



June 28, 2010

The Honorable Juan Arambula
California State Assembly
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0031

Subject: AB 853 - Letter of Opposition

Dear Assembly Member Arambula:

The Riverside Local Agency Formation Commission (LAFCO) wishes to express its opposition to the language of AB 853 as currently amended. Though recent amendments have improved the bill, this Commission still has concerns, as further expressed below:

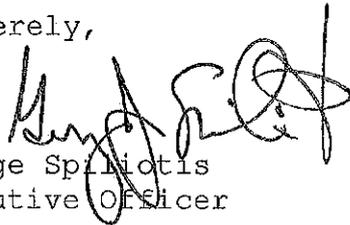
- The identification of "disadvantaged inhabited communities", while far less onerous than the "comprehensive plan" requirements of the previous version of this bill, represents another unfunded mandate on local agencies. Increases in net costs to LAFCOs, by statute, would be apportioned to local agencies within the County at a time when our local agencies are already under great fiscal stress.
- As defined, "disadvantaged inhabited communities", could include small remote outposts comprised of a few homes. Is it the intent of the legislation to require an inventory and service assessment of such small settlements?
- The bill seems to rely on an underlying assumption that annexation of an underserved area to a city will automatically improve infrastructure deficiencies and service levels. Annexation without a commensurate increase in revenue will not resolve service deficiencies.
- Additionally, the services specified in AB 853 are often provided by special districts rather than cities. In these cases, annexation to a city will not effect change in those services.
- Riverside LAFCO policies encourage a collaborative approach to annexation of inhabited areas. Promoting annexation with

minimal contact with the affected city is contrary to the policies and practices of this Commission.

- The great majority of unincorporated communities in Riverside County do not favor annexation to a city. This has been made clear to the Commission through years of public testimony. Identification of "disadvantaged inhabited communities", as defined, will be a largely academic exercise.
- Finally, we are concerned about a seemingly minor language change proposed in the bill. Although not called out in the Legislative Counsel's digest, a slight shifting of the phrase "as necessary" in Section 56425 might change our obligation to conduct SOI reviews. This section was amended a few years ago as a common-sense measure to provide LAFCOs with flexibility to conduct sphere reviews as needed after our initial round of municipal service reviews and sphere of influence reviews. In cases where no changes in circumstances have occurred, or, for some other reason, it is clear that no change to the sphere will be necessary (e.g. a landlocked agency), it is a waste of resources to conduct any kind of review. The existing language allows LAFCOs to focus very limited resources where the most benefit can occur. The proposed revisions would represent a significant change in workload for us and exacerbate our concern over the unfunded mandate expressed previously.

While we appreciate the intent to improve services to inhabited communities, we are opposed to the disproportionate expenditure of addition local resources for limited benefit.

Sincerely,



George Spiliotis
Executive Officer

cc: Peter Detwiler, Consultant, Senate Local Government Committee
Riverside County Legislators
Coalition of California LAFCOs
William Chiat, Executive Director, CALAFCO



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San Diego Local Agency Formation Commission

Website: www.sdlafco.org

Chairman

Bud Pocklington
South Bay
Irrigation District

June 29, 2010

Vice Chairman

Carl Hilliard
Councilmember
City of Del Mar

The Honorable Juan Arambula
California State Assembly
P.O. Box 942849
Sacramento, CA 94249-0031

Members

Bill Horn
County Board of
Supervisors

RE: OPPOSITION TO AB 853 (Arambula)

Dear Assembly Member Arambula:

Dianne Jacob
County Board of
Supervisors

The San Diego Local Agency Formation Commission (LAFCO) has previously expressed its opposition to you regarding Assembly Bill 853. While we recognize and commend you on your attempt to identify and improve deficiencies in disadvantaged communities, we believe that the bill as amended contains burdensome regulatory provisions that will require Local Agency Formation Commissions and local government agencies to fund studies and service reviews that will not bring about the results that you advocate. We believe that if the bill is enacted even as amended, the overly restrictive provisions will hamper economic recovery of many counties and cities and result in a slowdown on planned development both within and outside of disadvantaged communities.

Donna Frye
Councilmember
City of San Diego

Mark Lewis
Mayor
City of El Cajon

John Ingalls
Santa Fe
Irrigation District

We would like to reiterate our concerns from our prior letters and of those from the California Association of LAFCO's and other entities. We believe that this new unfunded service review mandate is very untimely. We also do not believe that the requirement should be placed upon special districts that provide services in areas not adjacent to urban or suburban cities. To study these areas will add financial burdens upon commissions and local government agencies who fund them. Since we knew that CALAFCO has been engaged in discussions with your staff on concerns of the fiscal impact of the bill, we had hoped that amendments could have been reached that addressed these concerns. Since the recent amendments have not resolved these concerns, the San Diego LAFCO continues to express opposition to the bill.

Andrew L. Vanderlaan
Public Member

We encourage you to support an ongoing review and discussion on the issues of concern in your bill with CALAFCO and other stakeholders. Regretfully, the San Diego LAFCO must continue to express a position of **Opposition** to AB 853, as amended. We appreciate your consideration of our input.

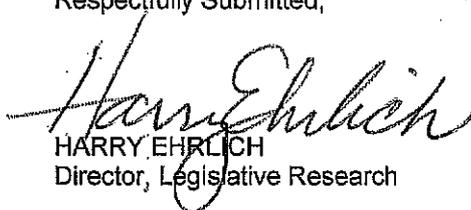
Alternate Members

Greg Cox
County Board of
Supervisors

Respectfully Submitted,

Sherri Lightner
Councilmember
City of San Diego

Jim Janney
Mayor
City of Imperial Beach


HARRY EHRlich
Director, Legislative Research

Jo MacKenzie
Vista Irrigation District

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

HE:ra

Counsel

Karen Landers

cc: Members, Senate Local Government Committee
William Chiat, Executive Director, CALAFCO
Michael Ott, Executive Officer, San Diego LAFCO



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June 9, 2010

The Honorable Juan Arambula
California State Assembly
State Capitol Building, Room 2141
Sacramento, CA 95814

RE: AB 853 (Arambula): local government: organization
Joint Notice of Opposition

Dear Assembly Member Arambula:

The League of California Cities, the American Planning Association, California, and the California State Association of Counties must oppose AB 853.

While all of our organizations appreciate the goal of the bill—to address the infrastructure needs of severely disadvantaged rural communities—we must oppose the costly means of implementation that you have selected. All of our organizations have indicated a willingness to find a combination of resources and regulatory relief to help rebuild these communities and integrate them into surrounding networks of service and infrastructure.

The primary problem with AB 853 is it seeks to mandate expensive planning processes at a time when local agencies are cutting back on personnel, particularly in planning departments. There is just not enough staff or money to maintain existing services, much less extend them to new areas.

We have just received the amended language and will be getting back to you with further analysis. But our first read is that there are several structural problems with this bill, including no funding source for LAFCOs to undertake the required comprehensive planning and an unprecedented enforcement role for LAFCO that goes well beyond its stated mission. We will be getting you more details about our analysis in the coming days, but wanted to give you notice that your most recent set of amendments does not change our oppose position.

Please do not hesitate to contact any of us if you have questions

Sincerely,

Handwritten signature of Bill Higgins in cursive.

Bill Higgins
Legislative Representative
League of California Cities

Handwritten signature of DeAnn Baker in cursive.

DeAnn Baker
Legislative Representative
California State Association of Counties

Handwritten signature of Sande George in cursive.

Sande George
Legislative Representative
American Planning Association, California Chapter

Cc: Chair and Members, Senate Local Government Committee
Peter Detwiler, Chief Consultant, Senate Local Government Committee

Rollings-McDonald, Kathleen

From: Bill Chiat [wchiat@calafco.org]
Sent: Wednesday, June 30, 2010 3:53 PM
To: Clark Alsop; Roger Anderson; Kris Berry; Bob Braitman; Scott Browne; William Chiat; Carole Cooper; Paula de Sousa; Harry Ehrlich; SR Jones; Gay Jones; Jerome Keene; Steve Lucas; Ted Novelli; Neelima Palacherla; Mona Palacios; Rollings-McDonald, Kathleen; Allen Settle; Keene Simonds; George J. Spiliotis; Lou Ann Texeira; Chris Tooker; Susan Wilson
Subject: AB 853
Attachments: AB 853 Testimony 30 June - Senate LGC.doc

Dear Committee Members: AB 853 was heard this morning at Senate Local Government for the second time. I haven't seen the final vote yet (two members were out of the room during the hearing) but I'm expecting it will pass on a 3-2 party line vote.

Based on our work, the bill changed significantly since the version heard two weeks ago. You can view the amended bill by clicking [AB 853](#). We were able to secure an additional amendment in committee today that gives LAFcos more flexibility in determining what constitutes an inhabited disadvantaged community. That amendment will be in print later this week, but here's the language that was accepted:

Page 3, line 4, after "territory", insert:
", as defined by Section 56046 or determined by commission policy,"

I had been working with Senator DeSaulnier to also address an amendment made in the 9 June version to sec. 56425g which moved "review and update" before "as necessary" rather than current law which places it after "as necessary." Mr. DeSaulnier was going to press that point at the hearing today, but unfortunately he stepped out during the bill. Nonetheless I've had several conversations with Mr. Arambula and his staff and the sponsors regarding this issue. Clearly they thought by moving the location it would trigger a review of all spheres. They now understand the unintended consequences and Mr. Arambula acknowledge at the hearing that he wants to continue to work with CALAFCO on this issue. Senator Kehoe also caught this and asked that he work with us to resolve this. In talking with him after the hearing I feel fairly comfortable they will make this change before the bill is heard again.

Attached is the testimony I presented today. Besides the "review and update" the focus was on who pays the costs and needing time to better understand how LAFcos would actually implement this should it pass. I was surprised Senator Cox let me get through the whole thing as he cut off almost everyone else. We did not change our position on the bill, although I tried to be careful not specifically say we are in opposition since the Legislative Committee has not discussed the

amended bill. Nonetheless I wanted to get on the record our concerns about funding and implementation.

What's Next: The Legislature is leaving on summer recess this week (*No budget? What budget?*) and returns the first week of August. This bill will next be heard in Senate Appropriations, probably the first week of August. Senator Kehoe chairs that committee so we have an opportunity to make sure our issues are addressed. Assuming it passes it then goes to Senate Rules and then the floor before going back to the Assembly for concurrence. Actions in August will happen quickly as the Legislature is scheduled to adjourn on 31 August. Since this the end of a two-year session the date is firm.

Help from You: To the staff and counsel on the Committee your help is needed! If the bill passes as is (assume the "review and update" goes back to current law) what do you anticipate it will take for you to meet the requirements:

- Based on your read how would you implement this in your LAFCo?
- What ambiguity remains that you would like clarified (remember -- ambiguity allows LAFCos flexibility)?
- What costs do you anticipate you would incur to comply with this legislation (staff time, GIS mapping, consultants)?
- Do you anticipate you could absorb the requirements in your future budgets (this is effective 1 July 2011) or would there be costs for the sphere reviews and updates that would have to be passed on to the local agencies?

The next meeting of the Legislative Committee is Friday, 23 July at 9:30 a.m. This will be a conference call meeting, and I expect AB 853 will be the primary item on the agenda. Your advanced thinking on these questions will be of great value to the discussion on the 23rd.

There was obvious sympathy from both sides of the aisle for the cause that Mr. Arambula is trying to begin to address with this legislation. We need to think through what this means for LAFCOs, how we could comply should it pass, and what additional changes we want to see. Right now most eyes are on us and how we respond to this amended bill. Always interesting in Sacramento

Have an enjoyable 4th of July Holiday! BC

Bill Chiat
Executive Director

California Association of Local Agency Formation Commissions
1215 K Street, Suite 1650
Sacramento, CA 95814
916/442-6536

Madame Chair, Members of the Committee

First, on behalf of the local agency formation commissions I want to thank the Author, the Authors staff, the sponsors and members of the Committee for working hard to resolve the issues we have identified and making this a better piece of legislation.

We believe there has been significant progress and that most of the objections we identified have been well-addressed in the amended bill before you today {and the amendment taken today}. The clarification of the definition {and restoring “as necessary” to its current location in law} will help significantly help moderate the work level for commissions.

We continue to study how commissions would actually implement this bill. While LAFCoS may be proficient in reviewing the effectiveness and efficiency of municipal services provided by public agencies, identifying disadvantaged unincorporated communities in each county and their service deficiencies is not an area of expertise.

{The 9 June amendments to the bill moved the phrase “as necessary” after “review and update” rather than its current location before “review and update”. Many of my members believe that will trigger thousands of unnecessary sphere reviews and municipal service reviews for agencies that do not provide the services identified in this legislation or are unable to provide services outside their existing boundaries. And this move triggers that review of nearly 4,000 local agencies every five years. We strongly urge you to remove that change from the bill and leave the language as it was carefully crafted in AB 1746 in 2005 by the Assembly Local Government Committee and supported by all stakeholders.}

While the amendments remove most the objections raised earlier, we continue to be concerned – as we stated earlier – with who pays the costs of the studies identified in the bill. LAFCoS are funded by cities, counties and special districts. The costs to study the present and probable need of disadvantaged communities in the sphere reviews will have to be passed onto local agencies – something which many commissioners see as an unfunded state mandate. Most LAFCoS have had their 2010-11 budgets slashed by their commissions who represent the financially beleaguered cities, counties and districts. These local agencies simply do not have the revenues, no matter how insignificant they may appear here, to fund additional LAFCo costs. Since the staffing levels of many LAFCoS are reduced, it is anticipated consultants would be required to perform many of these studies.

Should this bill continue in the process today, my Legislative Committee is meeting soon and will have a better understanding of how LAFCoS could implement this bill and the costs to do so. We will also revisit our position on this bill.

In the meantime I again thank the author, sponsors and the committee for their work. The amendments address the majority of our objections. With your direction I look forward to working with the bill author and sponsor to resolve the funding question in order that LAFCoS can embark on this important first step without further impacting the finances of cities, counties and special districts.

Thank you