

February 6, 2012 Agenda Item No. 8c (Discussion)

January 31, 2012

TO: Local Agency Formation Commission

**FROM**: Keene Simonds, Executive Officer

## **SUBJECT:** Legislative Report

The Commission will receive a report from staff summarizing the legislative items currently under affecting Local Agency Formation Commissions. The report is being presented for discussion with possible direction for staff with respect to issuing comments on specific items.

The Local Agency Formation Commission (LAFCO) of Napa County has two appointed members on the California Association of LAFCOs' ("CALAFCO") Legislative Committee: Keene Simonds and Juliana Inman. The Committee meets on a regular basis to review, discuss, and offer recommendations to the CALAFCO Board of Directors relating to new legislation that have either a direct impact on LAFCO law or the laws LAFCO helps to administer. Committee actions are guided by the Board's adopted policies, which are annually reviewed and amended to reflect current year priorities.

### A. Discussion and Analysis

The Committee met on January 20, 2012 in Sacramento to discuss legislative interests for the second year of the 2011-2012 session. This included discussing three topics staff believes are particularly of interest to LAFCO of Napa County.

# • Outside Municipal Service Extensions

The Committee received an update from a subcommittee chaired by staff and tasked with proposing amendments to Government Code Section 56133; a statute requiring cities and special districts to request and receive written approval from LAFCOs before providing new or extended municipal services outside their jurisdictional boundaries and spheres of influence. The working group reported on the latest outreach efforts to advise members of the amendments to Section 56133 previously approved by the Board that would, among other issues, expand LAFCOs discretion in authorizing new or extended services outside spheres of influence. The working group reported that a total of six LAFCOs have formally commented on the Board approved amendments with three supporting (Napa, Sonoma, and San Luis Obispo) and three opposing (Butte, Santa Barbara, and Ventura). The Executive Director also reported back on his outreach efforts with

Lewis Chilton, Chair Councilmember, Town of Yountville

Joan Bennett, Commissioner Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner Councilmember, City of Napa Brad Wagenknecht, Vice Chair County of Napa Supervisor, 1st District

Bill Dodd, Commissioner County of Napa Supervisor, 4th District

Mark Luce, Alternate Commissioner County of Napa Supervisor, 2nd District Brian J. Kelly, Commissioner Representative of the General Public

Gregory Rodeno, Alternate Commissioner Representative of the General Public Legislative Report February 6, 2012 Page 2 of 4

other key stakeholder groups. This included noting the League of Cities, Building Industry, and the California Rural Legal Assistance Foundation are interested in the item while some environmental and agricultural groups have raised questions. Markedly, it appears the League of Cities may be interested in pursuing this item separately if CALAFCO passes. The Executive Director also reported staff for the Assembly Committee on Local Government expressed interest in working with CALAFCO on this item. Committee members deferred to the Executive Director's recommendation to return the item back to the Board for more discussion given at least three LAFCOs oppose moving forward with the amendments. The Board is expected to discuss its options – including whether to (a) proceed with legislation this year, (b) proceed with legislation next year, or (c) pass entirely – at its February 10<sup>th</sup> meeting in Irvine.

#### • Island Annexation Provisions

The Committee discussed its preferences with respect to addressing the approaching January 1, 2014 sunset date tied to Section 56375.3; a statute that allows LAFCOs to fast-track the annexation of unincorporated islands to cities subject to certain conditions by waiving protest proceedings.<sup>1</sup> Committee members agreed the statute is a valuable tool for LAFCOs in encouraging cities to eliminate islands and would prefer to simply eliminate the sunset altogether rather than pursue extending the deadline. Committee members, however, agreed it would be appropriate to hold off and pursue this item next year in order to economize CALAFCO's resources.

#### • Renaming Commissions

The Committee received an update from a subcommittee chaired by staff and tasked with exploring interest and options in renaming LAFCOs under Section 56027. Markedly, the working group was formed after several Committee members at the November meeting expressed shared belief that the current name is antiquated with no meaningful connection to present day responsibilities and muddles the public's understanding of LAFCOs. The working group, consistent with its earlier direction, presented the Committee with a survey for distribution among all 58 commissions that, among other matters, solicits alternate name suggestions. In lieu of moving forward, Committee members deferred to the Executive Director's request the survey first be presented to the CALAFCO Board at its February 10<sup>th</sup> meeting for discussion and possible edits before being circulated to the 58 commissions.

There are a total of 19 unincorporated islands in Napa County all of which are located in the City of Napa. Staff continues to work on outreach efforts in these islands to generate support for annexation consistent with the Commission's earlier direction.

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On a related note, staff recently became aware of a legislative proposal drafted by the Napa County Farm Bureau to rewrite LAFCO law specific to Napa County. The draft proposal is titled "Napa County Farmland Protection Act" and was previously circulated to Commissioners in January. The draft proposal, as it currently is written, would effectively prohibit LAFCO of Napa County from adding any lands designated "Agriculture Watershed Open Space" or "Agriculture Resource" under the County General Plan to a city or special district's (a) sphere of influence or (b) jurisdictional boundary through 2059; a timeline intentionally corresponding with Measure J/P.<sup>2</sup>

The County's Board of Supervisors recently held the first public meeting in Napa County to discuss the draft proposal on January 24, 2012.<sup>3</sup> Staff attended the meeting and offered several brief comments of concern to the Board before it ultimately decided to continue the item for 60 days in deference to a request by the City of American Canyon.<sup>4</sup> A summary of staff's comments to the Board follows.

- The draft proposal seeks to solve a problem that does not appear to exist. Specifically, the stated purpose is to protect against "ill-advised annexations" by creating a new State mandate effectively prohibiting cities or special districts from expanding their spheres or boundaries into County designated agricultural lands through 2059. No examples of past or pending "ill-advised annexations" are provided by the proponents. Staff believes LAFCO of Napa County has been a good steward in protecting agricultural lands over its 50 year history; all of which seems to indicate LAFCO is accomplishing exactly what the draft proposal seeks to achieve through a new State mandate.
- The draft proposal would reorient LAFCO of Napa County into an explicit agent in implementing the County General Plan. This reorientation counters the Cortese-Knox-Hertzberg Act and its charge that all 58 LAFCOs exercise their independent judgment in determining the appropriate location of urban development and not defer to any one agency (county, city, or district).
- The draft proposal limits local control over future boundary changes and municipal service extensions by delegating significant control to the State through 2059. This means, among other things, the five cities would be prohibited from planning/pursuing boundary changes or related actions at LAFCO that contrast with the County General Plan irrespective of the potential value and benefit to their constituents.

<sup>&</sup>lt;sup>2</sup> The proponents have stated they will consent to a request by County Counsel to eliminate any references in the draft proposal involving special districts. However, as of date, these changes have not been made.

<sup>&</sup>lt;sup>3</sup> The City of St. Helena considered the draft proposal as part of its consent calendar on October 25, 2012. No discussion was held and the City Council approved their support for the proposal.

<sup>&</sup>lt;sup>4</sup> American Canyon submitted a request in writing that the County continue consideration of the item until the City has an opportunity to review the matter. American Canyon's letter also suggested it would be appropriate for LAFCO to comment on the proposed item before the County takes any action.

• The draft proposal would curtail LAFCO of Napa County's ability to administer Section 56133 in a manner responsive to local conditions; especially within the Napa Valley floor given its restrictions on sphere expansions.

It is unclear whether the proponents will be successful in securing an author for their draft proposal at this time. It is reasonable to assume that finding an author is largely dependent on the level of support the proponents receive from local agencies. If an author is ultimately secured, a bill would likely not be introduced until next year given the deadline to introduce bills for the current session is February 17<sup>th</sup>. It is also reasonable to assume a bill carrying the draft proposal would be difficult to pass given inevitable opposition from CALAFCO as well as other stakeholder groups. Nevertheless, if interested, the Commission could provide direction to staff with respect to formalizing comments on the draft proposal for distribution to proponents and other interested parties.

### **B.** Commission Review

Commissioners are encouraged to discuss and provide feedback on the report. This includes providing direction to staff with respect to making comments on any legislative items of interest or concern to the Commission.

Attachments: none