

October 2019

Legislature Turns Toward Housing Policy

Written by: Michael Colantuono and Aleks R. Giragosian, Colantuono, Highsmith & Whatley, PC

ANNUAL CONFERENCE EDITION

New Housing Legislation – Are we
Paying Attention?

Making sense of Reclamation
Districts in Yolo County

Doing more than surviving at
San Luis Obispo LAFCo

2019 Report to the Membership

Message from the Chair

Thank You to our
Associate Members

Message from the Executive Director



Governor Newsom recently signed AB 101, a budget trailer bill designed to address California’s housing crisis. Many of its provisions are of interest to cities, counties, and LAFCOs.

Grant Programs. AB 101 incentivizes housing by authorizing the Infill Infrastructure Grant Program of 2019 and the Local Government Planning Support Grants Program. Applications by cities and counties with compliant housing elements that the Department of Housing and Community Development (HCD) has designated as “pro-housing” will receive preference. AB 101’s Infill Infrastructure Grant Program of 2019 authorizes \$410 million for any city within a county with a population over 250,000 and \$90 million for any city within a county with a population less than 250,000.

The notice of funding availability will be published by November 30, 2019. For the \$410 million grant, an eligible infill project is a mixed-use residential project in an urbanized area on a site previously developed, or on a vacant site adjoining parcels developed with urban uses on 75% of its perimeter. Cities may apply individually, or jointly with a developer, to fund infrastructure to support eligible projects, including:

- Water, sewer, or other utility service improvements;
- Streets, roads, or transit facilities;
- Site preparation or demolition; and
- Sidewalk or streetscape improvements.

To qualify for an Infill Grant, a city or county must:

- Have a compliant housing element;
- Have submitted its annual housing element progress reports since 2017;

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The Sphere

CALAFCO Journal

October 2019

The Sphere is a publication of the California Association of Local Agency Formation Commissions.

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To submit articles, event announcements, comments or other materials noteworthy to LAFCo commissioners and staff, please contact the Editor at 916-442-6536 or info@calafco.org.

The contents of this newsletter do not necessarily represent the views of CALAFCO, its members, or their professional or official affiliations.

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Josh Susman
Chair of the Board
CALAFCO

A MESSAGE FROM THE CHAIR OF CALAFCO

Greetings to my fellow California LAFCo members. It has been my privilege and honor to serve as your CALAFCO Chair of the Board this past year.

Our accomplishments would not have been possible without your support - the CALAFCO membership and all who volunteer on committees, your CALAFCO Board, the volunteer regional EOs and the tireless commitment and dedication of CALAFCO's Executive Director, Pamela Miller.

It has been a tumultuous year and it would be great for me to say it has been smooth sailing and that all our sponsored and supported legislation was approved and adopted and there were no challenges for CALAFCO or for all LAFCos throughout our great state. But, alas, this would be "fake news".

Issues and pressures are everywhere...from the Federal government to our own statewide challenges, our individual LAFCo issues and our own CALAFCO priorities. The one thing we all have in common is the strength of one voice we enjoy, the unity of all California LAFCos through CALAFCO. As we each take on our own LAFCo challenges, we have the opportunity to come together and be connected through CALAFCO.

Allow me to be honest for a moment. I've been honored to be on the CALAFCO Board of Directors for 12 years. What has consumed me for the last five years as a member of the CALAFCO Executive Committee (two years as Treasurer) and now as current Chair, has been the sustainability of the CALAFCO Association. Believe it or not, I was on the Board when the current dues structure based on categories of rural, suburban and urban was created. That structure has served the Association well, yet we've outgrown it since it was implemented. Your CALAFCO Board has been discussing this in-depth for the past two years and to that end, the Board's been working to create a contemporary plan and dues structure to better reflect the growing organization, both regionally and statewide, to maintain a sustainable organization.

After almost two years in the making, your Board has reviewed, vetted, discussed and now released for our members' consideration and approval what will be before you at the Annual Business Meeting. I assure you, the Board has considered the significance of this request. One may ask, "Are there improvements to this proposal going forward that could be made?" I know I speak for the Board when I say we are open to new information and feedback. And, time is important if we want to stay financially healthy and not rely on Fund Reserves to balance the budget in future years, and maintain the level of service CALAFCO is providing.

As your Chair, and on behalf of the Board, I ask you at this time for your support as we take the crucial steps forward into the future for a stronger and sustainable CALAFCO organization, representing all of California's LAFCos.

Thanks to all of you for your professionalism in moving CALAFCO forward. I look forward to a bright future for our Association and the magic to be created by the power of our collective voice.

The Sphere

A Message from the CALAFCO Executive Director

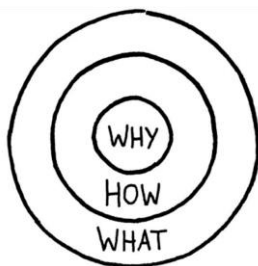


Pamela Miller
Executive Director

What's Your "Why"?

Do you know WHY you do what you do? Everyone knows WHAT they do and most can explain HOW they do it. Few fully understand and can articulate WHY they do what they do. This is true for us as individuals, for teams and for organizations. Yet the WHY is what connects the "what" and "how" to the greater purpose of the work and who we are in the world. Individuals who understand and live their WHY are inspiring and motivating and organizations who operate from their WHY are far more successful than those who don't.

In his book *Start With Why*, Simon Sinek shares the concept of the "Golden Circle". Here's the concept: he asserts that every organization and every person's career operates on three levels as shown in the diagram: **What** we



do, **how** we do it and **why** we do it. In our conversations, that is typically the order or flow in which we present that information. We think, act and communicate from the outside in. We start with the clearest and easiest thing to communicate and move to the more difficult and "squishiest" thing. How compelling and inspiring is that?

Yet, it's the "squishy" that creates connection. Inspiring leaders and successful organizations think, act and communicate from the inside out. They start with the WHY. It's not very compelling and inspiring to hear what I do and why you should care...if I spoke first about why I care and compel you to care then talk about the WHAT...what a shift in perspective and interest that would create.

How often do you think – and I mean really think – about WHY you do what you do?

Our WHY is what inspires and motivates us...it's why we get out of bed every day and go to work or make positive contributions in the world. It is our belief, our cause. Our WHY is what connects us with others and to the work we do. It's not "to make money" or "to

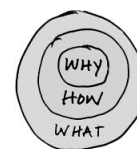
get a promotion" – those are results of our why. Teams that understand their WHY are more easily able to connect their work and how they do it to the greater purpose of the organization and as a result, find greater satisfaction in their work, are more loyal to each other as a team and to the organization. Organizations who know WHY they exist are more successful in fulfilling their vision, mission and purpose.

Do you know what your **WHY** is?

All of us are frequently asked, "What does LAFCo do?" And, how quickly into our response do people's eyes glaze over? It is well before we get to the WHY what we do is important. Imagine if we reversed the order of the response and began with **WHY** the work of LAFCo is important, and move into the how and what...the story would be much more compelling and interesting for people.

Now don't take my word for it...Sinek's Golden Circle concept contains some science about the human brain and how these connections are made. The outer section of the circle, the WHAT, corresponds to the outer section of the brain – the neocortex. This is the part of the brain that controls rational and analytical thought. It helps us to understand facts, figures and controls language.

The middle two sections of the circle, the HOW and WHY, correspond to the middle section of the brain, the limbic system. This part of the brain is what is responsible for our decision making and behaviors. This part of the brain has no capacity for language...therefore this is where "gut feelings" come from.



<<Limbic Brain

<<Neocortex

So, if we want to truly connect with others, we must start with the **WHY**. Only there can we inspire, motivate and create connection.

What's your LAFCo's **WHY**?

What's your **WHY**?



CALAFCO 2019 Annual Report to the Membership

Dear CALAFCO Members:

The CALAFCO Board of Directors is proud to report the highlights of our Association during the past year, which was another full year. CALAFCO continues to be a valuable educational resource to our members and an advocate for LAFCo and LAFCo principles to statewide decision makers. Highlights of the year include our 2019 Annual Conference in Sacramento, Staff Workshop in San Jose, and our continued strong presence across the state as an advocate for LAFCo and LAFCo principles to the Legislature.

We are pleased to report that all 58 member LAFCos have renewed their membership for the 2019-20 fiscal year, and today we have five (5) Gold Associate members and twenty-one (21) Silver Associate members.

Once again this year CALAFCO earned the *GuideStar Exchange Platinum Seal* in recognition of our transparency and completeness in documentation. This is the highest recognition any nonprofit can receive from Guidestar.

Our achievements are the result of the dedicated efforts of the many volunteer LAFCo staff from around the state who contribute their time and expertise. The Board is grateful to the Commissions who support their staff as they serve in the CALAFCO educational and legislative roles on behalf of all LAFCos. We are also grateful to the Associate members and event Sponsors that help underwrite the educational mission of the Association and allow us to keep registration fees as low as possible.

EDUCATIONAL SERVICES AND COMMUNICATION

CALAFCO educational and information sharing-services continue to be the Board's top priority for member services. Under this umbrella, the Association focuses its resources in four areas: the Staff Workshop, Annual Conference, CALAFCO University courses and electronic resources including the web site, quarterly reports and the member list-serves.

2019 Staff Workshop

We continued the tradition of quality education programming with the Staff Workshop held in San Jose in April and the Annual Conference in Sacramento this October. The Workshop, hosted by *Santa Clara LAFCo*, brought together 100 LAFCo staff and guests from around the state, representing 40 LAFCos and four Associate member organizations.

We would like to thank the Program Planning Committee members and Chair *Keene Simonds* (San Diego LAFCo), our host, *Santa Clara LAFCo*, led by *Neelima Palacherla* and all who worked to make this an outstanding Staff Workshop. We also acknowledge and thank the sponsors of this year's Staff Workshop: *Best Best & Krieger; Colantuono Highsmith & Whatley; Open Space Authority of Santa Clara; RSG and De Novo Planning Group*.

All workshop materials were posted to the CALAFCO website prior to the start of the Workshop.

The 2020 Staff Workshop is set for March 25 – 27, 2020 at the beautiful Hyatt Regency Newport Beach John Wayne Airport and will be co-hosted by *Orange and Imperial LAFCos*.

2019 Annual Conference

Approximately 250 LAFCo commissioners, staff and guests are expected at the 2019 Annual Conference in Sacramento as CALAFCO connects California.



The program is rich in content with general and breakout sessions focusing on topics essential to LAFCos as we all continue to tackle the many challenges we face in fulfilling the mission of LAFCo.

We acknowledge and thank the Conference Committee Chair *Anita Paque* (Calaveras), the Program Committee Co-Chairs *Christine Crawford* (Yolo) and *Keene Simonds* (San Diego) and all who worked on the Program Committee to make this an outstanding Conference.

We wish to also thank all of our sponsors for this year's Annual Conference, without whom this special event would not be possible: *Best Best & Krieger; CV Strategies; Streamline; Colanuto, Highsmith & Whatley; Cucamonga Valley Water District; Eastern Municipal Water District; Imperial LAFCo; Irvine Ranch Water District and Western Municipal Water District*.



A special thank you to *CV Strategies* who is sponsoring our first Conference app! They will also be sponsoring the Workshop app for our 2020 Staff Workshop.

Conference presentation materials are posted on the CALAFCO website in advance of the Conference as they are received from presenters. You can find presentation materials for all prior Conferences on the CALAFCO website.

Next year's Conference will be hosted by CALAFCO and held at the *Hyatt Regency Monterey*. Dates are October 21 – 23, 2020.

CALAFCO University



There has been one CALAFCO U course so far this year in Sacramento held on July 15. The topic was *A deep dive into MSRs: One size does not fit all*. A diverse panel of speakers offering varying perspectives of the process, content and value of MSRs was presented.

The next CALAFCO U session is scheduled for January 13, 2020 in Orange County with the topic being *Demystifying legacy costs associated with City and Special District reorganizations*. Once again an all-star panel of experts has been assembled for this session. Registration is open for this unique CALAFCO University course.

Materials for all CALAFCO U sessions can be found on the CALAFCO website.

Accreditations

CALAFCO's educational activities continue to be accredited by the American Planning Association to provide AICP credits for certified planners. This benefit is provided at no cost to LAFCo staff and helps them maintain their certifications. In addition, both the Conference and Workshop have sessions for LAFCo counsel that have been accredited for MCLE credits by the California Bar.

Web Site

The CALAFCO web site is a vital resource for both LAFCos and the community with questions about local government in California. The site consistently attracts between 5,500 and 6,500 visits per week. The vast majority of the visits are for the reference and resource materials found on the site and referral information to member LAFCos.

List-Serves

The list-serves maintained by the Association continue to be an important communication and information sharing tool among LAFCo staff. In total, we maintain eight list serves to help members share information, materials, and expertise. The List-Serves for executive officers, analysts, clerks and counsel discussions remain the most popular and serve to foster the sharing of information and resources. It is important for you to advise CALAFCO when your staff changes so the list serves can be kept up to date.

Special Projects

As a follow up to the 2017 Little Hoover Commission report and recommendations and in light of growing pressure from the Legislature, this year CALAFCO formed a working group to look at potential rewrites of various Protest Provision statutes within CKH. This is a multi-agency and diverse working group with 19 people. CALAFCO member representatives include: *Pamela Miller* (CALAFCO), *José Henriquez* (El Dorado, Central region), *Steve Lucas* (Butte, Northern region), *Kai Luoma* (Ventura, Coastal region), *Paul Novak* (Los Angeles, Southern region), *Holly Whatley* (Colantuono, Highsmith & Whatley), special advisor *Harry Ehrlich* (San Diego), and joint CALAFCO/CSDA Board Member *Jo MacKenzie* (San Diego). Representatives from CSDA include *Anthony Tannehill* and *Mustafa Hessabi* (CSDA staff), *Danielle Coates* (Eastern Municipal Water District), *Christine Compton* (Irvine Ranch Water District), *Lindsey Liebig* (Herald Fire Protection District), *Noelle Mattock* (El Dorado CSD) and *Elliot Mulberg* (Florin RCD & Elk Grove Water District). Other representatives include *Geoff Neill* (CSAC), *Betsy Strauss* (League of CA Cities), *Anton Favorini-Csorba* (Senate Governance & Finance Committee) and *Jimmy MacDonald* (Assembly Local Government Committee).

To date the working group has had two in-person meetings and one phone conference and is in the data gathering stage. The working group is committed to a long process (originally thinking it would be two years). An update on the working group will be provided at the legislative session during the Conference.

LEGISLATIVE PROGRAM

The 2019 legislative year began with excitement and apprehension as we acclimated to a new Governor and new agenda in Sacramento. Of the 2,625 total legislative proposals that were introduced this year, about 40 percent (1,042 bills) made it to Governor Newsom's desk. He signed 870 and vetoed 172.



The CALAFCO Legislative Committee (Committee) began work in October 2018 and met regularly through July 2019.

CALAFCO ended the year tracking a total of twenty-four (24) bills, sponsoring two (2) bills and taking formal positions on nine (9) bills. In addition, we worked closely with authors' offices on several other bills to successfully avoid harmful LAFCo related amendments on bills moving through the Legislature.

CALAFCO also participates on the Department of Water Resources' County Drought Advisory Group (CDAG) and convened the working group on the protest provisions rewrite.

Thorough legislative updates are provided throughout the year via email and are available daily on the CALAFCO website in Capitol Track. In this Annual Report we will summarize the two CALAFCO sponsored bills. A broader legislative discussion on the most critical of bills affecting LAFCo will occur during the Annual Conference – check your program for details. For a complete list of CALAFCO bills, please visit the CALAFCO website Legislation section. Information is updated daily.

On June 26, 2019, the Governor signed **AB 1822**, the Omnibus bill. The bill contained seven (7) updates to CKH. We are grateful for the efforts of Committee member **Sam Martinez** (San Bernardino LAFCo) and Assembly Local Government Committee (ALGC) consultant **Jimmy MacDonald** for their efforts on shepherding this bill, and to all of you who did the work of submitting proposals for insertion into the Omnibus.

The other CALAFCO sponsored bill this year was **AB 1253** (R. Rivas), which provides state funding for LAFCo. Since Governor Brown vetoed **AB 2258** last year, the Board unanimously supported making this a priority again this year. With the potential of \$2 million on the table for LAFCos to study and potentially reorganize service providers with documented known service and governance concerns serving disadvantaged communities and all LAFCos getting reimbursement for the unfunded mandate related to SB 448 (mandatory dissolution of inactive districts), we felt it was important to try again with a new Governor.

Ultimately the funding did not make it into the FY 2019-20 budget and the author decided to hold off one more year and try to secure the funds in the FY 20-21 budget. Additionally, the Department of Conservation expressed an interest in assisting CALAFCO in

securing funds to reimburse LAFCos for the mandated dissolutions in a separate piece of legislation.

The Board decided this will be a priority one last and final time for the 2020 legislative year.

The CALAFCO Board and Executive Director wish to thank everyone who responded to the calls for legislative action throughout the year. Our collective voice really does have an impact and makes a difference in Sacramento.

We also want to thank all of the people who volunteer to be a part of the Legislative Committee and the Legislative Advisory Committee. They work hard for a large portion of the year on behalf of the entire membership.

FINANCIAL POLICIES AND REPORTING

The Board maintains policies and current filings which are in compliance with all federal and state requirements for 501(c)(3) organizations. The CALAFCO Policy Manual, IRS Form 990 and other key Association documents are available on the CALAFCO web site. The Association also maintains its records with the national nonprofit reporting organization, GuideStar (www.guidestar.com). In 2019 CALAFCO earned the *GuideStar Exchange Platinum Seal* in recognition of our transparency and completeness in documentation. This is the highest level of achievement seal an entity can earn from GuideStar.

All financial records are reviewed quarterly by an outside CPA with reports to the Treasurer and the Board. The Board also reviews the annual IRS Form 990 tax filing prepared by the CPA and staff.

2019-20 Budget

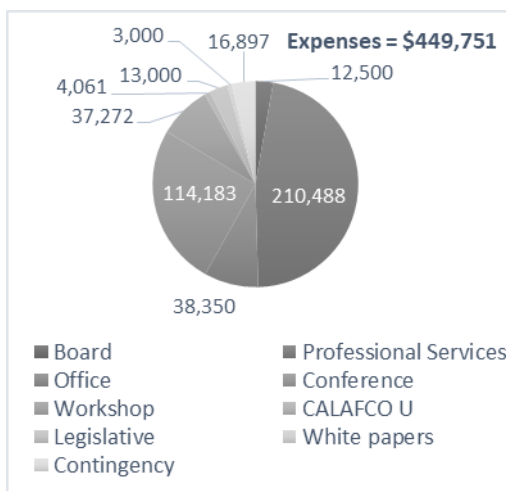
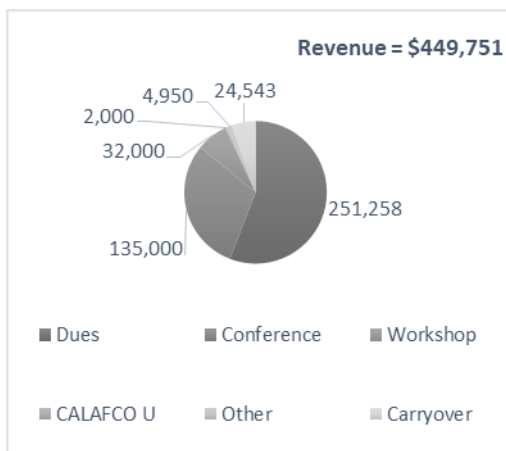
The Board and Executive Director continue to manage the financial resources of the Association closely. As was reported the past two years, we continue to have an unhealthy and unsustainable reliance on the Conference net profit and prior years' net balance to balance the budget. The member dues have never covered the operational costs of the Association and as those costs increase, the increase in dues has not kept pace causing the gap to continue to grow.

In May, the Board adopted a balanced budget. This is due mostly to the large net profit realized for the 2018 Annual Conference (42%), with some savings in the budget realized by staff. As a result of this net profit, we did not have to rely on the \$18,153 of Reserve Funds needed to balance last year's budget. The net surplus allowed us to cover that deficit, cover \$35,591 of the



approx. \$69,000 structural deficit for FY 2019-20, have a surplus carryover balance of \$24,543 and hold almost \$17,000 in the Contingency Fund for FY 2019-20. The remaining portion of the anticipated structural deficit of FY 2019-20 was shared with a one-year cost-sharing increase in member LAFCo dues of 16.25%.

Revenues for FY 2019-20 are budgeted at \$425,208 with an additional \$24,543 in net surplus for a total of \$449,751. Member LAFCo dues comprise \$239,358 of this amount. Expenses are budgeted at \$432,854 with an additional \$16,897 budgeted for Contingency. Total operational expenses are budgeted at \$277,338 (excludes Conference, Workshop and CALAFCO U expenses). This means for FY 2019-20 there is a structural deficit of \$37,980 (difference between member LAFCo dues and operational costs of the Association).



This deficit is being covered by the 15% Conference net profit built into the budget as well as the net surplus. It is the hope of the Board that this year's Conference will realize the budgeted net profit.

The Board spent a great portion of the year discussing the dues structure and the structural deficit, as it promised the membership last year. The financial ad hoc committee did a tremendous amount of work in creating and considering eleven (11) various options of new dues structure before forwarding two to the Board. The Board considered several options over a number of months and in early August presented the membership with a proposal for consideration at the 2019 Annual Business Meeting. Over the past several months, Board members and CALAFCO staff have reached out to our members and made ourselves available to answer questions about the new proposed dues structure. We look forward to this discussion on October 31.

Restricted Fund Reserve

Since 2005 an important goal established by the Board has been to grow and maintain a Fund Reserve to support member services in uncertain economic times and to avoid the need to tap members for additional funds, as had been done in the past. The current balance in our Fund Reserve account is \$162,754, about 58% of the annual operations budget outside of the Conference, Workshop and CALAFCO U. The reserve is not part of the annual budget and requires a vote of the Board to use its funds. The Association has not used the fund reserve since the early 2000s.

CALAFCO maintains its funds with the Local Agency Investment Fund (LAIF). Interest rates have turned and are slowly on the increase.

All financial reports, including budgets and annual tax filings, are available to the membership on the CALAFCO website as well as on GuideStar's website.

ASSOCIATION MANAGEMENT

Earlier this year CALAFCO had to unexpectedly relocate our offices. After eleven years subleasing office space from the Rural County Representatives of California (RCRC), they expanded and needed the space for their own use. With only 45 days to find a new home and move (around the same time as the staff workshop!), staff quickly researched new locations and narrowed the field to several affordable options. Staff presented the information to the Board and a decision was made. The offices were relocated in downtown effective May 1. While there have been numerous challenges associated with the new location, staff continues to work getting settled into the new CALAFCO home.



A FINAL THANK YOU

We wish to recognize the leadership of our Executive Director **Pamela Miller** and Executive Officer **Steve Lucas** (Butte). Added to that is our appreciation for all the contributions of Executive Assistant **Jeni Tickler** in the CALAFCO office, DEOs **Christine Crawford** (Yolo), **Martha Poyatos** (San Mateo) and **Keene Simonds** (San Diego), Legal Counsel **Clark Alsop** (BB&K), and CPA **Jim Gladfelter** (Alta Mesa Group). These people, along with many other volunteers, Associate members and members of the Board have all worked together this year to bring many achievements and a strong Association to you, our member LAFcos and Associate members.

Sincerely Yours,
The CALAFCO Board of Directors

Making Sense of Reclamation Districts in Yolo County

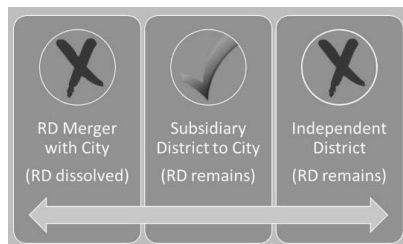
Written by Christine Crawford, Yolo LAFCo

Yolo's fifteen (15) reclamation districts (RDs) were formed roughly 100 years ago back in a time when counties sold an acre of land for a mere \$1 to anyone who was willing to "reclaim" it from the swamps by building up levees. Surprisingly, in Yolo County there have been few governance changes in the last century (except for some previously existing RDs going defunct) despite the significant changes in development and community patterns.

Yolo LAFCo currently has seventeen (17) state and local agencies maintaining portions of the Sacramento River Levee System. With heightened interest after Hurricane Katrina and the State's efforts with the Central Valley Flood Protection Plan, Yolo LAFCo embarked on a comprehensive MSR to

solve this critical governance problem: levees are only as strong as the weakest link and with so many RDs (and some

underperforming), something needed to be done. Therefore, the primary goal of the MSR was to encourage consolidations and determine the best agency to become the lead for each of Yolo's five hydrologic basins.



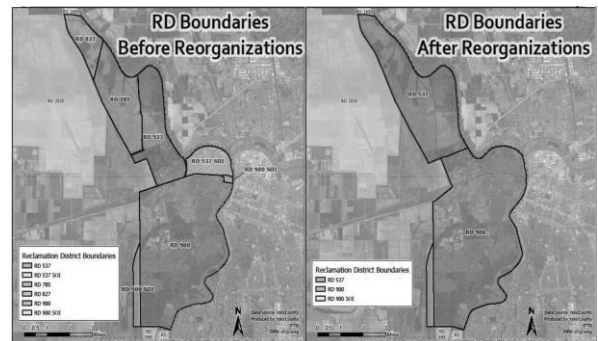
The 2018 MSR resulted in governance recommendations for each of the five hydrologic basins. In particular, the West Sacramento Basin recommendation was controversial with the local reclamation district (RD 900) fighting to retain independent control. However, because the district was completely within City boundaries, LAFCo ultimately recommended in its MSR the district be established as a subsidiary district to the City of West Sacramento. The graphic shows the range of alternatives considered in the MSR.

LAFCo's recommendation was fought by RD 900 and became the subject of a Yolo County Grand Jury investigation with a report issued June 28, 2019, awkwardly, while the proposal application was still pending.

Steadfast in its mission, at its May 23 and July 25, 2019 meetings Yolo LAFCo approved two proposals resulting from the 2018 MSR to achieve what is illustrated in the "before and after" maps below. Four RDs became two, which are now aligned to each hydrologic basin and unique urban versus rural needs. In addition, two areas (one of them disadvantaged) previously not covered by the RD were annexed.

There was no protest filed to the proposal to dissolve and annex the RDs to the north into RD 537 and the protest process for RD 900 concludes on November 13, 2019. Assuming all the terms and conditions are successfully completed, the reorganizations will become effective on July 1, 2020.

I am very proud of the Commission's persistent leadership over the past three years to bring much needed governance changes to ensure critical public safety along the Sacramento River Levee System in Yolo County and a more sensible governance configuration.



Legislature Turns Toward Housing Policy

Continued from front cover

- Apply the funds toward a project
 - with at least 15% affordable units;
 - in an area zoned for mixed-use or residential development;
 - with an average residential density of 30 or more units per acre for a jurisdiction in a metropolitan county.

The Local Government Planning Support Grants Program funds local planning activities to accelerate housing projects and housing element compliance. It authorizes:

- \$125 million for councils of governments; and,
- \$125 million for cities and counties.

The funds may only be used for housing-related planning, including:

- Rezoning and updating planning documents, such as general plans, including housing elements, community plans, specific plans, and sustainable communities strategies;
- Program level CEQA compliance to eliminate the need for project-level review;
- Establishing a Workforce Housing Opportunity Zone (Gov. Code, § 65620 et seq.) or a Housing Sustainability District (Gov. Code, § 66200 et seq.);
- Infrastructure planning, as for sewers, water, transit, roads, or other public facilities to support new housing and residents;
- Partnering with other local entities to identify and prepare excess property for residential development;
- Revamping local planning processes;
- Developing or improving an accessory dwelling unit ordinance; or
- Covering the costs of temporary staffing for these efforts.

HCD will accept applications for Planning Program grants through July 1, 2020.

Housing Elements. Courts may apply a broad range of existing remedies if a city’s or county’s housing element is non-compliant, such as:

- Suspending a city’s or county’s authority to issue building, zoning and map approvals;
- Mandating approval of certain housing projects; or

- Forbidding denial of certain affordable developments.

AB 101 creates a new means to enforce housing element requirements. First, HCD will post on its website and update monthly a list of cities and counties that have not adopted compliant housing elements. Second, HCD will notify the city or county of its non-compliance, offer two opportunities to meet in person or via telephone to discuss the violation, and provide written guidance after the meeting. Then, HCD may:

1. Ask the Attorney General to request a court order directing the city or county to bring its housing element into substantial compliance.
2. If the local agency does not comply within 12 months of the order, the court must impose a fine ranging from \$10,000 to \$100,000 per month to be deposited into SB 2’s Building Homes and Jobs Trust Fund. If the local agency fails to pay its fines, the court may require the State Controller to intercept any state and local funds to cover it.
3. If the local agency does not comply within 3 months of the imposition of the fine, the court may triple the fine.
4. If the local agency does not comply within 6 months of the original fine, the court may increase the fine six-fold or appoint a receiver to bring the agency’s housing element into compliance.



By December 31, 2022, HCD and the Office of Planning and Research will develop a revised RHNA process “that promotes and streamlines housing development and substantially addresses California’s housing shortage.” It is unclear how the revision will affect, if at all, the sixth cycle RHNA allocation plan, which is scheduled to be adopted by the Southern California Association of Governments for its region in October 2020.

Zoning Standards. AB 101 defines a “Low Barrier Navigation Center” facility as a housing-first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect homeless people to income, public benefits, health services, shelter, and housing. “housing-first” providers offer services as needed and requested on a voluntary basis and do not make housing contingent on participation in services. A city or county has 30 days to notify a developer proposing such a use that its application is complete, and 60 days to act on a complete application.

Cities and counties must treat this use as a use by right in mixed use and nonresidential zones which allow multi-family uses, approving it on a ministerial, or “over the counter,” basis — without CEQA review. The statute applies to charter cities and expires January 1, 2027.

Conclusion. Housing and homelessness are pressing concerns for Californians and therefore have received sustained legislative attention. Further developments are likely in the next legislative session. In the meantime, there is much for local governments — and the LAFCoS which serve them — to get up to speed on.

Doing More Than Surviving in San Luis Obispo

Written by: David Church, San Luis Obispo LAFCo

Staff Transitions. Life happens, and SLO LAFCo’s Clerk, Ms. Donna Bloyd retired at the end of June. Donna has been the glue of our organization for over 15 years. She wrote procedures, organized the office, worried about the details and took great care to ensure SLO LAFCo achieved its mission. Donna cared deeply about us doing a great job and we wish her well in retirement!

In September, we hired Imelda Marquez as our new Clerk. Imelda came to us via Fresno LAFCo where she was an intern. She has enthusiasm, tenacious curiosity and a Bachelor’s in Geography. In her first month she has clerked a meeting, prepared and sent out the agenda, paid the bills, and basically hit the ground running. It is evident that Imelda also cares deeply about doing great work! Welcome aboard Imelda—we are so thankful for you! Also, thanks to Fresno LAFCo for pointing out Imelda’s outstanding skills and talents.

We also saw the retirement of Ray Biering, our steadfast legal counsel and advocate for almost 20 years. Ray’s excellent public agency experience kept us moving in the right direction. Brian Pierik of Burke, Sorensen and Williams has joined us and has been exceptional over his first year. Welcome Brian!

Opting-In, Opting-Out. The two California Water Districts that were formed to help landowners comply with SGMA in the Paso Robles Groundwater Basin were created on the principal of voluntary participation. In other words, as a landowner you could opt-in to the District and conversely opt-out if you wanted to have the County be your GSA instead. Well, the 140,000 acre Shandon-San Juan Water District, which is a GSA under SGMA, had a 33,000 acre detachment (opt-out/Ranch) in September, 2019. This decreased the funding for the District by around \$7,000

overall. The District, while not excited about the detachment, did not oppose it and LAFCo approved the proposal. Interesting to see how things work out in an impacted and polarized groundwater basin that is under SGMA’s bright light.

Commission Pulls Together. The last couple years our Commission has really done a great job of pulling on the same end of the rope. By that I mean, we have tackled some challenging issues with a respectful and listening attitude towards the public, applicants and each other. This has created a good decision making climate for all parties. Special thanks to our Chair, County Representative, Lynn Compton for running an efficient and civil ship. Kudos to the Commission for giving your patient and thoughtful effort to those involved in the work we do for the County, Cities and Special Districts.

SOI/MSR/MOA Updates. It would be easy to take for granted that we have now, for the third time in 17 years, updated the Spheres of Influence, Municipal Service Reviews and the Memorandum of Agreements for the Cities of Pismo and Atascadero. We started this journey back in 2002 with Pismo Beach and have carried on consistently throughout the years with regular updates and an annual work plan. The updates have not been completed exactly every five years, but they have been done “as needed”. Thank goodness we have some flexibility written into the CKH Act. The key SOI’s now have embedded in them conditions regarding the preservation of prime agricultural land, having a sustainable, adequate and reliable water supply, and we even tackled the negotiated property tax process. We are so appreciative of Mike Prater, Deputy Executive Officer, who expertly manages this program and herds the cats towards the finish line! Great Job Mike!

In Memory of Jim Gray

Placer LAFCo lost a long time Commissioner when Jim Gray passed away August 21. Jim was serving as the Alternate Public Member and had previously served as a City member, having served on the Commission for approximately eleven years. He had attended several CALAFCo Conferences.



Jim had been on the Roseville City Council for nine years, including two terms as Mayor, and was an active Rotarian and volunteer in the community. Jim volunteered his time coaching youth sports and participating in numerous community organizations. Jim was the Personnel Director for Placer County prior to his retirement.



Thank You to All of Our Associate Members

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LOOKING AHEAD....



CALAFCO 2020 Staff Workshop
 March 25 - 27
 Hyatt Regency Newport Beach, John Wayne Airport
 Hosted by Orange & Imperial LAFcos

CALAFCO 2020 Annual Conference
 October 21 - October 23
 Hyatt Regency
 Monterey, CA

The Sphere

CALAFCO Journal

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CALAFCO provides educational, information sharing and technical support for its members by serving as a resource for, and collaborating with, the public, the legislative and executive branches of state government, and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.

Sharing Information and Resources

The Year In Pictures - Scenes from CALAFCO Activities CALAFCO Annual Conference 2018 Yosemite, CA



CALAFCO Annual Staff Workshop 2019 San Jose, CA

