

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
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May 5, 2010

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer *PB*

RE: Legislative Update

**CONTACT: Don Lockhart, AICP, Assistant Executive Officer (916) 874-2937**

**RECOMMENDATION**

Information only, no action is recommended.

**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 has considered and adopted positions on several bills, (Please see below.)

Staff will continue to track the bills, in collaboration with CALAFCO, and report back to the Commission.

**PENDING LEGISLATION**

AB 419 (Caballero D) Local government: change of organization or reorganization: elections.

Current Text: Amended: 1/14/2010 [pdf](#) [html](#)

Introduced: 2/23/2009

Last Amended: 1/14/2010

Status: 2/11/2010-Referred to Com. on L. GOV.

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

**Summary:**

Would , beginning January 1, 2011, require the board of supervisors or the city council to take action, to order and place the item on the ballot, within 45 days of notification by the local agency formation commission, and would require the elections official to place the item on the ballot at the next regular election if the board of supervisors or the city council fails to take action within 45 days of the notification. This bill would also make conforming changes.

**Position:** Support

**Subject:** CKH General Procedures

**CALAFCO Comments:** This bill was a gut-and-amend to specify that a Board or Council has 45 days to place an item on the next general election ballot when requested by a LAFCo. Current law does not specify the number of days nor state what happens if the item is not placed on the ballot. If the Board or Council does not act within 45 days it requires the election official to place the item on the next General Election ballot. Adds a requirement that LAFCo must notify the election official as well as the Board or Council of an item to be placed on the ballot. It provides clarity to the process.

**AB 853 (Arambula I) Local government: organization.**

**Current Text:** Amended: 5/18/2009 [pdf](#) [html](#)  
**Introduced:** 2/26/2009  
**Last Amended:** 5/18/2009  
**Status:** 6/11/2009-Referred to Coms: on L. GOV. and RLS.

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

**Summary:**

Would provide procedures for annexing unincorporated fringe communities and unincorporated island communities, as defined, to a city under specified circumstances, including provisions for a revenue neutrality agreement between the affected local government entities.

**Position:** Oppose unless amended

**Subject:** Special District Consolidations

**CALAFCO Comments:** This bill provides a mechanism for residents to petition to a Board of Supervisors to be annexed to a city if they are within 1.5 miles of a boundary or within or adjacent to an existing city SOI. It requires the Board to send a resolution to LAFCo for the annexation and requires LAFCo to approve the annexation. It creates new definitions for "islands" and for "unincorporated fringe communities." It also prohibits affected districts from terminating the annexation. This bill is sponsored by California Rural Legal Assistance and is tied to their other bill, SB 194. CALAFCO has significant concerns and is working with the author and sponsor on language before taking a position.

**AB 1668 (Knight R) Local government: city councils.**

**Current Text:** Amended: 3/25/2010 [pdf](#) [html](#)  
**Introduced:** 1/20/2010  
**Last Amended:** 3/25/2010  
**Status:** 4/15/2010-In Senate. Read first time. To Com. on RLS. for assignment.

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

**Summary:**

Would require the city council to, within 60 days of a vacancy in an elective office, fill that vacancy by appointment or call a special election to fill the vacancy, as specified. This bill contains other related provisions and other existing laws.

**Position:** Support

**Subject:** Incorporation Proceedings

**CALAFCO Comments:** This bill is nearly identical to AB 18 introduced by Assembly Member Knight in 2009. In addition to specifying the number of days a city council has to fill a vacancy, it clarifies the number of seats up for election at the first election following incorporation. CALAFCO supported AB 18. That bill was vetoed by the Governor because he felt current law was adequate on number of days to fill a vacancy. His veto was silent on number of seats at the first election. CALAFCO has proposed the seats up for election as an Assembly Omnibus Bill item. Should there

be no objections from stakeholders, that item would be in the Omnibus and would be amended out of AB 1668.

**AB 1859 (Norby R) Local government: change of organization or reorganization.**

**Current Text:** Amended: 4/8/2010 [pdf](#) [html](#)

**Introduced:** 2/12/2010

**Last Amended:** 4/8/2010

**Status:** 4/21/2010-In committee: Set, first hearing. Failed passage.

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

**Summary:**

Would include within a local agency formation commission's powers the power to approve, disapprove, or approve conditionally, a request by a redevelopment agency to establish, extend, or expand a project area. The bill would include within the definition of "change of organization" a proposal to establish, extend, or expand a project area, and would define the term "project area." By expanding a local agency formation commission's duties, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Position:** Watch

**Subject:** Annexation Proceedings

**CALAFCO Comments:** At this point this appears to be a placeholder bill for potential legislation regarding island annexations. Introduced by a former Orange County supervisor.

**AB 2795 (Committee on Local Government) Local government: organization.**

**Current Text:** Introduced: 3/24/2010 [pdf](#) [html](#)

**Introduced:** 3/24/2010

**Status:** 4/8/2010-Referred to Com. on L. GOV.

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

**Calendar:**

4/28/2010 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

**Summary:**

Would define "divestiture of power" and "executive officer" as used in the act. This bill would also make additional changes to clarify and maintain the consistency of the act. This bill contains other related provisions and other existing laws.

**Position:** Sponsor

**Subject:** CKH General Procedures

**CALAFCO Comments:** This is the Assembly Local Government Committee Omnibus bill. The bill is prepared and sponsored by CALAFCO and makes technical, non-significant changes to C-K-H.

**SB 194 (Florez D) Community Equity Investment Act of 2010.**

**Current Text:** Amended: 1/7/2010 [pdf](#) [html](#)

**Introduced:** 2/23/2009

**Last Amended:** 1/7/2010

**Status:** 1/28/2010-In Assembly. Read first time. Held at Desk.

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

**Summary:**

Would enact the Community Equity Investment Act of 2010. The bill would make legislative findings and declarations relating to disadvantaged, unincorporated communities. The bill would specify how funds received pursuant to the federal State

Community Development Block Grant Program are expended at the local government level.

**Position:** Watch

**Subject:** Municipal Services, Planning

**CALAFCO Comments:** This bill is intended to provide municipal services and infrastructure investment to disadvantaged unincorporated communities. Its intent, in part, is to address the role of regional agencies in addressing infrastructure deficits through changes to state agency funding programs with the intent to improve infrastructure in unincorporated communities. Language in this bill is tied to AB 853 which provides mechanisms for LAFCo to annex these communities to existing cities.

**SB 894 (Committee on Local Government) Local Government Omnibus Act of 2010.**

**Current Text:** Amended: 4/12/2010 [pdf](#) [html](#)

**Introduced:** 1/25/2010

**Last Amended:** 4/12/2010

**Status:** 4/20/2010-Set for hearing May 3.

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

**Calendar:**

5/3/2010 11 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, KEHOE, Chair

**Summary:**

Would include a cross-reference to this authorization in each of the affected provisions. This bill contains other related provisions and other existing laws.

**Position:** Support

**Subject:** CKH General Procedures

**CALAFCO Comments:** This is the Senate Local Government Committee Omnibus Bill. AT this time it contains one minor item related to LAFCo: It cleans up language in various local government laws to clarify that judges can resolve land use and environmental lawsuits through mediation before it goes to trial.

**AB 155 (Mendoza D) Local government: bankruptcy proceedings.**

**Current Text:** Amended: 7/1/2009 [pdf](#) [html](#)

**Introduced:** 1/26/2009

**Last Amended:** 7/1/2009

**Status:** 4/20/2010-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 3. Noes 2.) (April 19).

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

**Summary:**

Would provide that a local public entity may only file under federal bankruptcy law with the approval of the California Debt and Investment Advisory Commission, as specified.

**Position:** None at this time

**Subject:** Financial Viability of Agencies

**CALAFCO Comments:**

**AB 711 (Calderon, Charles D) Local agency formation commissions: cost of incorporation proceedings.**

**Current Text:** Amended: 4/22/2010 [pdf](#) [html](#)

**Introduced:** 2/26/2009

**Last Amended:** 4/22/2010

Status: 4/26/2010-Action From SECOND READING: Passed Senate to CONCURRENCE.

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

**Calendar:**

4/26/2010 #29 SENATE ASSEMBLY BILLS-SECOND READING FILE

**Summary:**

Would transfer \$45,000 from the Environmental Enhancement and Mitigation Program Fund to the General Fund, and appropriate that amount from the General Fund to the Controller for allocation to the Los Angeles County Local Agency Formation Commission for a loan to the East Los Angeles Residents Association, as specified. The bill would make findings and declarations regarding the need for a special statute. This bill contains other related provisions.

**Position:** Watch

**Subject:** Incorporation Proceedings

**CALAFCO Comments:** This would be the first time legislation has been introduced to provide funds for the State Controller to allocate to fund incorporation studies as provided in CKH. The legislation is specific that the process must be consistent with CKH law.

**SB 896 (Cox R) Local government: organization.**

**Current Text:** Introduced: 1/25/2010 [pdf](#) [html](#)

**Introduced:** 1/25/2010

**Status:** 2/4/2010-To Com. on RLS.

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

**Summary:**

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 defines various terms for purposes of the act, including, among others, "affected city." This bill would make a technical, non-substantive change to this definition.

**Position:** Watch

**Subject:**

**CALAFCO Comments:** This appears to be a placeholder bill.

**SB 1174 (Wolk D) Land use: general plan: disadvantaged unincorporated communities.**

**Current Text:** Amended: 4/13/2010 [pdf](#) [html](#)

**Introduced:** 2/18/2010

**Last Amended:** 4/13/2010

**Status:** 4/20/2010-Set for hearing May 3.

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

**Calendar:**

5/3/2010 11 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, KEHOE, Chair

**Summary:**

Would require , prior to January 1, 2013, and thereafter upon each revision of its housing element, a city or county to review and update one or more elements of its general plan, as necessary to address the presence of island, fringe, or legacy unincorporated communities, as defined, inside or near its boundaries, and would require the updated general plan to include specified information. This bill would also require the city or county planning agency, after the initial revision and update of the general plan, to review, and if necessary amend, the general plan to update the information, goals, and program of action relating to these communities therein . By

adding to the duties of city and county officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Position:** Watch

**Subject:** Annexation Proceedings, Service Reviews/Spheres, Growth Management, Environmental Justice, Planning

**CALAFCO Comments:** Adds conflicting definitions of island communities to general plan law.

**AB 300 (Caballero D) Subdivisions: water supply.**

**Current Text:** Amended: 6/30/2009 [pdf](#) [html](#)

**Introduced:** 2/17/2009

**Last Amended:** 6/30/2009

**Status:** 7/7/2009-In committee: Set, first hearing. Testimony taken. Further hearing to be set.

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

**Summary:**

Would require, until January 1, 2017, the public water system, or the local agency if there is no public water system, to review, verify for accuracy, and approve, as specified, the subdivider's water savings projections attributable to voluntary demand management measures, as defined. The public water system would be authorized to collect fees necessary to provide the additional analysis of the voluntary demand management measures. This bill would provide that a water supply assessment completed, as specified, satisfies the existing requirement of verifying sufficient water supply, unless the public water system receives specified new information. The public water system would be required to determine the projected water savings attributable to the voluntary demand management measures that will be incorporated into the subdivision. The projected water savings would be required to be calculated using specified data compiled or maintained by the public water system or the water savings projections adopted by the California Urban Water Conservation Council. If a project applicant proposes to use a new voluntary water demand management measure for which neither the California Urban Water Conservation Council nor the public water system has adopted an estimate or method to calculate the projected water savings of the proposed voluntary demand management measure, the projected water savings would be required to be made based on documented methodologies or calculations submitted in the record. Five years after the project has been fully developed, the public water system would be required to include within its next urban water management plan a report on the monitoring and compliance of voluntary water demand management measures and to determine, if practicable based on readily available information, whether they have resulted in the water savings necessary to achieve the agreed upon water demand offsets. The bill would also require the public water system to document the measured annual water use of the subdivision in comparison to the projected demand associated with the subdivision, and to calculate the water savings attributable to the voluntary mitigation measures financed by the Voluntary Water Demand Mitigation Fund for the subdivision. If the public water system bases its written verification of a sufficient water supply for the subdivision, in whole or in part, on the use of voluntary demand management measures within the subdivision, the written verification would be required to be conditioned on the maintenance and operation of the voluntary demand management measures, or measures that are at least as water efficient, as agreed to by the applicant and the public water system, and the recordation as a covenant running with the land for the lots within the subdivision. The bill would provide that by acceptance of a deed to a lot, each purchaser would acknowledge the obligation to comply with the voluntary demand measures for the lot as described in the covenant. These covenants would be authorized to be enforced pursuant to

the existing authority of a public water system. The bill would further require a builder, prior to the close of escrow, to give a purchaser information that would be required to be included in a maintenance manual that informs the purchaser of the existence of the home's unique water saving devices, including specified information. The bill would also encourage the public water system to commit to carrying out the water conservation measures funded by the Voluntary Water Demand Mitigation Fund within 24 months of the sale of the last unit of the proposed subdivision. The bill would require the public water system to choose water conservation measures that are the most cost-effective means to yield water savings . The bill would authorize expenditures from the fund to be made within the subdivision or elsewhere within the service area of the public water supplier, at its discretion. Not less than 40% of the proceeds from the voluntary water demand mitigation fund would be required to be directed to water conservation programs in any disadvantaged community, unless the public water system makes a specified finding. By adding to the duties of the public water system, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Position:** None at this time

**Subject:** Service Reviews/Spheres, Water

**CALAFCO Comments:** Requires the preparation of a water assessment report for projects which reduce water consumption, which requires consultation with affected agencies, including LAFCo.

