



Lou Ann Texeira
 Executive Officer

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June 13, 2018

June 13, 2018
 Agenda Item 10

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. This year, CALAFCO is sponsoring two bills: **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).

On May 17th, CALAFCO issued a call for legislative action requesting that each LAFCO send letters of support for the following bills which will impact LAFCOs.

AB 2238 (Aguiar-Curry) In its review of a proposal, the Commission considers 16-19 different factors, depending on the type of proposal. **AB 2238** would add an additional factor requiring the Commission to also 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 pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code*, if it is determined that such information is relevant to the area that is the subject of the proposal.

AB 2268 (Reyes) This bill restores funding for inhabited annexations. Payments come from ERAF which is backfilled from the general fund. CALAFCO has historically supported this bill each year. Attached is also a fact sheet on the bill.

SB 929 (McGuire) This bill requires all independent special districts to have a website by January 1, 2020, unless certain exemption standards have been met – see attached fact sheet.

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 May.

RECOMMENDATION – Receive legislative update.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 - CALAFCO Legislative Update – June 6, 2018

Attachment 2 - Letter of Support - AB 2238

Attachment 3 – Letter of Support – AB 2268

Attachment 4 – VLF Annexation Fact Sheet (AB 2268)

Attachment 5 – Letter of Support - SB 929

Attachment 6 – SB 929 Fact Sheet

CALAFCO Daily Legislative Report as of Wednesday, June 06, 2018

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

Current Text: Amended: 5/25/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Last Amended: 5/25/2018

Status: 5/31/2018-In Senate. Read first time. To Com. on RLS. for assignment.

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

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 one or more state or federal primary drinking water standard maximum contaminant levels as of December 31, 2018, and for 4 consecutive quarters, as specified.

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 authority. 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 a new public agency.

LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first 3 years.

CALAFCO continues to work with the author and sponsor on additional amendments including giving the authority to levy fines to the SWRCB (rather than the LAFCo); addressing process and timing issues/details; and ensuring codification in CKH.

[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: 5/24/2018-Referred to Com. on GOV. & F.

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

Calendar:

6/13/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, 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.

Attachments:

[CALAFCO Support Letter May 2018](#)

Position: Support

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 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 pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

The bill also adds two non-LAFCo-related sections pertaining to the update of a housing element.

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: 4/23/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/23/2018

Status: 5/31/2018-In Senate. Read first time. To Com. on RLS. for assignment.

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

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 districts listed as inactive, 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: 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 (SGC) who has agreed to administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on December 31, 2023.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to a majority protest (mirroring existing language in Government Code Section 57077.1.c). For all other changes of organization or

reorganization pursuant to this section, the threshold would be 25% rather than 10%, in accordance with Government Code Section 57075.

A separate budget ask of \$2 million over 5 years is being done as a companion to this bill.

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

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

Introduced: 2/15/2018

Status: 5/3/2018-Referred to Com. on GOV. & F.

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

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: Amended: 5/17/2018 [html](#) [pdf](#)

Introduced: 3/14/2018

Last Amended: 5/17/2018

Status: 5/30/2018-Referred to Com. on GOV. & F.

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

Calendar:

6/13/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

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. Amendments are pending to add several items.

SB 1215 (Hertzberg D) Provision of sewer service: disadvantaged communities.

Current Text: Amended: 4/30/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amended: 4/30/2018

Status: 5/29/2018-Read third time. Passed. (Ayes 30. Noes 8.) 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:

This bill would authorize the State Water Resources Control Board to order the provision of sewer service by a special district, city, or county to a disadvantaged community, as defined, under specified circumstances. By authorizing the state board to require a special district, city, or county to provide sewer service, this bill would impose a state-mandated local program.

Position: Watch With Concerns

Subject: Disadvantaged Communities, Water

CALAFCO Comments: As amended, this bill authorizes 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.

The current version includes a number of amendments that address previous CALAFCO concerns. However, there is an outstanding issue of annexing territory to which services were extended into a city. (The bill does now call for a mandatory annexation into a district should the services be extended by them.)

SB 1496 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 6/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 23, Statutes of 2018.

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

Summary:

This bill 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.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

SB 1497 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 6/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 24, Statutes of 2018.

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

Summary:

This bill 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 contains other related provisions.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: LAFCo Administration

SB 1499 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 6/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 25, Statutes of 2018.

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

Summary:

This bill 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: 4/16/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/16/2018

Status: 5/25/2018-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 5/2/2018)

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

Summary:

for the 2018–19 fiscal year, would 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.

Attachments:

[CALAFCO Support Letter May 2018](#)

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: 5/25/2018-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 4/25/2018)

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

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: Amended: 4/17/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amended: 4/17/2018

Status: 5/30/2018-In Senate. Read first time. To Com. on RLS. for assignment.

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

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 "disadvantaged community" for these purposes to also include a disadvantaged community that is served by a state small water system or domestic well.

Position: Watch With Concerns

Subject: Disadvantaged Communities, Water

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: 5/10/2018-Referred to Com. on GOV. & F.

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

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 (Aguilar-Curry D) Health care districts.

Current Text: Amended: 4/30/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Last Amended: 4/30/2018

Status: 5/24/2018-Referred to Com. on GOV. & F.

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

Calendar:

6/13/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, 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

CALAFCO Comments: This bill places a number of statutory requirements on healthcare districts (HCDs). One provision that directly affects LAFCo is the HCDs will be required to notify their respective LAFCo when they file for bankruptcy.

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: 5/30/2018-In Senate. Read first time. To Com. on RLS. for assignment.

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: Amended: 4/16/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/16/2018

Status: 5/3/2018-Referred to Coms. on GOV. & F. and HEALTH.

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

Calendar:

6/13/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

Summary:

Current law, the Coast Life Support District Act, 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.

Attachments:

[CALAFCO Oppose Unless Amended](#)

[CALAFCO Support as amended](#)

Position: Support

Subject: LAFCo Administration, Special District Powers

CALAFCO Comments: This is a single district bill in which the district is seeking to add the power of providing urgent care (actually to codify powers they have been performing for a number of years). As amended, the bill cleans up the outdated reference to the Act and adds a provision requiring the district to seek LAFCo approval to activate the new power. As a result of these amendments, CALAFCO has removed our opposition and now supports 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: 6/4/2018-In Senate. Read first time. To Com. on RLS. for assignment.

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

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: 4/19/2018-Referred to Com. on L. GOV.

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

Calendar:

6/13/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

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: 5/10/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 5/10/2018

Status: 5/10/2018-From committee with author's amendments. Read second time and amended. 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:

6/20/2018 1:30 p.m. - State Capitol, Room 444 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Under current law, the Fallen Leaf Lake Community Services District is a resident voting district. This bill would require the El Dorado County elections official, with the assistance of the Fallen Leaf Lake Community Services District, to conduct district elections pursuant to the Uniform District Election Law, except as otherwise provided in the bill.

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: 4/30/2018-Referred to Com. on L. GOV.

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

Calendar:

6/13/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, 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.

Attachments:

[CALAFCO Support Letter May 2018](#)

Position: Support

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

Current Text: Amended: 4/18/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Last Amended: 4/18/2018

Status: 5/25/2018-Referred to Com. on L. GOV.

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

Summary:

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: 23

Total Tracking Forms: 23

6/6/2018 9:55:35 AM

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
 651 Pine Street, Sixth Floor • Martinez, CA 94553-1229
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Lou Ann Teixeira
 Executive Officer

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May 21, 2018

Assembly Member Cecilia Aguiar-Curry
 California State Assembly
 State Capital Room 5144
 Sacramento, CA 95814

Subject: Support of Assembly Bill 2238 (as amended April 3, 2018)

Dear Assembly Member Aguiar-Curry:

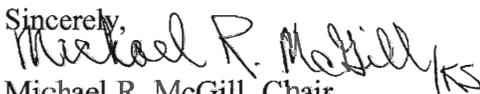
The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of **AB 2238** as amended April 3, 2018. Of specific interest to LAFCOs is the provision requiring the commission *to consider information 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 land determined to be in a state responsibility area if it is determined that such information is relevant to an area that is the subject of the proposal.*

When reviewing proposals for changes of organization or reorganizations, it is important for LAFCOs to consider whether or not the proposal is consistent with a city or county general plan and other types of growth plans. Further, considering the impact of specific potential fire hazard threats is an important part of smart growth and development planning. As we collectively work to adapt and evolve in the way we respond to the impacts of climate change, these kinds of considerations are important in balancing orderly growth and climate adaptation efforts.

Because **AB 2238** is aligned with CALAFCO's policy to use LAFCO resources to review growth plans to ensure reliable services, orderly growth and sustainable communities, Contra Costa LAFCO is pleased to support this bill.

Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,


 Michael R. McGill, Chair
 Contra Costa LAFCO

c: Debbie Michel, Chief Consultant, Assembly Local Government Committee
 Anton Favorini-Csorba, Consultant, Senate Governance & Finance Committee
 Ryan Eisberg, Consultant, Senate Republican Caucus
 Pamela Miller, Executive Director, CALAFCO

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May 21, 2018

Assembly Member Eloise Gómez Reyes
 California State Assembly
 State Capital Room 2175
 Sacramento, CA 95814

Subject: Support of Assembly Bill 2268 (as amended April 2, 2018)

Dear Assembly Member Reyes:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of ***AB 2268 as amended April 2, 2018***. This bill would restore funding to an estimated 140 cities that had annexed inhabited territory in reliance on previous financial incentives, and then suffered significant fiscal harm when those funds were swept away due to the passage of SB 89 (2011). AB 2268 also offers similar incentives to support future annexations of inhabited territory to improve services to affected residents consistent with LAFCO policies.

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. It also created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature directed LAFCOs to work with cities to annex unincorporated inhabited islands. The loss of financial incentive for these inhabited annexations has made it difficult for LAFCOs to follow this legislative directive.

There are a number of inhabited areas in Contra Costa County, some of which are disadvantaged, that could benefit from annexation to a city. However, some cities are reluctant to annex these areas due to lack of revenues to provide services these areas, many of which have deteriorating infrastructure (e.g., roads, drainage systems, etc.). Without financial incentive, some of these disadvantaged communities may never be annexed to cities.

Reinstating revenues for annexations is consistent with statewide LAFCO legislative policies of providing communities with local governance and efficient service delivery options, including the ability to annex. 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 2268*** reinstates a critical funding component to cities that previously annexed inhabited territory and did so relying on this financing, and to those cities that annex inhabited territory in the future, Contra Costa LAFCO supports this bill.

Thank you for carrying this important legislation. Please do not hesitate to contact me should you have questions regarding our position.

Sincerely,

 Michael R. McGill, Chair
 Contra Costa LAFCO

c: Pamela Miller, Executive Director, CALAFCO
 Dan Carrigg, Deputy Executive Director and Legislative Director, League of CA Cities

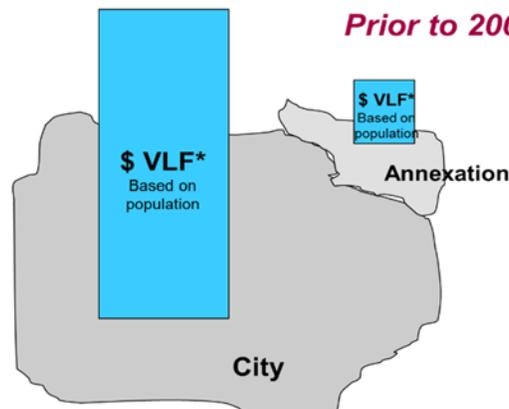
Restoring Property Tax in Lieu of VLF to Annexations: An Explainer

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).

When a city annexed an area, the population residing in the annexed area would result in additional VLF revenue to the city.

Vehicle Lic Fee \$ Allocation

Prior to 2004

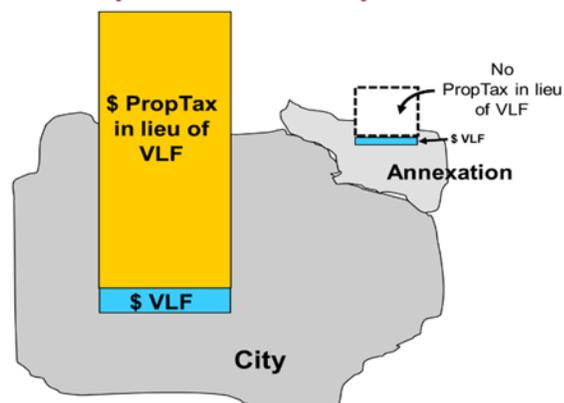


*includes backfill from state general fund for VLF tax cut

2. **The VLF Swap of 2004** contained provisions excluding annexations from growing city Property-Tax-in-Lieu-of-VLF amounts (referred to in statute as a "VLF Adjustment Amount" in statute). Only growth on assessed valuation *after* annexation would boost the city's Property-Tax-in-Lieu-of-VLF. This severely disincentivized annexations of already developed areas (i.e., inhabited).

Vehicle Lic Fee \$ Allocation

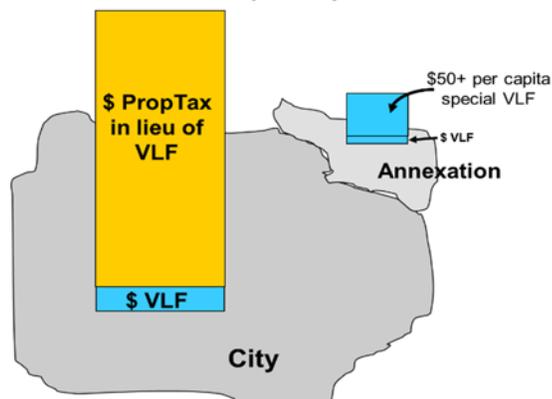
With PropTax – VLF Swap of 2004



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 annexations.

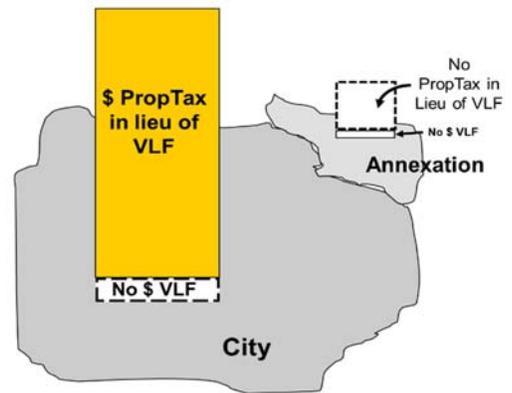
Vehicle Lic Fee \$ Allocation

With AB1602 (Laird) 2006



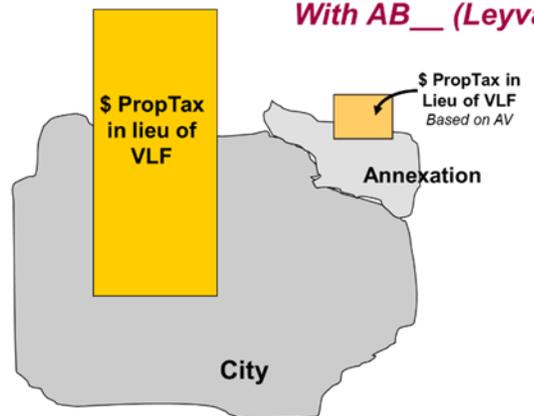
4. **SB89 of 2011** wiped out the remaining city VLF and with it, the special allocations to new cities. SB89 took city VLF revenues to fund programs previously paid from the state general fund. 140 annexing cities lost revenues they had been receiving under AB1602.

Vehicle Lic Fee \$ Allocation With SB89 2011



5. **AB2268 (Reyes)** would provide Property-Tax-In-Lieu-of-VLF revenues to cities for annexations beginning in FY2018-19. In addition it would restore revenues to cities that lost special AB1602(2006) annexation revenues due to SB89(2011).

Vehicle Lic Fee \$ Allocation With AB__ (Leyva)



6. **Formulas in AB2268 (Reyes)** mirrors the way Property-Tax-In-Lieu-of-VLF functions for all other city growth, increasing the city's Property-Tax-In-Lieu-of-VLF amount by the growth in AV from the annexation.

VLFAA Increased for Lost AB1602 Revenues. AB2268(Reyes) would restore the AB1602(2006) annexation VLF amounts lost by cities with SB89(2011). The amounts would be added to each city's VLFAA beginning in FY2018-19.

$$V_{18-19} = V_{17-18} + (V_{18-19} \times \%change\ from\ AV_{17-18}\ to\ AV_{18-19}) + (N_{10} \times 1.17)$$

... where:

V₁₈₋₁₉ = the city's VLFAA in FY2018-19

V₁₇₋₁₈ = the city's VLFAA in FY2018-19

AV₁₇₋₁₈ = city's AV in prior year FY2017-18

AV₁₈₋₁₉ = city's AV in current year FY2018-19

N₁₀ = the city's AB1602 annexation allocation in July 2010 per Rev&TaxSec 11005(d).

1.17 = the estimated amount of growth in California CPI-U from 2010 to 2018.

VLFAA Formula Will Henceforth Include Growth from Annexations. City VLFAA from FY2019-20 on will grow annually with AV to include AV in annexed areas at the time of annexation. AB2268(Reyes) removes the language excluding annexations.

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

... 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

mjgc

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May 21, 2018

Senator Mike McGuire
California State Senate
State Capital Room 5061
Sacramento, CA 95814

Subject: Support of Senate Bill 929 (as amended March 6, 2018)

Dear Senator McGuire:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of **SB 929**, which would require all independent special districts have a website by January 1, 2020, thereby increasing transparency.

LAFCOs work closely with special districts in their role of overseeing the provision of municipal services. For the estimated 50% of independent special districts that have websites today, communication and coordination with the local LAFCO is far more efficient than with those districts that do not have websites. In those instances, the LAFCO is left to “creative resourcefulness” to obtain important contact and agency information, often times requiring the LAFCO to expend a great deal of effort and resources. This information is especially critical for LAFCO when fulfilling their statutory obligations related to conducting Municipal Service Reviews on these districts.

There are a number of small independent special districts in Contra Costa County that do not have websites. On occasion, LAFCO receives calls from the public inquiring about these districts. Providing information in an easy, accessible and transparent way to all members of the public – especially those being served by the district – is critical and is simply good governance.

For these reasons Contra Costa LAFCO supports **SB 929**.

Please do not hesitate to contact me 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
Jimmy MacDonald, Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO
Dillon Gibbons, CA Special Districts Association

Senate Bill 929

Special Districts Internet Transparency Act

Senator McGuire

SUMMARY

California has over 2,000 independent special districts that operate a range of local services, such as utilities, fire protection, parks, and transit. However, currently, less than half of all special districts have websites. While special districts provide a number of essential services to residents across California, recipients of these services may be unaware of what they do or even how to contact them.

SB 929 will require every independent special district to create and maintain a website with specific information—such as contact information, the timely posting of meeting agendas, and a copy or link to financial transaction and compensation reports – by January 1, 2020.

BACKGROUND

Special districts are local government agencies that provide essential services to millions of Californians. Typically, special districts are organized when local residents or landowners notice a need in the community.

Special districts come in two forms: dependent and independent. Dependent special districts are governed by existing legislative bodies, such as a city council or board of supervisors. Independent special districts are governed by a board of directors, either elected by voters or appointed by a local jurisdiction.

Today, California statute authorizes thirty-six types of principle special districts, and approximately 140 special acts that enable unique circumstances. These enabling acts cover a wide variety of services such as airports, community services, fire protection, harbor and ports, irrigation, recreations and parks, resource conservation, sanitation, transit, utility, and water districts.

Problem

Existing law requires special districts with websites to post certain information, such as meeting agendas and compensation reports. However, there is no requirement that special districts must create and maintain a website, leaving many Californians without easily accessible information for these essential services.

According to the California Special Districts Association, of the some 2,000 independent special districts in California, about half of them do not have a website.

In 2017, the Little Hoover Commission released a report on the state of special districts. In the report, the Commission cites a need for greater transparency and public involvement in special districts, such as a need for the public to be able to access what services are provided by the district, their contact information, and how they use their funding.

SOLUTION

To further public transparency for special districts, SB 929 will require every independent special district to create and maintain a website with specific information by January 1, 2020.

Independent special districts who are unable to maintain a website because of a hardship, such as inadequate staff, financial resources, or access to broadband, may be exempted on an annual basis by a resolution adopted by the governing board with detailed findings.

CONTACT

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 Phone: 916-651-4002
Kimberly.Kollwitz@sen.ca.gov

SUPPORT

California Special Districts Association