

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE: FEBRUARY 11, 2008

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9: PENDING LEGISLATION

RECOMMENDATION:

1. Note report and file.
2. For SB 301(Romero) -- Direct the LAFCO Executive Officer to send the letter of support for the legislation with the request that the sunset of 2014 for incorporation also be removed from State Law.
3. Provide direction to staff related to other legislation such as SB 375 (Steinberg), County Service Area Law rewrite and concerns/positions of Commission on other legislation.

BACKGROUND:

The new legislative session officially began on January 7, 2008 with the introduction of positions by both houses. As a participant on the CALAFCO Legislative Committee, I wanted to apprise the Commission of a number of issues on the horizon and those holding over from the last legislative session as a two-year bill. Information is presented on each of these issues:

First, the CALAFCO Board of Directors has adopted Legislative Policies for the upcoming year (copy included as Attachment #1 to this report). These policies reiterate and amplify the positions of prior years to:

- Item 1.2: Support the authority of each LAFCO to establish local policies and to oppose legislation which might place limitation on those policies. The rationale, one size does not fit all in the State of California.

- Several policies look toward resolving conflicts between LAFCO law and the legislative process for orderly growth. An example of this language relates to Item 1.4: “Support alignment of responsibilities and authority of LAFCO and regional agencies – oppose legislation or policies which create conflicts or hamper those responsibilities”.

As a part of this legislative position, the Omnibus bill sponsored by CALAFCO through the Assembly Local Government Committee (ALGC) is being put together for items related to LAFCO law which are not controversial. Attachment #2 to this report provides the current listing of items presented for consideration in the Omnibus Bill. At the CALAFCO Legislative Committee meeting held on February 1, 2008 in Ontario, changes were discussed which propose to amend the definition of landowner; however, this has been placed on hold by the Assembly Local Government Committee until a review by stakeholder groups is completed to determine its non-controversial status. In the past, concern has been expressed relating to the elimination of railroad companies in the notification process by members of the stakeholders group.

Legislation currently under consideration at the State level with impacts directly on LAFCO operations are listed below and copies are provided as attachments to this report:

- LAFCO staff has been provided information related to the amendments to SB 301 by Senator Gloria Romero. The amended legislation eliminated discussion of state funding for incorporations and now addresses the ongoing allocation of Vehicle License Fees for incorporations and annexations provided by AB 1602. SB 301 now removes the sunset for the special provisions related to annexations and extends the sunset for incorporations. CALAFCO staff is seeking to further amend the legislation to exclude the sunset for incorporation. CALAFCO staff is working with legislative representatives of the League of California Cities on this element, which appears to be supported. Staff is requesting that the Commission authorize the Chairman to sign the letter of support.
- AB 242 (Blakeslee) is proposing further amendment to the process for transferring Regional Housing Allocation Numbers (RHNA) following an annexation process. The amendments made to this process in 2006 required further clarification for implementation. LAFCO staff is currently working with staff of the San Bernardino Associated Governments (SANBag) to develop an identification of the affected RHNA numbers for city annexations.
- SB375 (Steinberg) was amended on January 28, 2008 (copy attached) to identify that it is now known as the “Sustainable Communities Strategy”, tying transportation dollars and regional planning efforts together. As was reviewed with the Commission last summer, the current bill does not address infrastructure issues related to the placement of this regional development. CALAFCO along

with the League of California Cities and California State Association of Counties (CSAC) are working with the larger stakeholders group, namely the State Association for Councils of Government and Environmental groups to resolve concerns and develop a comprehensive strategy.

Of importance in this discussion is the emphasis on utilizing this type of legislation to meet AB 32 requirements – reduction of greenhouse gases – and the funding of improvements through transportation dollars. Senator Steinberg is to become the President of the California Senate this spring and this legislation appears to become the linchpin of his legislative policy program. LAFCO staff, through its participation on the CALAFCO Legislative Committee, has put forward the position that the legislation as presented is half the circle of analysis for these types of positions. It has been identified that the “Regional Blueprint Program” for the SCAG region was developed without identification of infrastructure need, without identification of infrastructure deficiency or the funding to correct those, and without the participation or information of the analysis available from LAFCOs. It is the CALAFCO Legislative Committee position that the new legislation not solidify this deficiency in information evaluation. The CALAFCO Board was meeting on February 8 and was to discuss a position. As of the time this report was prepared, that position was not available, but staff will update the Commission at the hearing.

- Legislation will be introduced in the next few weeks to present a complete rewrite of existing County Service Area (CSA) law. I have participated in this discussion as a technical advisor to the Committee working on the rewrite of this legislation. The process has updated the law to comply with Prop. 13 and Prop. 218 restrictions, addressed the need for funding review upon formation of a CSA or an improvement zone, and addressed the issue of the types of extended services to be provided. As a rewrite of existing law, the more controversial topics related to these types of agencies were not resolved since general consensus could not be reached by the members of the Committee. Staff will advise Commissioners when the bill is presented and will seek Commission support for the legislation.

On the horizon are brewing some issues which manifest themselves in legislation this session. At present those are:

- There is a controversy in San Diego County related to that LAFCO’s definition of “substantially surrounded” and its application to an annexation to the City of El Cajon for a Home Depot facility. At present the matter is before the courts, but the City of El Cajon and others are attempting to put together legislation which would provide more specificity in the types of boundaries which could be used for establishing “substantially surrounded”. Staff will keep the Commission apprised of whether or not this legislation is published.

- The addition of mandatory seats on LAFCOs in several Counties, specifically a designated Special District seat for Calaveras County. CALAFCO policy directs opposition to these special seating arrangements which disturb the balance of power as envisioned for LAFCOs.

Staff will be glad to address any questions on the information provided in this report prior to or at the hearing.

KRM/

Attachments:

1. CALAFCO Legislative Policies
2. CALAFCO Summary of Current Legislation of Interest to LAFCO
3. SB 301 Romero and Draft Letter of Support
4. AB 242 Blakeslee
5. SB 375 Steinberg – Sustainable Communities Strategy
6. Draft County Service Area Law Revisions
7. Information Related to Potential Legislation on Definition of Substantially Surrounded
8. Information Related to Potential Legislation to Alter Seating on LAFCOs