

SONOMA LOCAL AGENCY FORMATION COMMISSION

1111 SANTA ROSA AVENUE, SUITE 240, SANTA ROSA, CA 95404
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April 23, 2019

Honorable Cecilia Aguiar-Curry, Chair
Assembly Local Government Committee
California State Assembly
State Capitol, Room 5144
Sacramento, CA 95814

RE: SUPPORT of AB 1822: Local Government Committee Omnibus Bill (as amended April 8, 2019)

Dear Chair Aguiar-Curry:

The Sonoma Local Agency Formation Commission (LAFCO) is pleased to support the Assembly Local Government Committee Bill **AB 1822** (as amended on April 8, 2019) which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

This annual bill includes technical changes to the Act which governs the work of LAFCOs. These changes are necessary as Commissions implement the Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. **AB 1822** currently makes minor technical corrections to language used in the Act.

Sonoma LAFCO is grateful to your Committee members and staff as well as to CALAFCO and its Legislative Committee members, all of whom worked diligently on the language proposed in the bill to ensure that there are no substantive changes but a significant increase in the clarity of the Act for all stakeholders.

This legislation helps insure that the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state. We appreciate your Committee's authorship and support of this bill and your support of the mission of LAFCOs.

Sincerely,

Mark Bramfitt
Executive Officer

cc: Members, Assembly Local Government Committee
Jimmy MacDonald, Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO

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April 23, 2019

The Honorable Robert Rivas
California State Assembly
State Capital Room 5158
Sacramento, CA 95814

Subject: *Support of AB 1253*

Dear Assembly Member Rivas:

The Sonoma Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of **Assembly Bill 1253**. Sponsored by CALAFCO, the bill establishes a five-year pilot program to provide grants to LAFCOs to address known service and governance concerns in disadvantaged communities. Grants could be awarded to LAFCOs for conducting special in-depth studies and analyses of local government agencies and services for the purposes of creating improved efficiencies in the delivery of local government services and completing the dissolution of inactive special districts. The Strategic Growth Council would administer the grant program, which would sunset on December 31, 2025.

The Legislature established LAFCOs in 1963 to encourage the orderly formation of local government agencies. Since that time, the regulatory role and responsibilities of LAFCOs has substantially increased without additional funding. Operating in all 58 California counties, LAFCOs are responsible for meeting important statutory directives to maintain orderly boundaries and seek greater efficiencies in delivering local services, and yet these directives often cannot be met under current funding mechanisms. As a result, much needed LAFCO activities are sometimes delayed or rejected.

In August 2017, the Little Hoover Commission published a report on special districts and their oversight by LAFCOs; the report contained several recommendations directly related to LAFCO work. One recommendation was for the Legislature to provide one-time grant funding to pay for specified LAFCO activities, particularly to incentivize LAFCOs or some special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes.

By establishing this one-time grant funding, **AB 1253** provides an additional tool for LAFCOs to address known service and governance concerns in disadvantaged communities by conducting detailed studies and potentially implementing greater efficiencies in delivering local services based on local circumstances and conditions. For these reasons, Sonoma LAFCO is pleased to support **AB 1253**.

Thank you for authoring this important piece of legislation. Please feel free to contact me should you have any questions about Sonoma LAFCO's position.

Sincerely,

Mark Bramfitt
Executive Officer

c: Senator Robert Hertzberg, co-author
Senator Anna Caballero, co-author
Pamela Miller, Executive Director, CALAFCO

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April 23, 2019

The Honorable Kansen Chu
California State Assembly
State Capital Room 3126
Sacramento, CA 95814

Subject: **Oppose AB 600 (as amended April 11, 2019)**

Dear Assembly Member Chu:

The Sonoma Local Agency Formation Commission (LAFCO) joins the California Association of Local Agency Formation Commissions (CALAFCO) and other LAFCOs from throughout the State to oppose your bill **AB 600**. LAFCOs are aware of and concerned about the disparity of local public services, especially for those who live within disadvantaged unincorporated communities (DUCs). All Californians deserve adequate and safe drinking water and wastewater facilities. We support your efforts to address these problems, which persist in many counties. However **AB 600**, in its current form, does not represent a collective stakeholder dialogue with reasonable and systemic solutions to address the problem.

Annexation concerns. Changes proposed to Government Code Section 56375 pose several problems. First, the proposed changes in §56375(a)(8)(A) and (B) appear to confuse the annexation of territory into an incorporated city and the annexation of territory into a special district. When the Legislature created local agency formation commissions in 1963, one of LAFCOs' primary missions was - and still is - to ensure orderly growth and development. This is done in a variety of ways, including the authority to adopt spheres of influence for local agencies and approve annexations. To ensure orderly growth, when a LAFCO authorizes an extension of service outside an agency's jurisdictional boundary but within its sphere of influence, the LAFCO does so in anticipation of a later change of organization (annexation), pursuant to §56133(b). Changes to §56375(a)(8)(A) add the exclusion of annexation into a qualified special district.

Further, changes to §56375(a)(8)(B) create an inconsistent exception for protest proceedings which removes rights that have been long-established in governmental reorganizations in California. The language in your bill allows "residents" of the DUC the right to protest annexation but other residents living within a larger annexation boundary that are not part of the DUC do not have that right. Additionally, the bill uses the term "residents" without defining that term; if children live within the DUC, are they considered "residents" allowed to indicate their preference for an extraterritorial service extension instead of annexation? Further, what does "prefer" mean, and how is a LAFCO supposed to interpret that term to satisfy the bill's requirements?

Removes LAFCO discretion. When considering a change of organization pursuant to §56133, LAFCO has the discretion to consider the unique local circumstances and conditions that exist. This is an

important and basic construct within the legislatively-stated purpose of LAFCOs. This bill removes that discretion and authority through proposed changes to §56375(a)(9), §56425(k)(1) and (2), and §56425(l).

Requires LAFCO action that conflicts with other proposed changes and for which there is no existing authority. It appears that requiring LAFCO to initiate a change of organization, reorganization, or service extension, pursuant to changes proposed in 56378.1, creates conflicts with changes proposed in 56375(a)(8)(B). One section requires LAFCO to initiate the action and the other section prohibits the action under certain conditions.

More importantly, LAFCOs currently do not have the authority to initiate the actions prescribed in the bill. There is no existing authority to initiate an annexation or extension of service. LAFCO is authorized to initiate action only to consolidate, dissolve, or form districts.

Lack of clarity. The bill proposes changes to §56301 by adding “considerations of equity” as an additional basis upon which LAFCOs fulfill their purposes. Yet the bill does not define that term, which could lead to any number of interpretations by LAFCOs. This would require each LAFCO to create its own local policy related to “considerations of equity,” with LAFCOs in adjoining counties adopting disparate policies.

Accessibility plans. The bill requires LAFCO, within five years of when it must approve an accessibility plan (pursuant to §56440), to hold a noticed public hearing for the purposes of reviewing the status of every DUC that is subject to an accessibility plan. This has the potential of requiring, in some counties, a vast number of public hearings and comprehensive reviews without the necessary resources to execute such a requirement.

Additionally, the bill requires LAFCO to initiate a change of organization, reorganization or service extension should the Commission determine the needs of the DUC remain unaddressed. Even pursuant to current law, LAFCO-initiated actions are costly to the LAFCO because there is no funding source to support the action; they occur rarely, as opposed to initiation of proceedings by resolution of an affected agency or by petition. Further, like all other changes of organization or reorganization, such actions are subject to protest proceedings. Finally, a service extension without annexation would not be a likely LAFCO-initiated action.

The required contents of the accessibility plan are confusing. First, §56440(a)(5)(A) states: *“Any actions and alternatives necessary to be taken by the commission, if any, to enable the entity determined pursuant to paragraph (2) to provide services to the affected territory.”* How is a county, city or special district best positioned and informed to prescribe to the LAFCO what actions the LAFCO should be taking?

Second, §56440(a)(6)(B) requires the commission to approve or approve with conditions the accessibility plan. Once again there is a divestiture in LAFCO authority. Further, what is LAFCO’s authority to enforce any conditions that may be applied to an accessibility plan?

Third, §56440(a)(2) requires the commission to determine which entity is best positioned to provide adequate water or wastewater services to the affected territory. Without a thorough study of surrounding service providers – whether within or outside the DUC, this may be difficult to determine and certainly would require the investment of more resources.

One size does not fit all. We are concerned that the bill has unintended consequences in the ability to provide necessary services to an existing DUC. For example, if it is reasonable to extend services to a particular DUC but not to others, this bill prevents the extension of services to the area that might reasonably be serviced. The same is true for those areas currently contained within a city's sphere, where it may make better sense to have another service entity providing the service. These changes are complicated by the fact that the bill interchangeably uses the term “disadvantaged community” and “disadvantaged unincorporated community.”

Who pays for all these actions? The studies, analysis, preparation of recommendations regarding underserved disadvantaged communities and public hearings on all accessibility plans and potential subsequent actions to be initiated by LAFCO, all impose unfunded mandates on counties, cities, qualified special districts and LAFCOs. By law, LAFCOs would be forced to pass their costs on to cities, counties – and in 30 counties – special districts which fund the commissions. Even if it appears, initially, that no DUCs meeting the criteria are located in the county, the bill appears to require, at a minimum, work by counties, cities, special districts, and LAFCOs to determine that fact.

Sonoma LAFCO supports workable and sustainable policy solutions to the disparities in service delivery to disadvantaged communities. However, it is important to point out that lack of infrastructure and operational funding for these services are major obstacles to achieving the goal of equitable service delivery.

Addressing the needs of disadvantaged communities through the planning process and finding tools to support the infrastructure deficiencies and implementation actions remain an important part of the solution.

For all of the reasons noted above, Sonoma LAFCO is opposed to **AB 600** and has directed me to provide a letter of **OPPOSITION** to your bill. Please contact me should you have any questions.

Yours sincerely,

Mark Bramfitt
Executive Officer

c: Members, Assembly Local Government Committee
Jimmy MacDonald, Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO

