



August 14, 2019

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CAROLYN EMERY
EXECUTIVE OFFICER

TO: Local Agency Formation Commission

FROM: Executive Officer
Policy Analyst

SUBJECT: Legislative Report (August 2019)

The Legislature will reconvene from summer recess on August 12, 2019 for its last quarter of the 2018-19 legislative session. The following are key approaching deadlines for the California State Assembly and Senate:

2019 Legislative Deadlines	
August 30, 2019	Last day for fiscal committees to meet and report bills.
September 6, 2019	Last day to amend bills on the Floor.
September 13, 2019	Last Day for each house to pass bills.
October 13, 2019	Last day for the Governor to sign or veto bills passed by the Legislature.

This report provides a brief update on legislation previously reviewed by the Commission and the respective adopted positions. The report also includes an update on two bills (AB 1253 and AB 600), an overview of new legislation (AB 1628), and provides a recommended position for the Commission to consider.

LEGISLATION PREVIOUSLY REVIEWED

Throughout the year, staff regularly keeps the Commission informed on legislation monitored and the bills for which the Commission has adopted positions during the current legislative session. The table on the following page provides a brief status update on each of the bills and the respective positions adopted by the Commission. Following the table there is additional information on recent legislative changes to AB 1253 and AB 600.

Status Update of 2018-19 Proposed Legislation			
Bill	Description	Commission's Adopted Position	Status
AB 1822	Makes minor and/or non-substantive changes to the Cortese-Knox Hertzberg Local Government Reorganization Act of 2000 that clarify and provide consistency in how the CKH Act is applied throughout the State.	Support	Signed by the Governor on June 26, 2019.
AB 213	Proposes to restore the financial funding for city incorporations that was removed by SB 89 in 2011.	Support	Senate Appropriations Committee.
AB 818	Proposes to restore financial funding for future annexations of inhabited areas that were originally removed by SB 89 in 2011.	Support	Failed to be introduced to the Assembly Appropriations Committee.
AB 414	Proposes to create a Small Water Authority Act of 2019 with powers to absorb, improve, and operate noncompliant small water systems.	Watch	Assembly Appropriations Committee.
AB 1253	Proposes a one-time funding grant allocation for LAFCOs to address known service and governance issues in disadvantaged unincorporated communities.	Support	Failed to be introduced to the Senate Governance and Finance Committee.
AB 600	Proposes to modify the requirements for an application to annex a contiguous disadvantaged unincorporated community.	Oppose	Senate Governance and Finance Committee.

Bill	Description	Commission's Adopted Position	Status
SB 646	Proposes to require that the fee or charge for an extension of water or sewer service should be utilized for those facilities or services for which the fee or charge is imposed.	No Position	Signed by the Governor on July 10, 2019.
SB 379, SB 380, SB 381	Yearly Validating Acts meant to retroactively fix typographical, grammatical, and procedural errors that might invalidate boundary changes or bond issues.	Support	Signed by the Governor on July 10, 2019.

AB 1253 (Rivas) - Local Agency Formation Commission - Grant Funding

This bill, which is a follow-up legislative effort to CALAFCO's sponsorship of AB 2258 during the FY 2017-18 legislative session, proposes a one-time funding grant allocation of two million dollars. The grant funding failed to be included as part of the FY 2019-20 State's budget. Therefore, the author and CALAFCO staff collaboratively decided not to proceed with the bill due to the uncertainty of the Governor signing it without a budget allocation. The CALAFCO Board will discuss next steps regarding the bill at its August 9 meeting which may include continuing this effort during the next legislative session.

OC LAFCO ADOPTED POSITION: "Support"**POSITIONS OF OTHER AGENCIES AND ORGANIZATIONS:**

Support: CALAFCO, Alameda LAFCO; Association of California Healthcare Districts and Affiliated Entity Alpha Fund; Butte LAFCO, Calaveras LAFCO; California Special Districts Association; California State Association of Counties; Colusa LAFCO; Contra Costa LAFCO; El Dorado LAFCO; Glenn LAFCO; Kern LAFCO; League of California Cities; Los Angeles LAFCO; San Benito LAFCO; Marin LAFCO; Mendocino LAFCO; County of Monterey; Napa LAFCO; Nevada LAFCO; Orange LAFCO; Rural County Representatives of California; San Diego LAFCO; San Mateo LAFCO; Santa Cruz LAFCO; Sutter LAFCO; Yolo LAFCO.

Oppose: Association of California Water Agencies.

BILL LOCATION/STATUS: Failed to be introduced to Senate Finance Committee.

AB 600 (Chu): Local Government: Disadvantaged Unincorporated Communities

Current law requires that cities and counties identify the existing disadvantaged communities within their jurisdictional boundaries and that LAFCOs identify

disadvantaged unincorporated communities (DUCs). During the May regular meeting, the Commission received a summary of the concerns expressed by CALAFCO and LAFCOs regarding the inconsistencies of AB 600 with current law.

CALAFCO staff continued to work with the author's office on potential amendments that would address these concerns, and after several meetings, the bill was amended. The bill now proposes the following:

- The bill would provide that an application to annex a contiguous disadvantaged unincorporated community is not required if:
 - the Commission finds that a majority of the registered voters within the affected disadvantaged unincorporated community would prefer to address the service deficiencies through an extraterritorial service extension, or
 - there are two or more contiguous areas, which individually are less than 10 acres but cumulatively total more than 10 acres, annexed within five years of each other.

The CALAFCO Legislative Committee reviewed the amended bill and agreed that the modifications to AB 600 will not negatively impact LAFCOs. However, the committee identified a need for the Legislature to review how DUCs are defined, a need for improved data to identify DUCs, and a need for funding to address DUCs. After working with the author on amendments and expressing a need to address these additional concerns, CALAFCO has changed its position on the bill from "Oppose" to "Watch with Concerns." Previously, the Commission adopted an "Oppose" position to AB 600. At this time, staff is not recommending any change to the Commission's position.

OC LAFCO ADOPTED POSITION: "Oppose"

POSITIONS OF OTHER AGENCIES AND ORGANIZATIONS:

Support: Leadership for Justice and Accountability, Policylink, Alliance of Californians for Community Empowerment Action, Asian Pacific Environment Network, California Coastkeeper Alliance, California Environmental Justice Alliance, California Institute for Rural Studies, California League of Conservation Voters, Center for Climate Change and Health, Center for Community Action & Environmental Justice, Center for Sustainable Neighborhoods, Center on Race, Poverty & the Environment, Central California Asthma Collaborative, Central California Environmental Justice Network, Central Valley Air Quality Coalition, Clean Water Action, Community Water Center, Lutheran Office of Public Policy, Planning and Conservation League, Pueblo Unido CDC, Roman Catholic Diocese of Fresno, Western Center on Law and Poverty.

Oppose: California Association of Local Agency Formation Commission, Contra Costa County LAFCO, Fresno County LAFCO, Kern County LAFCO, Los Angeles County LAFCO, Imperial County LAFCO, Merced County LAFCO, Orange LAFCO, Napa County LAFCO, San Benito County LAFCO, Santa Cruz County LAFCO, Sonoma County LAFCO, Nevada County LAFCO, Sacramento County LAFCO, San Mateo LAFCO, Santa Clara LAFCO, Stanislaus LAFCO.

BILL LOCATION/STATUS: Senate Finance Committee.

NEW LEGISLATION OF LAFCO INTEREST

AB 1628 (Rivas): Environmental Justice

Government Code Section 56668 outlines the factors for the Commission to consider during the review of a proposal. One of the factors requires the Commission to consider the extent to which a proposal will promote environmental justice. The definition of environmental justice provided by current law is:

“The fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.”

The author of the bill proposes to modify the current legal definition of environmental justice to:

“The fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services, to promote a healthy environment for all people.”

CALAFCO, in collaboration with the CALAFCO Legislative Committee, reviewed the proposed modification and determined that the proposed amendment will have no impact on the LAFCO process for the review of proposals. Therefore, staff recommends that the Commission take a “Watch” position on this bill.

OC LAFCO RECOMMENDED POSITION: Adopt a “Watch” position for AB 1628.

POSITIONS OF OTHER AGENCIES AND ORGANIZATIONS:

Support: California Environmental Justice Alliance, Asian Pacific Environmental Network, California League of Conservation Voters, Center for Community Action and Environmental Justice, Center on Race, Poverty, and the Environment, Communities for a Better Environment, County of Santa Cruz, Leadership Counsel for Justice and Accountability, Physicians for Social Responsibility-Los Angeles, PODER, Sierra Club California.

Oppose: None Received.

BILL LOCATION/STATUS: Senate Judiciary Committee.

RECOMMENDATION:

Staff recommends that the Commission:

1. Receive and file the August 14, 2019 Legislative Report.
2. Adopt a "Watch" position on AB 1628.

Respectfully Submitted,



CAROLYN EMERY



LUIS TAPIA