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April 2, 2012 Agenda Item No. 8b (Discussion)

March 26, 2012

TO: **Local Agency Formation Commission**

FROM: Keene Simonds, Executive Officer

SUBJECT: **Legislative Report**

> The Commission will receive a report on the second year of the 2011-2012 session of the California Legislature as it relates to items directly or indirectly effecting 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

Current Bills

The Committee is currently tracking 29 bills with direct or indirect impacts on LAFCOs as part of the second year of the 2011-2012 session. Several of the bills introduced are placeholders at this time and will be amended over the next several months to clarify their specific purpose. A complete list of the bills under review is attached. Two bills of specific interest to LAFCO of Napa County ("Commission") are addressed below.

Senate Bill 1498 (Emmerson): Expand Outside Service Extension Powers This legislation is sponsored by the League of California Cities and would make two substantive changes to LAFCO law. First, and most significantly, this legislation would fully enact the changes proposed by the Commission to CALAFCO in expanding existing authority under Government Code Section 56133 in approving new and extended outside services beyond agencies' spheres of influence. This includes empowering LAFCOs to approve new or extended services beyond spheres of influence and irrespective of public health or safety threats as long as certain safeguard findings can be made noticed public hearings.

Brad Wagenknecht, Vice Chair

Representative of the General Public

Brian J. Kelly, Commissioner

Second, the legislation would remove provisions of LAFCO law enacted at the beginning of this calendar year prohibiting cities from annexing territory greater than 10 acres if adjacent to a disadvantaged unincorporated community unless a separate annexation proposal is filed.¹

Staff believes SB 1498 – if enacted – would improve LAFCO law by providing added discretion in facilitating orderly growth in a manner responsive to local conditions with respect to authorizing outside services and city annexations. Most notably, and as recently discussed by the Commission in February, the current restrictions tied to Section 56133 promotes an unnecessary absolute in presuming all outside service extensions should lead to future annexations. Amending this section as proposed allows LAFCOs the ability to accommodate – as appropriate – outside service extensions without explicit expectation of future annexations based on local conditions and adopted policies. Additionally, removing the provisions aimed at compelling cities to annex disadvantaged unincorporated communities appears reasonable given it would eliminate a "heavy-handed" approach in promoting environmental justice regardless of local conditions.

Support for SB 1498 within the Committee is divided. Several members expressed concern in removing the provisions against cities annexing lands adjacent to disadvantaged unincorporated communities. A few members also expressed concern regarding CALAFCO supporting legislation on amending Section 56133 without broader support from the membership. Accordingly, the Committee is recommending a "watch" position at this time.

• Assembly Bill 2238 (Perea): Municipal Service Review Requirements

This legislation is sponsored by the California Rural Legal Assistance and would, among other items, make two separate discretionary provisions in the municipal service review process become mandatory. First, the legislation would amend the municipal service review process to no longer encourage but mandate that LAFCOs study governance alternatives to improve service efficiency and affordability. Second, and similarly, the legislation would no longer encourage but mandate that LAFCOs make their own determinations with respect to whether affected agencies are complying with the California Safe Drinking Water Act.

Staff believes AB 2238 as currently drafted is problematic. It would curb LAFCOs' existing discretion in determining when formal reviews of governance alternatives are warranted in the course of preparing municipal service reviews based on need and benefit. It also would require LAFCOs to develop or contract expertise with respect to determining if water service providers are complying with a technical statute that falls outside our respective administrative authority. Further, given the expanded scope of directives, both of these proposed new mandates could result in substantial new costs for LAFCOs.

¹ These provisions were added to LAFCO law as part of Senate Bill 244 (Wolk).

Several members of the Committee have expressed concerns regarding AB 2238 for the reasons outlined above. A number of Committee members were also concerned the sponsor did not reach out to CALAFCO prior to introducing the legislation. Accordingly, the Committee has recommended an "oppose" position.

Other Items of Interest

• Napa County Farmland Protection Act

As discussed at the February meeting, 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 would prohibit cities and special districts from adding lands designated for an agricultural use under the County General Plan to their spheres of influence or jurisdictional boundaries through 2059; a timeline directly corresponding with the sunset of Measure J/P. It appears this legislative effort has been tabled given no bill was introduced by the second session deadline of February 17th. It also appears unlikely this legislative effort will resurface in the near term given several key stakeholders – including the Cities of American Canyon and Napa – have raised substantive concerns regarding the need and benefit of the proposed restrictions on future spheres of influence and annexations. Staff also raised concerns with the legislative effort, and with the Commission's direction, prepared a comment letter for circulation among local stakeholders.

• Renaming Commissions

Also raised for discussion at the February meeting was staff's participation in a Committee working group tasked with exploring interest and options in renaming LAFCOs. Markedly, the working group was formed by staff and other likeminded members who believe the current name – local agency formation commission – is antiquated with no meaningful connection to present day responsibilities and muddles the public's understanding of our collective duties. The working group's tasks, however, have been tabled by the Board given it does not believe a name change is needed. The working group anticipates revisiting this item for Board consideration again next year.

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:

- 1) CALAFCO Legislative Policies
- 2) CALAFCO Status Report on Current Legislation
- 3) Letter from Executive Officer Concerning the Napa County Farmland Protection Act
- 4) Letter from City of Napa Concerning the Napa County Farmland Protection Act

CALAFCO 2012 Legislative Policies

Adopted by the Board of Directors on 10 February 2012

1. LAFCo Purpose and Authority

- 1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et. seq.
- 1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et. seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3. Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

- 2.1. Support the independence of LAFCo from local agencies.
- 2.2. Oppose the re-composition of any or all LAFCos without respect to the existing balance of powers that has evolved within each commission or the creation of special seats on a LAFCo.

- 2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

- 3.1. Support legislation which clarifies LAFCo authority to identify, encourage and insure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.
- 3.4. Support policies and tools which protect prime agricultural and open space lands.
- 3.5. Support the continuance of the Williamson Act and restore program funding through State subvention payments.

4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as the management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.
- 4.2. Support adoption of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.
- 4.3. Support orderly boundaries of local agencies and the elimination of

- islands within the boundaries of agencies.
- 4.4. Support communication between cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to LAFCo.
- 4.5. Support cooperation between counties and cities on decisions related to development within the city's designated sphere of influence.

5. Service Delivery and Local Agency **Effectiveness**

- 5.1. Support the use of LAFCo resources to prepare and review Regional Transportation Plans and other growth plans to ensure reliable services. growth. sustainable communities, and conformity with LAFCo's legislative mandates.
- 5.2. Support LAFCo authority and tools which provide communities with local governance and efficient service delivery options, including authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.
- 5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed agency's long-term governance financial viability. structure and ability to efficiently deliver proposed services.
- 5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.
- 5.5. Support collaborative efforts among agencies and LAFCOs that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support proposals which provide LAFCo with additional tools to encourage shared services.

2012 Legislative Priorities

Primary Issues

Viability of Local Governments

Support legislation that maintains or enhances LAFCo's ability to review and act to assure the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs. Support legislation which local provides LAFCo and communities with options for local governance and service delivery. including incorporation as a city or formation as a special district. Support efforts which provide tools to local agencies to address fiscal challenges and maintain services.

Authority of LAFCo

Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues.

Open Space Protection

Agriculture and Preservation of prime agriculture and open space lands that maintain the quality of life in California. Support policies that recognize LAFCo's ability to protect and mitigate the loss of prime agricultural and open space lands, and that encourage other agencies to coordinate with local LAFCos on land preservation and orderly growth.

Water Availability

Promote adequate water supplies and infrastructure planning for current and planned growth. Support policies that assist LAFCo in obtaining accurate and reliable water supply information evaluate current and cumulative demands water for service expansions and boundary changes including impacts of expanding private and mutual water company service areas on orderly growth.

Issues of Interest

Housing Provision of territory and services to

support affordable housing and the consistency of regional land use plans with local LAFCo policies.

Transportation Effects of Regional Transportation

Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to

provide those services.

Flood Control The ability and effectiveness of

local agencies to maintain and improve levees and the public safety of territory proposed for annexation to urban areas which is at risk for flooding. Support legislation that includes security of the delta and assessment of agency viability in decisions involving new funds for levee repair.

Adequate Municipal Services in Inhabited Territory Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. Funding sources should be identified for extension of municipal services to disadvantaged unincorporated communities, including option for annexation of contiguous disadvantaged unincorporated communities.

CALAFCO Daily Legislative Report as of 3/19/2012

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AB 2238 (Perea D) Public water systems: drinking water.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 3/15/2012-Referred to Coms. on L. GOV. and E.S. & T.M.

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Summary:

Would require the State Department of Public Health to promote the consolidation and merger of small community water systems that serve disadvantaged communities, as specified, and would require the studies performed prior to a construction project to include the feasibility of consolidating or merging community water systems. This bill would also require the department to give priority to funding projects involving managerial consolidation or merger when the consolidation or merger would further specified goals. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Water, Municipal Services

CALAFCO Comments: This bill, sponsored by California Rural Legal Assistance, would require LAFCo to determine the feasibility of consolidations and other service efficiency options in every MSR. It would also require LAFCo to determine compliance with the Safe Drinking Water Act. Both are discretionary under current law. It would also make LAFCo eligible to apply for certain water grants and loans to pay for the feasibility studies.

AB 2291 (Gordon D) Local agency formation: extension of services.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 3/15/2012-Referred to Com. on L. GOV.

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Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, authorizes a local agency formation commission, until January 1, 2013, to review and comment on the extension of services into previously unserved territory within unincorporated areas and the creation of new service providers to extend urban-type development into previously unserved areas to ensure that the proposed extension is consistent with the policies of the commission and certain policies under state law. This bill would eliminate the repeal date of January 1, 2013.

Position: None at this time

CALAFCO Comments: We believe this is a placeholder bill. CALAFCO Legislative Committee supports letting this section sunset as no LAFCo uses these provisions.

AB 2624 (Smyth R) Sustainable communities.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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Summary:

The Strategic Growth Council is required to manage and award grants and loans to a council of governments, metropolitan planning organization, regional transportation planning agency, city, county, or joint powers authority for the purpose of developing, adopting, and implementing a regional plan or other planning instrument to support the planning and development of sustainable communities. This bill would make a local agency formation commission eligible for the award of financial assistance for those planning purposes.

Position: Support

Subject: Sustainable Community Plans

CALAFCO Comments: Makes LAFCo an eligible agency to apply for Strategic Growth

Council grants. Sponsored by CALAFCO.

SB 1498 (Emmerson R) Local agency formation commission: powers.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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Summary:

Would authorize a local agency formation commission to authorize a city or district to provide new or current services outside its jurisdictional boundaries and outside its sphere of influence to support current or planned uses involving public or private properties, subject to approval at a noticed public hearing, in which certain determinations are made. The bill would also authorize the commission to delegate to its executive officer the approval of certain requests to authorize a city or district to provide new or extended services outside its jurisdictional boundaries or outside its sphere of influence, as described above, under specified circumstances. The bill would also make certain technical, nonsubstantive, and conforming changes. This bill contains other related provisions and other current laws.

Position: None at this time **Subject:** Municipal Services

CALAFCO Comments: Sponsored by the League of Cities, this bill does two things: 1) it includes the CALAFCO proposed language on expanding out-of-agency service authority (56133) and 2) removes the annexation requirements from SB 244. Those provisions require a city to apply to annex a disadvantaged unincorporated community if they apply to annex adjacent uninhabited territory.

SB 1566 (Negrete McLeod D) Vehicle license fees: allocation.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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Summary:

Current law requires that a specified amount of motor vehicle license fees deposited to

the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund be allocated by the Controller, as specified, to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties. This bill would instead require, on and after July 1, 2012, that those revenues be distributed first to each city that was incorporated from an unincorporated territory after August 5, 2004, in an amount determined pursuant to a specified formula and second to each city that was incorporated before August 5, 2004, in an amount determined pursuant to a specified formula. By authorizing within the Motor Vehicle License Fee Account in the Transportation Tax Fund, a continuously appropriated fund, to be used for a new purpose, the bill would make an appropriation. This bill contains other related provisions and other current laws.

Position: Support

Subject: Annexation Proceedings, Tax Allocation

CALAFCO Comments: This problem would correct the VLF problem created by last year's budget bill SB 89, and restore VLF to recent incorporations and inhabited

annexations.

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AB 46 (John A. Pérez D) Local government: cities.

Current Text: Amended: 6/28/2011 pdf html

Introduced: 12/6/2010 Last Amended: 6/28/2011

Status: 8/29/2011-Read third time. Refused passage. (Ayes 13. Noes 17. Page 2084.).

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Summary:

Would provide that every city with a population of less than 150 people as of January 1, 2010, would be disincorporated into that city's respective county as of 91 days after the effective date of the bill, unless a county board of supervisors determines, by majority vote within the 90-day period following enactment of these provisions, that continuing such a city within that county's boundaries would serve a public purpose if the board of supervisors determines that the city is in an isolated rural location that makes it impractical for the residents of the community to organize in another form of local governance. The bill would also require the local agency formation commission within the county to oversee the terms and conditions of the disincorporation of the city, as specified. This bill contains other related provisions.

Position: None at this time

Subject: Disincorporation/dissolution

CALAFCO Comments: As written this bill applies only to Vernon, California. It bypasses much of the C-K-H disincorporation process, leaving LAFCo only the responsibility of

assigning assets and liabilities following disincorporation.

AB 781 (John A. Pérez D) Local government: counties: unincorporated areas.

Current Text: Amended: 8/29/2011 pdf html

Introduced: 2/17/2011 Last Amended: 8/29/2011

Status: 8/30/2011-Measure version as amended on August 29 corrected.

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Summary:

Would authorize the board of supervisors of a county in which a city that will be disincorporated pursuant to statute is located to vote to continue that city if, after receipt of an audit conducted by the State Auditor, the board of supervisors determines that the territory to be disincorporated is not expected to generate revenues sufficient to provide public services and facilities, maintain a reasonable reserve, and pay its obligations during the 5 years following disincorporation. The bill would require a city that is audited pursuant to these provisions to reimburse the State Auditor for the costs incurred to perform the audit, thereby imposing a state-mandated local program. This bill contains other related provisions and other current laws.

Position: Watch

Subject: Disincorporation/dissolution, Special District Principle Acts

CALAFCO Comments: This bill was gutted and amended on 20 June to create a CSD in any unincorporated area that was previously a city and was disincorporated by the legislature. It is specifically targeted at Vernon. It also contains language directing LAFCo

on the terms and conditions of the disincorporation.

AB 2115 (Alejo D) Recreation and park districts: powers and duties.

Current Text: Introduced: 2/23/2012 pdf html

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

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Summary:

Current law provides for the establishment of recreation and park districts prescribes procedures for, among other things, the formation of the district, and sets forth the powers and duties of the district board of directors. This bill would make various technical, nonsubstantive changes in the provisions governing the powers and duties of a recreation and park district.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Placeholder Bill on Park and Recreation Districts.

AB 2210 (Smyth R) Local agencies: jurisdictional changes: allocation of property tax revenues.

Current Text: Introduced: 2/23/2012 pdf html

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

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Summary:

Current law requires an auditor to estimate the amount of property tax revenue generated within the territory and to notify the governing body of each local agency whose service area or service responsibility will be altered by the amount of, and allocation factors with respect to, property tax revenue that is subject to a negotiated exchange. This bill would make a clarifying change to the auditor's notification requirement described above. This bill would also make other technical, nonsubstantive changes to the provisions described above.

Position: None at this time

Subject: Annexation Proceedings

CALAFCO Comments: Placeholder bill on property tax exchange agreements.

AB 2239 (Norby R) Political Reform Act of 1974.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 3/15/2012-In committee: Set, first hearing. Hearing canceled at the request of

author.

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Summary:

Would repeal limitations on contributions that may be made to, or accepted by, candidates for elective office. This bill contains other related provisions and other current laws.

Position: None at this time

CALAFCO Comments: Placeholder bill.

AB 2418 (Gordon D) Health districts: reporting.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

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Summary:

Current law, the Local Health Care District Law, requires a local health care district that leases or transfers its assets to a corporation in accordance with specified provisions to act as an advocate for the community to the operating corporation, and to annually report to the community on the progress made in meeting the community's health needs. This bill would require the annual report to include percentages of district revenues spent on district administration and on health care activities.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Health Care District reporting requirements.

ACA 17 (Logue R) State-mandated local programs.

Current Text: Introduced: 2/15/2011 pdf html

Introduced: 2/15/2011

Status: 4/14/2011-Referred to Com. on L. GOV.

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Summary:

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government. With regard to certain mandates imposed on a city, county, city and county, or special district that have been determine to be payable, the Legislature is required either to appropriate, in the annual Budget Act, the full payable amount of the mandate, determined as specified, or to suspend the operation of the mandate for the fiscal year. The California Constitution provides that the Legislature is not required to appropriate funds for specified mandates.

Position: None at this time **Subject:** LAFCo Administration

CALAFCO Comments: Changes state mandate law in a proposed constitutional amendment. Included is specific language that releases mandate responsibility if the local agency can change an individual or applicant for the cost of providing the mandated service. Would likely exempt some mandates to LAFCo from state funding.

SB 46 (Correa D) Public officials: compensation disclosure.

Current Text: Amended: 6/2/2011 pdf html

Introduced: 12/9/2010 Last Amended: 6/2/2011

Status: 8/22/2011-In Assembly. Read first time. Held at Desk.

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Summary:

Would, commencing on January 1, 2013, and continuing until January 1, 2019, require every designated employee and other person, except a candidate for public office, who is required to file a statement of economic interests to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year, as specified. This bill contains other related provisions and other current laws.

Attachments:

CALAFCO Opposition Letter

Position: Oppose

Subject: LAFCo Administration

CALAFCO Comments: Similar to a 2010 bill, this would require all those who file a Form 700 to also file an extensive compensation and reimbursement disclosure report. Would require all local agencies, including LAFCo, to annually post the forms on their website.

SB 191 (Committee on Governance and Finance) Validations.

Current Text: Amended: 5/16/2011 pdf html

Introduced: 2/8/2011 Last Amended: 5/16/2011

Status: 6/6/2011-Ordered to inactive file on request of Senator Wolk.

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Summary:

This bill would enact the First Validating Act of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Attachments:

CALAFCO Support Letter

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all

local agencies.

SB 192 (Committee on Governance and Finance) Validations.

Current Text: Amended: 5/16/2011 pdf html

Introduced: 2/8/2011 Last Amended: 5/16/2011

Status: 8/30/2011-Ordered to inactive file on request of Senator Wolk.

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Summary:

This bill would enact the Second Validating Act of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Attachments:

CALAFCO Support Letter

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all

local agencies.

SB 804 (Corbett D) Health care districts: transfers of assets.

Current Text: Amended: 1/4/2012 pdf html

Introduced: 2/18/2011 Last Amended: 1/4/2012

Status: 1/19/2012-In Assembly. Read first time. Held at Desk.

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Summary:

Current law authorizes a health care district to transfer, for the benefit of the communities served by the district, in the absence of adequate consideration, any part of the assets of the district to one or more nonprofit corporations to operate and maintain the assets. Current law deems a transfer of 50% or more of the district's assets to be for the benefit of the communities served only upon the occurrence of specified conditions. This bill would include among the above-described conditions the inclusion within the transfer agreement of the appraised fair market value of any asset transferred to the nonprofit corporation, as specified. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Current law allows the transfer of Health Care District assets to a non profit to operate and maintain the asset. This bill would include in the transfer, the transfer of the fair market value of the asset.

SB 1084 (La Malfa R) Local government: reorganization.

Current Text: Introduced: 2/14/2012 pdf html

Introduced: 2/14/2012

Status: 3/1/2012-Referred to Com. on RLS.

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Summary:

Current law, for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes various legislative findings and declarations regarding the use of local government reorganization. This bill would make a technical, nonsubstantive change to that provision.

Position: None at this time

CALAFCO Comments: This is a placeholder bill.

SB 1090 (Committee on Governance and Finance) Local government: omnibus bill.

Current Text: Introduced: 2/15/2012 pdf html

Introduced: 2/15/2012

Status: 3/6/2012-Set for hearing April 18.

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Calendar:

4/18/2012 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, WOLK, Chair Summary:

Would require the legislative body of a general law city to submit a sidewalk installation charge to the voters and receive a 2/3 vote to approve the charge prior to imposing the charge, thereby conforming these provisions to current law. This bill contains other related provisions and other current laws.

Position: None at this time

CALAFCO Comments: Senate Omnibus bill. At this time it does not contain any LAFCo-

related legislation.

3

AB 1266 (Nielsen R) Local government: Williamson Act: agricultural preserves: advisory board.

Current Text: Introduced: 2/18/2011 pdf html

Introduced: 2/18/2011

Status: 7/14/2011-From consent calendar. Ordered to third reading. Ordered to inactive

file at the request of Senator La Malfa.

			Floor	Desk	Policy	Fiscal	١_	Enrolled	Vetoed	Chaptered
Dead	1st House)		2nd H	ouse		Conc.			

Summary:

Current law, the Williamson Act, authorizes a city or county to enter into contracts to establish agricultural preserves. Current law also authorizes the legislative body of a city or county to appoint an advisory board to advise the legislative body on agricultural preserve matters. This bill would specify matters on which the advisory board may advise the legislative body of a county or city. This bill would also state that the advisory board is not the exclusive mechanism through which the legislative body can receive advice on or address matters regarding agricultural preserves.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Specifies additional responsibilities for the county or city Williamson Act advisory board. May also be a placeholder for more significant

modifications to the Williamson Act.

AB 1902 (Jones R) Publication: newspaper of general circulation: Internet Web site.

Current Text: Introduced: 2/22/2012 pdf html

Introduced: 2/22/2012

Status: 3/8/2012-Referred to Com. on G.O.

	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	1	l _	Enrolled	Vetoed	Chaptered
Dead	1st Ho	use			2nd H	ouse			Conc.			

Summary:

Current law requires that various types of notices are provided in a newspaper of general

circulation. Current law requires a newspaper of general circulation to meet certain criteria, including, among others, that it be published and have a substantial distribution to paid subscribers in the city, district, or judicial district in which it is seeking adjudication. This bill would provide that a newspaper that is available on an Internet Web site may also qualify as a newspaper of general circulation, provided that newspaper meets certain criteria.

Position: None at this time **Subject:** LAFCo Administration

CALAFCO Comments: Allows posting of notices in a web-based newspaper.

AB 1979 (Hernández, Roger D) District-based local elections.

Current Text: Introduced: 2/23/2012 pdf html

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor		Enrolled	Vetoed	Chaptered
Dead	1st Ho	use			2nd H	ouse			Conc.			

Summary:

Current law provides for political subdivisions that encompass areas of representation within the state. With respect to these areas, public officials are generally elected by all of the voters of the political subdivision (at-large) or from districts formed within the political subdivision (district-based). This bill would state the intent of the Legislature to enact legislation relating to district-based local elections.

Position: None at this time

Subject: CKH General Procedures

CALAFCO Comments: Changes to law regarding district-based local elections.

AB 2452 (Ammiano D) Political Reform Act of 1974: online disclosure.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 3/15/2012-Referred to Com. on E. & R.

	Desk Policy	Fiscal	Floor	Desk	Policy	Fiscal	l .	l _	Enrolled	Vetoed	Chaptered
Dead	1st House			2nd H	ouse			Conc.			

Summary:

Would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements, reports, or other documents to file those statements, reports, or other documents online or electronically with a local filing officer. The bill would prescribe criteria that must be satisfied by a local government agency that requires online or electronic filing of statements, reports, or other documents, as specified, including, among others, that the system be available free of charge to filers and to the public for viewing filings, and that the system include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury. This bill contains other related provisions and other current laws.

Position: None at this time **Subject:** LAFCo Administration

CALAFCO Comments: Allows on-line filing of Political Reform Act documents with local

agencies.

SB 878 (DeSaulnier D) Regional planning: Bay Area.

Current Text: Amended: 6/9/2011 pdf html

Introduced: 2/18/2011

Last Amended: 6/9/2011

Status: 1/26/2012-In Assembly. Read first time. Held at Desk.

	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	l _	Enrolled	Vetoed	Chaptered
Dead	1st Ho	use			2nd Ho	use			Conc.			

Summary:

Would require the joint policy committee to submit a report to the Legislature by January 31, 2013, on, among other things, methods and strategies for developing and implementing a multiagency set of policies and guidelines relative to the Bay Area region's sustainable communities strategy, including recommendations on organizational reforms for the regional agencies. The bill would require preparation of a work plan for a regional economic development strategy to be submitted to the Legislature on that date. The bill would also require the member agencies to report on public outreach efforts that they individually or jointly perform. The bill would require public meetings in each of the region's 9 counties and creation of advisory committees, as specified. By imposing new duties on local agen cies, the bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Sustainable Community Plans

CALAFCO Comments: Provides legislative direction to the Bay Area counties on development of their sustainable communities strategy and requires the "joint committee"

to report back to the Legislature by 1 January 2013.

SB 1044 (Liu D) Libraries: administration.

Current Text: Amended: 3/8/2012 pdf html

Introduced: 2/6/2012 **Last Amended:** 3/8/2012

Status: 3/12/2012-Set, first hearing. Hearing canceled at the request of author.

	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	I -	Enrolled	Vetoed	Chaptered
Dead	1st Ho	use			2nd H	ouse			Conc.			

Summary:

Would delete the annual allowance for the improvement and maintenance of coordinated reference service support to the members of a library system. The bill would also delete the authorization for a library system to apply for funds for special services programs. The bill would delete the requirement that a library system establish a specified advisory board. The bill would make technical and conforming changes. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Allows Library Districts to be noncontiguous.

SB 1305 (Blakeslee R) Regional open-space district: County of San Luis Obispo.

Current Text: Introduced: 2/23/2012 pdf html

Introduced: 2/23/2012

Status: 3/8/2012-Referred to Com. on GOV. & F.

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

Summary:

Would permit the formation of a regional open-space district in the County of San Luis Obispo to be initiated by resolution of the county board of supervisors after a noticed hearing, if the boundaries of a proposed district are coterminous with the exterior

boundaries of the County of San Luis Obispo. The bill would specify the contents of the resolution, including a requirement to call an election, as prescribed.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Allows the creation of an open space district in San Luis Obispo

County and circumvents the LAFCo process.

SB 1337 (DeSaulnier D) Zone 7 Water Agency.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 3/8/2012-Referred to Com. on RLS.

	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	l -	Enrolled	Vetoed	Chaptered
Dead	1st House			2nd House				Conc.				

Summary:

Current law, the Alameda County Flood Control and Water Conservation District Act, establishes the Alameda County Flood Control and Water Conservation District and grants to the district authority relating to, among other things, flood control and stormwater. Under the district law, the Board of Supervisors of Alameda County serves as the Board of the Alameda County Flood Control and Water Conservation District. This bill would state the intent of the Legislature to enact legislation that would create the Zone 7 Water Agency. This bill contains other current laws.

Position: None at this time

Subject: Water

SB 1395 (Rubio D) State Auditor: local government agency audit program.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 3/8/2012-Referred to Com. on RLS.

			Fiscal	Floor	Desk	Policy	Fiscal	1	l -	Enrolled	Vetoed	Chaptered
Dead	Dead 1st House				2nd House				Conc.			

Summary:

Current law authorizes the State Auditor to establish a high-risk local government agency audit program for the purpose of identifying, auditing, and issuing reports on any local government agency that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, and mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness. This bill would make technical, nonsubstantive changes to this provision.

Position: None at this time

Subject: Financial Viability of Agencies

SB 1459 (De León D) Regional and local park districts: cities and counties.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal		۱_	Enrolled	Vetoed	Chaptered
Dead	1st Ho	use			2nd House				Conc.			

Summary:

Current law prescribes procedures for the formation of regional park districts, regional

park and open-space districts, or regional open-space districts. Current law authorizes 3 or more cities, together with any parcel or parcels of city or county territory, whether in the same or different counties, to organize and incorporate, but requires that all the territory in the proposed district be contiguous. This bill would revise the above authorization to instead only allow district formation for 4 or more cities.

Position: None at this time

Subject: Special District Principle Acts

SB 1519 (Fuller R) Desert View Water District-Bighorn Mountains Water Agency consolidation.

Current Text: Introduced: 2/24/2012 pdf html

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	_	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd H	ouse			Conc.			

Summary:

Current law, the Desert View Water District-Bighorn Mountains Water Agency Consolidation Law, effected a consolidation between the Desert View Water District and the Bighorn Mountains Water Agency and required the successor board of directors to operate under the Bighorn Mountains Water Agency Law. Under current law, for a period of not less than 10 years after January 1, 1990, meetings of the successor board of directors are required to be held, as prescribed. This bill would make a technical, nonsubstantive change in these provisions.

Position: None at this time

Subject: Special District Principle Acts

Total Measures: 29

Total Tracking Forms: 29

3/19/2012 10:28:24 AM

ATTACHMENT THREE

1700 Second Street, Suite 268 Napa, California 94559 Telephone: (707) 259-8645 Facsimile: (707) 251-1053 http://napa.lafco.ca.gov

February 13, 2012

DELIVERED BY E-MAIL

Ms. Nancy Watt, Executive Officer County of Napa 1195 Third Street, Room 300 Napa, California 94559 nancy.watt@countyofnapa.org

Mr. Richard Spitler, City Manager City of Calistoga 1232 Washington Street Calistoga, California 94515 rspitler@ci.calistoga.ca.us

Mr. Gary Broad, City Manager City of St. Helena 1480 Main Street St. Helena, California 94574 garyb@cityofsthelena.org

Ms. Dana Shigley, City Manager City of American Canyon 4381 Broadway Street, Suite 201 American Canyon, California 94503 dshigley@cityofamericancanyon.org

Mr. Mike Parness, City Manager City of Napa 955 School Street Napa, California 94559 mparness@cityofnapa.org

Mr. Steven Rogers, Town Manager Town of Yountville 6550 Yount Street Yountville, California 94599 srogers@vville.com

Subject: Comments on the Proposed Napa County Farmland Protection Act

Sirs and Madams,

On behalf of the Local Agency Formation Commission (LAFCO) of Napa County, and for your respective agencies' consideration, I have reviewed the legislative proposal drafted by the Napa County Farm Bureau titled "Napa County Farmland Protection Act." The stated intent of the proposal is to establish additional measures to protect and preserve agricultural and open-space resources in Napa County. This would specifically involve amending California Government Code to effectively prohibit Napa LAFCO from adding any lands designated for an agricultural or open space use under the County of Napa General Plan to a city or special district's (a) sphere of influence or (b) jurisdictional boundary through 2059; a date directly corresponding with the sunset of Measure P.

In reviewing the proposal, and in consultation with other stakeholders, I am concerned with its near and long-term implications for Napa County. Specific points of concern are summarized in the following paragraphs and were shared with the Commission at its February 6, 2012 meeting. Markedly, the Commission shares many of my concerns and unanimously directed me to formalize my comments for distribution to all six land use authorities given it is our understanding the agencies may consider the proposal shortly.

Councilmember, City of Napa

• Addressing an Unknown Problem

The proposal seeks to solve a problem that does not appear to exist in Napa County. The explicit premise of the proposal 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 proponent. Conversely, and in contrast to the proposal's inferences, it seems a successful and durable partnership already exists between LAFCO, cities, special districts, and the County in protecting agricultural and open-space resources while facilitating smart and sustainable growth as evident by current conditions; all of which seems to indicate local agencies are already collectively accomplishing exactly what the proposal seeks to achieve through a new and restrictive State mandate.

• Delegating Control of Local Boundaries to the State Legislature

The proposal would delegate significant control over local boundary lines and related actions – including outside municipal service extensions – from local decision-makers to the State Legislature over the next 50 years. The Legislature, as evident in its housing allocation process and other related mandates, has proven exceptionally effective in ignoring local conditions and circumstances in Napa County in devising and enforcing their objectives. Delegating control of local boundary lines to the Legislature appears counterintuitive to existing efforts in advocating for more discretion for local decision-makers in planning for the present and future needs of the varying and distinct communities that comprise Napa County.

• Non-Uniform Implementation of LAFCO Law in Napa County

The proposal would reorient Napa LAFCO to entirely focus its planning and regulatory activities 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 and non urban uses and not defer to any one agency (county, city, or district). This means, among other things, the cities and general public would be effectively prohibited from planning/pursuing boundary changes or related actions at Napa LAFCO contrasting with the County General Plan irrespective of the potential value and benefit to individual communities over the next 50 years.

• Unintended Consequences Regarding Outside Service Provision

It does not appear the proponent has considered the consequences of the proposal with respect to administering Government Code Section 56133 in Napa County. This statute is relatively new and requires all cities and special districts to receive LAFCO approval before providing new or extended municipal services outside their boundaries. The statute specifies LAFCO approval is subject to making certain findings based on one of two geographic conditions. First, if the land lies within the affected agency's sphere, LAFCO may approve the new or extended service as long as it finds it is in anticipation of a future change of organization (i.e., annexation). Second, if the land lies outside the affected agency's sphere, LAFCO may approve new or extended service as long as it finds it addresses an immediate threat to public

health or safety. All of the cities have established water and/or sewer services outside their spheres that crisscross unincorporated lands designated for agricultural use under the County General Plan. The proposal would effectively prohibit approving what otherwise could be considered minor and reasonable requests to connect new or extended services off of these existing water and sewer lines to support new or intensifications of existing development in the affected unincorporated areas unless an immediate threat to public health or safety finding can be legally made given sphere expansions would be explicitly forbidden.

• Possible Modification to Eliminate Special District References

It is my understanding the proponent plans to modify the proposal to eliminate any references and restrictions tied to special districts in order to address concerns identified by the County Counsel's Office. This modification, if implemented, would seemingly exasperate the referenced concerns already tied to the proposal. In particular, such a modification may incentivize the formation of new special districts to accommodate future service needs in unincorporated areas that would be better served by cities and without creating more layers of government.

In sum, agricultural and open-space protection is a paramount public policy issue for all in Napa County and I have reviewed the proponent's proposal with this premise in mind. However, despite good intentions and for the reasons referenced, the proposal is misdirected. I respectfully suggest a better approach — one that retains local control over boundaries lines — would be for the proponents to work with local agencies on policy development as needed.

Thank you for considering my comments. If you have any questions, please contact me by telephone at 707-259-8645 or by e-mail at ksimonds@napa.lafco.ca.gov.

Sincerely,

Keene Simonds Executive Officer

Attachment:

1) Proposed Napa County Farmland Protection Act

cc: Napa Commissioners

Ms. Jacqueline M. Gong, Counsel, Napa Commission

Ms. Sandy Elles, Director, Napa County Farm Bureau

Ms. Michelle Benvenuto, Director, Winegrowers of Napa County

Mr. Larry Florin, Community Intergovernmental Affairs, County of Napa

Mr. William Chiat, Director, CALAFCO

Ms. Lou Ann Texeira, Executive Officer, CALAFCO

Revised Draft Legislation - Napa County Farmland Protection Act

An act to add sections 56426.7 and 56748 to the Government Code, relating to protection of agricultural lands in Napa County.

- SEC. 1. This Act shall be known as the "Napa County Farmland Protection Act."
- SEC. 2. The Legislature finds and declares all of the following:
- (a) Napa County holds a unique and vitally important place in California's agricultural economy. Napa County is responsible for more than 25 percent of the sales value of California wine, and the County's wine industry contributes more than \$10 billion annually to the State's economy.
- (b) By taking steps to preserve agricultural land and open space from development, beginning with the establishment of an "Agricultural Preserve" zoning designation in 1968, Napa County has facilitated tremendous growth in the State's wine industry. Since 1982, the total number of acres of land planted with vineyards has nearly doubled, and the total value of the County's wine grape crop has almost quadrupled.
- (c) One of the most important and innovative steps taken by Napa County to preserve its agricultural heritage and economy was the adoption by the County's voters of an initiative measure known as Measure J in 1990. Measure J protected lands designated as "Agricultural Resource" or "Agriculture, Watershed and Open Space" under the Napa County General Plan by requiring either a vote of the people or adoption of specific findings by the County Board of Supervisors in order to redesignate those lands for other uses. The California Supreme Court upheld Measure J in *DeVita v. County of Napa* (1995) 9 Cal.4th 763. *DeVita* remains the leading case on voter-sponsored efforts to prevent urban sprawl and protect open-space and agricultural lands in California. At the November 4, 2008, general election, the voters of Napa County adopted Measure P, which updated Measure J and extended its core protections until December 31, 2058.
- (d) Because Measures J and P apply only to protected agricultural lands within unincorporated Napa County, ill-advised annexation of these lands could lead to the elimination of the protective measures enacted by the County's voters. This could result in poorly planned development, urban sprawl, and loss of agricultural lands of tremendous productivity and statewide economic importance.
- (e) The Legislature recognizes both the unique value of agricultural lands in Napa County and the important steps taken by the citizens of Napa County to protect those lands. In order to avoid the adverse consequences described in the preceding paragraph, the Legislature intends that annexation of such lands to cities within the County, and inclusion of such lands within the spheres of influence of cities within the County, shall be permitted only under specific, carefully defined circumstances.

- SEC. 3. Section 56426.7 is added to the Government Code, to read:
- (a) The commission shall not approve or conditionally approve a change to the sphere of influence or urban service area of a local government agency that would include within the sphere of influence or urban service area any territory within the County of Napa designated as "Agricultural Resource" or "Agriculture, Watershed and Open Space" on the Napa County General Plan Land Use Map, if that local government agency provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads to the territory.
- (b) Notwithstanding subdivision (a), the commission may approve a change for that territory upon making all of the findings set forth in either paragraph (1), paragraph (2), paragraph (3), or paragraph (4) of this subdivision:
 - (1) The provision of facilities or services to the territory is necessary to the initiation or continuation of land uses that are allowed under the "Agricultural Resource" or "Agriculture, Watershed and Open Space" land use designations in the Napa County General Plan.
 - (2) (A) The provision of facilities or services to the territory is necessary in order to provide public water or sewer service to an existing parcel to respond to a documented public health hazard.
 - (B) The local government agency can provide adequate public water or sewer service to the affected territory without extending any water or sewer mainline more than 1,000 feet.
 - (C) The provision of facilities or services to the territory will not harm land in agricultural or open-space use, is compatible with agricultural uses, does not interfere with accepted agricultural practices, and does not adversely affect the stability of land-use patterns in the area.
 - (D) The provision of facilities or services to the territory will not result in or promote conversion of agricultural or open-space uses to urban use.
 - (3) (A) The provision of facilities or services to the territory is necessary to the establishment or continuation of an essential municipal service. For purposes of this paragraph, "essential municipal service" shall mean a building or facility of a public or quasi-public nature that is essential to preservation of the public health, safety, or welfare. The commission shall not make the findings required under this paragraph unless the application for the change to the sphere of influence or urban service area is accompanied by a resolution of the governing body of the affected local government agency, adopted by a vote of at least two-thirds of its members, declaring that the proposed change is necessary to the establishment or continuation of an essential municipal service within the meaning of this paragraph.
 - (B) No suitable alternative site capable of accommodating the essential municipal service reasonably exists within the affected local

government agency's existing incorporated boundaries, sphere of influence, or urban service area.

- (C) The provision of facilities or services to the territory (i) will not harm other land in agricultural or open-space use, (ii) will not result in or promote conversion of other agricultural or open-space lands to urban uses, (iii) is compatible with agricultural uses, (iv) does not interfere with accepted agricultural practices, and (v) does not adversely affect the stability of land-use patterns in the area.
- (D) No more territory is proposed for inclusion within the sphere of influence or urban service area than is necessary to accommodate the essential municipal service.
- (4) (A) The territory immediately adjoins an area that is already developed in reliance on facilities or services related to sewers, nonagricultural water, or streets and roads that are already provided by the local government agency.
 - (B) Any development that could be facilitated by the provision of facilities or services to the territory is compatible with agricultural uses, does not interfere with accepted agricultural practices, and does not adversely affect the stability of land use patterns in the area.
 - (C) The territory has not been used for agricultural purposes during the prior two years and is unusable for agriculture due to its topography, drainage, flooding, adverse soil conditions, or other physical reasons.
 - (D) The territory does not exceed 40 acres in size.
- (c) This section shall remain in effect only until January 1, 2059, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2059, deletes or extends that date.
 - SEC. 4. Section 56748 is added to the Government Code, to read:
- (a) The commission shall not approve or conditionally approve a change of organization or reorganization that would result in the annexation to a city of any territory within the County of Napa designated as "Agricultural Resource" or "Agriculture, Watershed and Open Space" on the Napa County General Plan Land Use Map.
- (b) Notwithstanding subdivision (a), the commission may approve a change for that territory upon making all of the findings set forth in either paragraph (1), paragraph (2), paragraph (3), paragraph (4), or paragraph (5) of this subdivision:
 - (1) The annexation is necessary to the initiation or continuation of land uses that are allowed under the "Agricultural Resource" or "Agriculture, Watershed and Open Space" land use designations in the Napa County General Plan.
 - (2) (A) The annexation is necessary in order to provide public water or sewer service to an existing parcel to respond to a documented public health hazard.

- (B) The city can provide adequate public water or sewer service to the affected territory without extending any water or sewer mainline more than 1,000 feet.
- (C) Annexation of the territory will not harm land in agricultural or open-space use, is compatible with agricultural uses, does not interfere with accepted agricultural practices, and does not adversely affect the stability of land-use patterns in the area.
- (D) Annexation of the territory will not result in or promote conversion of agricultural or open-space uses to urban use.
- (3) (A) The annexation is necessary to the establishment or continuation of an essential municipal service. For purposes of this paragraph, "essential municipal service" shall mean a building or facility of a public or quasi-public nature that is essential to preservation of the public health, safety, or welfare. The commission shall not make the findings required under this paragraph unless the application for annexation of the territory is accompanied by a resolution of the city council of the affected city, adopted by a vote of at least two-thirds of its members, declaring that the proposed annexation is necessary to the establishment or continuation of an essential municipal service within the meaning of this paragraph.
 - (B) No suitable alternative site capable of accommodating the essential municipal service reasonably exists within the affected city's incorporated boundaries or sphere of influence.
 - (C) Annexation of the territory (i) will not harm other land in agricultural or open-space use, (ii) will not result in or promote conversion of other agricultural or open-space lands to urban uses, (iii) is compatible with agricultural uses, (iv) does not interfere with accepted agricultural practices, and (v) does not adversely affect the stability of land-use patterns in the area.
 - (D) No more territory is proposed for annexation than is necessary to accommodate the essential municipal service.
- (4) (A) The territory proposed for annexation immediately adjoins an area that is already developed in reliance on facilities or services that are already provided by the city.
 - (B) Any development that could be facilitated by the annexation of the territory is compatible with agricultural uses, does not interfere with accepted agricultural practices, and does not adversely affect the stability of land use patterns in the area.
 - (C) The territory has not been used for agricultural purposes during the prior two years and is unusable for agriculture due to its topography, drainage, flooding, adverse soil conditions, or other physical reasons.
 - (D) The territory does not exceed 40 acres in size.

- (5) The territory proposed for annexation is already within the city's sphere of influence as of the date this section takes effect.
- (c) This section shall remain in effect only until January 1, 2059, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2059, deletes or extends that date.
- SEC. 5. Notwithstanding any other provision of law, this act shall not be interpreted to diminish, conflict with, or otherwise affect the authority of the Board of Supervisors or the voters of Napa County under the initiative measure known as Measure P adopted by the County of Napa at the November 4, 2008 general election.
- SEC. 6. The Legislature finds and declares that, because of the unique circumstances applicable to the County of Napa, as regards the high value and economic importance of agricultural land within the county, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution.

203982.3

ATTACHMENT FOUR



February 9, 2012

Nancy Watt, County Executive Officer County Administrative Building 1195 Third Street. Room 310 Napa, CA 94559

Dear Ms. Watt:

CITY MANAGER 955 School Street Mailing Address: P.O. Box 660 Napa, California 94559-0660 (707)- 257-9501 FAX (707) 257-9534

RECEIVED FEB 1 4 2012

NAPA COUNTY

Let me begin by thanking Chairman Caldwell and the Napa County Board of Supervisors, who on January 25, 2012 continued consideration of a proposal to endorse the "Napa County Farmland Protection Act" until the City of Napa and other interested agencies had an opportunity to review and comment on the draft legislation. As you know, the City of Napa has been a longtime supporter of protecting agricultural lands and open space, and we are committed to continuing to target urban development consistent with these goals. The proposed legislation by Save Measure J has the potential to affect these goals and therefore it warrants careful consideration by the City of Napa, Napa County, and our similarly-minded partners.

Although I have not spoken directly with Mr. Volker Eisele or others who may have assisted in the drafting of this proposed legislation. I understand its purpose is to address a concern that the current protections in place within unincorporated Napa County do not fully or adequately protect agricultural lands from ill-advised annexation. This concern, if left unchecked, could purportedly lead to poorly planned development, urban sprawl, and the loss of agriculture of significant productivity and statewide economic importance; therefore, the proposed legislation would take steps to further preserve agricultural lands from development.

However, it is unclear from anything that I have read or heard about the proposed legislation if there are any agricultural lands within Napa County that are threatened by impending annexation outside of the cities' spheres of influence approved by the Napa County Local Agency Formation Commission (LAFCO). Moreover, there are already significant and effective measures in place to protect these agricultural lands, including Napa County's "Agricultural Preserve" zoning designation originally adopted in 1968 and Measures J and P passed by the voters in 1990 and 2008, respectively. The proposed "Napa County Farmland Protection Act" appears to now target lands within established spheres of influence designated as "Agricultural Resource" or "Agriculture, Watershed and Open Space" and restrict their ability to be annexed in the future.

As you know, the land surrounding the City of Napa that has not been annexed is designated by the Napa County General Plan as "Rural Residential", "Agricultural Resource" or "Agriculture, Watershed and Open Space". These parcels are located entirely within the City of Napa's sphere of influence (SOI) and its Rural Urban Limit (RUL). Although the proposed legislation does not appear to affect these areas, this does not mean that future Napa County General Plan or zoning changes could not be approved that could then be used to prevent annexation under the provisions of the proposed

legislation. This would have the effect of interfering with well-planned, SMART growth efforts to target planned growth within or adjacent to the City of Napa near municipal services and infrastructure.

Moreover, it is uncertain what the proposed legislation is attempting to regulate that is not already secured under the County of Napa's General Plan or Measures J and P. If this legislation is ultimately adopted, it would cede to the State legislature and to the County of Napa, LAFCO's responsibility of coordinating land planning and public utility service delivery between the area cities and Napa County. There are already significant measures in place by Napa County and the cities, including the City of Napa, to protect agricultural lands. The City of Napa's RUL and its designation of agricultural and open space lands outside its RUL as "greenbelt" are just two examples approved by the City of Napa, in cooperation with Napa County, to further our commitment to targeting development in urban areas and protect agricultural lands and open space around the city.

In summary, it is unclear what the specific reasoning is for the "Napa County Farmland Protection Act" and how it will address issues that are not already protected by significant measures in place in Napa County. It is further unclear what the unintended consequences are of this proposed legislation, which the Board's Legislation Committee did not specifically endorse in December when it reviewed the draft. If the proposed legislation were adopted, it would render LAFCO essentially meaningless in Napa County and would cede to the California legislature matters that belong under the careful review of Napa County and its local agencies, and under the review of LAFCO which is responsible for coordinating the timely development of local government agencies and their services, including managing boundary lines, while protecting agriculture and open space resources.

Again, thank you for the opportunity to comment on this issue prior to the Board considering the matter in the future.

Sincerel

City Manager

cc: Mayor Techel and Council Members

Volker Eisele

Sandy Elles, Napa County Farm Bureau

Chris Messina, Chamber of Commerce

Keene Simonds, LAFCO

Richard Spitler, City Manager, Calistoga

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