

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
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August 2, 2006

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: Legislative Update

**CONTACT: Donald J. Lockhart, AICP, Assistant Executive Officer (916) 874-2937**

**RECOMMENDATION**

Information only, no action is recommended. This is a status report on 2006-07 LAFCo related legislation.

**SUMMARY**

This memo is part of the ongoing effort to keep your Commission informed regarding various legislative matters. An ad-hoc committee appointed by the CALAFCo Board of Directors is reviewing and formulating positions on several bills. Staff will continue to track the bills, in collaboration with CALAFCo, and report back to your Commission.

**LEGISLATION**

**[AB 1602\(Laird\)](#) CALAFCo SUPPORT Local government finance**

Introduced: 02/22/2005

Last Amend: 08/23/2005

Status: 02/27/2006-In committee: Set, second hearing. Hearing canceled at the request of author.

Location: 08/23/2005-S L. GOV.

Summary: The Vehicle License Fee (VLF) Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state. Under existing law, the Controller is required to allocate vehicle license fee revenues in the Motor Vehicle License Fee Account to cities, counties, and cities and counties, in the amounts determined under specified formulas. Existing law provides that these allocations are to be made on a monthly basis and requires these allocations be made based on the proportion that the population of each city, county, or city and county bears to the total population of all cities, counties, and cities and counties in the state. Existing

law requires that additional allocations are to be made to specified cities in an amount equal to VLF revenues that would have been allocated to those cities under specified provisions of law, as those laws existed on January 1, 2004. Existing law identifies those recipient cities as cities for which the population was computed under a specified statute as of August 5, 2004. This bill would require that cities that are incorporated from unincorporated territory after August 5, 2004, but before July 1, 2009, be allocated VLF revenues in an amount determined pursuant to a specified formula. This bill would also require that cities that were incorporated before August 5, 2004, be allocated additional VLF revenues in an amount determined pursuant to a specified formula. This bill would also establish a formula to determine, for purposes of these allocations, the population of a city that is incorporated after August 5, 2004. This bill contains other related provisions.

Notes: Restores VLF revenue to newly incorporated cities and cities that annexed inhabited areas after the VLF-property tax swap system was enacted. This bill is virtually the same version as last years bill.

**AB 2158(Evans) CALAFCo SUPPORT** Regional housing needs.

Introduced: 02/21/2006

Last Amend: 04/18/2006

Status: 04/19/2006-Re-referred to Com. on H. & C.D.

Location: 04/19/2006-A H. & C.D.

Calendar: 05/10/06 9 a.m. - Room 126 ASM HOUSING AND COMMUNITY DEVELOPMENT

Summary: Existing law requires that at least 2 years prior to a scheduled revision of a city or county housing element of its general plan, each council of governments or delegate subregion shall develop a proposed methodology for distributing the existing and projected housing need to cities, counties, and cities and counties within the region or subregion. The methodology includes a list of specified factors. This bill would add to that list the factors of adopted spheres of influence for all local agencies in the region and adopted policies of the local agency formation commission .

Notes: Adds consideration of adopted spheres of influence and LAFCO policies to the factors that Councils of Governance (COGs) must taking into account when distributing housing needs numbers (as part of the Regional Housing Needs Assessment process) to cities and counties. AB 2158 is co-sponsored by CALAFCO and the League of California Cities.

**AB 2259(Salinas) CALAFCo SUPPORT** Local agency formation: extension of services. Introduced: 02/22/2006

Last Amend:

Status: 03/02/2006-Referred to Com. on L. GOV.

Location: 03/02/2006-A L. GOV.

Calendar: 05/10/06 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

Summary: Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, authorizes a local agency formation commission, until January 1, 2007, to review and approve a proposal that extends services into previously unserved territory within unincorporated areas and to review the creation of new service providers to extend urban type development into previously unserved territory within unincorporated areas to ensure that the proposed extension is consistent with the policies of the commission and certain policies under state law. This bill would extend the operation of the above provision to January 1, 2013.

Notes: Extends the sunset date provided for in Government Code Section 56434, which provides the authority for LAFCo's to review and approve a proposals that extends services into previously un-served territory within unincorporated areas and to review the creation of new service providers to extend urban type development into previously un-served territory within unincorporated areas. AB 2259 is co-sponsored by CALAFCO and the League of California Cities.

**AB 3074**(Committee on Local Government) *CALAFCo SUPPORT* Local government: reorganization. Introduced: 03/22/2006

Last Amend:

Status: 04/03/2006-Referred to Com. on L. GOV.

Location: 04/03/2006-A L. GOV.

Calendar: 05/10/06 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

Summary: Existing law defines "district" or "special district" for the purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, to exclude a zone of a fire protection district, a mosquito abatement and vector control district, a public cemetery district, a recreation and park district, and community services district. This bill would define "district" or "special district" to exclude a zone of any special district, including, but not limited to, a zone of a fire protection district, a mosquito abatement and vector control district, a public cemetery district, a recreation and park district, and community services district. This bill contains other related provisions and other existing laws.

Notes: The CALAFCO sponsored omnibus bill. AB 3074 makes several non-substantive clarifications/corrections to LAFCO law as well as the Public Resources, Water, and Health & Safety Codes. The Assembly Local Government Committee is scheduled to act on this bill on May 10th.

**AB 2223**(Salinas) *CALAFCo SUPPORT* Local government annexation.

Introduced: 02/22/2006

Last Amend: 05/01/2006

Status: 05/02/2006-Re-referred to Com. on L. GOV.

Location: 05/02/2006-A L. GOV.

Calendar: 05/10/06 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

Summary: Existing law requires a local agency formation commission to approve, after notice and hearing, an annexation to a city of unincorporated island territory if the annexation is initiated on or after January 1, 2000, and before January 1, 2007, and other conditions are met. This bill would delete the January 1, 2007, limitation and extend this date to January 1, 2014, and would make other conforming changes. This bill contains other related provisions and other existing laws.

**AB 802**(Wolk) *CALAFCo WATCH* Land use: water supply.

Introduced: 02/18/2005

Last Amend: 01/23/2006

Status: 02/02/2006-Referred to Com. on L.GOV.

Location: 02/02/2006-S L. GOV.

Summary: (1) The Planning and Zoning Law requires a city or county general plan to include specified mandatory elements, including a conservation element that considers, among other things, the effect of development within the jurisdiction, as described in the land use element, on natural resources located on public lands, including military installations, and provides that the conservation element may also cover, among other things, flood control. The bill would instead require , upon the adoption of the general

plan, the amendment of the conservation element, or the amendment of 2 or more elements of the general plan, on or after January 1, 2007, the conservation element of the general plan to cover flood management and to consider, among other things, the existing water supply and the possible means of using flood water to supplement that supply. By imposing new duties on local public officials, the bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

Notes: Requires cities/counties to consider the possibility of using flood water to supplement existing water supply in general plan conservation element. If enacted, might serve as an additional source of information for water service analyses performed by LAFCo's.

**AB 1464(McCarthy) CALAFCo WATCH CEQA: environmental impact reports: review**

Introduced: 02/22/2005

Last Amend: 04/12/2005

Status: 05/05/2005-Referred to Com. on E.Q. (E.Q.)

Location: 05/05/2005-S 2 YEAR

Summary: Existing law, the California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared by contract, and certify the completion of. an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration if it finds that the project will not have that effect. CEQA requires that, if a draft environmental impact report, proposed negative declaration, or proposed mitigated negative declaration is submitted to the State Clearinghouse for review and the period of review by the State Clearinghouse is longer than the public review period, as specified, the public review period be at least as long as the period of review by the State Clearinghouse. This bill would instead require the public review period to be at least as long as the period of review by a state agency. The bill would allow, but not require the state agency review period and the public review period to run concurrently.

Notes: This bill may impact the length of time required for the review of CEQA documents and should be watched so that the membership is informed of any changes in the law.

**AB 1899(Wolk) CALAFCo WATCH** Land use: flood protection.

Introduced: 01/25/2006

Last Amend: 04/27/2006

Status: 05/01/2006-Re-referred to Com. on APPR.

Location: 05/01/2006-A APPR.

Calendar: 05/10/06 9 a.m. - Room 4202 ASM APPROPRIATIONS

Summary: Existing law requires a city or county that determines that a project, as defined, is subject to the California Environmental Quality Act to identify any public water system that may supply water for the project and to request that public water system to prepare a specified water supply assessment. Existing law, the Subdivision Map Act, requires a local agency, to the extent it is authorized to approve a tentative map that includes a subdivision, as defined, to include as a condition in the tentative map that a sufficient water supply is or will become available prior to completing the subdivision, as determined by the applicable public water system or the local agency authorized to approve the tentative map. This bill would require a city or county that determines that a project, as defined, will require a certain environmental document under the California Environmental Quality Act and meets certain conditions, to identify all relevant flood management agencies and to require those agencies to submit to the city or county a specified flood protection assessment. The bill would provide that the flood management agency is not subject to civil liability in connection with the preparation of the flood protection assessment under certain circumstances . The bill would require the city or county to include in an environmental document prepared for the project the flood protection assessment, or a specified description, a discussion as to whether the flood protection for the lands upon which the project is proposed to be located currently meets a specified 200-year flood protection standard, and other related information. If the city or county is unable to conclude that flood protection for the lands currently meets that standard, the bill would require the city or county, flood management agency, and project applicant to work together to ensure that the lands upon which the project is proposed to be located will meet that flood protection standard prior to, or within 5 years of, those lands being developed. This bill contains other related provisions and other existing laws.

**AB 2252(Strickland) CALAFCo WATCH** Environmental impact report.

Introduced: 02/22/2006

Last Amend:

Status: 03/13/2006-Referred to Coms. on L. GOV. and NAT. RES.

Location: 03/14/2006-A L. GOV.

Summary: The existing California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would exempt a development project from preparing and

completing a 2nd or an additional environmental impact report if the project complies with applicable zoning and land use requirements, including the most recently adopted general plan of a city or county. This bill contains other existing laws.

**AB 2428(Canciamilla) CALAFCo WATCH** Public meetings.

Introduced: 02/23/2006

Last Amend:

Status: 02/24/2006-From printer. May be heard in committee March 26.

Location: 02/23/2006

Summary: Existing law, the Bagley-Keene Open Meeting Act, generally requires that the meetings of state bodies be open and public and all persons be permitted to attend. The existing Ralph M. Brown Act generally requires that the meetings of local bodies be open and public and all persons be permitted to attend. Both acts require that the agenda for meetings provide an opportunity for members of the public to directly address the body on any item of interest to the public that is within the subject matter jurisdiction of the body. Other provisions of existing law require that all meetings of a house of the Legislature or a committee thereof be open and public and all persons be permitted to attend. This bill would authorize a state body subject to the Bagley-Keene Open Meeting Act and a local body subject to the Ralph M. Brown Act to require that a speaker addressing the body who claims to represent a group disclose the number of members in the group, the top 3 sources of funding for the group, and the location of the group's headquarters or where the group is based. It would require any person who appears before a house of the Legislature or any committee thereof who claims to represent a group to make the same disclosures.

**AB 2577(Wolk) CALAFCo WATCH** Property tax revenue allocations: county equity amount Introduced: 02/23/2006

Last Amend: 04/06/2006

Status: 04/27/2006-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 7. Noes 0.) (April 26).

Location: 04/27/2006-A APPR.

Calendar: 05/10/06 9 a.m. - Room 4202 ASM APPROPRIATIONS

Summary: Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would, for the 2006-07 fiscal year, require the auditor of a qualified county, as defined, to increase the amount of ad valorem property tax revenue allocated to that county by the county equity amount, as defined, and to commensurately reduce the amount of ad valorem property tax revenue allocated to that county's Educational Revenue Augmentation Fund. This bill would also require that ad valorem property tax revenue allocations made in subsequent fiscal years fully incorporate the

allocation adjustments required by the bill. This bill contains other related provisions and other existing laws.

Subject: Tax Allocation,



**AB 3042(Evans)** *CALAFCo WATCH* Regional housing. Introduced: 02/24/2006

Last Amend: 04/26/2006

Status: 05/04/2006-From committee: Do pass, and re-refer to Com. on H. & C.D. Re-referred. (Ayes 5. Noes 1.) (May 3).

Location: 05/04/2006-A H. & C.D.

Calendar: 05/10/06 9 a.m. - Room 126 ASM HOUSING AND COMMUNITY DEVELOPMENT

Summary: Existing law requires each city, county, and city and county to adopt for its jurisdiction, according to specified deadlines, a general plan that includes certain mandatory elements, including a housing element. Existing law requires the Department of Housing and Community Development to review local housing elements for conformity with specified provisions of law, including the regional housing needs of the city or county. Under existing law, either a council of governments or the Department of Housing and Community Development, in areas with no council of governments, is required to determine, in accordance with specified procedures, the share of a city or county of regional housing needs in all economic sectors of housing. Existing law establishes the conditions under which the shares of regional housing needs to be met may be transferred among cities and counties. This bill would provide an additional procedure by which a city or county may enter into an agreement to transfer a percentage of its share of the regional housing needs to another city or county.

**SB 427(Hollingsworth)** *CALAFCo WATCH* California Environmental Quality Act:

scoping meetings. Introduced: 02/17/2005

Last Amend: 01/04/2006

Status: 02/16/2006-To Com. on NAT. RES.

Location: 02/16/2006-A NAT. RES.

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment, as defined . This bill would additionally require notice of at least one scoping meeting be provided to transportation planning agencies or public agencies required to be consulted concerning such a project, and would require to be included in that consultation the project's effect on overpasses, on-ramps, and off-ramps. By imposing new duties on local governments with respect to notifying additional entities of a scoping meeting and consulting on other effects of the project, the bill would impose a state-mandated local program . This bill contains other related provisions and other existing laws.

Position: Watch

Subject: CEQA,

**SB 1121(Committee on Local Government) *CALAFCo WATCH* Validations.**

Introduced: 01/04/2006

Last Amend:

Status: 05/04/2006-From committee: Do pass. To Consent Calendar. (Ayes 7. Noes 0.)

Location: 05/04/2006-A CONSENT CALENDAR

Calendar: 05/09/06 70 ASM SECOND READING FILE

Summary: This bill would enact the First Validating Act of 2006, 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.

**SB 1122(Committee on Local Government) *CALAFCo WATCH* Validations.**

Introduced: 01/04/2006

Last Amend:

Status: 05/04/2006-From committee: Do pass. To Consent Calendar. (Ayes 7. Noes 0.)

Location: 05/04/2006-A CONSENT CALENDAR

Calendar: 05/09/06 71 ASM SECOND READING FILE

Summary: This bill would enact the Second Validating Act of 2006, 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.

**SB 1123(Committee on Local Government) *CALAFCo WATCH* Validations.**

Introduced: 01/04/2006

Last Amend:

Status: 05/04/2006-From committee: Do pass. To Consent Calendar. (Ayes 7. Noes 0.)

Location: 05/04/2006-A CONSENT CALENDAR

Calendar: 05/09/06 72 ASM SECOND READING FILE

Summary: This bill would enact the Third Validating Act of 2006, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**SB 1191**(**Hollingsworth**) California Environmental Quality Act. *CALAFCo WATCH*

Introduced: 01/23/2006

Last Amend:

Status: 02/02/2006-To Com. on E.Q.

Location: 02/02/2006-S E.Q.

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the environment, as defined, or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also generally requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA provides some exemptions from its requirements for specified projects. This bill would revise CEQA as follows: establish a short form environmental impact report, that a lead agency would be required to prepare if a project satisfies specified criteria related to housing; specify the types of standards and methodologies a lead agency is required, or authorized, to apply in determining whether a project may have a significant effect on the environment; specify certain situations that do not constitute a significant effect on the environment or do not require certain analysis; provide that CEQA does not apply to specified approvals of the California Building Standards Commission; specify, in certain circumstances, the baseline environmental setting from which a lead agency determines whether a project may have a significant effect on the environment; change notice requirements, timelines, and definitions established by CEQA; limit the issues a lead agency may consider in determining whether a project may have a significant effect on the environment; limit the length of a draft environmental impact report; revise provisions relating to legal challenges concerning CEQA; and make other changes. By imposing new duties on a lead agency, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Notes: Among several changes this bill would make is that a lead agency would be excluded from considering impacts of developing or expanding a public facility that may serve a proposed project if such a review would be undertaken by another lead agency. Increased public service or utility demand would not be a significant impact unless the demand would result in a direct effect on the physical environment.

**SB 1196**(**Committee on Local Government**) *CALAFCo WATCH* Local Government Omnibus Act of 2006.

Introduced: 01/24/2006

Last Amend: 02/27/2006

Status: 03/16/2006-In Assembly. Read first time. Held at Desk.

Location: 03/16/2006-A DESK

Summary: Existing law establishes the procedures for relieving from specified tax liability territory that has been detached from a district. This bill would correct an obsolete cross-reference in those procedures. This bill contains other related provisions and other existing laws.

Notes: Nonsubstantive changes only.

**SB 1754(Lowenthal)** *CALAFCo WATCH* Housing and infrastructure zones.

Introduced: 02/24/2006

Last Amend: 05/02/2006

Status: 05/02/2006-Read second time. Amended. Re-referred to Com. on APPR.

Location: 05/02/2006-S APPR.

Summary: The Community Services District Law identifies the procedures for district formation and specifies the services that a district may provide. Among those services are the acquisition, construction, improvement, maintenance, and operation of recreation facilities, including parks and open space; and community facilities, including libraries, and child care facilities; supplying water for any beneficial use, the collection, treatment or disposal of sewage, waste water, recycled water, storm water, and solid waste; and the acquisition, construction, improvement, and maintenance of streets, roads, rights-of-way, bridges, culverts, drains, curbs, gutters, sidewalks, and any incidental works. This bill would establish a pilot project allowing for the formation, under criteria developed by specified councils of governments and the Secretary of Business, Transportation and Housing, of 100 housing and infrastructure zones in the state. A city or county would be eligible to apply to its council of governments or the agency, as applicable, in order to establish a housing and infrastructure zone, subject to approval by the bank, and specified reporting requirements. By requiring the councils of governments to develop criteria and requiring the councils and local governments to perform other duties with respect to the selection and establishment of zones, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**SB 1800(Ducheny)** *CALAFCo WATCH* General plans: housing. Introduced: 02/24/2006

Last Amend: 03/29/2006

Status: 04/07/2006-Testimony taken. Hearing postponed by committee. (Refers to 4/4/2006 hearing)

Location: 03/09/2006-S T. & H.

Summary: Existing law requires each planning agency to prepare, and the legislative body of each county and city to adopt, a comprehensive, long-term general plan for the physical development of the county or city. The general plan consists of various elements, including a housing element. The housing element consists, in part, of an identification and analysis of existing and projected housing needs in the community and the community's share of regional housing needs, and is to be periodically revised. This bill would require the legislative body of a local agency, as defined, to adopt the general plan, would define the term "long-term," with respect to the general plan, and would require the local government at the same time it revises its housing element to adopt a

housing opportunity plan, as described, as a part of the housing element, thereby imposing a state-mandated local program. The bill would establish the Housing Opportunity Plan Fund, to be administered by the Pooled Money Investment Board. Upon appropriation by the Legislature, moneys in the fund shall be used for the purpose of providing loans from the Pooled Money Investment Account to cities, counties, and cities and counties to prepare and adopt plans that provide housing pursuant to the housing opportunity plans. The bill would revise procedures for the adoption of local and regional housing needs, and would make related and conforming changes. This bill contains other related provisions and other existing laws.

**SB 1832(Kehoe)** *CALAFCo WATCH* Public records: fee waiver.

Introduced: 02/24/2006

Last Amend: 04/18/2006

Status: 04/25/2006-Set, second hearing. Hearing canceled at the request of author.

Location: 03/09/2006-S JUD.

Summary: Existing law, the California Public Records Act, requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies, and to make copies available upon payment of specified fees. This bill would provide that a state agency shall not charge a fee for a copy of a public record that it is required to disclose if disclosure of the record is in the public interest because it is likely to contribute to public understanding of the operations or activities of the government and not primarily in the commercial interest of the requester. It would require state agency officials to consider specified information about the requester, the information requested, and the proposed use of the information in order to determine whether a requester is eligible for a fee waiver under these provisions. It also would require that any denial of a request for a fee waiver be in writing and set forth the names and titles or positions of each person responsible for the denial.

Subject: Public Records Act

DL:Maf

(Legislation Report August 2006)