 1174** (Wolk) – Would establish the Future Sustainable Communities Pilot Project. This Bill authorizes a city or county to apply to the Strategic Growth Council (SGC) to receive financial assistance necessary to address disadvantaged unincorporated fringe communities in the updates of their general plans. The Bill would require the SGC to choose 5 cities and 5 counties with a disadvantaged unincorporated community inside or near their boundaries to receive financial assistance. The SGC is a cabinet level committee that is tasked with coordinating the activities of state agencies and assisting local entities in planning for and working toward sustainable communities. This Bill does not impact LAFCO. The Bill was heard in the Appropriations Committee on June 30, 2010.

**SB 194** (Florez) – Would enact the Community Equity Investment Act of 2010. This Bill would make legislative findings and declarations relating to disadvantaged, unincorporated communities. The Bill would specify how funds received pursuant to the federal State Community Development Block Grant Program are expended at the local government level and would impose various requirements on a city or county in receipt of those funds that would, among other things, ensure the representation and participation of citizens of disadvantaged unincorporated communities. This Bill is tied to AB 853. The Bill is scheduled for the Assembly's Second Reading File on August 2, 2010.

### Failed

**AB 1859** (Norby) - Requires LAFCO review of Redevelopment Agency (RDA) formation and boundary changes. The Bill failed in committee.

**SB 896** (Cox) - Continues to be a placeholder Bill listing CKH as its subject. This Bill failed in the Rules Committee.

NO POSITION

In Process

**AB 300** (Caballero) – Would require, until January 1, 2017, the public water system, or the local agency if there is no public water system, to review, verify for accuracy, and approve, as specified, a subdivision’s water savings projections attributable to voluntary demand management measures, as defined. The public water system would be authorized to collect fees necessary to provide the additional analysis of the voluntary demand management measures. LAFCO is one of the affected agencies that would have to be consulted in the preparation of the water assessment report for projects that reduce water consumption. This Bill is in the Senate Local Government Committee with further hearings to be set.

Inactive

**AB 155** (Mendoza) – Would provide that a local public entity may only file for bankruptcy with the approval of the California Debt and Investment Advisory Commission, except as specified.

Failed

**SB 1232** (Romero) - Would require the East Los Angeles Residents Association, by October 29, 2010, to deposit any funds required by the Los Angeles County Local Agency Formation Commission to complete a comprehensive fiscal analysis as a condition of continuation of the current petition for a change of organization. The Bill would also require any signatures that were submitted with the petition to continue to be considered valid through October 29, 2010 and after that date if the petition proceeds and is accepted for filing. This Bill contains other related provisions.