



Lou Ann Teixeira
 Executive Officer

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April 18, 2018

April 18, 2018
 Agenda Item 11

Contra Costa Local Agency Formation Commission
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

Legislative Report - Update and Position Letters

Dear Members of the Commission:

This year marks the second year of a two-year legislative session in Sacramento. Presently, CALAFCO is sponsoring two bills including **AB 3254** (Assembly Local Government Committee), the annual omnibus bill; and **AB 2258** (Caballero), which would provide one-time grant funding to LAFCOs to prepare reorganization studies in conjunction with the 2017 Little Hoover Commission report relating to special districts.

CALAFCO is also tracking a number of bills that have direct and indirect impact on LAFCOs (see Attachment 1 - CALAFCO Legislative Report).

In late March, CALAFCO issued an urgent call for legislative action requesting that each LAFCO send letters of support for the following two bills which will impact LAFCOs.

AB 2600 (Flora) – this bill would add the option for local governments to adopt a resolution of application in lieu of the 5,000+ signature petition to initiate formation of a Regional Park & Open Space District. This bill would also leave the LAFCO process intact (see Attachment 2 – LAFCO letter of support).

AB 2491 (Cooley) – this bill, sponsored by the League of California Cities, seeks to reinstate VLF funding (through ERAF and backfilled by the general fund) for future city incorporations (see Attachment 3 – LAFCO letter of support and Attachment 4 AB 2491 Fact Sheet).

AB 3254 (Assembly Local Government Committee) – this is the annual CALAFCO omnibus which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (see Attachment 5 – LAFCO letter of support).

AB 2258 (Caballero) – this bill establishes a funding program to provide grants to LAFCOs for conducting in-depth studies and analyses of local government agencies and services for the

purpose of creating efficiencies and dissolving inactive districts (see Attachment 6 – LAFCO letter of support).

Contra Costa LAFCO’s legislative policy provides our LAFCO with flexibility to respond to urgent legislation that affects LAFCO. Specifically, the policy provides that in *“situations when proposed legislation affecting LAFCO cannot be considered by the full Commission due to timing, the Executive Officer, in consultation with the LAFCO Chair (or Vice Chair in the absence of the Chair), is authorized to provide written or email comments communicating the Commission’s position if the position is consistent with the adopted legislative policies of the Commission. The Chair or Vice Chair would review the letter or email prior to it being submitted. The Executive Officer will forward the email or letter to the Commission as soon as possible. The item will be placed on the next regular LAFCO meeting agenda as either “informational” or for discussion purposes.”*

In response to CALAFCO’s request, and in accordance with the Commission’s policy, letters of support for the above referenced bills were sent in late March.

RECOMMENDATION – Receive legislative update.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 - CALAFCO Legislative Update – April 10, 2018

Attachment 2 - Letter of Support - AB 2600

Attachment 3 – Letter of Support – AB 2491

Attachment 4 – AB 2491 Fact Sheet

Attachment 5 – Letter of Support - AB 3254

Attachment 6 – Letter of Support – AB 2258

CALAFCO Daily Legislative Report as of Tuesday, April 10, 2018

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AB 2050 (Caballero D) Small System Water Authority Act of 2018.

Current Text: Amended: 3/19/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Last Amended: 3/19/2018

Status: 3/20/2018-Re-referred to Com. on E.S. & T.M.

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

Calendar:

4/10/2018 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair

Summary:

Would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2019, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance with applicable drinking water standards as of December 31, 2018.

Position: Watch

Subject: LAFCo Administration, Municipal Services, Water

CALAFCO Comments: This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water system. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of new public agencies.

CALAFCO met with the sponsors several times and they indicate a desire to work with LAFCos on creating a process that works. However, it is our understanding that LAFCo will lack any discretion in the dissolution of any public water agency mandated by the SWRCB and the formation of a new entity as mandated by the SWRCB. CALAFCO will continue to work with the sponsors and author.

AB 2238 (Aguiar-Curry D) Local agency formation: regional housing need allocation: fire hazards: local health emergencies: hazardous and medical waste.

Current Text: Amended: 4/3/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/3/2018

Status: 4/4/2018-Re-referred to Com. on L. GOV.

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

Calendar:

4/18/2018 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 specifies the factors that a local agency formation commission is required to consider in the review of a proposal for a change of organization or reorganization, including, among other things, the proposal's consistency with city or county general and specific plans. This bill would require the

commission to consider information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area if it is determined that such information is relevant to the area that is the subject of the proposal.

Position: Watch

Subject: Climate Change, Growth Management

CALAFCO Comments: This bill seeks to add another factor for LAFCo consideration in the review of a proposal. That factor is any relevant hazard mitigation plan or safety element of a general plan, and the extent to which the proposal will affect any land identified as a very high fire hazard severity zone (pursuant to Gov. Code Sc. 51178) or land determined to be in a state responsibility area (pursuant to PRC Sec. 4102).

This bill is in response to the rash of wildfires throughout the state over the past several years and the ongoing threat of same as a result of climate change.

AB 2258 (Caballero D) Local agency formation commissions: grant program.

Current Text: Amended: 4/9/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/9/2018

Status: 4/9/2018-From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

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

Calendar:

4/18/2018 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Current law establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities. This bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of inactive districts, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission.

Attachments:

[CALAFCO Support March 2018](#)

[CALAFCO Support March 2018](#)

Position: Sponsor

Subject: Other

CALAFCO Comments: As introduced this is a spot bill. This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCos one-time grant funding for in-depth studies of potential reorganization of local service providers. CALAFCO is working with the Strategic Growth Council in preparing a process and actual language will be coming soon.

AB 2600 (Flora R) Regional park and open space districts.

Current Text: Introduced: 2/15/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 3/8/2018-Referred to Com. on L. GOV.

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

Calendar:

4/11/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Would authorize the formation of a district by the adoption of a resolution of application by the

legislative body of any county or city that contains the territory proposed to be included in the district. The bill would require the resolution to contain certain information, including the methods by which the district would be financed. The bill would require a public hearing before the adoption of the resolution, as provided.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

CALAFCO Comments: This bill would expand the process of initiating the formation of a regional pack and open space district by adding that a local governing body may adopt a resolution proposing to form a new district. This would be in lieu of having a 5,000 signature petition. The LAFCo process remains intact.

The intent of this bill is to create an easier way to proposed the formation of these types of districts, thereby removing the need for special legislation to do so. The bill is author-sponsored.

[AB 3254](#) (Committee on Local Government) Local government organization: omnibus.

Current Text: Introduced: 3/14/2018 [html](#) [pdf](#)

Introduced: 3/14/2018

Status: 3/22/2018- Referred to Com. on L. GOV.

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

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Current law defines various terms for purposes of that Act, including the terms "affected territory" and "inhabited territory." This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term "uninhabited territory" for purposes of the Act.

Attachments:

[CALAFCO Support](#)

Position: Sponsor

CALAFCO Comments: This is the annual Assembly Local Government Committee Omnibus bill, sponsored by CALAFCO.

[SB 1215](#) (Hertzberg D) Drinking water systems and sewer systems: consolidation and extension of service.

Current Text: Introduced: 2/15/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 3/29/2018-Set for hearing April 18.

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

Calendar:

4/18/2018 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair

Summary:

Current law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would also authorize the state board to set timeline and performance measures to facilitate completion of extension of service of drinking water. This bill contains other related provisions and other current laws.

Position: Watch With Concerns

Subject: Disadvantaged Communities, Water

CALAFCO Comments: This bill would authorize the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of wastewater systems - both public and private, under certain circumstances. The process mirrors the process set forth in SB 88 giving the SWRCB authority to mandate the same for drinking water systems.

SB 1496 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 3/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 4/5/2018-Read second time. Ordered to consent calendar.

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

Calendar:

4/12/2018 #25 SENATE SEN CONSENT CALENDAR SECOND LEGISLATIVE DAY

Summary:

Would enact the Second Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

SB 1497 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 3/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 4/5/2018-Read second time. Ordered to consent calendar.

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

Calendar:

4/12/2018 #26 SENATE SEN CONSENT CALENDAR SECOND LEGISLATIVE DAY

Summary:

Would enact the First Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: LAFCo Administration

SB 1499 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 3/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 4/5/2018-Read second time. Ordered to consent calendar.

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

Calendar:

4/12/2018 #27 SENATE SEN CONSENT CALENDAR SECOND LEGISLATIVE DAY

Summary:

Would enact the Third Validating Act of 2018, 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 March 2018](#)

Position: Support

Subject: LAFCo Administration

AB 2268 (Reyes D) Local government finance: property tax revenue allocations: vehicle license fee

adjustments.

Current Text: Amended: 4/2/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/2/2018

Status: 4/3/2018-Re-referred to Com. on L. GOV.

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

Calendar:

4/11/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Would, for the 2018–19 fiscal year, require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2017–18 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2017–18 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations.

AB 2491 (Cooley D) Local government finance: vehicle license fee adjustment amounts.

Current Text: Amended: 4/2/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amended: 4/2/2018

Status: 4/3/2018-Re-referred to Com. on L. GOV.

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

Calendar:

4/11/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2017.

AB 2501 (Chu D) Drinking water: consolidation and extension of service.

Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 4/2/2018-In committee: Set, first hearing. Hearing canceled at the request of author.

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

Calendar:

4/24/2018 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair

Summary:

The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation of consolidation. The act defines "disadvantaged

community” for these purposes to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system. This bill would redefine “small public water system” for these purposes as a system with 200 connections of less.

Position: Watch
Subject: Disadvantaged Communities, Water

AB 3023 (Medina D) California Environmental Quality Act.

Current Text: Amended: 3/19/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Last Amended: 3/19/2018

Status: 3/20/2018-Re-referred to Com. on NAT. RES.

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

Summary:

Would require lead agencies to post the notices required by CEQA and any environmental review document for a project on their Internet Web sites, if any, or to submit those notices and environmental review documents to the State Clearinghouse for inclusion in the database as specified. Because this bill would impose additional duties on lead agencies, this bill would impose a state-mandated local program.

Position: Watch
Subject: CEQA

AB 1889 (Caballero D) Santa Clara Valley Water District.

Current Text: Amended: 4/4/2018 [html](#) [pdf](#)

Introduced: 1/18/2018

Last Amended: 4/4/2018

Status: 4/5/2018-Re-referred to Com. on L. GOV.

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

Calendar:

4/18/2018 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

The Santa Clara Valley Water District Act authorizes the district to impose special taxes at minimum rates according to land use category and size. The district act authorizes the district to provide an exemption from these taxes for residential parcels owned and occupied by one or more taxpayers who are at least 65 years of age, or who qualify as totally disabled, if the household income is less than an amount approved by the voters of the district. This bill would authorize the district to require a taxpayer seeking an exemption from these special taxes to verify his or her age, disability status, or household income, as prescribed.

Position: Watch

AB 2019 (Aguiar-Curry D) Health care districts.

Current Text: Amended: 3/22/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Last Amended: 3/22/2018

Status: 4/2/2018-Re-referred to Com. on L. GOV.

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

Calendar:

4/18/2018 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

The Local Health Care District Law provides for local health care districts that govern certain health care facilities. The bill would require a district that is authorized and elects to use the design-build process, as specified, for the construction of housing to require that at least 20% of the residential units constructed be subject to a recorded affordability restriction for at least 55 years and be affordable to lower income households, very low income households, extremely low income households, and persons and families of low or moderate income, as defined, unless the city, county, or city and county in which the district is predominantly located has adopted a local ordinance that requires a greater percentage of the units be affordable to those groups. This bill contains other related laws and provisions.

Position: Watch

AB 2179 (Gipson D) Municipal corporations: public utility service: water and sewer service.

Current Text: Introduced: 2/12/2018 [html](#) [pdf](#)

Introduced: 2/12/2018

Status: 3/1/2018-Referred to Com. on L. GOV.

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

Summary:

Would authorize a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation.

Position: Watch

Subject: Municipal Services

AB 2262 (Wood D) Coast Life Support District Act: urgent medical care services.

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/21/2018-From committee: Do pass and re-refer to Com. on L. GOV. (Ayes 14. Noes 0.) (March 20). Re-referred to Com. on L. GOV.

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

Calendar:

4/11/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Current law establishes the Coast Life Support District and specifies the powers of the district. The district is authorized, among other things, to supply the inhabitants of the district emergency medical services, as specified. This bill would additionally authorize the district to provide urgent medical care services. This bill contains other related provisions.

Position: Oppose unless amended

Subject: LAFCo Administration, Special District Powers

CALAFCO Comments: This is a single district bill in which the district is seeking to activate latent powers (actually to codify powers they have been performing for a number of years) and bypassing LAFCo. CALAFCO and the local LAFCo are working with the author's office to keep this matter local. Will watch the bill.

AB 2339 (Gipson D) Water utility service: sale of water utility property by a city.

Current Text: Amended: 4/3/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/3/2018

Status: 4/4/2018-Re-referred to Com. on L. GOV.

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

Calendar:

4/11/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Would permit a city that owns and operates a public utility for furnishing water service to sell the public utility for the purpose of consolidating its public water system with another public water system pursuant to the specified procedures, only if the potentially subsumed water system is wholly within the boundaries of the city, if the city determines that it is uneconomical and not in the public interest to own and operate the public utility, and if certain requirements are met. The bill would prohibit the city from selling the public utility for one year if 50% of interested persons, as defined, protest the sale.

Position: Watch

Subject: Water

SB 522 (Glazer D) West Contra Costa Healthcare District.

Current Text: Amended: 1/3/2018 [html](#) [pdf](#)

Introduced: 2/16/2017

Last Amended: 1/3/2018

Status: 1/30/2018-In Assembly. Read first time. Held at Desk.

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

Summary:

Current law provides for the formation of local health care districts and specifies district powers. Under existing law, the elective officers of a local health care district consist of a board of hospital directors consisting of 5 members, each of whom is required to be a registered voter residing in the district and whose term shall be 4 years, except as specified. This bill would dissolve the existing elected board of directors of the West Contra Costa Healthcare District, effective January 1, 2019, and would require the Board of Supervisors of the County of Contra Costa, at its election, to either serve as the district board or appoint a district board, as specified.

Position: Watch

Subject: Special Districts Governance

SB 561 (Gaines R) Fallen Leaf Lake Community Services District: elections.

Current Text: Amended: 1/23/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 1/23/2018

Status: 1/30/2018-Read third time. Passed. (Ayes 36. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

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

Summary:

Under current law, the Fallen Leaf Lake Community Services District is a resident voting district. This bill, notwithstanding existing law, would provide that voters who are residents of the district, and voters who are not residents but either own a real property interest in the district or have been designated by the owner of a real property interest to cast the vote for that property, may vote in a district election in the Fallen Leaf Lake Community Services District.

Position: Watch

Subject: Special Districts Governance

SB 623 (Monning D) Water quality: Safe and Affordable Drinking Water Fund.

Current Text: Amended: 8/21/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 8/21/2017

Status: 9/1/2017-From committee: Without recommendation. (Ayes 11. Noes 0.) (September 1) Re-referred to Com. on RLS.

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

Summary:

Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would

provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.

Position: Watch
Subject: Water

SB 778 (Hertzberg D) Water systems: consolidations: administrative and managerial services.

Current Text: Amended: 7/13/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 7/13/2017

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. on 8/23/2017)(May be acted upon Jan 2018)

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

Summary:

Would require, on or before March 1, 2018, and regularly thereafter, as specified, the State Water Resources Control Board to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after July 1, 2014. The bill would require the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.

Position: Watch
Subject: Municipal Services

SB 929 (McGuire D) Special districts: Internet Web sites.

Current Text: Amended: 3/6/2018 [html](#) [pdf](#)

Introduced: 1/25/2018

Last Amended: 3/6/2018

Status: 4/9/2018-Set for hearing April 16.

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

Calendar:

4/16/2018 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

Summary:

The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its Internet Web site and directing a member of the public to the Web site, as specified. This bill would, beginning on January 1, 2020, require every independent special district to maintain an Internet Web site that clearly lists contact information for the special district, except as provided. Because this bill would require local agencies to provide a new service, the bill would impose a state-mandated local program.

Position: Watch

SB 1459 (Cannella R) Cannabis cultivation: county agricultural commissioners: reporting.

Current Text: Amended: 4/9/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Last Amended: 4/9/2018

Status: 4/9/2018-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

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

Summary:

Current law requires a county agricultural commissioner to compile, and to transmit to the Secretary of Food and Agriculture, reports of the condition, acreage, production, and value of the agricultural products in the county. This bill would provide that, for purposes of this report, agricultural products may include cannabis produced in the county. The bill would require that, if cannabis is included in a report, cannabis production be, at a minimum, categorized as provided, including by state cultivator license type.

Position: Watch

Subject: Disincorporation/dissolution

CALAFCO Comments: This is a spot bill.

SB 1498 (Committee on Governance and Finance) Local Government Omnibus Act of 2018.

Current Text: Introduced: 3/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 4/6/2018-Set for hearing April 18.

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

Calendar:

4/18/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

Summary:

Current law sets forth various provisions governing cities that reference various officers and employees. This bill would make these references gender neutral.

Position: Watch

CALAFCO Comments: This is the annual Senate Governance & Finance Committee Omnibus bill.

Total Measures: 25

Total Tracking Forms: 25

4/10/2018 8:46:47 AM

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

651 Pine Street, Sixth Floor • Martinez, CA 94553-1229

e-mail: LouAnn.Teixeira@lafco.cccounty.us

(925) 335-1094 • (925) 335-1031 FAX



Lou Ann Teixeira
Executive Officer

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March 23, 2018

Assembly Member Heath Flora
California State Assembly
State Capitol, Room 3098
Sacramento, CA 95814

RE: SUPPORT FOR AB 2600: Regional Park and Open Space Districts

Dear Assembly Member Flora:

The Contra Costa Local Agency Formation Commission (LAFCO) supports *Assembly Bill 2600*, which allows the initiation of Regional Park and Open Space Districts to occur by resolution of City Councils and the Board of Supervisors within the proposed district.

Current law only allows the initiation of these districts to occur by a petition of 5,000 or more voters. This restrictive initiation requirement is an antiquated feature of the Open Space District law, which was passed in 1939 and has not experienced a comprehensive update since. The petition requirement increases the cost and time for proponents to initiate Regional Park and Open Space District formation proposals. The principal acts for a variety of special districts allow initiation by either petition or "local agency" resolution, such as Cemetery Districts, Community Service Districts, Fire Protection Districts, Mosquito and Vector Abatement Districts, and Parks and Recreation Districts.

The proponents of the last eleven (11) proposals for Regional Park and Open Space Districts have sought special enabling legislation from the State Legislature. However, a principal act should allow district initiations without the need for special enabling acts.

Contra Costa LAFCO supports a more streamlined and less costly initiation process for Regional Park and Open Space Districts. Adding the option for local governments to adopt a resolution of application in lieu of the 5,000 signature petition is a much more streamlined way to initiate the formation process. Further, keeping the LAFCO application process intact also allows for the appropriate detailed review to ensure the efficient and sustainable provision of services.

For these reasons, Contra Costa LAFCO is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) and support **AB 2600**. We thank you for authoring this important piece of legislation.

Sincerely,

Michael R. McGill, Chair
Contra Costa LAFCO

cc: Members, Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO

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March 23, 2018

Assembly Member Ken Cooley
California State Assembly
State Capital Room 3013
Sacramento, CA 95814

Subject: Support of AB 2491

Dear Assembly Member Cooley:

The Contra Costa Local Agency Formation Commission (LAFCO) joins the California Association of Local Agency Formation Commissions (CALAFCO) in supporting **Assembly Bill AB 2491**, which would assist the fiscal viability of future city incorporations that meet all other state requirements.

The VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. For the past seven years, no new cities have formed. Given the growing population in our state and the need for orderly growth and adequate service provision, this policy issue needs to be addressed.

AB 2491 by no means guarantees that a community wishing to incorporate will become a city. In order to incorporate, local communities have to overcome many hurdles, including compliance with state LAFCO law, local policies and guidelines, revenue neutrality negotiations with counties, and ultimately a public vote. This bill simply gives communities considering incorporation the same opportunity to incorporate that other California cities previously enjoyed.

Reinstating revenues for incorporations provides communities with local governance and efficient service delivery options, including the ability to incorporate. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl. Because **AB 2491** reinstates a critical funding component to cities incorporating after 2017, Contra Costa LAFCO supports this bill.

Thank you for carrying this important legislation. Please do not hesitate to contact us with any questions you may have on our position.

Sincerely,

Michael R. McGill, Chair
Contra Costa LAFCO

c: Chair and Members, Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO

Restoring Property Tax in Lieu of VLF for New Cities: An Explainer

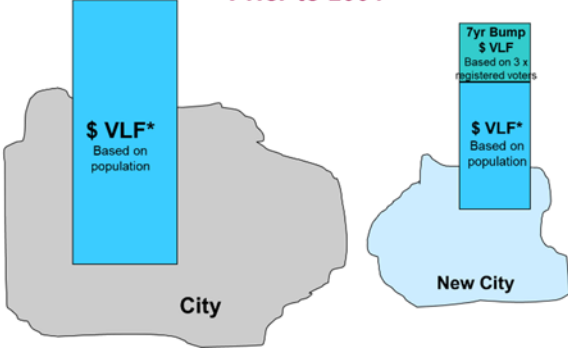
1. **Prior to the VLF Swap of 2004**, Vehicle License Fee (VLF) revenues were collected and allocated statewide among cities and counties. After special allocations and allocations to counties, the city share of statewide VLF was allocated according to the population of each city (i.e. per capita).

Base VLF. When a new city incorporated, that new city, like all other cities, would receive an amount based on its population.

Bump. The new city also received an additional amount for its first seven years only. This amount, called the “bump” was based on the difference between three times the number of registered voters in the city on the date of incorporation and the actual population. Thus:

- a. As the city grew, the difference between three-times-registered voters (on date of incorporation) and actual population would decline and
- b. A new city with a large proportion of registered voters would receive a larger annual bump. These bumps varied substantially.

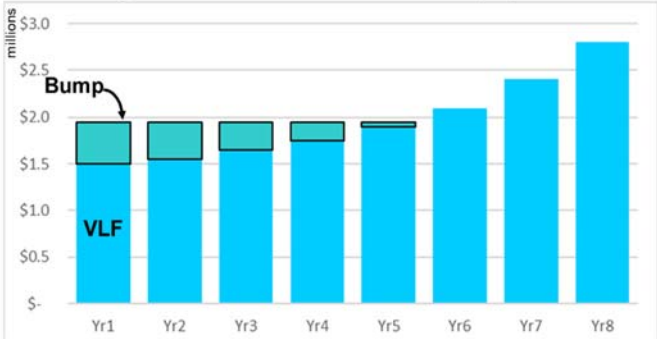
Vehicle Lic Fee \$ Allocation *Prior to 2004*



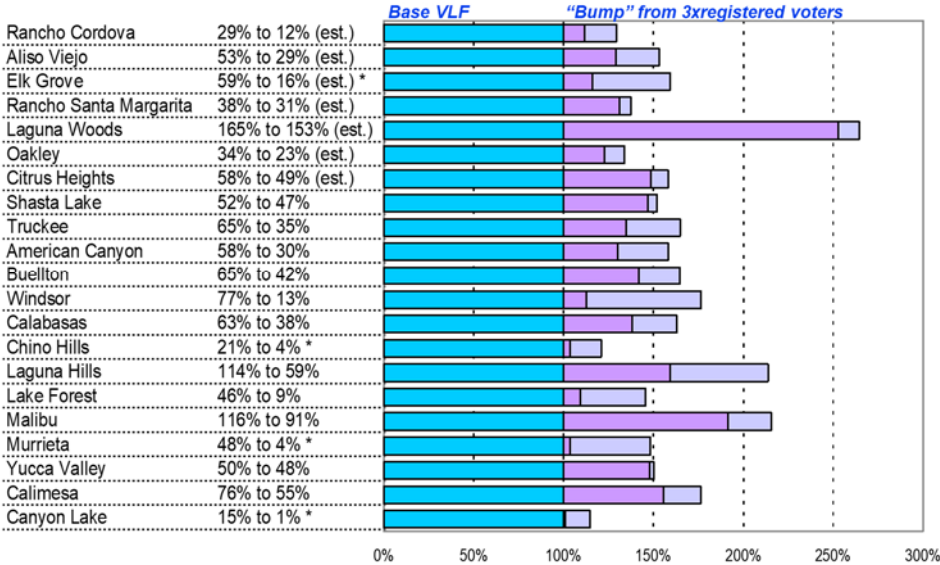
*includes backfill from state general fund for VLF tax cut

New City Bump *Prior to 2004 VLF Swap*

3 x registered voters vs actual population

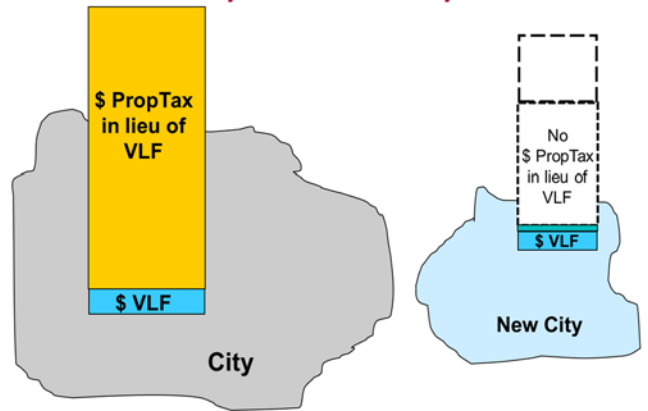


Bump for New Cities Varied



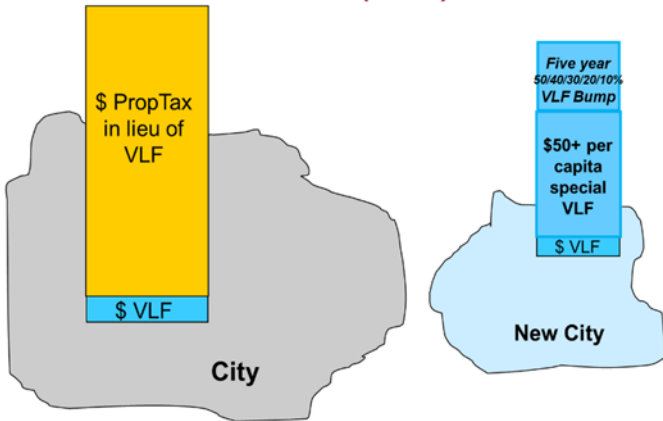
2. **The VLF Swap of 2004** contained no provisions to establish a Property-Tax-in-Lieu-of-VLF amount (referred to in statute as a “VLF Adjustment Amount” in statute) for a new city. As a result, after the 2004 swap a new city incorporation was only entitled to receive an amount from the remaining city VLF, less than 1/10 of what the pre-2004 VLF provided.

Vehicle Lic Fee \$ Allocation With PropTax – VLF Swap of 2004



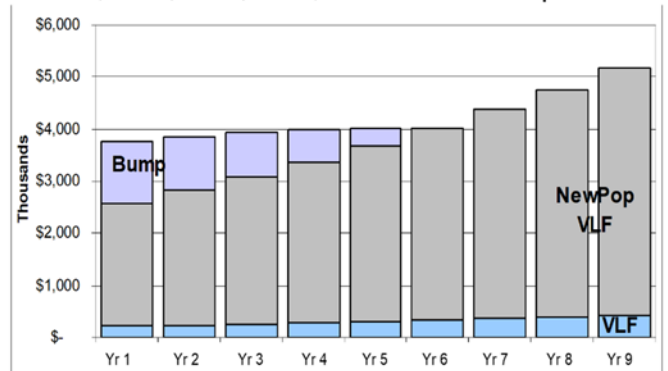
3. **AB1602 (Laird)**, signed into law in 2006, provided a special allocation from the remaining city VLF to compensate for the lack of Property-Tax-in-Lieu-of-VLF for new incorporations. AB1602 also contained a bump, but for uniformity and simplicity, the bump was designed as an additional 50%, 40%, 30%, etc. of actual population for the first five years (i.e. *not* registered voters).

Vehicle Lic Fee \$ Allocation With AB1602 (Laird) 2006



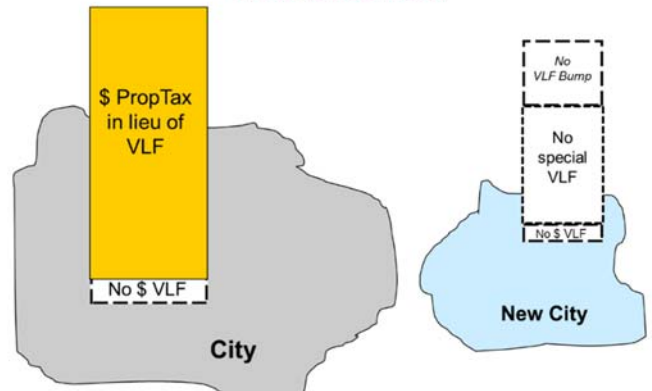
AB1602 Five Year “Bump”

50%, 40%, 30%, 20%, 10% of Actual Population



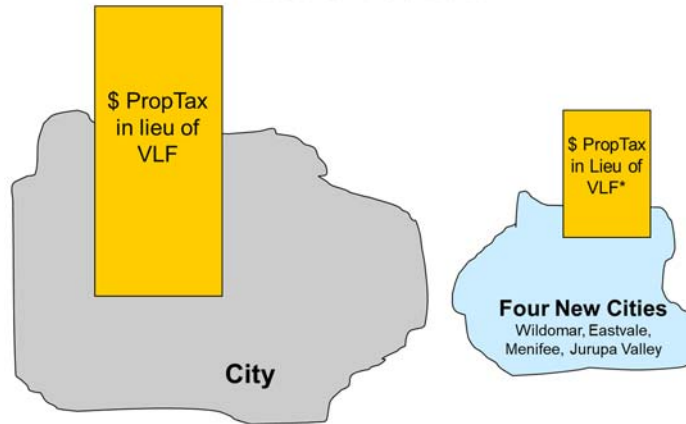
4. **SB89 of 2011** wiped out the remaining city VLF and with it, the special allocations to new cities. SB89 took city VLF revenues to fund programs previously paid from the state general fund.

Vehicle Lic Fee \$ Allocation With SB89 2011



- 5. **SB130 of 2017** established Property-Tax-In-Lieu-of-VLF amounts for the four new cities that had incorporated under AB1602, restoring the massive revenue losses these cities suffered under SB89.

Vehicle Lic Fee \$ Allocation *With SB130 2017*



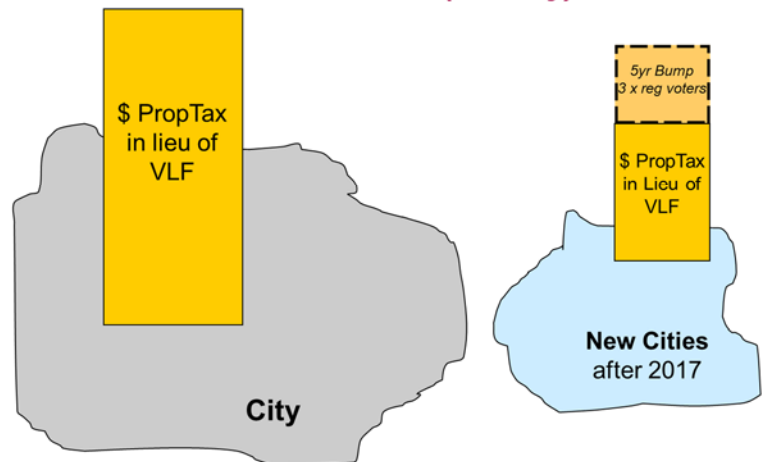
*When SB130 was signed in 2017, these cities were beyond their 5 year bump periods.

- 6. **AB2491 (Cooley)** would establish a Property-Tax-In-Lieu-of-VLF amount a new city incorporating after 2017. The bill also provides a “bump” for the first five years based on the difference between 3 x registered voters (on the date of incorporation) and actual population.

AB2491 (Cooley) adds a new section to the Revenue and Taxation code which mirrors the formula for Property Tax in Lieu of VLF for a new city established in SB130(2017). The bill:

- a) Establishes a VLFAA for the city’s first year of incorporation proportionate to the VLFAA amounts of other cities in the county relative to population.
- b) Provides that, in subsequent years, the VLFAA grows by the amount of AV growth in the city, just like all other cities and counties.

Vehicle Lic Fee \$ Allocation *With SB2491 (Cooley)*



7. **Formulas in AB2491 (Cooley)** mirror the formulas established in SB130.

First Year VLFAA Formula. The city's first year VLFAA is established proportionate to other city VLFAAs in the county with the following formula:

$$V_{c1} = V_{all} \times P_c \div P_{all}$$

... where:

V_{c1} = the city's first year VLFAA

V_{all} = sum of VLFAAs of all other cities in county

P_c = population of the city in its first year

P_{all} = sum of populations of all other cities in county

Subsequent Years VLFAA Formula. Just as in other cities, the city's VLFAA will grow annually with AV.

$$V_c = V_p + (V_p \times \%change\ from\ AV_p\ to\ AV_c)$$

... where:

V_c = the city's VLFAA in years after first year

V_p = city's VLFAA in prior year

AV_p = city's AV in prior year

AV_c = city's AV in current year

VLFAA Bump Formula. The bill provides a bump, additional revenue in each of the first five years of incorporation as follows:

$$B_c = V_{c1} \times (3 \times R - P) \div P$$

... where:

B_c = the city's additional VLFAA "bump"

V_{c1} = city's first year VLFAA

R = registered voters in the city on the day of incorporation

P = current year population of the city

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March 27, 2018

Honorable Cecilia Aguiar-Curry, Chair
Assembly Local Government Committee
California State Assembly
State Capitol, Room 5144
Sacramento, CA 95814

RE: SUPPORT of AB 3254: Local Government Committee Omnibus Bill

Dear Chair Aguiar-Curry:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to support the Assembly Local Government Committee Bill **AB 3254**, which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH).

This annual bill includes technical changes to the CKH which governs the work of LAFCOs; these changes are necessary as LAFCOs implement the law. **AB 3254** corrects small inconsistencies and makes minor technical corrections and clarifications to the CKH making the law as unambiguous as possible.

Contra Costa LAFCO is grateful to your Committee and staff, and the members of the California Association of Local Agency Formation Commissions (CALAFCO) Legislative Committee, all of whom worked diligently on this language to ensure there are no substantive changes while creating a significant increase in the clarity of the CKH for all stakeholders.

This legislation helps insure the CKH remains a vital and practical law that is consistently applied around the state. We appreciate your Committee's authorship and your support of the mission of LAFCOs. Please feel free to contact us should you have any questions regarding our support of **AB 3254**.

Yours sincerely,

Michael R. McGill, Chair
Contra Costa LAFCO

cc: Members, Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO

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March 27, 2018

The Honorable Anna Caballero
California State Assembly
State Capital Room 5158
Sacramento, CA 95814

Subject: Support of AB 2258 (as amended March 15, 2018)

Dear Assembly Member Caballero:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support for **Assembly Bill 2258**. Sponsored by CALAFCO, this bill establishes a funding program to provide grants to LAFCOs for conducting in-depth studies and analyses of local government agencies and services for the purposes of creating improved efficiencies in the delivery of local government services and completing dissolution of inactive special districts. The grant program would be administered by the Strategic Growth Council and would sunset on December 31, 2023.

The Legislature established LAFCOs in 1963 to encourage the orderly formation of local government agencies. Since that time, the regulatory role and responsibilities of LAFCOs has substantially increased without additional funding. Operating in all 58 California counties, LAFCOs are responsible for meeting important statutory directives to maintain orderly boundaries and seek greater efficiencies in delivering municipal services, and yet these directives often times cannot be met under current funding mechanisms. As a result, much needed LAFCO activities are sometimes delayed or precluded.

In August 2017, the Little Hoover Commission published a report on special districts and their oversight by LAFCOs. This report contains several recommendations directly related to LAFCOs. One recommendation is for the Legislature to provide one-time grant funding to pay for specified LAFCO activities, particularly to incentivize LAFCOs or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes.

In 2012, Contra Costa LAFCO completed the successful reorganization of the Concord-Pleasant Hill Healthcare District (formerly the Mt. Diablo Healthcare District). This reorganization was supported by a Municipal Service Review and a LAFCO special study. In addition, Contra Costa LAFCO is currently pursuing the dissolution of one inactive district as a result of a special study

completed earlier this year. And in June, Contra Costa LAFCO will consider initiating dissolution of a second district. The costs associated with LAFCO initiated dissolutions and supporting studies fall to LAFCO and are ultimately borne by LAFCO's funding agencies – the County, cities and independent special districts.

By establishing this one-time grant funding, **AB 2258** provides a much needed resource for LAFCOs to conduct detailed studies and implement greater efficiencies in delivering municipal services based on local circumstances and conditions. Contra Costa LAFCO speaks from personal experience, and for these reasons, we are pleased to support **AB 2258**.

Thank you for authoring this important piece of legislation. Please feel free to contact us should you have any questions about Contra Costa LAFCO's position.

Sincerely,

Michael R. McGill, Chair
Contra Costa LAFCO

Cc: Members, Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO