



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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October 3, 2011
Agenda Item No. 8a (Discussion)

September 26, 2011

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Legislative Report

The Commission will receive a report on the first year of the 2011-2012 session of the California Legislature as it relates to bills directly or indirectly effecting Local Agency Formation Commissions. The report also previews legislative matters for the upcoming second year.

The Executive Officer and Commissioner Inman are appointed members of the California Association of Local Agency Formation Commissions' (CALAFCO) Legislative Committee. 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 Legislative Items

The first year of the California Legislature's 2011-2012 session generated approximately 2,500 bills. The Committee has been tracking 26 of these bills given they directly or indirectly impact LAFCOs. A complete list of the bills under track by the Committee and their current status is attached to this staff report. Three bills the Committee believes have the greatest potential for impacting LAFCOs – SB 244, AB 54, and AB 912 – are summarized below for Commission review and discussion.

Senate Bill 244 (Lois Wolk): Disadvantaged Unincorporated Communities

This legislation passed the Legislature on September 9, 2011 and currently awaits action by the Governor. If enacted, the bill would require LAFCOs to consider disadvantaged unincorporated communities as part of the municipal service review and sphere of influence update processes. LAFCOs' consideration would begin in July 2012 and includes making determinative statements on the infrastructure needs as well as the feasibility of annexing disadvantaged communities that lie within or adjacent to the affected agency's sphere of influence. The bill defines disadvantaged unincorporated communities as areas with an annual median household income that is

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Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

less than 80 percent of the statewide annual median household income. (No definition has been provided with respect to “adjacent.”) The intent of the bill is for LAFCOs to proactively address the service needs of predominately poor minority communities by facilitating annexations to nearby cities. Concurrent changes to planning law are also proposed to require cities and counties to identify and provide specific information regarding disadvantaged unincorporated communities inside or near their jurisdictions in their housing elements beginning in January 2014; an aspect that has been strongly opposed by the California League of Cities.

It is important to highlight SB 244, if enacted, would further direct LAFCOs to focus on environmental justice issues; a focus that began in January 2008 with the requirement that LAFCOs consider the effect of boundary changes in promoting environmental justice. It is unclear at this time whether the bill would measurably impact municipal service reviews and sphere of influence updates in Napa County given the referenced definition of disadvantaged unincorporated communities. The author, however, has made considerable changes to the original bill to provide LAFCOs more discretion in implementing the proposed new requirements. This includes striking an initial threshold that would have directed LAFCOs to address any qualifying disadvantaged unincorporated community lying within 10 acres of a sphere of influence. This and other changes to the bill have prompted CALAFCO to change its position from “oppose” to “objection removed.” The California State Association of Counties also removed its original objection as result of subsequent rewrites.

Assembly Bill 54 (Jose Solorio): Mutual Water Companies

This legislation passed the Legislature on September 8, 2011 and currently awaits action by the Governor. If enacted, the bill would require mutual water companies to file boundary maps with LAFCOs. The bill would also require mutual water companies to respond in writing to information requests made by LAFCOs as part of the municipal service review process within 45 days of notice.

It appears AB 54’s core objective is to make mutual water companies more accountable to the public. (Additional requirements included in the bill involve mandatory board training and establishing fund reserve minimums.) Locally, there is little information presently available regarding the extent of mutual water companies operating in Napa County. With this in mind, requiring mutual water companies to file boundary maps with LAFCOs as well as respond to information requests would be extremely beneficial. CALAFCO has adopted a “support” position.”

Assembly Bill 912 (Rich Gordon): Special District Dissolution

This legislation passed the Legislature on July 11th and was signed by the Governor on July 25th. The bill will take effect January 1, 2012 and establishes an expedited process to dissolve special districts if it is consistent with an earlier recommendation made by LAFCO. Two specific authorizations are created. First, LAFCO can order the dissolution at a noticed hearing without holding protest or election proceedings for applications initiated by the affected district. Second, LAFCO can order the

dissolution at a noticed hearing if no majority protest exists and without holding election proceedings for applications not initiated by the affected district.

AB 912's focal aim is to help make it easier in amicable situations for dissolving special districts by creating a mechanism to avoid the uncertainty and costs tied to holding elections. This bill may prove helpful to the Commission in addressing the ongoing governance issues affecting the Napa River Reclamation District No. 2109; governance issues highlighted in a 2008 report prepared by the Commission that concluded, among other matters, the District should reorganize into a community services district. CALAFCO actively supported this bill.

The Legislature adjourned the first session on September 9th and our now at recess. All outstanding bills that passed the Legislature before the recess are now before the Governor. The Governor has 30 days from the bills arrival to his office to either (a) sign into law, (b) allow it to become law without signature, or (c) veto. No new bills will be considered this calendar year unless the Governor calls for an extraordinary or special session to address a specific issue.

Potential Legislative Items in 2012

The Legislature is set to reconvene for the second session on January 4, 2012. The Committee anticipates the following legislative matters of interest to LAFCOs will be pursued directly (legislation) or indirectly (budget/ballot initiative) in the second session:

- **Restore Vehicle License Fee Funding to Cities**

As the Commission is aware, SB 89 was a trailer bill tied to the State's adopted budget for 2011-2012 that immediately transferred approximately \$130 million in motor vehicle license fees (VLF) from cities to fund public safety programs. Significantly, the loss of VLF is expected to severely undermine the near-term solvency of recently incorporated cities – four of which lie in Riverside County – as well as cities that have recently annexed large incorporated areas.¹ Further, unless the effects of SB 89 are reversed, it is reasonable to assume all potential incorporation and large inhabited annexation filings – including most notably island annexations – will be abandoned. The most recent effort to restore VLF to cities was introduced on September 14th as part of XBX1-41 (Jose Solorio), but died after the Governor chose not to call an extraordinary session. It is expected restoring VLF funding to cities will be a key issue in the next budget negotiations.

¹ The Cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville lost an estimated \$60,332, \$18,795, \$281,918, \$21,144, and \$14,252, respectively, in VLF funding due to SB 89 based on analyses prepared by the League of California Cities.

- **Special District Consolidations**

The Legislative Analyst Office (LAO) is expected to issue a report by the end of the calendar year regarding its statewide review of special districts. The LAO has specifically been reviewing opportunities and challenges associated with special district consolidations and whether legislative changes are appropriate. Towards this end, as part of their research, LAO meet with staff to discuss the opportunities and challenges tied to special districts' operations in Napa County. Issues of specific interest to LAO include understanding the local challenges associated with special district consolidations and whether LAFCOs should follow a standardized approach in preparing municipal service reviews involving special districts. It also appears a key issue under consideration by LAO is whether special districts should have mandatory representation on LAFCOs.

- **California Forward Initiatives**

California Forward (“CAFWD”) is a non-profit organization formed in 2007 dedicated to restructuring governance relationships and duties throughout the state.² CAFWD’s advocacy efforts have evolved and the organization is now working on drafting statewide ballot initiatives with the goal of qualifying for the general election in November 2012. Underlying the initiative effort is implementing CAFWD’s “Smart Government Framework Plan” consisting of five tiered proposals aimed at restructuring and improving governance performance. The fifth proposal – encouraging integration and consolidation – is particularly relevant to the Commission given it would further empower LAFCOs in fulfilling existing mandates with increased focus on performance measures as part of the municipal service review process. The fifth proposal would also make joint-powers authorities (JPAs) subject to LAFCO review as well as direct county offices of education to work with LAFCOs in reviewing the boundaries and organization of local school districts. In response, the Commission authorized a comment letter to CAFWD at its August 1, 2011 meeting (attached). A representative from CAFWD acknowledged receipt of the Commission’s letter at the CALAFCO Annual Conference and reported the group is nearing completion on ballot initiatives for circulation later this year. It remains unclear at this time whether CAFWD’s initiatives will outline general policy directives and or include specific implementing changes to statutes, including LAFCO law.

² Funding for CAFWD is principally drawn from the California Endowment, Evelyn and Walter Haas, Jr. Fund, William and Flora Hewlett Foundation, James Irvine Foundation, and the David and Lucile Packard Foundation.

- **Amending California Government Code Section 56133**

As directed by the Commission, staff has worked with CALAFCO since early 2008 in developing interest and consensus on amending Government Code (G.C.) Section 56133 to expand LAFCOs existing authority in approving new and extended outside services beyond agencies' spheres of influence. Markedly, LAFCOs are currently allowed to approve outside services beyond the affected agencies' spheres of influence *only* to respond to existing or impending public health or safety threats based on documentation provided by the agency (emphasis added). This existing threshold has proven problematic given LAFCOs and agencies may disagree on the constitution of a public health and safety threat. The existing threshold is also misplaced given it does not recognize there are instances when it is logical for local agencies to provide new or extended services beyond their spheres of influence simply based on local conditions, such as proximity to existing service lines coupled with appropriate land use restrictions.

Staff is pleased to report significant progress has been made in accomplishing the Commission's interest in making G.C. Section 56133 more flexible in addressing local conditions and circumstances. Most notably, both the Committee and Board have unanimously approved a proposal from a working group chaired by the Executive Officer to establish a new division – 2 – to G.C. Section 56133. This new division would authorize LAFCOs to approve new or extended services beyond agencies' spheres of influence without making a public health or safety threat finding so long as LAFCO determines at a noticed public hearing the extension was:

- (A) considered in a municipal service review;
- (B) will not result in adverse impacts on agricultural and open-space lands or growth inducement; and
- (C) a later change of organization is not expected based on local policies.

Staff continues working with CALAFCO in disseminating information to all LAFCOs with respect to the proposed changes to G.C. Section 56133. This includes preparing and circulating an information packet on the proposed changes to all LAFCOs. Staff will also be making a presentation to the Santa Barbara LAFCO on November 3rd to discuss the proposed changes and address specific questions of their agency. Staff also anticipates reaching out to potential legislative authors, including Senator Noreen Evans, in the near future.

B. Commission Review

The Commission is invited to discuss any of the current or anticipated legislative matters outlined in this report or in the attached report prepared by CALAFCO. The Commission may also provide direction to staff with respect to returning with comment letters on any current or future legislation.

Attachments:

- 1) CALAFCO Legislative Policies
- 2) CALAFCO Status Report on Current Legislation
- 3) Comment Letter to CAFWD



CALAFCO 2011 Legislative Policies

Adopted by Board of Directors on 18 February 2011

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.

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, orderly 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 the 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 financial viability, governance 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.

2011 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 provides LAFCo and local 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.
Agriculture and Open Space Protection	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 to evaluate current and cumulative water demands 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 uninhabited territory proposed for annexation to urban areas which is at risk for flooding. Support legislation that includes 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 underserved inhabited communities, including option for annexation of contiguous disadvantaged unincorporated communities.

CALAFCO Daily Legislative Report as of 9/26/2011

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AB 54 (Solorio D) Drinking water.

Current Text: Enrolled: 9/21/2011 [pdf](#) [html](#)

Introduced: 12/6/2010

Last Amended: 8/30/2011

Status: 9/21/2011-Enrolled and presented to the Governor at 3:30 p.m.

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

Summary:

Would specify that any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use that provides in its articles or bylaws that the water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands shall be known as a mutual water company. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: Water

CALAFCO Comments: Requires mutual water companies to respond to LAFCo requests for information, requires Mutuels to provide a map of boundaries to LAFCo, adds authority for LAFCo to request MSR data from mutuels and include compliance with safe drinking water standards in MSRs.

AB 912 (Gordon D) Local government: organization.

Current Text: Chaptered: 7/25/2011 [pdf](#) [html](#)

Introduced: 2/17/2011

Last Amended: 5/27/2011

Status: 7/25/2011-Chaptered by the Secretary of State, Chapter Number 109, Statutes of 2011

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

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires a local agency formation commission, where the commission is considering a change of organization that consists of a dissolution, disincorporation, incorporation, establishment of a subsidiary district, consolidation, or merger, to either order a change of organization subject to confirmation of the voters, as specified, or order the change of organization without an election if the change of organization meets certain requirements. This bill would authorize the commission, where the commission is considering a change of organization that consists of the dissolution of a district that is consistent with a prior action of the commission, to immediately order the dissolution if the dissolution was initiated by the district board, or if the dissolution was initiated by an affected local agency, by the commission, or by petition, hold at least one noticed public hearing on the proposal, and order the dissolution without an election, unless a majority protest exists, as specified.

Attachments:

[CALAFCO Support Letter](#)

[CALAFCO Request for Governor's Signature](#)

Position: Support

Subject: Special District Consolidations, Special District Powers

CALAFCO Comments: Allows a commission to dissolve a special district - under specific circumstances - without a vote unless there is a majority protest.

AB 1430 (Committee on Local Government) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 omnibus bill.

Current Text: Chaptered: 9/21/2011 [pdf](#) [html](#)

Introduced: 4/5/2011

Last Amended: 8/17/2011

Status: 9/21/2011-Chaptered by the Secretary of State, Chapter Number 300, Statutes of 2011

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

Summary:

Current law defines various terms for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This bill would revise various definitions within that act, and would make other conforming and technical changes. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Letter of Support](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: CALAFCO Sponsored bill. Makes technical, non-substantive changes to Cortese-Knox-Hertzberg. Includes major definitions update.

[ABX1 36](#)

(Solorio D) Vehicle license fees.

Current Text: Introduced: 7/1/2011 [pdf](#) [html](#)

Introduced: 7/1/2011

Status: 9/12/2011-Died at Desk.

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

Summary:

Current law, as proposed to be amended by SB 89 of the 2011-12 Regular Session, would require 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, according to a specified order, with moneys allocated on or after July 1, 2004, but before July 1, 2011, first to the County of Orange, next to each city and county meeting specified criteria, and on or after July 1, 2011, 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 for all of those times that a specified portion of those revenues be distributed first to the County of Orange. 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 would become operative only if SB 89 is chaptered, as provided. This bill contains other related provisions and other current laws.

Position: Watch

Subject: Tax Allocation

CALAFCO Comments: This bill is under consideration as a fix to the SB 89 shift of VLF from cities to law enforcement programs. It would unwind the SB 89 transfer of VLF funds that dramatically affect incorporations and inhabited annexations. Currently only affects Orange county.

[ABX1 41](#)

(Solorio D) Vehicle license fees.

Current Text: Introduced: 8/31/2011 [pdf](#) [html](#)

Introduced: 8/31/2011

Status: 9/12/2011-Died at Desk.

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

Summary:

The Vehicle License Fee Law, in lieu of any ad valorem property tax upon vehicles, imposes an annual license fee on any vehicle subject to registration in this state in the amount, on and after July 1, 2011, of 0.65% of the market value of that vehicle, as provided. For all initial and renewal registrations due on and after May 1, 2009, but before July 1, 2011, current law also imposes an additional fee equal to 0.15% of the market value of specified vehicles, as determined by the Department of Motor Vehicles, to be deposited in the General Fund and transferred to the Local Safety and Protection Account. Current law continuously appropriates all moneys in the Local Safety and Protection Account without regard to fiscal year, to the Controller for allocation, as provided. This bill would, for all initial and renewal registrations due on and after January 1, 2012, impose an additional vehicle license fee equal to 0.15% of the market value of the above-described vehicles, as specified. It would also require all

revenues from the additional license fee to be deposited in the General Fund. During the 2011-12 fiscal year, the bill would transfer an amount to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, a continuously appropriated fund, for allocation to cities, counties, and cities and counties, as specified. The bill would require a transfer of revenues, during the 2012-13 fiscal year and each fiscal year thereafter to be allocated according the following order: first to be transferred to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, as specified; and second, a total of \$35,000,000 to be transferred to the Bureau of Narcotics Enforcement and Bureau of Investigation and Intelligence Fund, which the bill would create as a continuously appropriated fund. Funds not transferred would continue to be General Fund moneys. By depositing moneys into a continuously appropriated fund and by establishing a new, continuously appropriated fund, the bill would make an appropriation. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Financial Viability of Agencies

CALAFCO Comments: This bill is designed to fix the SB 89 cut in VLF funding to inhabited annexations and city incorporations since 2004.

SB 89 (Committee on Budget and Fiscal Review) Vehicles: vehicle license fee and registration fee.

Current Text: Chaptered: 7/1/2011 [pdf](#) [html](#)

Introduced: 1/10/2011

Last Amended: 6/27/2011

Status: 6/30/2011-Chaptered by Secretary of State - Chapter 35, Statutes of 2011.

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

Summary:

Would require the Legislature to determine and appropriate annually an amount for the use of the DMV and the FTB for the enforcement of the Vehicle License Fee Law. The bill would deem, for the 2011-12 fiscal year, \$25,000,000 as the cost to the DMV for the collection of the motor vehicle license fee. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Veto Request](#)

Position: Oppose

Subject: Annexation Proceedings, Incorporation Proceedings

CALAFCO Comments: This budget-related bill redirects VLF from cities to statewide public safety programs. Most impacted are cities formed after 2006 and inhabited annexations after 2006. Will likely result in disincorporations. Significantly this will also make most all future incorporations and inhabited annexations financially impossible. This language was added at the last minutes and voted on by the Members with little knowledge of the content of the bill. No one outside of the Capital was aware of the language until after the bill passed.

SB 244 (Wolk D) Local government: land use: general plan: disadvantaged unincorporated communities.

Current Text: Enrolled: 9/16/2011 [pdf](#) [html](#)

Introduced: 2/10/2011

Last Amended: 9/8/2011

Status: 9/16/2011-Enrolled and presented to the Governor at 10:30 a.m.

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

Summary:

The Planning and Zoning Law requires a city or county to adopt a comprehensive, long-term general plan for the physical development of the city or county and of any land outside its boundaries that bears relation to its planning. That law also requires the general plan to contain specified mandatory elements, including a housing element for the preservation, improvement, and development of the community's housing. This bill would require, on or before the next adoption of its housing element, a city or county to review and update the land use element of its general plan to include an analysis of the presence of island, fringe, or legacy unincorporated communities, as defined, and would require the updated general plan to include specified information. This bill would also require the city or county planning agency, after the initial revision and update of the general plan, to review, and if necessary amend, the general plan to update the information, goals, and program of action relating to these communities therein. 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 current laws.

Attachments:

[CALAFCO Letter of Concern - 29 March 2011](#)

Position: None at this time

Subject: Disadvantaged Communities

CALAFCO Comments: Amended to require LAFCo review of disadvantaged unincorporated communities. It adds a definition for disadvantaged unincorporated communities, requires LAFCo to review water, sewer and fire services to the communities in the next SOI update, places more emphasis on LAFCo recommendations on reorganizations for efficient and effective services, requires LAFCo to identify service deficiencies to these communities in MSR, and specifically requires LAFCo to assess alternatives for efficient and affordable infrastructure and services, including consolidations, in MSR. Bill requires LAFCo to look at communities "in or adjacent to the sphere of influence."

2

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.)

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

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 119 (Committee on Budget) State government.

Current Text: Chaptered: 6/29/2011 [pdf](#) [html](#)

Introduced: 1/10/2011

Last Amended: 6/8/2011

Status: 6/29/2011-Chaptered by the Secretary of State, Chapter Number 31, Statutes of 2011

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

Summary:

Would delete the requirement that the California Victim Compensation and Government Claims Board provide notice to the chairpersons of the committees in each house of the Legislature that consider appropriations and the annual budget act, and the chairperson of the Joint Legislative Budget Committee, prior to allowing either the use of a current year appropriation to pay claims for prior year costs of \$500,000 or more, or claims from a single provider of goods or services with respect to a single department that exceed \$500,000 within one year. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Service Reviews/Spheres, Special District Principle Acts

CALAFCO Comments: Language has been added to this budget bill which changes the requirement for special districts to respond to SOI requests for information from a state mandate to a local requirement. This change would eliminate the state requirement to

reimburse special districts for the costs of responding to a LAFCo request. It is not anticipated to have any actual change in process.

AB 187 (Lara D) State Auditor: audits: high-risk local government agency audit program.

Current Text: Enrolled: 9/14/2011 [pdf](#) [html](#)

Introduced: 1/25/2011

Last Amended: 8/15/2011

Status: 9/14/2011-Enrolled and presented to the Governor at 3 p.m.

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

Summary:

Would authorize the State Auditor to establish a high-risk local government agency audit program to identify, audit, and issue reports on any local government agency, including any city, county, or special district, or any publicly created entity that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness. The bill would also authorize the State Auditor to consult with the Controller, Attorney General, and other state agencies in identifying local government agencies that are at high risk.

Position: None at this time

Subject: Financial Viability of Agencies, Service Reviews/Spheres

CALAFCO Comments: Would allow the State Auditor to audit and issue reports on any local agency it identifies at being at high risk for waste, fraud, abuse or mismanagement.

AB 307 (Nestande R) Joint powers agreements: public agency: federally recognized Indian tribe.

Current Text: Chaptered: 9/7/2011 [pdf](#) [html](#)

Introduced: 2/9/2011

Last Amended: 6/22/2011

Status: 9/6/2011-Chaptered by the Secretary of State, Chapter Number 266, Statutes of 2011

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

Summary:

Current law authorizes 2 or more public agencies, as defined, to enter into an agreement to exercise common powers. Current law also permits certain federally recognized Indian tribes to enter into joint powers agreements with particular parties and for limited purposes. This bill would include a federally recognized Indian tribe as a public agency that may enter into a joint powers agreement. This bill would also make conforming changes by conforming related code sections. This bill contains other related provisions.

Position: Watch

Subject: Municipal Services

CALAFCO Comments: Would allow any federally recognized Indian tribe to act as a public agency to participate in any Joint Powers Authority. Significantly expands current law on Indian tribe participation in a JPA. NOTE: There is a LAFCo question on whether this would allow a tribe to enter into a JPA with a city and district and circumvent the LAFCo process for delivery of municipal services. Counsel is currently evaluating this potential and the options for LAFCo.

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.

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

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 1265](#) (Nielsen R) Local government: Williamson Act.

Current Text: Chaptered: 7/15/2011 [pdf](#) [html](#)

Introduced: 2/18/2011

Last Amended: 6/30/2011

Status: 7/15/2011-Chaptered by the Secretary of State, Chapter Number 90, Statutes of 2011

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

Summary:

Current law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Current law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts. This bill would, beginning January 1, 2011, and until January 1, 2016, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than 1/2 of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts and require the assessor to value the property, as specified, based on the revised contract term. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county. This bill contains other related provisions.

Attachments:

[CALAFCO Support Letter](#)

[CALAFCO Letter of Support - Senate](#)

[CALAFCO Request for Governor's Signature](#)

Position: Support

Subject: Ag Preservation - Williamson

CALAFCO Comments: Creates an interim solution to the loss of state subventions for Williamson Act lands by giving counties and alternative landowner-funding approach.

[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.

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

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.

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

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.

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

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.

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

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 193 (Committee on Governance and Finance) Validations.****Current Text:** Chaptered: 9/21/2011 [pdf](#) [html](#)

Introduced: 2/8/2011

Last Amended: 5/16/2011

Status: 9/21/2011-Chaptered by the Secretary of State, Chapter Number 303, Statutes of 2011

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

Summary:

This bill would enact the Third 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.

Attachments:

[CALAFCO Support Letter](#)

[CALAFCO Request for Governor's Signature](#)

Position: Support

Subject: LAFCo Administration

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

[SB 436](#) (Kehoe D) Land use: mitigation lands: nonprofit organizations.

Current Text: Enrolled: 9/14/2011 [pdf](#) [html](#)

Introduced: 2/16/2011

Last Amended: 9/2/2011

Status: 9/14/2011-Enrolled and presented to the Governor at 11:30 a.m.

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

Summary:

Would, until January 1, 2022, require a special district or nonprofit organization that holds funds on behalf of a local agency, for the long-term management of land, to comply with certain requirements. The bill would also state the findings and declarations of the Legislature with respect to the preservation of natural resources through mitigation, and would state that it is in the best interest of the public to allow state and local public agencies and nonprofit organizations to utilize the tools and strategies they need for improving the effectiveness, cost efficiency, and durability of mitigation for California's natural resources.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: Ag/Open Space Protection

CALAFCO Comments: Would allow a local agency to provide funds to a non profit to acquire land or easements to satisfy an agency's mitigation requirements. May be an important tool for LAFCo in agricultural and open space preservation.

[SB 668](#) (Evans D) Local government: Williamson Act.

Current Text: Chaptered: 9/7/2011 [pdf](#) [html](#)

Introduced: 2/18/2011

Last Amended: 6/22/2011

Status: 9/6/2011-Chaptered by the Secretary of State, Chapter Number 254, Statutes of 2011

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

Summary:

Would, until January 1, 2016, authorize a nonprofit land-trust organization, a nonprofit entity, or a public agency to enter into a contract with a landowner who has also entered into a Williamson Act contract, upon approval of the city or county that holds the Williamson Act contract, to keep that landowner's land in contract under the Williamson Act, for a period of up to 10 years in exchange for the open-space district's, land-trust organization's, or nonprofit entity's payment of all or a portion of the foregone property tax revenue to the county, where the state has failed to reimburse, or reduced the subvention to, the city or county for property tax revenues not received as a result of Williamson Act contracts.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Would allow an open space district, land trust or non profit to

contract with a Williamson Act landowner to keep land in Williamson Act in exchange for paying all or a portion of the foregone property tax to the county if the state has failed to provide subventions.

3

[AB 506](#) ([Wieckowski D](#)) **Local government: bankruptcy: neutral evaluation.**

Current Text: Enrolled: 9/23/2011 [pdf](#) [html](#)

Introduced: 2/15/2011

Last Amended: 9/8/2011

Status: 9/23/2011-Enrolled and presented to the Governor at 3:30 p.m.

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

Summary:

Would prohibit a local public entity from filing under federal bankruptcy law unless the local public entity has participated in a specified neutral evaluation process with interested parties, as defined, or the local public entity has declared a fiscal emergency and has adopted a resolution by a majority vote of the governing board at a noticed public hearing that includes findings that the financial state of the local public entity jeopardizes the health, safety, or well-being of the residents of the local public entity's jurisdiction or service area absent bankruptcy protections.

Position: Watch

Subject: Financial Viability of Agencies

CALAFCO Comments: This bill creates a complex "neutral evaluator" process which a local agency must follow prior to being able to file Chapter 9 bankruptcy.

[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.

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

[SB 235](#) ([Negrete McLeod D](#)) **Water conservation districts: reduction in number of directors.**

Current Text: Chaptered: 7/25/2011 [pdf](#) [html](#)

Introduced: 2/9/2011

Last Amended: 6/9/2011

Status: 7/25/2011-Chaptered by the Secretary of State, Chapter Number 122, Statutes of 2011

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

Summary:

The Water Conservation District Law of 1931 generally governs the formation of water conservation districts and specifies the powers and purposes of those districts. This bill would authorize a water conservation district with a board of directors consisting of 7 directors, to reduce the number of directors to 5, consistent with specified requirements. The bill would not apply to districts within the County of Ventura.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Allows specified water districts to reorganize their board of directors to reduce the number of directors, by action of the Board.

SB 288 (Negrete McLeod D) Local government: independent special districts.

Current Text: Chaptered: 7/8/2011 [pdf](#) [html](#)

Introduced: 2/14/2011

Last Amended: 3/29/2011

Status: 7/8/2011-Chaptered by Secretary of State - Chapter 66, Statutes of 2011.

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

Summary:

Current law authorizes the governing board of a special district, by resolution, to provide for the establishment of a revolving fund, in an amount not to exceed \$1,000, to be used to make change and pay small bills directly, and requires the resolution establishing the fund to make specified designations relating to the purposes for which the fund may be expended, the district officer with authority and responsibility over the fund, the necessity for the fund, and the maximum amount of the fund. This bill would additionally authorize the governing board of an independent special district, as defined, to provide, by resolution, for the establishment of a revolving fund in an amount not to exceed 110% of 1/12 of the independent special district's adopted budget for that fiscal year, and would require the resolution establishing the fund to make specified designations relating to the purposes for which the fund may be expended, the district officer with authority and responsibility over the fund, the necessity for the fund, and the maximum amount of the fund. This bill contains other current laws.

Position: None at this time

Subject: Special District Powers, Special District Principle Acts

CALAFCO Comments: Allows special districts as defined by C-K-H to set up special revolving funds.

SB 618 (Wolk D) Local government: solar-use easement.

Current Text: Enrolled: 9/16/2011 [pdf](#) [html](#)

Introduced: 2/18/2011

Last Amended: 9/8/2011

Status: 9/16/2011-Enrolled and presented to the Governor at 3 p.m.

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

Summary:

Would authorize the parties to a Williamson Act contract, after approval by the Department of Conservation, in consultation with the Department of Food and Agriculture, to mutually agree to rescind the contract in order to simultaneously enter into a solar-use easement that would require that the land be used for solar photovoltaic facilities for a term no less than 20 years, except as specified. The bill would require the city or county to charge the property owner a rescission fee based upon the fair market value of the property at the time of the rescission, as specified. This bill would require a city or county to include certain, and authorizes a city or county to include other, restrictions, conditions, or covenants in the deed or instrument granting a solar-use easement. This bill would provide that a solar-use easement would be automatically renewed annually, unless either party filed a notice of nonrenewal. This bill would provide that a solar-use easement may only be extinguished on all or a portion of the parcel by nonrenewal, termination, or by returning the land to its previous contract under the Williamson Act. This bill would require that if the landowner extinguishes the contract either by filing a notice of nonrenewal or by terminating the solar-use easement, the landowner shall restore the property to the conditions that existed before the easement by the time the easement terminates. This bill would authorize a landowner to terminate a solar-use easement by complying with certain procedures, and paying a termination fee based upon the termination value of the property, as determined by the county assessor. This bill would provide that specified parties may bring an action to enforce the easement if it is violated. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Allows renewable energy generation (wind, solar farms) as an acceptable use for Williamson Act lands.

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:** 8/26/2011-Failed Deadline pursuant to Rule 61(a)(11). (Last location was T. & H. on 6/9/2011)

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House				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 agencies, 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.**Total Measures: 26****Total Tracking Forms: 26**

9/26/2011 4:01:30 PM



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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

August 1, 2011

Mr. James P. Mayer, Executive Director
 California Forward
 1107 9th Street, Suite 650
 Sacramento, California 95814

COPY

SUBJECT: California Forward's Smart Government Framework Plan

Mr. Mayer:

The Local Agency Formation Commission (LAFCO) of Napa County has reviewed California Forward's (CAFWD) July 11, 2011 update to its Smart Government Framework Plan and its five tiered proposals to restructure and improve governance performance. Napa LAFCO is particularly interested in the fifth proposal – encouraging integration and consolidation – given its direct impact on the role and function of LAFCOs. Specifically, the fifth proposal seeks to further empower LAFCOs in fulfilling existing mandates with increased focus on performance measures as part of the municipal service review process. The fifth proposal would also make joint-powers authorities (JPAs) subject to LAFCO review as well as empower county offices of education to work with LAFCOs in reviewing the boundaries and organization of local school districts.

Napa LAFCO understands CAFWD is currently working to finalize its Smart Government Framework Plan as part of an actual initiative(s) for circulation later this year in anticipation of qualifying as a ballot initiative for the November 2012 general election. With these preceding factors in mind, Napa LAFCO respectfully offers the following comments as it relates to both the Smart Government Framework Plan and the public policy issues underlying this effort.

- Napa LAFCO agrees with a key premise underlying the Smart Government Framework Plan's fifth proposal to make it easier to reorganize and consolidate local governmental agencies and their services *when appropriate*; the latter emphasis relevant given bigger government does not always lead to better government. Possible solutions meriting review include expanding LAFCOs' authority under Government Code Section 56375 with regard to initiating changes of organization as well as streamlining Revenue and Taxation Code Section 99 to help expedite property tax exchange agreements for jurisdictional changes.

Lewis Chilton, Vice Chair
 Councilmember, Town of Yountville

Joan Bennett, Commissioner
 Councilmember, City of American Canyon

Juliana Inman, Alternate Commissioner
 Councilmember, City of Napa

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

Brad Wagenknecht, Commissioner
 County of Napa Supervisor, 1st 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

Keene Simonds
 Executive Officer

- Expanding LAFCOs' municipal service review process to include JPAs appears reasonable since these arrangements have increasingly assumed more responsibility in delivering essential municipal services in support of urban development; a trend that will presumably continue within the indefinite future given the economy and restraints on local funding resources. However, since many of these arrangements function only to facilitate shared ownership in public facilities and equipment, it would be appropriate to provide LAFCOs discretion in determining which JPAs should be included in the municipal service reviews based on local conditions.
- Similar to the preceding comment, directing county offices of education to work with LAFCOs in preparing studies on local schools districts has merit in terms of establishing a formal intertie in addressing the relationship between LAFCO-facilitated growth and development and local school resources. The extent of LAFCOs participation, though, would need to be carefully defined given the political dynamics existing between communities and their school districts.
- LAFCOs funding is generally dependent on annual apportionments from local agencies; a small amount of cost-recovery is also generated from service charges. Expanding LAFCOs' responsibilities raises the potential for requiring more funding from local agencies at a time many are struggling to remain solvent. CAFWD, accordingly, should explore revenue enhancement opportunities to help ensure any new LAFCO requirements are appropriately funded.

Napa LAFCO appreciates the opportunity to provide comments on CAFWD's Smart Government Framework Plan. Napa LAFCO also appreciates the time and effort expended by your staff in addressing this important public policy issue. Should you have any questions, please contact Napa LAFCO Executive Officer Keene Simonds at your earliest convenience by telephone at (707) 259-8645 or by e-mail at ksimonds@napa.lafco.ca.gov.

Sincerely,



Bill Dodd
Chair

cc: William Chiat, Executive Director, CALAFCO
SR Jones, Executive Officer, CALAFCO