

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
**1112 I Street #100**  
**Sacramento, California 95814**  
**(916) 874-7458**

April 7, 2010

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: Legislative Update

**CONTACT: Don Lockhart, AICP, Assistant Executive Officer (916) 874-2937**

**RECOMMENDATION**

Information only, no action is recommended.

**SUMMARY**

This memo is part of the ongoing effort to keep your Commission informed regarding various legislative matters.

An ad-hoc committee appointed by the CALAFCO Board of Directors has considered and adopted positions on several bills, (Attached.)

Staff will continue to track the bills, in collaboration with CALAFCO, and report back to the Commission.

**PENDING LEGISLATION**

**SB 1174 (Wolk)** Land use: general plan: disadvantaged unincorporated communities.

**Current Text:** Introduced: 2/18/2010

**Introduced:** 2/18/2010

**Status:** 3/9/2010-Set for hearing April 21.

|              |                  |               |        |       |           |        |        |       |       |          |        |          |
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| <b>2Year</b> | <b>Desk</b>      | <b>Policy</b> | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chapters |
| <b>Dead</b>  | <b>1st House</b> |               |        |       | 2nd House |        |        |       | Conc. |          |        |          |

**Calendar:**

4/21/2010 9:30 a.m. - Room 112 SENATE LOCAL GOVERNMENT, COX, Chair

**Summary:**

Would require a city or county to amend its general plan to the extent necessary to address the presence of island, fringe, or legacy unincorporated communities, as defined, inside or near its boundaries, and would require the amended general plan to include specified information. This bill would also require a city or county, after the initial amendment of its general plan, to review, and if necessary amend, its general plan to update its information, goals, and program of action relating to these communities. By adding to the duties of city and county officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Position:** Watch

**Subject:** Annexation Proceedings, Service Reviews/Spheres, Growth Management, Environmental Justice, Planning  
**CALAFCO Comments:** Adds conflicting definitions of island communities to general plan law.

**AB 419 (Caballero) Local government: change of organization or reorganization: elections.**

**Current Text:** Amended: 1/14/2010  
**Introduced:** 2/23/2009  
**Last Amended:** 1/14/2010  
**Status:** 2/11/2010-Referred to Com. on L. GOV.

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

**Summary:**

Would , beginning January 1, 2011, require the board of supervisors or the city council to take action, to order and place the item on the ballot, within 45 days of notification by the local agency formation commission, and would require the elections official to place the item on the ballot at the next regular election if the board of supervisors or the city council fails to take action within 45 days of the notification. This bill would also make conforming changes.

**Attachments:**

CALAFCO Support Letter

**Position:** Support

**Subject:** CKH General Procedures

**CALAFCO Comments:** This bill was a gut-and-amend to specify that a Board or Council has 45 days to place an item on the next general election ballot when requested by a LAFCo. Current law does not specify the number of days nor state what happens if the item is not placed on the ballot. If the Board or Council does not act within 45 days it requires the election official to place the item on the next General Election ballot. Adds a requirement that LAFCo must notify the election official as well as the Board or Council of an item to be placed on the ballot. It provides clarity to the process.

**AB 853 (Arambula) Local government: organization.**

**Current Text:** Amended: 5/18/2009  
**Introduced:** 2/26/2009  
**Last Amended:** 5/18/2009  
**Status:** 6/11/2009-Referred to Coms. on L. GOV. and RLS.

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

**Summary:**

Would provide procedures for annexing unincorporated fringe communities and unincorporated island communities , as defined, to a city under specified circumstances, including provisions for a revenue neutrality agreement between the affected local government entities.

**Attachments:**

CALAFCO Letter of Concern

**Position:** Oppose unless amended

**Subject:** Special District Consolidations

**CALAFCO Comments:** This bill provides a mechanism for residents to petition to a Board of Supervisors to be annexed to a city if they are within 1.5 miles of a boundary or within or adjacent to an existing city SOI. It requires the Board to send a resolution to LAFCo for the annexation and requires LAFCo to approve the annexation. It creates new definitions for "Islands" and for "unincorporated fringe communities." It also prohibits affected districts from terminating the annexation. This bill is sponsored by California Rural Legal Assistance and is tied to their other bill, SB 194. CALAFCO has significant concerns and is working with the author and sponsor on language before taking a position.

**AB 1668 (Knight) Local government: city councils.**

**Current Text:** Amended: 3/25/2010

**Introduced:** 1/20/2010

**Last Amended:** 3/25/2010

**Status:** 3/25/2010-From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

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| <b>Dead</b>  | <b>1st House</b> |               |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Calendar:**

4/7/2010 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

**Summary:**

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 contains other related provisions and other existing laws.

**Position:** None at this time

**Subject:** Incorporation Proceedings

**CALAFCO Comments:** This bill is nearly identical to AB 18 introduced by Assembly Member Knight in 2009. In addition to specifying the number of days a city council has to fill a vacancy, it clarifies the number of seats up for election at the first election following incorporation. CALAFCO supported AB 18. That bill was vetoed by the Governor because he felt current law was adequate on number of days to fill a vacancy. His veto was silent on number of seats at the first election. CALAFCO has proposed the seats up for election as an Assembly Omnibus Bill item. Should there be no objections from stakeholders, that item would be in the Omnibus and would be amended out of AB 1668.

**AB 1859 (Norby) Local government: annexation.**

**Current Text:** Introduced: 2/12/2010

**Introduced:** 2/12/2010

**Status:** 2/16/2010-From printer. May be heard in committee March 18.

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| <b>2Year</b> | <b>Desk</b>      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
| <b>Dead</b>  | <b>1st House</b> |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Existing law authorizes the incorporation or annexation of territory to a city under specified circumstances, unless, as a result of that incorporation or annexation, incorporated territory is completely surrounded by that city or by territory of that city on one or more sides and the Pacific Ocean on the remaining sides. This bill would make a technical, nonsubstantive change to this provision.

**Position:** Watch

**Subject:** Annexation Proceedings

**CALAFCO Comments:** AT this point this appears to be a placeholder bill for potential legislation regarding island annexations. Introduced by a former Orange County supervisor.

**AB 2795 (Committee on Local Government) Local government: organization.**

**Current Text:** Introduced: 3/24/2010

**Introduced:** 3/24/2010

**Status:** 3/25/2010-From printer. May be heard in committee April 24.

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| <b>2Year</b> | <b>Desk</b>      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
| <b>Dead</b>  | <b>1st House</b> |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

Would define "divestiture of power" and "executive officer" as used in the act. This bill would also

make additional changes to clarify and maintain the consistency of the act. This bill contains other related provisions and other existing laws.

**Position:** Sponsor

**Subject:** CKH General Procedures

**CALAFCO Comments:** This is the Assembly Local Government Committee Omnibus bill. The bill is prepared and sponsored by CALAFCO and makes technical, non-significant changes to C-K-H.

**SB 194 (Florez) Community Equity Investment Act of 2010.**

**Current Text:** Amended: 1/7/2010

**Introduced:** 2/23/2009

**Last Amended:** 1/7/2010

**Status:** 1/28/2010-In Assembly. Read first time. Held at Desk.

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| <b>2Year</b> | <b>Desk</b>      | <b>Policy</b> | <b>Fiscal</b> | <b>Floor</b> | <b>Desk</b>      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
| <b>Dead</b>  | <b>1st House</b> |               |               |              | <b>2nd House</b> |        |        |       | Conc. |          |        |           |

**Summary:**

Would enact the Community Equity Investment Act of 2010. The 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.

**Attachments:**

CALAFCO Letter of Interest

**Position:** Watch

**Subject:** Municipal Services, Planning

**CALAFCO Comments:** This bill is intended to provide municipal services and infrastructure investment to disadvantaged unincorporated communities. Its intent, in part, is to address the role of regional agencies in addressing infrastructure deficits through changes to state agency funding programs with the intent to improve infrastructure in unincorporated communities. Language in this bill is tied to AB 853 which provides mechanisms for LAFCo to annex these communities to existing cities.

**SB 894 (Committee on Local Government) Local Government Omnibus Act of 2010.**

**Current Text:** Introduced: 1/25/2010

**Introduced:** 1/25/2010

**Status:** 3/4/2010-Set for hearing April 21.

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| <b>2Year</b> | <b>Desk</b>      | <b>Policy</b> | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
| <b>Dead</b>  | <b>1st House</b> |               |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Calendar:**

4/21/2010 9:30 a.m. - Room 112 SENATE LOCAL GOVERNMENT, COX, Chair

**Summary:**

Would include a cross reference to this authorization in each of the affected provisions. This bill contains other related provisions and other existing laws.

**Position:** Support

**Subject:** CKH General Procedures

**CALAFCO Comments:** This is the Senate Local Government Committee Omnibus Bill. AT this time it contains one minor item related to LAFCo: It cleans up language in various local government laws to clarify that judges can resolve land use and environmental lawsuits through mediation before it goes to trial.

**SB 1461 (Ashburn) Local government: reorganization.**

**Current Text:** Introduced: 2/19/2010

**Introduced:** 2/19/2010

**Status:** 3/11/2010-To Com. on RLS.

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| <b>2Year</b> | <b>Desk</b>      | <b>Policy</b> | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
| <b>Dead</b>  | <b>1st House</b> |               |        |       | 2nd House |        |        |       | Conc. |          |        |           |

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 sets forth the Legislature's findings and declarations regarding the use of local government reorganization. This bill would make a technical, nonsubstantive change in that law.

**Position:** Watch

**Subject:** CKH General Procedures

**CALAFCO Comments:** Placeholder bill at this time.

**AB 711 (Calderon, Charles) Local agency formation commissions: cost of incorporation commissions.**

**Current Text:** Amended: 8/25/2009

**Introduced:** 2/26/2009

**Last Amended:** 8/25/2009

**Status:** 8/26/2009-Re-referred to Com. on APPR.

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| <b>2Year</b> | <b>Desk</b>      | <b>Policy</b> | <b>Fiscal</b> | <b>Floor</b> | <b>Desk</b>      | <b>Policy</b> | <b>Fiscal</b> | Floor | Conf. | Enrolled | Vetoed | Chaptered |
| <b>Dead</b>  | <b>1st House</b> |               |               |              | <b>2nd House</b> |               |               |       | Conc. |          |        |           |

**Summary:**

Would appropriate \$112,000 from the General Fund to the Controller for allocation to the Los Angeles County Local Agency Formation Commission for a loan to the East Los Angeles Residents Association, as specified. The bill would make findings and declarations regarding the need for a special statute. This bill contains other related provisions.

**Position:** Watch

**Subject:** Incorporation Proceedings

**CALAFCO Comments:** This would be the first time legislation has been introduced to provide funds for the State Controller to allocate to fund incorporation studies as provided in CKH. The legislation is specific that the process must be consistent with CKH law.

**SB 211 (Simitian) Park district formation: County of Santa Cruz.**

**Current Text:** Amended: 9/4/2009

**Introduced:** 2/23/2009

**Last Amended:** 9/4/2009

**Status:** 9/8/2009-Placed on inactive file on request of Assembly Member Torrico.

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| <b>2Year</b> | <b>Desk</b>      | <b>Policy</b> | <b>Fiscal</b> | <b>Floor</b> | <b>Desk</b>      | <b>Policy</b> | <b>Fiscal</b> | <b>Floor</b> | Conf. | Enrolled | Vetoed | Chaptered |
| <b>Dead</b>  | <b>1st House</b> |               |               |              | <b>2nd House</b> |               |               |              | Conc. |          |        |           |

**Summary:**

in addition, would authorize the formation of a district in the County of Santa Cruz, except as specified, if the exterior boundaries of the proposed district are coterminous with the exterior boundaries of the county and are initiated by a specified resolution of the county board of supervisors, after a hearing noticed in accordance with specified procedures, in lieu of the petition and related proceedings required under the above provisions. This bill contains other related provisions and other existing laws.

**Attachments:**

CALAFCO Letter of Opposition

**Position:** Oppose unless amended

**Subject:** Special District Principle Acts

**CALAFCO Comments:** Allows Santa Cruz Board of Supervisors to create a regional open space district outside of LAFCo process. Does not provide a funding source for the district, leaving it to a future vote of the residents.

**SB 896 (Cox) Local government: organization.**

**Current Text:** Introduced: 1/25/2010

**Introduced:** 1/25/2010

**Status:** 2/4/2010-To Com. on RLS.

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

**Summary:**

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 defines various terms for purposes of the act, including, among others, "affected city." This bill would make a technical, nonsubstantive change to this definition.

**Position:** Watch

**Subject:**

**CALAFCO Comments:** This appears to be a placeholder bill.

**SB 1023 (Wiggins) Special districts: consolidation and reorganization.**

**Current Text:** Introduced: 2/11/2010

**Introduced:** 2/11/2010

**Status:** 3/3/2010-Set for hearing May 5.

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

**Calendar:**

5/5/2010 9:30 a.m. - Room 112 SENATE LOCAL GOVERNMENT, COX, Chair

**Summary:**

Would until January 1, 2018, authorize the local agency formation commission to approve or conditionally approve an expedited reorganization of specified districts into a community services district, with the same powers, duties, responsibilities, obligations, liabilities, and jurisdiction of the district proposed to be dissolved, unless the governing body of the district proposed to be dissolved files a resolution of objection with the commission, as specified. This bill contains other existing laws.

**Position:** Watch

**Subject:** Special District Consolidations

**CALAFCO Comments:** This bill provides an expedited process for the conversion of Resort Improvement Districts and select Municipal Improvement Districts to Community Service Districts. CALAFCO and the affected LAFcos and districts have been consulted on this legislation.

**AB 300 (Caballero) Subdivisions: water supply.**

**Current Text:** Amended: 6/30/2009

**Introduced:** 2/17/2009

**Last Amended:** 6/30/2009

**Status:** 7/7/2009-In committee: Set, first hearing. Testimony taken. Further hearing to be set.

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

**Summary:**

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, the subdivider'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. This bill would provide that a water supply assessment completed, as specified, satisfies the existing requirement of verifying sufficient water supply, unless the public water system receives specified new information. The public water system would be required to determine the projected water savings attributable to the voluntary

demand management measures that will be incorporated into the subdivision. The projected water savings would be required to be calculated using specified data compiled or maintained by the public water system or the water savings projections adopted by the California Urban Water Conservation Council. If a project applicant proposes to use a new voluntary water demand management measure for which neither the California Urban Water Conservation Council nor the public water system has adopted an estimate or method to calculate the projected water savings of the proposed voluntary demand management measure, the projected water savings would be required to be made based on documented methodologies or calculations submitted in the record. Five years after the project has been fully developed, the public water system would be required to include within its next urban water management plan a report on the monitoring and compliance of voluntary water demand management measures and to determine, if practicable based on readily available information, whether they have resulted in the water savings necessary to achieve the agreed upon water demand offsets. The bill would also require the public water system to document the measured annual water use of the subdivision in comparison to the projected demand associated with the subdivision, and to calculate the water savings attributable to the voluntary mitigation measures financed by the Voluntary Water Demand Mitigation Fund for the subdivision. If the public water system bases its written verification of a sufficient water supply for the subdivision, in whole or in part, on the use of voluntary demand management measures within the subdivision, the written verification would be required to be conditioned on the maintenance and operation of the voluntary demand management measures, or measures that are at least as water efficient, as agreed to by the applicant and the public water system, and the recordation as a covenant running with the land for the lots within the subdivision. The bill would provide that by acceptance of a deed to a lot, each purchaser would acknowledge the obligation to comply with the voluntary demand measures for the lot as described in the covenant. These covenants would be authorized to be enforced pursuant to the existing authority of a public water system. The bill would further require a builder, prior to the close of escrow, to give a purchaser information that would be required to be included in a maintenance manual that informs the purchaser of the existence of the home's unique water saving devices, including specified information. The bill would also encourage the public water system to commit to carrying out the water conservation measures funded by the Voluntary Water Demand Mitigation Fund within 24 months of the sale of the last unit of the proposed

subdivision. The bill would require the public water system to choose water conservation measures that are the most cost-effective means to yield water savings. The bill would authorize expenditures from the fund to be made within the subdivision or elsewhere within the service area of the public water supplier, at its discretion. Not less than 40% of the proceeds from the voluntary water demand mitigation fund would be required to be directed to water conservation programs in any disadvantaged community, unless the public water system makes a specified finding. By adding to the duties of the public water system, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Position:** None at this time

**Subject:** Service Reviews/Spheres, Water

**CALAFCO Comments:** Requires the preparation of a water assessment report for projects which reduce water consumption, which requires consultation with affected agencies, including LAFCo.

2010

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KATE MCKENNA  
Deputy Executive Officer

6 January 2010

Honorable Anna Caballero, Chair  
Assembly Local Government Committee  
P.O. Box 942849  
Sacramento, CA 94249-0028

RE: **SUPPORT of AB 419: Change of Organization Elections**

Dear Assembly Member Caballero:

The California Association of Local Agency Formation Commissions is pleased to support your amended bill, AB 419. This legislation would specify the number of days a Board of Supervisors or City Council has to place an item on a ballot following a determination by a local agency formation commission (LAFCo).

This legislation adds precision to the process timeline and sets expectations for both LAFCo applicants and the commission itself on when applications that require an election must be completed and forwarded to the board of supervisors or city council to be placed on a ballot. Current law is vague and could lead to a missed deadline for placing an item on the ballot. Your bill also adds clarity to the requirement that the Board or Council must take action and place an item on the ballot once notified by the commission.

Because your bill adds clarity and transparency to the law and helps assure better implementation of the Cortese-Knox-Hertzberg Local Government Reorganization Act, CALAFCO is in support. We appreciate your on-going support of the mission of local agency formation commissions. Please feel free to contact me if I can provide additional information.

Yours sincerely,



William Chiat,  
Executive Director

c: Members, Assembly Local Government Committee  
Debbie Michael, Consultant, Assembly Local Government Committee  
William Weber, Assembly Republican Caucus



2009

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Executive Director

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Executive Officer

CLARK ALSOP  
Legal Counsel

JOYCE CROSTHWAITTE  
Deputy Executive Officer

SR JONES  
Deputy Executive Officer

7 May 2009

Assembly Member Juan Arambula  
Honorable Anna Caballero, Chair  
Assembly Local Government Committee  
P.O. Box 942849  
Sacramento, CA 94249-0028

RE: **AB 853 Letter of Concern**

Dear Assembly Member Arambula:

Thank you for the opportunity to work with you and the sponsors to improve the language in your legislation, Assembly Bill 853. We appreciate the efforts reflected in the 4 May amendments. We look forward to continue working with you and all involved to address issues which additional attention before we believe the intent of this legislation could be properly implement by local agency formation commissions.

There remains five key areas of concern for CALAFCO that we would like to continue working with you to resolve:

- 1. Definitions.** The amended language eliminates the definition of islands; however it contains a different definition of "unincorporated fringe community" from SB 194. In 853 it is identified as an inhabited unincorporated area that is within 1.5 miles of a city or within or adjacent to a city's SOI. CALAFCO is concerned that this will contribute to leapfrog development and sprawl by allowing cities to extend services through uninhabited territories; increasing the likelihood that other development will occur in agricultural or open spaces. In addition, this compromises the LAFCo SOI process by allowing annexations outside of the sphere of influence. The language here should be consistent with SB 194.
- 2. LAFCo Discretion.** AB 853 requires a LAFCo to approve the annexation unless it finds, based on a preponderance of evidence that the change of reorganization will not result in a net benefit to the public health of the communities. It specifically excludes financial impact as a consideration. Financial considerations are just one of the 15 factors a LAFCo must consider in evaluating an application (GC §56668). There may be other significant issues – including the financial ability of the annexing city to provide services – that a LAFCo should consider, and should have the discretion to deny the application if the annexation would significantly affect the delivery of local services or conflict with other legislative mandates in the Cortese-Knox-Hertzberg Local Government Reorganization Act.
- 3. Rezoning.** AB 853 requires the city to amend its general plan after LAFCo approval, rather than the current requirements of rezoning prior to a LAFCo consideration of an application. As in any annexation application, rezoning should be a requirement.

1215 K Street, Suite 1650  
Sacramento, CA 95814

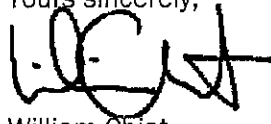
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4. **Affect on Special Districts.** The bill is silent about affected special districts. It is unclear what happens to districts that may be currently providing services that would be provided in the future by the city. Under the current language there is no opportunity for LAFCo to deny an application if the city does not have the capacity to provide water, sewer or other municipal service. In fact the bill does not address the preparation of a plan for services (i.e. what services would be provided by the city; whether a special district will remain to provide certain services, etc.). Typically that is a requirement of the application. In addition there is no opportunity to address the remaining special districts' ability to provide services to their territory that was not detached in the annexation. LAFCo should retain the discretion to deny an annexation if a plan for services has not been prepared which adequately assesses and addresses the ability of all affected local agencies to continue to provide efficient municipal services.
5. **No Protest Process.** The legislation refers to GC §57080(a) with the intent that the annexation would occur without protest. Therefore this bill essentially requires the annexation of inhabited territory based only on a petition of 25% of the registered voters. The majority of the residents never have an opportunity to be engaged in the decision. In addition, as currently written both the board of supervisors and LAFCo have very limited discretion in the decision. Perhaps there is a way to balance LAFCo discretion with a modified protest process. This is an important area for continued discussion.

Again, we appreciate your willingness to engage CALAFCO in the process and work to address our concerns. This will contribute to a law that conforms to existing law in Cortese-Knox-Hertzberg and contributes to streamlining the annexations that are the intent of your legislation. We look forward to continue working with you and the sponsors on the language.

Yours sincerely,



William Chiat

- c: Members, Assembly Local Government Committee  
Debbie Michael, Consultant, Assembly Local Government Committee  
William Weber, Assembly Republican Caucus

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Deputy Executive Officer

1 April 2009

The Honorable Dean Florez  
State Capitol, Room 313  
Sacramento, California 95814

**SB 194: Community Equity Investment Act of 2009**

Dear Senator Florez:

The California Association of Local Agency Formation Commissions has reviewed with interest your bill SB 194 which would create the Community Equity Investment Act of 2009.

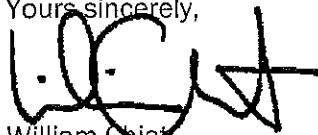
We recognize and share your concern that residents of unincorporated communities in the state have access to efficient and sustainable municipal services and infrastructure. As you know, local agency formation commissions (LAFCo) are charged with both reviewing applications for annexation, formations and consolidations, and for preparing Municipal Service Reviews every five years on every local agency providing local services in the county.

While specific language is not currently in the legislation, we understand that part of your goal is to address service and infrastructure deficits through annexation, consolidation and regionalization, when appropriate. Because these are areas where LAFCo has responsibility under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, we are interested in SB 194 and would very much like to be part of the conversation as you continue to develop the language.

LAFCos have expertise to offer on the quality and efficiency of virtually all publically-provided municipal services in California. LAFCos are effective in working with local agencies to ensure that they have the capability and capacity – including financial resources – to provide services before authorizing annexations, formations or new powers. LAFCo is also the agency that manages the process and ultimately approves consolidations of agencies with the goal of improving services and service efficiency.

There appears to be the potential for synergy between the goals of SB 194 and the legislative mission of LAFCo. As you move forward with this legislation, therefore, we respectfully request to be part of discussions on this bill. We pledge to assist in any way we can. Thank you for your consideration of this request. We look forward to hearing more about SB 194.

Yours sincerely,



William Chiat,  
Executive Director

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c: Peter Detwiler, Local Government Committee Consultant  
Ryan Eisberg, Senate Republican Caucus

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CHRIS TOOKER  
Sacramento LAFCo

30 March 2009

The Honorable Joe Simitian  
State Capitol, Room 2080  
Sacramento, California 95814

**OPPOSE SB 211**

Dear Senator Simitian:

The California Association of Local Agency Formation Commissions respectfully must oppose SB 211 which would allow the Santa Cruz Board of Supervisors to form a regional open space district.

As a matter of policy the CALAFCO Board of Directors opposes legislation which circumvents the objectives and intent of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000. Under that law the legislature authorized the local agency formation commission (LAFCo) to be the conducting authority for the formation of special districts.

Two LAFCo principles in the formation of new agencies are to ensure that affected stakeholders have a voice in the process and that the new agency is fiscally feasible to provide the authorized services. This legislation allows the formation of a new agency with no funding source. During these difficult financial times LAFCos are seeing local agencies in fiscal crises that are impacting their ability to provide services. There are several bills that have been introduced this year to give direction and/or authority to LAFCos to address failing local agencies. It seems inappropriate to create a new agency without a funding source. The LAFCo process includes a review of the fiscal viability of the proposed agency and allows the creation of a new agency conditioned on the passage of the financing vehicle. If the vehicle fails the agency is not created.

Under existing law proponents can petition LAFCo to create the district. Alternatively this bill could be amended to allow the Board of Supervisors to apply to LAFCo by resolution for the formation, and bypass the petition process. LAFCo can then ensure that stakeholders are involved in the process and that the formation of the district is conditioned on the approval of a funding source.

Because SB 211 circumvents existing law and creates an unfunded local agency, CALAFCO must oppose this bill.

Yours sincerely,

  
William Chiat  
Executive Director

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c: Members, Senate Local Government Committee  
Peter Detwiler, Local Government Committee Consultant  
Randy Pestor, Environmental Quality Committee Consultant  
Ryan Eisberg, Senate Republican Caucus  
Santa Cruz Local Agency Formation Commission