

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 14, 2014

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #6– LEGISLATIVE UPDATE REPORT

RECOMMENDATION:

Staff recommends that the Commission:

1. Note receipt of the report and file;
2. Adopt the positions identified for AB 1521 and SB 69 (support), AB 1799 (neutral), AB 1961 (watch), AB 2156 (support), and AB 2762 (support), or as modified at this hearing; and,
3. Authorize the Chairman to sign the letters identifying these positions and direct staff to forward to the authors, Committees assigned, and San Bernardino County Legislative delegations.

BACKGROUND:

The 2014 Legislative Session is in full swing and there are several bills which are presented for the Commission consideration. The next CALAFCO Legislative Committee Meeting is scheduled for May 14 in Sacramento, but hearings are anticipated in the next two or three weeks on these items. Attached to this report is information from CALAFCO in its Legislative Report dated Monday, April 14, as Attachment #1. Six bills are presented by LAFCO staff for discussion, with five identified in the CALAFCO report:

- AB 1521 (Fox) and SB 69 (Roth) – Local Government Finance: Vehicle License Fee (VLF) Adjustments:

Taken together these two bills are attempting to address the issue of the loss of funding through passage of SB 89 in 2011. In years past Senator Roth (along with former Senator Emmerson) attempted to address the loss of funding through a

comprehensive approach, each time failing passage. SB 69 was amended to target the restoration of the VLF for newly incorporated cities post 2004 and into the future. However, staff understands that the language of this bill may be amended to address only those four cities which incorporated between 2004 and July 1, 2011 leaving unresolved the loss of funding for a future incorporation. AB 1521 is intended to address the loss of funding for those inhabited annexations which occurred between 2004 and the future. This directly affects the City of Fontana (32 islands) as well as the Cities of Upland, Montclair, San Bernardino, Loma Linda and Victorville. Staff has included a copy of the CALAFCO support position letter and the Capital Track general summary for each of the bills since the legislation runs more than 150 pages.

Recommendation: Staff recommends that the Commission adopt a support position for both AB 1521 and SB 69 for the current language for those jurisdictional changes from 2004 and into the future and direct staff to forward a letter outlining this position.

- AB 1799 (Gordon) – Land Use: Mitigation lands.

CALAFCO has not identified AB 1799 as a bill of interest; however, staff believes it will be of interest given the current processing of LAFCO 3157. AB 1799 proposes to amend the statutory provisions related to the requirement for endowments for long-term stewardship of mitigation lands required of public agencies. The language proposes to exempt public agencies from the requirement of establishing endowments when it can be shown that the agency possesses the financial wherewithal to fund a contractual arrangement satisfactory to the state or federal agency mandating the mitigation requirements. A copy of the Assembly Local Government Committee analysis of the bill and the language of AB 1799 is included as Attachment #3. The County of San Bernardino is on record in support of this legislation at the Assembly Local Government Committee meeting of April 2, 2014. The matter did pass out of that Committee, but was double referred to the Assembly Water, Parks and Wildlife Committee which will hear the legislation April 29, 2014.

Staff is providing the Commission with this legislation for information purposes. There is no direct involvement of LAFCO defined in the legislation, but the question of the ability to fund the performance of these activities would become part of a future service review and/or sphere of influence update. No position, or a neutral stance, is proposed by staff; however, should the Commission define a position it will be forwarded to the Author, to the Assembly Local Government and Water Parks and Wildlife Committees, and the San Bernardino County delegation.

- AB 1961(Eggman) – Land Use: planning: sustainable farmland strategy

AB 1961 is proposing the creation of a new state mandate for every County to create a Sustainable Farmland Strategy (SFS). As introduced in February 2014 the Bill included a requirement that LAFCO consider a SFS as a factor of its considerations.

The CALAFCO Legislative Committee took a position of oppose unless amended and directed the CALAFCO Executive Director to work with the author on its concerns. The April 3, 2014 amendments removed the impositions on LAFCO; however, it retains the requirement the each county develop a SFS by January 2, 2018 and continues yet another definition of agricultural lands in state law. Attachment #4 includes the Assembly Committee on Agriculture analysis of the Bill and the April 3, 2014 amended version of the Bill.

Recommendation: CALAFCO has now taken a “watch” position on this legislation and staff is recommending the same for the Commission.

- AB 2156 (Achadjian) Local Agency Formation Commission: Studies

AB 2156 proposes to add joint powers agencies and joint powers authorities to the list of governmental agencies a LAFCO can request information from in order to conduct its studies. The legislation limits the JPAs to only those which provide municipal services rather than those providing financing tools or councils of government, etc. It was the view by some of the LAFCOs throughout the state that without specific direction they were unable to request such information during their service reviews; while San Bernardino LAFCO has taken the position that if made up of governmental agencies under the jurisdiction of LAFCO we could and did request information and included them in our service reviews. Attachment #5 provides a copy of the CALAFCO letter of support, the Assembly Local Government Committee analysis of the legislation and the current language of AB 2156.

Recommendation: Staff recommends that the Commission adopt a support position for AB 2156 as a reflection of existing San Bernardino LAFCO practice and direct staff to forward a letter outlining this position.

- AB 2762 (Assembly Local Government Committee) Local Government

This is the annual CALAFCO sponsored Omnibus bill containing non-substantive changes to clean up issues within the Cortese-Knox-Hertzberg Act.

Recommendation: Staff recommends that the Commission adopt a support position for AB 2762 and direct staff to forward a letter outlining this position to the Committee, to the Senate Local Government and Finance Committee, and the San Bernardino County legislative delegation.

The three bills of particular interest to staff in reference to infrastructure finance were outlined at the February hearing: SB 33 (Wolk; Co-authors Assembly Members Frazier and V. Manuel Perez) – this bill proposes to revise the procedures for creation and financing of Infrastructure Financing Districts (Govt. Code Section 53395) which, among other changes, allows for tax increment financing (excluding it from the provisions of Article XIII B of the Constitution) as well as allowing for the distribution of funds from the

Redevelopment Property Tax Transfer Fund. AB 229 (Perez; Principal Co-Authors Assembly Members Atkins, Bonilla, Bonta, Cooley, Dickinson, Gordon, Harkey, Quirk-Silva, and Wagner and Senators DeSaunier and Torres) and AB 243 (Dickinson; Principal Co-Authors Assembly Members Atkins, Bonta and John A. Perez) – these bills propose the creation of a new type of district to be known as an “Infrastructure and Revitalization Financing District”. All of these bills are currently inactive and staff does not believe they will move out of committee during the session. However, interest in developing a mechanism to provide funding for infrastructure remains high. At present there are four bills which are in active status, but it is unclear which will become the vehicle for providing the avenue for future funding. LAFCO staff will keep monitoring this issue.

Staff will be happy to answer any questions at the hearing.

KRM:

ATTACHMENTS:

1. [CALAFCO Legislative Report Update Dated April 14, 2014](#)
2. [AB 1521 \(Fox\) and SB 69 \(Roth\) – CALAFCO Letter of Support, Capital Track Bill Summary](#)
3. [AB 1799 \(Gordon\) – Assembly Committee on Local Government Analysis, Assembly Bill](#)
4. [AB 1961 \(Eggman\) – Assembly Committee on Agriculture Analysis, Assembly Bill](#)
5. [AB 2156 \(Achadjian\) – CALAFCO Letter of Support, Assembly Local Government Committee Analysis, Assembly Bill](#)
6. [AB 2762 \(Assembly Local Government Committee\) – CALAFCO Letter of Support, Assembly Bill](#)