



## LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

May 9, 2017

**To:** LAFCo Commissioners  
**From:** Martha Poyatos, Executive Officer *Martha Poyatos*  
**Subject:** California Association of Local Agency Formation Commissions (CALAFCO) Legislative Report and Update on Little Hoover Commission (Information Only)

### Pending Legislation

Attached please find the list of legislation being tracked by the California Association of Local Agency Formation Commissions (CALAFCO). As reported in March, CALAFCO proposes six technical, non-controversial changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 for inclusion in the Assembly Local Government Committee's annual omnibus bill. CALAFCO is also sponsoring two bills this year:

- **AB 464** (Gallagher) responds to concerns regarding the application of Government Code Section 56653, recently the subject of a court decision involving Turlock Irrigation District. Proposed amendments are narrow in scope and would remove potential risks associated with annexation proposals involving territory where services have been extended by agreement outside jurisdictional boundaries as permitted by Government Code Section 56133.
- **AB 979** (Lackey) would streamline the process to seat special district members on LAFCos that do not have special district representation. This bill would also require LAFCos to assist independent special district selection committees with appointment of a special district member to a consolidated countywide redevelopment agency oversight board.<sup>1</sup> (Please see support letter dated April 14, 2017)

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<sup>1</sup> On July 1, 2018, counties with 2 – 39 individual RDA oversight boards will be consolidated into one countywide oversight board. Upon consolidation, the county's Independent Special District Selection Committee is responsible for appointing the special district representative to the new countywide oversight board. The Independent Special District Selection Committee consists of the presiding officer of the legislative body of each independent special district or district-appointed alternate (Government Code Section 56332(a)). The LAFCo Executive Officer/Designee is responsible for calling and giving written notice of meetings of the Independent Special District Selection Committee, at which a representative may be appointed to the countywide RDA oversight board. (Government Code Section 56332(b))

**COMMISSIONERS:** DON HORSLEY, CHAIR, County ▪ MIKE O'NEILL, VICE CHAIR, City ▪ JOSHUA COSGROVE, Special City ▪ ANN DRAPER, Public  
 RICH GARBARINO, City ▪ JOE SHERIDAN, Special District ▪ WARREN SLOCUM, County

**ALTERNATES:** VACANT, Special District ▪ VACANT, City ▪ SEPI RICHARDSON, Public ▪ DAVE PINE, County

**STAFF:** MARTHA POYATOS, EXECUTIVE OFFICER ▪ REBECCA ARCHER, LEGAL COUNSEL ▪ JEAN BROOK, COMMISSION CLERK

CALAFCO continues to monitor SB 448 (Wieckowski), which is a spot bill that would streamline the process for dissolving inactive special districts and in certain cases require LAFCo to initiate dissolution of inactive districts. In San Mateo County, there are two inactive districts (County Service Areas 10 and 12) that were formed but not activated because either a measure for funding was not approved by the voters or another entity took on the service that the District was formed to provide.

### **The Little Hoover Commission (LHC)**

CALAFCO Executive Director Pamela Miller sent the attached letter to the Little Hoover Commission in which she clarifies LAFCo interaction with special districts, the value of LAFCo municipal service reviews and CALAFCo's legislative and outreach efforts to make LAFCOs more effective.

### **Recommended Action**

Receive the report and public comment.

Attachments: a) CALAFCO Daily Legislative Report as of May 9, 2017  
b) Letter of Support for AB 979 (Lackey)  
c) CALAFCO letter to LHC, March 29, 2017

## CALAFCO Daily Legislative Report as of Tuesday, May 09, 2017

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**1**


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**[AB 464](#) ([Gallagher R](#)) Local government reorganization.**
**Current Text:** Amended: 3/14/2017 [Text](#)
**Introduced:** 2/13/2017

**Last Amended:** 3/14/2017

**Status:** 5/8/2017-Read second time. Ordered to Consent Calendar.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

5/11/2017 #74 ASSEMBLY CONSENT CALENDAR 1ST DAY-ASSEMBLY BILLS

**Summary:**

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, current law requires that an applicant seeking a change of organization or reorganization submit a plan for providing services within the affected territory that includes, among other requirements, an enumeration and description of the services to be extended to the affected territory and an indication of when those services can feasibly be extended. This bill would specify that the plan is required to also include specific information regarding services currently provided to the affected territory, as applicable, and make related changes.

**Attachments:**
[CALAFCO Letter of Support April 2017](#)
**Position:** Sponsor

**Subject:** Annexation Proceedings

**CALAFCO Comments:** This bill makes a fix to Gov. Code Sec. 56653 based on the court finding in the case of *The City of Patterson v. Turlock Irrigation District*. The court found that because the services were already being provided via an out of area service agreement, the application for annexation was deemed incomplete because it was not a new service to be provided. By making the fix in statute, any pending/future annexation for a territory that is already receiving services via an out of area service agreement will not be in jeopardy.

As amended, corrections were made to: 56653(b)(3) reading "proposed" rather than "provided", and in Government Code Section 56857 an exemption added pursuant to Public Utilities Code Section 9608 for territory already receiving electrical service under a service area agreement approved by the Public Utilities Commission pursuant to Public Utilities Code Section 9608.

**[AB 979](#) ([Lackey R](#)) Local agency formation commissions: district representation.**
**Current Text:** Amended: 4/27/2017 [Text](#)
**Introduced:** 2/16/2017

**Last Amended:** 4/27/2017

**Status:** 5/1/2017-Re-referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

5/10/2017 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:**

Current law requires a local agency formation commission, if it does not have representation from independent special districts on January 1, 2001, to initiate proceedings for representation of those districts upon the commission if requested by independent special districts, and specifies the procedures for those proceedings. This bill would revise the procedures for special district representatives to initiate those proceedings, and would authorize the commission to combine proceedings for appointing a member representing independent special districts on an oversight board pursuant to those proceedings, as specified.

**Attachments:**
[CALAFCO Sponsor/Support Letter April 2017](#)

**Position:** Sponsor**Subject:** CKH General Procedures

**CALAFCO Comments:** This bill is co-sponsored by CALAFCO and CSDA. As amended, the bill amends code Sec. 56332.5 to streamline the process of seating special districts on LAFCo by mirroring current statute 56332 (the process for electing special district representatives into the special district seats). Keeping the process voluntary, it allows for voting by mail whether or not the district wants to have special districts represented on LAFCo. Further, it will allow for the consolidation of that question with the independent special district selection committee appointment to a countywide redevelopment agency oversight board pursuant to Health and Safety Code 34179 (j)(3).

**AB 1725 (Committee on Local Government) Local agency formation.****Current Text:** Amended: 5/2/2017 [Text](#)**Introduced:** 3/20/2017**Last Amended:** 5/2/2017**Status:** 5/3/2017-Re-referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

5/10/2017 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:**

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 cities and districts, as specified. The act authorizes a local agency formation commission to establish a schedule of fees and a schedule of service charges for proceedings taken pursuant to the act, as specified. This bill would revise that provision to authorize a local agency formation commission to establish a schedule of fees and a schedule of service charges pursuant to the act.

**Attachments:**

[CALAFCO Letter of Support April 2017](#)

**Position:** Sponsor**Subject:** CKH General Procedures

**CALAFCO Comments:** This is the annual Omnibus bill. The bill currently has two items and will be amended soon to include four (4) additional items. The bill makes only minor, non-substantive technical changes to CKH.

**SB 37 (Roth D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.****Current Text:** Introduced: 12/5/2016 [Text](#)**Introduced:** 12/5/2016**Status:** 4/3/2017-April 3 hearing: Placed on APPR. suspense file.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Beginning with the 2004–05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2017–18 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

**Attachments:**

[CALAFCO Support Letter Feb 2017](#)

**Position:** Support**Subject:** Financial Viability of Agencies, Tax Allocation

**CALAFCO Comments:** This bill is identical to SB 817 (Roth, 2016), SB 25 (Roth, 2015) and SB 69 (Roth, 2014) with the exception of the chaptering out language included in the 2016 version (which addressed the companion bill AB 2277 (Melendez, 2016)). The bill calls for reinstatement of the VLF

through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2017/18 year for cities that incorporated between 1-1-2004 and 1-1-2012.

**[SB 448](#) ([Wieckowski D](#)) Local government: organization: districts.**

**Current Text:** Amended: 5/2/2017 [Text](#)

**Introduced:** 2/15/2017

**Last Amended:** 5/2/2017

**Status:** 5/4/2017-Set for hearing May 15.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

5/15/2017 9 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:**

Current law requires a report of an audit of a special district's accounts and records made by a certified public accountant or public accountant to be filed with the Controller and the county auditor of the county in which the special district is located within 12 months of the end of the fiscal year or years under examination. This bill would require that those audit reports also be filed with the local agency formation commission of either the county in which the special district is located or, if the special district is located in 2 or more counties, the county containing the greatest percentage of the assessed value of taxable property of the district.

**Attachments:**

[CALAFCO Oppose Unless Amended Letter](#)

**Position:** Oppose unless amended

**Subject:** CKH General Procedures

**CALAFCO Comments:** As amended, this bill authorizes LAFCo to dissolve inactive districts by holding one hearing and without conducting a special study and with the waiver of protest proceedings. The bill creates an "idle" status for districts based on certain criteria, and authorizes LAFCo to dissolve idle districts under certain conditions.

The bill requires districts to conduct a biennial audit and submit to the State Controller's Office (SCO). The SCO will create a listing of idle districts based on those audits. Idle districts are defined as either: (1) no financial transactions and no revenue in the audit period; OR (2) district failed to submit the audit. The bill also adds a definition of inactive district as outlined in the bill. Once a district has been labeled idle, they have 180 days to file a statement of purpose with the SCO (criteria for content of the statement of purpose also outlined in the bill).

CALAFCO has several concerns with the processes identified in the bill, the location (code section) being used to address these new LAFCo powers, and several other minor technical issues. CALAFCO will work with the author's office and key stakeholders on amendments.

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**[AB 267](#) ([Waldron R](#)) Community services districts.**

**Current Text:** Introduced: 2/1/2017 [Text](#)

**Introduced:** 2/1/2017

**Status:** 2/2/2017-From printer. May be heard in committee March 4.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law provides for the organization and powers of community services districts, including the continuation of any community services district, improvement district of a community services district, or zone of a community services district, that was in existence on January 1, 2006. This bill would make nonsubstantive changes to these provisions.

**Position:** Watch

**CALAFCO Comments:** According to the author's office this is a spot bill.

**[AB 548](#) ([Steinorth R](#)) Omnitrans Transit District.**

**Current Text:** Amended: 4/4/2017 [Text](#)

**Introduced:** 2/14/2017

**Last Amended:** 4/4/2017

**Status:** 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was TRANS. on 3/23/2017)(May be acted upon Jan 2018)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and unspecified portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.

**Position:** None at this time

**CALAFCO Comments:** This bill, as amended, appears to dissolve the Omnitrans JPA and form a new independent special district to be known as the Omnitrans Transit District. The formation process does not include LAFCo. CALAFCO is reaching out to the author's office for more details.

**[AB 577](#) (Caballero D) Disadvantaged communities.**

**Current Text:** Amended: 3/9/2017 [Text](#)

**Introduced:** 2/14/2017

**Last Amended:** 3/9/2017

**Status:** 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.S. & T.M. on 2/27/2017)(May be acted upon Jan 2018)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law defines a disadvantaged community as a community with an annual median household income that is less than 80% of the statewide annual median household income for various purposes, that include, but are not limited to, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, eligibility for certain entities to apply for funds from the State Water Pollution Cleanup and Abatement Account, and authorization for a community revitalization and investment authority to carry out a community revitalization plan. This bill would expand the definition of a disadvantaged community to include a community with an annual per capita income that is less than 80% of the statewide annual per capita income.

**Position:** Watch

**Subject:** Disadvantaged Communities

**CALAFCO Comments:** Sponsored by the Environmental Justice Coalition for Water, this bill is intended to expand the definition of disadvantaged communities to include multi-family households. According to the author's office this will be a two-year bill. CALAFCO will retain a Watch position until any amendments are in print.

**[AB 645](#) (Quirk D) Local government: organization: dissolution.**

**Current Text:** Introduced: 2/14/2017 [Text](#)

**Introduced:** 2/14/2017

**Status:** 3/2/2017-Referrred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Under current law, if a change of organization consists of a dissolution, the commission is required to order the dissolution subject to confirmation of voters if, among other things, the proposal was not initiated by the commission and if a subject agency has not objected to the proposal, the commission has found that, for an inhabited territory protests have been signed by either 25% of the number of landowners within the affected territory who own at least 25% of the assessed value of land within the territory or 25% of the voters entitled to vote as a result of residing or owning land within the affected territory. This bill would decrease that threshold to 10% of the number of landowners within the affected territory who own at least 25% of the assessed value of land within the territory or 10% of the voters entitled to vote as a result of residing or owning land within the affected territory.

**Position:** Watch

**Subject:** CKH General Procedures, Disincorporation/dissolution, Special District Consolidations

**CALAFCO Comments:** According to the author's office this is a spot bill pending the outcome of the Alameda LAFCo special study on Eden Healthcare District. Update: The author's office indicates they will hold off moving this bill. CALAFCO will continue to Watch.

**[AB 892](#) ([Waldron R](#)) **Municipal water districts: water service: Indian tribes.****

**Current Text:** Amended: 3/23/2017 [Text](#)

**Introduced:** 2/16/2017

**Last Amended:** 3/23/2017

**Status:** 3/27/2017-Re-referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe's lands that are not within a district, as prescribed. This bill would authorize, rather than require, a district to provide this service of water. The bill would apply this authorization to all Indian tribes whose lands are owned by the tribe.

**Position:** Watch

**Subject:** Water

**CALAFCO Comments:** According to the author's office, this may very well become a two-year bill. The intent of the bill was to make it permissive for an Indian tribe to negotiate directly with a water provider to obtain water services. This would circumvent LAFCo. This bill expands on last year's bill by Gonzalez-Fletcher, AB 2470. The author's office has indicated the bill will not move forward in its current version. They understand CALAFCO's concerns. CALAFCO will continue to monitor the bill for any amendments and will consider a position if/when amendments are in print.

**[AB 1728](#) ([Committee on Local Government](#)) **Health care districts: board of directors.****

**Current Text:** Introduced: 3/22/2017 [Text](#)

**Introduced:** 3/22/2017

**Status:** 4/27/2017-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 9. Noes 0.) (April 26). Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

5/10/2017 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ FLETCHER, Chair

**Summary:**

Each health care district has a board of directors with specific duties and powers respecting the creation, administration, and maintenance of the district, including purchasing, receiving, having, taking, holding, leasing, using, and enjoying property. This bill would require the board of directors to adopt an annual budget in a public meeting, on or before September 1 of each year, that conforms to generally accepted accounting and budgeting procedures for special districts, establish and maintain an Internet Web site that lists contact information for the district, and adopt annual policies for providing assistance or grant funding, if the district provides assistance or grants.

**Attachments:**

[AB 1728 CALAFCO Letter of Support](#)

**Position:** Support

**Subject:** Other

**CALAFCO Comments:** As introduced, this bill requires healthcare districts to adopt annual budgets, establish and maintain a website (and prescribes the required site content), and adopt policies for grant funding.

**[SB 206](#) ([Committee on Governance and Finance](#)) **Validations.****

**Current Text:** Introduced: 2/1/2017 [Text](#)

**Introduced:** 2/1/2017

**Status:** 3/23/2017-Read third time. Urgency clause adopted. Passed. (Ayes 37. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would enact the First Validating Act of 2017, which would validate the organization, boundaries,

acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

**Attachments:**

[CALAFCO Support Feb 2017](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.

**SB 207 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/1/2017 [Text](#)

**Introduced:** 2/1/2017

**Status:** 3/23/2017-Read third time. Urgency clause adopted. Passed. (Ayes 37. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would enact the Second Validating Act of 2017, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

**Attachments:**

[CALAFCO Support Feb 2017](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.

**SB 208 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/1/2017 [Text](#)

**Introduced:** 2/1/2017

**Status:** 3/23/2017-Read third time. Passed. (Ayes 37. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would enact the Third Validating Act of 2017, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Attachments:**

[CALAFCO Support Letter Feb 2017](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.

**SB 365 (Dodd D) Regional park and open-space districts: County of Solano.**

**Current Text:** Introduced: 2/14/2017 [Text](#)

**Introduced:** 2/14/2017

**Status:** 4/3/2017-Read second time. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

5/11/2017 #89 SENATE SEN THIRD READING FILE - SEN BILLS

**Summary:**

Current law authorizes proceedings for the formation of a regional park and open-space or regional open-space district in specified counties in the state to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution. This bill, in addition, would authorize the formation of a regional district in the County of Solano to be initiated by resolution of the county board of supervisors after a noticed hearing. The bill would specify the contents of the resolution, including the calling of an election, as prescribed.

**Attachments:**

[SB 365 CALAFCO Letter of Oppose 03 28 17](#)



**Position:** Oppose

**Subject:** LAFCo Administration

**CALAFCO Comments:** This bill calls for the formation of a regional park and open space district which will circumvent the LAFCo formation process. CALAFCO discussed our concerns with the author's office, who has made it clear they will not be considering any potential amendments unless requested by Solano LAFCo. As Solano LAFCo is now formally in support of the bill, it is not likely there will be any amendments.

**SB 435 (Dodd D) Williamson Act: payments to local governments.**

**Current Text:** Amended: 5/2/2017 [Text](#)

**Introduced:** 2/15/2017

**Last Amended:** 5/2/2017

**Status:** 5/4/2017-Set for hearing May 15.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

**Calendar:**

5/15/2017 9 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:**

Would, under the Williamson act, reduce the amount per acre paid to a city, county, or city and county under these provisions to \$2.50 for prime agricultural land, \$0.50 for all other land devoted to open-space uses of statewide significance, and, for counties that have adopted farmland security zones, \$4 for land that is within, or within 3 miles of the sphere of influence of, each incorporated city.

**Position:** Watch

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** According to the author's office, this bill (originally sponsored by the CA Farm Bureau but no longer) is intended to ensure ongoing subvention funding for counties and cities to enter into contracts with owners of agricultural land that commit to protecting and preserving the property as resource land and farmland. The current language is placeholder language and at present the author is working with the Dept. of Conservation and stakeholder groups to determine a reasonable path forward for the reinstatement of the Williamson Act funding.

CALAFCO will watch the bill for pending amendments.

**SB 634 (Wilk R) Santa Clarita Valley Water District.**

**Current Text:** Amended: 5/2/2017 [Text](#)

**Introduced:** 2/17/2017

**Last Amended:** 5/2/2017

**Status:** 5/4/2017-Set for hearing May 15.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

**Calendar:**

5/15/2017 9 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:**

Current law, the Castaic Lake Water Agency Law, created the Castaic Lake Water Agency and authorizes the agency to acquire water and water rights, including water from the State Water Project, and to provide, sell, and deliver water at wholesale for municipal, industrial, domestic, and other purposes. This bill would repeal the Castaic Lake Water Agency Law. This bill contains other related provisions and other current laws.

**Attachments:**

[CALAFCO Letter Oppose Unless Amended 03 27 17](#)

**Position:** Oppose unless amended

**Subject:** Special District Consolidations

**CALAFCO Comments:** As amended, this bill consolidates two independent water districts in Los Angeles. The bill was amended to include LAFCo in the process via an application for binding conditions. There are still several minor technical changes that have been requested to the sponsors and author, and CALAFCO will retain our oppose unless amended position until those changes are in print.

**SB 693 (Mendoza D) Lower San Gabriel River Recreation and Park District.**

**Current Text:** Introduced: 2/17/2017 [Text](#)

**Introduced:** 2/17/2017**Status:** 5/4/2017-Set for hearing May 15.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

5/15/2017 9 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:**

Would specifically authorize the establishment of the Lower San Gabriel River Recreation and Park District, by petition or resolution submitted to the Los Angeles County Local Agency Formation Commission before January 1, 2020, subject to specified existing laws governing recreation and park districts, including their formation, except as provided. The bill would authorize specified city councils and the Los Angeles County Board of Supervisors to appoint the initial board of directors of the district.

**Position:** Watch**Subject:** LAFCo Administration

**CALAFCO Comments:** This bill forms the Lower San Gabriel River Recreation and Park District while leaving a majority of the LAFCo process intact. CALAFCO will keep watching to ensure it stays that way.

Total Measures: 18

Total Tracking Forms: 18

5/9/2017 2:46:26 PM

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

April 14, 2017

The Honorable Tom Lackey  
California State Assembly  
State Capitol, Room 2174  
Sacramento, CA 95814

Subject: **Support of AB 979 as Amended**

Dear Assemblymember Lackey:

The San Mateo Local Agency Formation Commission is pleased to support your bill **AB 979**, as amended on April 6, 2017. Co-sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), this bill facilitates streamlining the process of seating special district representation on Local Agency Formation Commissions (LAFCos).

The statutory mission of LAFCos is to discourage urban sprawl, preserve agricultural land and open space, encourage the orderly formation and development of local agencies, and ensure the efficient provision of services by those local agencies. By statute, each LAFCo is composed of representatives from the county, cities within the county, and a member of the public (with each seat having an alternate). Special districts have the ability to opt into representation on LAFCos and since 1972, special districts have chosen to obtain representation on 30 of the 58 LAFCos. Our LAFCo added special district membership in 1996 and since that time we have benefitted from having the input of special district members in LAFCo deliberations. We can also attest to the extensive effort needed by the special districts to accomplish adoption of the requisite number of resolutions in the time allowed by the existing law. Under current law, special districts may acquire representation on a LAFCo if a majority of all special districts in the county adopt a Board resolution supporting such action, with all of them having to be adopted within a one-year period. This can be a time-intensive process requiring resources and an organized effort.

**AB 979** simplifies this process by mirroring the existing election process for appointment of LAFCo commissioners through the Independent Special Districts Selection Committee. The change would allow special district representation on LAFCo to be achieved through a more streamlined process while still allowing for each district to vote on the matter. Simplifying the LAFCo representation process would empower special districts in the 28 counties with no special district representation to more effectively consider their participation on LAFCo. We believe special district representation on LAFCo provides a more diverse and balanced decision-making foundation to the LAFCo process.

For these reasons, we are pleased to support **AB 979** and thank you for authoring this important piece of legislation.

Sincerely yours,

Martha Poyatos  
Executive Officer

cc: Members, Assembly Local Government Committee  
Misa Lennox, Associate Consultant, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus  
Pamela Miller, Executive Director, California Association of Local Agency Formation Commissions  
Kyle Packham, Legislative Director, California Special Districts Association

**COMMISSIONERS:** DON HORSLEY, CHAIR, County ▪ MIKE O'NEILL, VICE CHAIR, City ▪ JOSHUA COSGROVE, Special City ▪ ANN DRAPER, Public  
RICH GARBARINO, City ▪ JOE SHERIDAN, Special District ▪ WARREN SLOCUM, County

**ALTERNATES:** RIC LOHMAN, Special District ▪ RAY MUELLER, City ▪ SEPI RICHARDSON, Public ▪ (VACANT), County

**STAFF:** MARTHA POYATOS, EXECUTIVE OFFICER ▪ REBECCA ARCHER, LEGAL COUNSEL ▪ JEAN BROOK, COMMISSION CLERK



March 29, 2017

Chair Pedro Nava  
Little Hoover Commission  
925 L Street, Suite 805  
Sacramento, CA 95814

Chair Nava:

On behalf of the California Association of Local Agency Formation Commissions (CALAFCO), I want to thank you and former Vice Chair Flannigan, as well as your staff, for meeting with me earlier this month. I appreciate the opportunity to discuss our concerns relating to last month's Commission meeting conversation regarding the draft report on special districts. CALAFCO also appreciates your fair-minded leadership as Chair of the Commission.

Since first being contacted by your staff in July 2016, we have appreciated their professionalism and desire for open communication. CALAFCO has worked to be an informative and flexible resource for them and the Commission throughout the past nine months, and we will continue that commitment.

As we discussed during our meeting earlier this month, CALAFCO struggles to ascertain the actual problem the Commission is focusing on and the end outcome the Commission hopes to achieve pertaining to special districts. From our perspective it seems to have evolved during the review process to a point today where that is unclear to many. As a result, we appreciate the Commission taking a pause and considering this question.

As you shared with me, several Commissioners expressed concerns and raised questions regarding LAFCOs and their actions, or lack of, pertaining to special districts. We also understand some of the Commissioners indicated staff's recommendations in the draft report were too "status quo" and preferred actions that were more severe in nature. We want to take this opportunity to once again share some important information about LAFCOs and special districts previously provided to the Commission and illuminate some of the current efforts being under-taken by CALAFCO to enhance the effectiveness of LAFCOs throughout the state.

**The consolidation and dissolution of districts initiated by LAFCO by the numbers show action being taken**

To address the concern that LAFCOs are not doing enough when it comes to consolidating or dissolving districts, we offer the following facts. As indicated in our August written testimony on pages 10-11, a random sampling of eight (8) LAFCOs demonstrate in recent years the successful dissolution of eleven (11) districts, six (6) consolidations and three (3) reorganizations. Further, two of those LAFCOs also reported they were looking at or working on four (4) additional dissolutions. This number represents a reduction of over one (1) % of the approximately 2,200 independent special districts in the state by just these eight LAFCOs. We feel this speaks positively to our assertion that generally speaking LAFCOs are taking action where appropriate.

We also reported (on page 11 of our testimony) the Marin LAFCO initiated consolidation of four wastewater agencies as a result of a comprehensive Municipal Service Review (MSR). After several years of effort the consolidation ultimately failed at the ballot by the voters within all four districts.

This example speaks to the limitations of LAFCo's authority to close the deal on any number of reorganization actions. Therefore, just because a dissolution does not occur, does not mean that a LAFCo did not do its job by reviewing the agency and putting it before voters for a decision.

In the end, it is up to the voters to determine the fate of the district and lack of community support to make changes is not within LAFCo's span of control.

### **The value of Municipal Service Reviews is clear**

The value of a comprehensive MSR in the reorganization of local service providers is demonstrated by the numbers in the above paragraph. All of these actions were preceded by a MSR. As we reported on page 9 of our testimony, half of the LAFCos statewide reported that since the requirement to conduct MSRs was enacted, they have completed at least one MSR on 1,058 independent special districts, which is a 92% completion rate. Given the length of time and significant resources required to create a comprehensive MSR, this is a significant percentage rate.

We also strongly believe the MSR is an effective tool for LAFCo to determine the viability of the service provider and to determine if service delivery efficiencies can be gained. Since producing them in the early 2000's, LAFCos have made countless recommendations for improvement to hundreds of districts. We assert that the overall reduction in the number of special districts across the state since 1997 is directly connected to LAFCo's actions resulting from a MSR.

### **Net reduction vs. gain – the numbers speak to action**

The California landscape would look radically different today if it were not for the work of LAFCo. Their existence has turned development and boundary chaos into far more orderly development. If the focus is on numbers, then we would be remiss if we did not remind the Commission of the overall reduction of special districts by five percent since 1997, while the State's population has grown by almost 21 percent. In fact, in 2016, CALAFCO members reported a net decrease in the number of independent special districts by five. While four were formed during the prescribed one-year period, nine others were affected by either a dissolution or consolidation. This data clearly suggests LAFCos are taking far more action to reduce the overall numbers rather than increase them.

We want to be clear, however, as our testimony on page 10 indicates, simply reorganizing agencies does not necessarily improve services and ultimately LAFCo recommendations and actions are designed to improve the provision of service.

### **LAFCo continues to progress**

Pages 11 – 13 of our written testimony highlight the substantial progress LAFCos made from 2000 – 2016. In addition to the new MSR requirements, these advancements include greater LAFCo independence from the County, fair and equitable funding formulas, greater special district representation (currently 30 of the 58 LAFCos have special district representatives), allowance of local policies, the use of technology, and a significant increase in local and statewide collaboration. This time period has also seen the much more active role of CALAFCO in resolving issues of statewide concern.

### **Current actions and forward motion**

Recognizing there is always room for improvement, CALAFCO is working with and on behalf of our 58 member LAFCos to identify opportunities for the future and take proactive action in implementing strategies to address those opportunities. For example:

- CALAFCO is currently working with the State Controller's Office (SCO) to determine the viability of 22 SCO identified inactive independent special districts and dissolve them as appropriate. As we mentioned in our previous testimony (page 17), legislation authorizing LAFCo to dissolve inactive districts through an expedited process could promote and streamline these efforts in a meaningful way.
- CALAFCO is co-sponsoring a bill authored by Assemblymember Lackey, AB 979, to streamline the process of seating special district representatives on LAFCo. We believe this will create the opportunity for more LAFCOs to have this kind of representation by making the process simpler for districts. This was noted in our testimony on page 14.
- CALAFCO has approached the Governor's Office of Planning and Research to discuss a joint partnership in conducting a statewide study of the effectiveness of MSRs. This study would no doubt highlight the strengths of the process and outcomes, as well as allow the identification of improvements needed (page 17 of our testimony).
- CALAFCO has formed a working group that is closely examining an opportunity to seek potential funding for LAFCOs in the pursuit of recommended addendums/actions out of MSRs to further study, plan and effectuate consolidations, reorganizations, and otherwise more rational governance structures.

CALAFCO appreciates the work of the Little Hoover Commission and your leadership as Chair. We feel it is important to focus on the facts at hand and to specifically address identified problems or issues, rather than go in search of them.

As referenced in this letter, we have attached our August 25, 2016 written testimony previously provided to the Commission. We look forward to continuing to participate in the hearing process either later this summer or in the fall, and make ourselves available as a resource to you, the Commission and your staff for any questions you may have.

Sincerely,



Pamela Miller  
Executive Director

CC: Carole D'Elia, Executive Director, Little Hoover Commission