



LAFCO MEETING AGENDA

Board Meeting Chambers, 70 West Hedding Street, First Floor

San Jose, CA 95110

June 6, 2018

1:15 PM

CHAIRPERSON: Ken Yeager • VICE-CHAIRPERSON: Susan Vicklund Wilson

COMMISSIONERS: Sequoia Hall, Sergio Jimenez, Rob Rennie, John L. Varela, Mike Wasserman

ALTERNATES: Sylvia Arenas, Cindy Chavez, Yoriko Kishimoto, Russ Melton, Terry Trumbull

NOTICE TO THE PUBLIC

1. Pursuant to Government Code §84308, no LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party, or his/her agent; or any participant or his /or her agent, while a LAFCO proceeding is pending, and for three months following the date a final decision is rendered by LAFCO. Prior to rendering a decision on a LAFCO proceeding, any LAFCO commissioner who received a contribution of more than \$250 within the preceding 12 months from a party or participant shall disclose that fact on the record of the proceeding. If a commissioner receives a contribution which would otherwise require disqualification returns the contribution within 30 days of knowing about the contribution and the proceeding, the commissioner shall be permitted to participate in the proceeding. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 within the preceding 12 months by the party, or his or her agent, to a LAFCO commissioner. For forms, visit the LAFCO website at www.santaclaralafco.org. No party, or his or her agent and no participant, or his or her agent, shall make a contribution of more than \$250 to any LAFCO commissioner during the proceeding or for 3 months following the date a final decision is rendered by LAFCO.
2. Pursuant to Government Code Sections 56100.1, 56300, 56700.1, 57009 and 81000 et seq., any person or combination of persons who directly or indirectly contribute(s) a total of \$1,000 or more or expend(s) a total of \$1,000 or more in support of or in opposition to specified LAFCO proposals or proceedings, which generally include proposed reorganizations or changes of organization, may be required to comply with the disclosure requirements of the Political Reform Act (See also, Section 84250 et seq.). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. More information on the scope of the required disclosures is available at the web site of the FPPC: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).
3. Pursuant to Government Code §56300(c), LAFCO adopted lobbying disclosure requirements which require that any person or entity lobbying the Commission or Executive Officer in regard to an application before LAFCO must file a declaration prior to the hearing on the LAFCO application or at the time of the hearing if that is the initial contact. In addition to submitting a declaration, any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them. Additionally every applicant shall file a declaration under penalty of perjury listing all lobbyists that they have hired to influence the action taken by LAFCO on their application. For forms, visit the LAFCO website at www.santaclaralafco.org.
4. Any disclosable public records related to an open session item on the agenda and distributed to all or a majority of the Commissioners less than 72 hours prior to that meeting are available for public inspection at the LAFCO Office, 777 North First Street, Suite 410, San Jose, California, during normal business hours. (Government Code §54957.5.)
5. In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the LAFCO Clerk 24 hours prior to the meeting at (408) 993-4705.

777 North First Street, Suite 410 • San Jose, CA 95112 • (408) 993-4713 • www.santaclaralafco.org

COMMISSIONERS: Sequoia Hall, Sergio Jimenez, Rob Rennie, John L. Varela, Mike Wasserman, Susan Vicklund Wilson, Ken Yeager

ALTERNATE COMMISSIONERS: Sylvia Arenas, Cindy Chavez, Yoriko Kishimoto, Russ Melton, Terry Trumbull

EXECUTIVE OFFICER: Neelima Palacherla

1. ROLL CALL

2. PUBLIC COMMENTS

This portion of the meeting provides an opportunity for members of the public to address the Commission on matters not on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No action may be taken on off-agenda items unless authorized by law. Speakers are limited to THREE minutes. All statements that require a response will be referred to staff for reply in writing.

3. APPROVE MINUTES OF APRIL 4, 2018 LAFCO MEETING

PUBLIC HEARING

4. FINAL LAFCO BUDGET FOR FISCAL YEAR 2019

Recommended Action:

1. Adopt the Final Budget for Fiscal Year 2018-2019.
2. Find that the Final Budget for Fiscal Year 2019 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final LAFCO Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association and the Special Districts Association.
4. Direct the County Auditor–Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

5. PROPOSED REVISION OF FEE SCHEDULE AND ADOPTION OF FEE POLICIES

Recommended Action:

1. Adopt a resolution to revise the LAFCO Fee Schedule, to be effective June 8, 2018.
2. Amend the LAFCO Bylaws to include the proposed policies on LAFCO Fees.

ITEMS FOR ACTION / INFORMATION

6. INDEPENDENT PROFESSIONAL AUDIT SERVICES

Recommended Action:

1. Authorize staff to issue a Request for Proposals (RFP) for an independent Certified Public Accounting firm to audit LAFCO's financial statements and

- prepare its General Purpose Financial Statements (GPFS) for the fiscal years ending June 30, 2018, June 30, 2019, June 30, 2020, and June 30, 2021.
2. Delegate authority to the LAFCO Executive Officer to enter into an agreement with the most qualified consultant in an amount not to exceed \$50,000 for a 4-year contract and to execute any necessary amendments subject to LAFCO Counsel's review and approval.
 3. Appoint a LAFCO Commissioner to serve on the consultant interview panel, if desired.

7. EXECUTIVE OFFICER'S REPORT

- 7.1 **REPORT ON THE INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE MEETING**
For information only.
- 7.2 **UPDATE ON THE LAFCO COMMUNICATIONS AND OUTREACH PLAN**
For information only.
- 7.3 **MEETING WITH STATE WATER RESOURCE CONTROL BOARD STAFF ON MUTUAL WATER COMPANIES AND SMALL WATER SYSTEMS IN COUNTY**
For information only.
- 7.4 **MEETING WITH MORGAN HILL STAFF AND REPRESENTATIVES OF SOUTH COUNTY CATHOLIC HIGH SCHOOL ON PROPOSED URBAN SERVICE AREA AMENDMENT**
For information only.
- 7.5 **MEETING WITH COUNTY PLANNING STAFF ON PROPOSED AGRICULTURAL WORKER HOUSING DEVELOPMENT IN UNINCORPORATED AREA NEAR GILROY**
For information only.
- 7.6 **MEETING WITH COUNTY PLANNING AND SANTA CLARA VALLEY OPEN SPACE AUTHORITY STAFF ON THE SANTA CLARA VALLEY AGRICULTURAL PLAN**
For information only.
- 7.7 **MEETING WITH THE NATURE CONSERVANCY AND GREENBELT ALLIANCE STAFF ON POTENTIAL PARTNERSHIPS**
For information only.
- 7.8 **PRESENTATION TO THE SOUTH COUNTY REALTORS ALLIANCE**
For information only.

7.9 SILICON VALLEY AT HOME (SV@HOME) LUNCHTIME FORUM: WHEN LOCAL DECISIONS TAKE ON REGIONAL IMPORTANCE

For information only.

7.10 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS (SCCAPO) MEETING

For information only.

7.11 INTER-JURISDICTIONAL GIS WORKING GROUP MEETING

For information only.

8. LEGISLATIVE REPORT

Recommended Action:

1. Accept report and provide direction to staff, as necessary.
2. Take a support position and authorize staff to send a letter of support for the following:
 - a. AB 3254 (Assembly Local Government Committee) Omnibus Bill
 - b. AB 2258 (Caballero) LAFCOs Grant Program
 - c. AB 2238 (Aguiar-Curry) Hazard Mitigation Plan and Safety Element
 - d. AB 2600 (Flora) Regional Park and Open Space Districts
 - e. SB 929 (McGuire) Independent Special Districts Internet Websites

9. CALAFCO RELATED ACTIVITIES

9.1 2018 CALAFCO ANNUAL CONFERENCE ON OCTOBER 3-5

Recommended Action: Authorize commissioners and staff to attend the Annual Conference and direct that associated travel expenses be funded by the LAFCO Budget for Fiscal Year 2019.

9.2 NOMINATIONS TO THE CALAFCO BOARD OF DIRECTORS

Recommended Action: Nominate interested Commissioners and provide further direction to staff, as necessary.

9.3 DESIGNATE VOTING DELEGATE AND ALTERNATE

Recommended Action: Appoint voting delegate and alternate voting delegate.

9.4 REPORT ON THE 2018 CALAFCO STAFF WORKSHOP (APRIL 11- APRIL 13)

For Information Only.

10. **PENDING APPLICATIONS / UPCOMING PROJECTS**
11. **COMMISSIONER REPORTS**
12. **NEWSPAPER ARTICLES / NEWSLETTERS**
13. **WRITTEN CORRESPONDENCE**

CLOSED SESSION

14. PERFORMANCE EVALUATION

Public Employee Performance Evaluation (Government Code §54957)
Title: LAFCO Executive Officer

15. ADJOURN

Adjourn to the regular LAFCO meeting on August 1, 2018 at 1:15 PM in the Board Meeting Chambers, 70 West Hedding Street, San Jose.

**LAFCO MEETING MINUTES
WEDNESDAY, APRIL 4, 2018**

CALL TO ORDER

The meeting was called to order at 1:15 p.m.

1. ROLL CALL

The following commissioners were present:

- **Chairperson Ken Yeager**
- **Commissioner Sequoia Hall**
- **Commissioner Sergio Jimenez**
- **Commissioner Rob Rennie** (arrived at 1:17 p.m.)
- **Commissioner John L. Varela**
- **Commissioner Mike Wasserman**
- **Commissioner Susan Vicklund Wilson**
- **Alternate Commissioner Russ Melton**
- **Alternate Commissioner Terry Trumbull**

The following commissioners were absent:

- **Alternate Commissioner Sylvia Arenas**
- **Alternate Commissioner Cindy Chavez**
- **Alternate Commissioner Yoriko Kishimoto**

The following staff members were present:

- **LAFCO Executive Officer Neelima Palacherla**
- **LAFCO Assistant Executive Officer Dunia Noel**
- **LAFCO Analyst Lakshmi Rajagopalan**
- **LAFCO Clerk Emmanuel Abello**
- **LAFCO Counsel Malathy Subramanian**

2. PUBLIC COMMENTS

There was none.

3. APPROVE MINUTES OF FEBRUARY 7, 2018 LAFCO MEETING

The Commission approved the minutes of the February 7, 2018 LAFCO meeting.

Motion: Wasserman

Second: Varela

AYES: Yeager, Hall, Jimenez, Varela, Wasserman

NOES: None

ABSTAIN: Wilson

ABSENT: Rennie

MOTION PASSED

4. PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2019

Ms. Palacherla expressed appreciation to Commissioners Hall, Jimenez and Rennie for participating on the Finance Committee. **Chairperson Yeager** expressed agreement.

This being the time and place for the public hearing, the Chairperson declared the public hearing open, determined that there are no speakers from the public, and closed the public hearing.

The Commission:

1. Adopted the Proposed Budget for Fiscal Year 2018-2019.
2. Found that the Proposed Budget for Fiscal Year 2019 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorized staff to transmit the Proposed Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice on the adoption of the Fiscal Year 2019 Final Budget to the cities, the special districts, the County, the Cities Association and the Special Districts Association.

Motion: Wasserman

Second: Varela

AYES: Yeager, Hall, Jimenez, Rennie, Varela, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

5. LAFCO FINANCIAL REPORTS AND INDEPENDENT AUDIT SERVICES

Ms. Palacherla presented the staff report.

Commissioner Hall informed that the Finance Committee encouraged staff to look for a lower cost option since the discrepancy in costs among auditors ranges from \$3,000 to \$15,000.

The Commission directed staff to:

1. Arrange for an annual audit of LAFCO's financial statements to be conducted by an independent auditor, beginning with the current fiscal year (FY 2018).
2. Prepare a Draft Request for Proposals (RFP) for financial audit services, for Commission consideration and approval at its June 6, 2018 meeting.

Motion: Wasserman

Second: Jimenez

AYES: Yeager, Hall, Jimenez, Rennie, Varela, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

6. SPHERE OF INFLUENCE DETERMINATIONS FOR THE CITY OF MONTE SERENO SPHERE OF INFLUENCE AMENDMENT

The Commission adopted the Sphere of Influence Determinations for the City of Monte Sereno Sphere of Influence Amendment, approved by LAFCO on February 7, 2018.

Motion: Wasserman

Second: Varela

AYES: Yeager, Hall, Jimenez, Rennie, Varela, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

7. UPDATE ON THE COMMUNICATIONS AND OUTREACH PLAN

Ms. Noel expressed appreciation to Commissioner Jimenez for hosting the workshop at San Jose City Hall.

8. EXECUTIVE OFFICER'S REPORT

8.1 SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION MEETING

The Commission noted the report.

8.2 CALAFCO WHITE PAPER: STATE OF THE ART ON AGRICULTURAL PRESERVATION

The Commission noted the report.

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The Commission noted the report.

8.3 MEETING WITH TOWN OF LOS GATOS STAFF ON ISLAND ANNEXATIONS

The Commission noted the report.

8.4 MEETING WITH COUNTY ROADS AND AIRPORTS STAFF & TOWN OF LOS GATOS STAFF ON POTENTIAL ANNEXATION OF REMAINING PORTIONS OF SHANNON ROAD

The Commission noted the report.

8.5 INTER-JURISDICTIONAL GIS WORKING GROUP MEETING

The Commission noted the report.

9. LEGISLATIVE REPORT

Ms. Palacherla indicated that there are changes proposed to various bills that are being tracked by CALAFCO. She indicated that a detailed report will be provided at the June meeting along with recommendations for taking positions on several bills, including the LAFCO Omnibus bill and a bill that would allow affected local agencies to initiate formation of open space districts by resolution.

10. PENDING APPLICATIONS / UPCOMING PROJECTS

There was none.

11. COMMISSIONER REPORTS

There was none.

12. NEWSPAPER ARTICLES / NEWSLETTERS

There was none.

13. WRITTEN CORRESPONDENCE

There was none.

14. ADJOURN

The Commission adjourned at 1:24 p.m., to the regular LAFCO meeting on June 6, 2018 at 1:15 p.m., in the Board Meeting Chambers, 70 West Hedding Street, San Jose.

Approved on _____.

Ken Yeager, Chairperson
Local Agency Formation Commission of Santa Clara County

By: _____
Emmanuel Abello, LAFCO Clerk

DRAFT

LAFCO MEETING: June 6, 2018
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
SUBJECT: FINAL LAFCO BUDGET FOR FISCAL YEAR 2019

STAFF RECOMMENDATION

1. Adopt the Final Budget for Fiscal Year 2018-2019.
2. Find that the Final Budget for Fiscal Year 2019 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final LAFCO Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association and the Special Districts Association.
4. Direct the County Auditor–Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

BACKGROUND

LAFCO Budget Process Requirements

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) which became effective on January 1, 2001, requires LAFCO, as an independent agency, to annually adopt a draft budget by May 1 and a final budget by June 15 at noticed public hearings. Both the draft and the final budgets are required to be transmitted to the cities, the special districts and the County. Government Code §56381(a) establishes that at a minimum, the budget must be equal to that of the previous year unless the Commission finds that reduced staffing or program costs will nevertheless allow it to fulfill its statutory responsibilities. Any unspent funds at the end of the year may be rolled over into the next fiscal year budget. After adoption of the final budget by LAFCO, the County Auditor is required to apportion the net operating expenses of the Commission to the agencies represented on LAFCO.

LAFCO and the County of Santa Clara entered into a Memorandum of Understanding (MOU) (effective since July 2001), under the terms of which, the County provides

staffing, facilities, and services to LAFCO. The associated costs are reflected in the LAFCO budget. LAFCO is a stand-alone, separate fund within the County's accounting and budget system and the LAFCO budget information is formatted using the County's account descriptions/codes.

REVISIONS TO THE DRAFT /PRELIMINARY BUDGET

The Commission on April 4, 2018, adopted LAFCO's preliminary budget for Fiscal Year 2018- 2019. The preliminary budget was prepared using the best information available at that time. Since adoption of the Draft Budget in April 2018, the County has updated employee benefits cost information as a result of which the proposed salary and benefits for the four staff members is expected to increase to \$720,316 from \$691,802. The County Information Services Department has updated its charges to LAFCO from \$4,123 to \$5,068. Additionally, with the potential adoption of the revised Fee Schedule, LAFCO will likely experience an increase in its application fee revenues. The proposed Final Budget is revised to reflect these additional costs and revenue.

COST APPORTIONMENT TO CITIES, DISTRICTS AND COUNTY

The CKH Act requires LAFCO costs to be split in proportion to the percentage of an agency's representation (excluding the public member) on the Commission. The LAFCO of Santa Clara County is composed of a public member, two County board members, two city council members, and since January 2013 – two special district members. Government Code §56381(b)(1)(A) provides that when independent special districts are seated on LAFCO, the county, cities and districts must each provide a one-third share of LAFCO's operational budget.

Since the City of San Jose has permanent membership on LAFCO, as required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. Therefore in Santa Clara County, the City of San Jose pays one sixth and the remaining cities pay one sixth of LAFCO's operational costs. Per the CKH Act, the remaining cities' share must be apportioned in proportion to each city's total revenue, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county. Each city's share is therefore based on the 2015/2016 Report – which is the most recent edition available.

Government Code Section 56381 provides that the independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts' share to individual districts. The SDA's agreement requires each district's cost to be based on a fixed percentage of the total independent special districts' share.

The estimated apportionment of LAFCO's FY 2019 costs to the individual cities and districts is included as **Attachment B**. The final costs will be calculated and invoiced to

the individual agencies by the County Controller's Office after LAFCO adopts the final budget.

ATTACHMENTS

Attachment A: Final LAFCO Budget for Fiscal Year 2019

Attachment B: Costs to Agencies Based on the Final Budget

**PROPOSED LAFCO BUDGET
FISCAL YEAR 2018 - 2019**

**AGENDA ITEM # 4
Attachment A**

ITEM # TITLE	APPROVED	ACTUALS	PROJECTIONS	PROPOSED
	BUDGET FY 2018	Year to Date 2/28/2018	Year End 2018	FY 2019 BUDGET
EXPENDITURES				
Object 1: Salary and Benefits	\$685,072	\$392,486	\$629,046	\$720,316
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$1,376	\$3,000	\$45,000
5255800 Legal Counsel	\$70,200	\$32,400	\$65,000	\$70,200
5255500 Consultant Services	\$100,000	\$0	\$75,000	\$100,000
5285700 Meal Claims	\$750	\$580	\$750	\$750
5220100 Insurance	\$5,000	\$4,893	\$4,893	\$6,000
5250100 Office Expenses	\$9,236	\$6,457	\$10,000	\$10,000
5270100 Rent & Lease	\$42,764	\$34,040	\$42,000	\$42,764
5255650 Data Processing Services	\$3,600	\$379	\$3,600	\$5,068
5225500 Commissioners' Fee	\$10,000	\$3,500	\$9,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$54	\$200	\$2,500
5245100 Membership Dues	\$8,674	\$8,674	\$8,674	\$8,926
5250750 Printing and Reproduction	\$1,500	\$0	\$500	\$1,500
5285800 Business Travel	\$16,000	\$6,625	\$12,000	\$16,000
5285300 Private Automobile Mileage	\$2,000	\$286	\$700	\$2,000
5285200 Transportation&Travel (County Car Usage)	\$1,000	\$47	\$600	\$605
5281600 Overhead	\$28,437	\$14,219	\$28,437	\$79,368
5275200 Computer Hardware	\$3,000	\$0	\$3,000	\$3,000
5250800 Computer Software	\$4,000	\$3,456	\$4,000	\$4,000
5250250 Postage	\$2,000	\$101	\$1,000	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000 Reserves	\$42,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,084,733	\$509,573	\$902,400	\$1,131,997
REVENUES				
4103400 Application Fees	\$35,000	\$21,158	\$25,000	\$35,000
4301100 Interest: Deposits and Investments	\$4,000	\$5,705	\$6,500	\$4,000
TOTAL REVENUE	\$39,000	\$26,863	\$31,500	\$39,000
3400150 FUND BALANCE FROM PREVIOUS FY	\$246,839	\$331,177	\$331,177	\$259,171
NET LAFCO OPERATING EXPENSES	\$798,894	\$151,533	\$539,723	\$833,826
3400800 RESERVES Available	\$150,000	\$150,000	\$150,000	\$150,000
COSTS TO AGENCIES				
5440200 County	\$266,298	\$266,298	\$266,298	\$277,942
4600100 Cities (San Jose 50% + Other Cities 50%)	\$266,298	\$266,298	\$266,298	\$277,942
4600100 Special Districts	\$266,298	\$266,298	\$266,298	\$277,942

LAFCO COST APPORTIONMENT: County, Cities, Special Districts

Estimated Costs to Agencies Based on the FY 2019 LAFCO Final Budget

Proposed LAFCO Net Operating Expenses for 2019				\$833,826
Jurisdictions	Revenue per 2015/2016 Report	Percentage of Total Revenue	Allocation Percentages	Allocated Costs
County	N/A	N/A	33.3333333%	\$277,942.00
Cities Total Share			33.3333333%	\$277,942.00
San Jose	N/A	N/A	50.0000000%	\$138,971.00
Other cities share			50.0000000%	\$138,971.00
Campbell	\$60,301,132	2.4104175%		\$3,349.78
Cupertino	\$89,560,885	3.5800177%		\$4,975.19
Gilroy	\$98,555,795	3.9395713%		\$5,474.86
Los Altos	\$48,765,263	1.9492941%		\$2,708.95
Los Altos Hills	\$12,123,746	0.4846226%		\$673.48
Los Gatos	\$38,891,129	1.5545953%		\$2,160.44
Milpitas	\$161,941,706	6.4732967%		\$8,996.01
Monte Sereno	\$3,115,782	0.1245472%		\$173.08
Morgan Hill	\$92,720,766	3.7063277%		\$5,150.72
Mountain View	\$247,667,000	9.8999943%		\$13,758.12
Palo Alto	\$482,352,538	19.2810806%		\$26,795.11
Santa Clara	\$744,300,212	29.7519164%		\$41,346.53
Saratoga	\$24,642,602	0.9850389%		\$1,368.92
Sunnyvale	\$396,749,744	15.8592797%		\$22,039.80
Total Cities (excluding San Jose)	\$2,501,688,300	100.0000000%		\$138,970.99
Total Cities (including San Jose)				\$277,941.99
Special Districts Total Share			33.3333333%	\$277,942.00
Aldercroft Heights County Water District		0.06233%		\$173.24
Burbank Sanitary District		0.15593%		\$433.39
Cupertino Sanitary District		2.64110%		\$7,340.73
El Camino Healthcare District		4.90738%		\$13,639.67
Guadalupe Coyote Resource Conservation District		0.04860%		\$135.08
Lake Canyon Community Services District		0.02206%		\$61.31
Lion's Gate Community Services District		0.22053%		\$612.95
Loma Prieta Resource Conservation District		0.02020%		\$56.14
Midpeninsula Regional Open Space District		5.76378%		\$16,019.97
Purissima Hills Water District		1.35427%		\$3,764.09
Rancho Rinconada Recreation and Park District		0.15988%		\$444.37
San Martin County Water District		0.04431%		\$123.16
Santa Clara Valley Open Space Authority		1.27051%		\$3,531.28
Santa Clara Valley Water District		81.44126%		\$226,359.47
Saratoga Cemetery District		0.32078%		\$891.58
Saratoga Fire Protection District		1.52956%		\$4,251.29
South Santa Clara Valley Memorial District		0.03752%		\$104.28
Total Special Districts		100.00000%		\$277,942.00
Total Allocated Costs				\$833,825.99

* Based on the FY 2015-2016 Annual Cities Report

LAFCO MEETING: June 6, 2018
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
Lakshmi Rajagopalan, Analyst
SUBJECT: PROPOSED REVISION OF FEE SCHEDULE AND ADOPTION OF FEE POLICIES

STAFF RECOMMENDATION

1. Adopt a resolution to revise the LAFCO Fee Schedule, to be effective June 8, 2018. Please see Attachment A for the proposed Fee Schedule and Attachment B for the resolution adopting the fee schedule.
2. Amend the LAFCO Bylaws to include the proposed policies on LAFCO Fees. Please see Attachment C for the proposed policies on LAFCO Fees.

BACKGROUND

Pursuant to Government Code §56383, LAFCO may establish a schedule of fees and service charges for processing applications. The statute requires that the fees and/or service charges shall not exceed the estimated reasonable cost of providing the service.

LAFCO's current Fee Schedule was last comprehensively reviewed and updated in April 2010. At that time, the fees were revised to reflect staff time spent on processing applications and increases in staff hourly rates.

It has been the Commission's informal practice to review its fee schedule every two years and to amend its fees, as necessary, in order to help ensure an appropriate level of cost-recovery. In 2012, the LAFCO Finance Committee directed staff to defer the review of LAFCO's fees to a later date, as staff salaries had not significantly changed. In 2014, the LAFCO Finance Committee also directed staff to defer the review of LAFCO's fees to a later date in order to reflect the upcoming staff costs changes that would result from impending new union agreements. However, since that time, staff has been unable to complete a comprehensive review of LAFCO's Fee Schedule due to competing work priorities.

LAFCO's Finance Committee, at its March 19, 2018 meeting and March 9, 2017 meeting, directed staff to 1.) prioritize the revision of the LAFCO Fee Schedule to reflect current

staff rates, and 2.) develop policies for the Commission's consideration of fee waiver requests, as such requests have cost-recovery implications for LAFCO and implications for LAFCO's funding agencies.

PUBLIC HEARING AND NOTICE OF HEARING

Government Code §66016 stipulates the procedures for adopting / revising LAFCO fees. It requires LAFCO to hold a public hearing on the new / increased fees at a regularly scheduled meeting; requires that a notice of the meeting (with time and place of meeting, general description of the matter and a statement that the staff report is available) be mailed at least 14 days prior to the meeting to any interested parties who file a written request for mailed notice of the meeting on new or increased fees; and requires that a staff report be made available at least 10 days prior to the meeting with information on the estimated costs required to provide the service for which the fee is levied and the anticipated revenue sources to provide the service. It also requires that any Commission action to adopt a new fee or a fee increase be taken only by ordinance or resolution.

The staff report was made available on the LAFCO website on May 24, 2018 and a notice of public hearing was provided indicating its availability.

REVISED LAFCO STAFF HOURLY RATES

As discussed earlier, the current LAFCO Fee Schedule was adopted in April 2010; the current staff hourly rates were based on the projected FY 2011 LAFCO budget and staff salaries.

The proposed hourly rates for the Executive Officer, Analyst and Clerk reflect the projected staff and program costs in the FY 2019 LAFCO Budget. The County Controller's office has prepared a methodology for establishing staff hourly rates for the purpose of calculating fees. The proposed LAFCO staff hourly rates are developed in consultation with and based on the model provided by the County Controller's Office which takes into account the FY 2019 projected staff salaries and benefits, the FY 2018 average annual productive hours for County employees, and the FY 2019 projected indirect costs for the LAFCO program. The proposed rate for the Analyst is a weighted average for the two analyst positions.

The LAFCO Counsel hourly rate is established by contract (Agreement for Legal Services between LAFCO and the law firm of Best Best & Krieger LLP). Per the contract, the LAFCO Counsel hourly rate for FY 2019 is \$280. Per the contract, the hourly rate for special counsel legal services for environmental and natural resources work is \$310.

The County Surveyor hourly rate is established by the County Department of Planning and Development.

The following table depicts the current and proposed hourly rates for LAFCO staff and outside support staff.

Staff Hourly Rates

Staff	Current Hourly Rates Based on FY 2011 Budget	Proposed Hourly Rates Based on FY 2019 Budget
LAFCO Executive Officer	\$182	\$227
LAFCO Analyst	\$164	\$199
LAFCO Clerk	\$116	\$145
LAFCO Counsel	\$219	\$280
County Surveyor	\$125	\$164

LAFCO FEE SCHEDULE

The current LAFCO Fee Schedule includes two types of fees: 1.) Flat fees which reflect the average cost of processing applications; and 2.) Actual cost fees with an initial deposit based on the actual cost of processing individual applications.

Staff is not proposing a change in the existing fee structure. Flat fees will continue to be used for applications where staff time spent is relatively uniform from one application to another. For those applications that require more staff time or where staff time spent on processing the applications can vary from application to application, an initial deposit will be required at the time of application submittal. The final fee will be based on the actual cost of processing the application. If actual costs are less than the initial deposit, LAFCO will refund the difference to the applicant and if processing costs begin to exceed the deposit, additional fees will be required.

Staff has conducted an analysis of the current costs of processing applications in order to get estimates for average staff time spent on various types of applications. The proposed fee revisions to the flat fee and initial deposit amounts are based on this analysis and on the current staff hourly rates.

CITY CONDUCTED ANNEXATION APPLICATIONS: FLAT FEE

Proposed Revision

Increase the processing fee for city-conducted annexations from \$1,154 to \$1,367.

Discussion

The proposed fee for city conducted annexation applications is based on the following staffing costs:

City-Conducted Annexation Costs

Staff Involved in Processing	Estimated Average Time Spent (hours)	Staff Costs
LAFCO Executive Officer	0.92	\$209
LAFCO Analyst	1.01	\$201
LAFCO Clerk	6.6	\$957
Total:	8.53 hours	\$1,367

In order to better reflect current procedures and current staff roles in processing applications, staff has reviewed and reassessed estimated average staff processing times for city conducted annexation applications. The assessment indicates that there is a 5% reduction in the overall estimated staff time spent on these applications since 2010. The proposed increase in the fee is therefore mostly due to an increase in staff hourly rates since 2010.

For city conducted annexations, the County Surveyor's Office charges a fee directly to the city for reviewing the annexation map and legal description and for issuing the Surveyor's Report. And the County Assessor's Office charges a fee directly to the city for issuing the Assessor's Report. These fees are not adopted or collected by LAFCO and are not credited to the LAFCO account.

In Santa Clara County, each city council has the authority to consider and approve annexation of territory within its city's urban service area. Upon approval by the city council, the City forwards the approved annexations to LAFCO for administrative finalization. LAFCO staff reviews the annexation paperwork to ensure that the approved annexation 1.) includes detachments from appropriate special districts; 2.) is consistent with LAFCO policies and state law; and 3.) maps are consistent with the County Surveyor's reports, and the State Board of Equalization (SBE) requirements. Following the review, LAFCO staff prepares a Certificate of Completion and records the annexation. The annexation becomes effective on the date of recordation. LAFCO staff notifies affected agencies and interested parties about the annexation; requests the County Controllers Office for Tax Rate Area assignments; and forwards the information to the SBE for their property tax-boundary changes file which the County Assessor's office eventually uses to prepare the annual tax roll. LAFCO staff also works with the County Planning Office to ensure that the boundaries of special districts and cities maintained in the Geographic Information System (GIS) are accurately updated to reflect the approved annexation.

100% CONSENT LAFCO HEARD CHANGE OF ORGANIZATION APPLICATIONS: FLAT FEE

Proposed Revision

Increase the processing fee from \$5,914 to \$6,218.

Discussion

The proposed fee for 100% consent LAFCO heard change of organization applications is based on the following staffing costs:

100% Consent Application Costs

Staff Involved in Processing	Estimated Average Time Spent (hours)	Staff Costs
LAFCO Executive Officer	3.85	\$874
LAFCO Analyst	10.18	\$2,026
LAFCO Clerk	13.2	\$1,914
LAFCO Counsel	0.33	\$92
LAFCO Surveyor	8.0	\$1,312
Total	35.56 hours	\$6,218

In order to better reflect current procedures and current staff roles in processing applications, staff has reviewed and reassessed estimated average staff processing times for 100% consent applications. The assessment indicates that the estimated staff time spent on 100% consent applications has reduced by 19% since 2010. The reduction in staff time is mainly because the County Surveyors Office has switched from relying on paper maps/records to using GIS for conducting boundaries research and for preparing maps. While LAFCO staff currently prepares a much more detailed staff report compared to the single-page-template style report prepared previously, staff has been able to streamline other processes to gain overall efficiencies and keep staff time / costs down.

The small increase in the proposed fee is therefore due to an increase in staff hourly rates since 2010.

Change of organization means city or district annexations, detachments, consolidations, mergers, dissolutions, incorporations, formations; and reorganization means two or more changes of organization in one proposal. The LAFCO Fee Schedule includes a separate category for incorporations, formations and complex consolidations and dissolutions that require special studies and fiscal analysis.

Change of organization or reorganization applications that have consent from all landowners in the proposal territory typically qualify for a LAFCO process that may not

require a public hearing or notice and/or protest proceedings. Common examples of 100% consent applications include one or two parcel annexations to West Valley Sanitation District or Cupertino Sanitary District. These applications are typically non-controversial and generally qualify for a categorical exemption from CEQA. Most reorganization applications submitted to LAFCO fall under this category and are placed on the Commission’s consent calendar.

**NON-100% CONSENT LAFCO HEARD CHANGE OF ORGANIZATION APPLICATION:
DEPOSIT FEES**

Proposed Revision

Increase the initial deposit from \$11,868, to \$12,122 – the total fee will be based on the actual cost of processing each individual application.

Discussion

The proposed initial deposit for a non-100% consent change of organization application is based on the following staffing costs:

Non-100% Consent Application Costs

Staff Involved in Processing	Estimated Average Time Spent (hours)	Staff Costs
LAFCO Executive Officer	18.83	\$4,274
LAFCO Analyst	12.83	\$2,553
LAFCO Clerk	21.67	\$3,142
LAFCO Counsel	3.0	\$840
LAFCO Surveyor	8.0	\$1,312
Total	64.33 hours	\$12,122 Deposit

In order to better reflect current procedures and current staff roles in processing applications, staff has reviewed and reassessed estimated average staff processing times for non-100% consent applications. The assessment indicates that the estimated staff time spent on non-100% consent applications has reduced by 20% since 2010. The reduction in staff time is mainly because the County Surveyor’s Office has switched from relying on paper maps/records to using GIS for conducting boundaries research and mapping. Additionally, staff has been able to streamline some processes to gain overall efficiencies and keep staff time / costs down.

The proposed increase to the initial deposit is therefore due to the increase in staff hourly rates since 2010.

LAFCO generally does not receive many non-100% consent change of organization applications. Such applications would typically involve multiple parcels and large land areas, such as annexation of unincorporated rural lands to fire districts, or open space districts. These types of applications are time intensive because they require public hearings, extensive noticing, and protest proceedings. Depending on the size and complexity of the proposal, actual staff time required will vary significantly. The LAFCO Fee Schedule includes a separate category for applications for incorporations, formations and complex consolidations and dissolutions that require special studies and fiscal analysis.

Deposit fees are initial payments towards the actual cost of processing the application. If actual costs are less than the initial deposit, LAFCO will refund the difference to the applicant and if processing costs begin to exceed the deposit, additional fees will be required.

Actual costs include staff time, any consultant fees, special counsel legal services and miscellaneous costs such as noticing, copying etc. If the actual costs are less than the deposit, LAFCO will refund the difference to the applicant. If processing costs begin to exceed the deposit, additional fees are required. Often, these types of applications also require extensive staff assistance prior to receipt of an application. Staff time spent in providing such assistance will be counted towards the deposit.

URBAN SERVICE AREA (USA) AND SPHERE OF INFLUENCE (SOI) AMENDMENT APPLICATIONS: DEPOSIT FEES

Proposed Revision

Increase the initial deposit from \$11,574 to \$13,758 for USA and/or SOI amendment applications; the total fee will be based on the actual cost of processing each individual application.

Discussion

The proposed initial deposit for USA/SOI amendment applications is based on the following staffing costs:

USA / SOI Amendment Application Costs

Staff Involved in Processing	Estimated Average Time Spent (hours)	Staff Costs
LAFCO Executive Officer	23.83	\$5,409
LAFCO Analyst	17.17	\$3,417
LAFCO Clerk	19.17	\$2,780
LAFCO Counsel	3.0	\$840
LAFCO Surveyor	8.0	\$1,312
Total	77.17 hours	\$13,758 Deposit

In order to better reflect current procedures and current staff roles in processing applications, staff has reviewed and reassessed estimated average staff processing times for USA/SOI amendment applications. The assessment indicates that there is a 6% reduction since 2010 in the overall estimated average staff time spent on such applications. The reduction in staff time is mainly because the County Surveyor's Office has switched from relying on paper maps/records to using GIS for conducting boundaries research and mapping.

The proposed increase to the initial deposit amount is primarily due to the increase in staff hourly rates since 2010.

LAFCO reviews USA amendment applications carefully as they are in anticipation of future annexations. These types of applications are time intensive because they require public hearings, extensive noticing, research and analysis, pre-application meetings with the landowners and the city; involve complex policy considerations; and often draw controversy. Depending on the size and complexity of the proposal, actual staff time required will vary significantly from application to application. Deposit fees are initial payments towards the actual cost of processing the application. If actual costs are less than the initial deposit, LAFCO will refund the difference to the applicant and if processing costs begin to exceed the deposit, additional fees will be required.

Actual costs include staff time, any consultant fees, special counsel legal services and miscellaneous costs such as noticing, copying etc. If the actual costs are less than the deposit, LAFCO will refund the difference to the applicant. If processing costs begin to exceed the deposit, additional fees are required. Often, these types of applications also require extensive staff assistance prior to receipt of an application. Staff time spent in providing such assistance will be counted towards the deposit.

OUT OF AGENCY CONTRACT FOR SERVICE (OACS) APPLICATIONS: DEPOSIT FEES

Proposed Revision

Increase the initial deposit from \$9,670 to \$11,912 for OACS applications; the total fee will be based on the actual cost of processing each individual application.

Discussion

The proposed initial deposit for OACS applications is based on the following staffing costs:

OACS Application Costs

Staff Involved in Processing	Estimated Average Time Spent (hours)	Staff Costs
LAFCO Executive Officer	20.83	\$4,728
LAFCO Analyst	12.17	\$2,422
LAFCO Clerk	18.0	\$2,610
LAFCO Counsel	3.0	\$840
LAFCO Surveyor	8.0	\$1,312
Total	62.0 hours	\$11,912 Deposit

In order to better reflect current procedures and current staff roles in processing applications, staff has reviewed and reassessed estimated average staff processing times for OACS amendment applications. The assessment indicates that there is no significant change since 2010 in the overall estimated average staff time spent on such applications.

The proposed increase to the initial deposit amount is primarily due to the increase in staff hourly rates since 2010.

Out of agency contract for service applications are time intensive because they often require facilitation of extensive pre-application discussions between multiple jurisdictions and property owners, public hearings, noticing, research and analysis; involve complex policy considerations; and often draw controversy. Depending on the size and complexity of the proposal, actual staff time required will vary significantly from application to application.

Deposit fees are initial payments towards the actual cost of processing the application. If actual costs are less than the initial deposit, LAFCO will refund the difference to the applicant and if processing costs begin to exceed the deposit, additional fees will be required.

Actual costs include staff time, any consultant fees, special counsel legal services and miscellaneous costs such as noticing, copying etc. If the actual costs are less than the

deposit, LAFCO will refund the difference to the applicant. If processing costs begin to exceed the deposit, additional fees are required. Often, these types of applications also require extensive staff assistance prior to receipt of an application. Staff time spent in providing such assistance will be counted towards the deposit.

CITY INCORPORATIONS, DISTRICT FORMATIONS: DEPOSIT FEES

Proposed Revision

Increase the initial deposit for applications involving city incorporations or disincorporations; special district formations or dissolutions, and consolidations from \$11,481 to \$12,122 (which is the same as the proposed initial deposit for non-100% consent change of organization / reorganization applications). However, the cost of incorporation / formation proceedings will be much higher than the initial deposit. The deposit allows staff to open a file and initiate the determination of petition sufficiency and begin meetings with the proponents to develop a time frame and cost estimates. The total fee will be based on the actual cost of processing the application.

This fee structure also applies to complex consolidation and dissolution applications that require retaining consultants to conduct special studies and fiscal analysis.

Discussion

In August 2007, LAFCO adopted revised Incorporation Policies which include policies that clarify LAFCO's fee structure for processing an incorporation proposal. Per these Policies, the actual costs for processing the incorporation application are the proponent's responsibility. Application costs include consultant costs for preparing the comprehensive fiscal analysis and the environmental review documents, LAFCO staff time, legal counsel costs and other related expenses incurred by LAFCO in the incorporation proceedings.

As necessary, LAFCO will retain consultants for the preparation of the comprehensive fiscal analysis, CEQA analysis/documents, and other studies or reports. Each consultant's total cost will be divided into costs for each sub-task. Prior to commencement of each sub-task, the proponents must make a deposit in the amount of the estimated cost for that sub-task. LAFCO will not authorize the consultant to commence work on the sub-task until the funds are received. At the end of each sub-task a final accounting will be done. Any amounts due must be paid within 30 days. Any refunds will be applied to the subsequent sub-task or refunded. The actual amounts of the deposits will be determined after the consultant contracts are negotiated. Formation / consolidation applications will be subject to similar procedures.

LAFCO staff will provide the applicant/proponents an initial estimate of the costs of the proceedings. The terms of payment will be stated in an agreement to be executed between LAFCO and the applicant/proponents.

MANDATORY PRE-APPLICATION MEETING: DEPOSIT FEES

Proposed Revision

Increase the fee for mandatory pre-application meetings from \$1,562 to \$1,935 to reflect the increase in LAFCO staff hourly rates.

Discussion

The proposed fee for mandatory pre-application meetings is based on the following staffing costs:

Pre-Application Meeting Costs

Staff Involved in Processing	Estimated Average Time Spent (hours)	Staff Costs
LAFCO Executive Officer	4.0	\$908
LAFCO Analyst	3.0	\$597
LAFCO Clerk	2.0	\$290
LAFCO Counsel	0.5	\$140
Total	9.5 hours	\$1,935 Deposit

In order to better reflect current procedures and current staff roles in processing applications, staff has reviewed and reassessed estimated average staff processing times for conducting pre-application meetings. The assessment indicates that there is no change since 2010 in the overall estimated average staff time spent on such applications.

The proposed increase in the fee is primarily due to the increase in staff hourly rates since 2010.

A mandatory pre-application meeting with LAFCO staff is required, preferably prior to seeking signatures on the petition – for applications involving district formations and/or city incorporations. Depending on the size and complexity of the proposal, actual staff time required will vary significantly from application to application. Deposit fees are initial payments towards the actual cost of processing the application. If actual costs are less than the initial deposit, LAFCO will refund the difference to the applicant and if processing costs begin to exceed the deposit, additional fees will be required.

RECONSIDERATION REQUESTS: DEPOSIT FEES

Proposed Revision

Increase the initial deposit for reconsideration requests from \$2,619 to \$5,563; the total fee will be based on the actual cost of processing the application.

Discussion

The proposed fee for reconsideration applications is based on the following staffing costs:

Reconsideration Costs

Staff Involved in Processing	Estimated Average Time Spent (hours)	Staff Costs
LAFCO Executive Officer	13.0	\$2,951
LAFCO Analyst	3.58	\$712
LAFCO Clerk	11.17	\$1,620
LAFCO Counsel	1.0	\$280
Total	28.75 hours	\$5,563 Deposit

In order to better reflect current procedures and current staff roles in processing applications, staff has reviewed and reassessed estimated average staff processing times for reconsideration applications. The assessment indicates that the overall estimated average staff time spent on such applications is nearly double that in 2010 and that staff significantly underestimated the average staff time spent on such applications in 2010.

The proposed increase to the initial deposit amount is due to the increase in staff hourly rates since 2010 and also due to a higher but more accurate estimate of the time required to process such applications.

Requests for reconsiderations require public hearings, noticing, careful review, research and analysis, involve policy considerations; and often draw controversy. Depending on the complexity of the proposal, actual staff time required will vary significantly from application to application. Deposit fees are initial payments towards the actual cost of processing the application. If actual costs are less than the initial deposit, LAFCO will refund the difference to the applicant and if processing costs begin to exceed the deposit, additional fees will be required.

Actual costs include staff time, any consultant fees, special counsel legal services and miscellaneous costs such as noticing, copying etc. If the actual costs are less than the deposit, LAFCO will refund the difference to the applicant. If processing costs begin to exceed the deposit, additional fees are required. Often, these types of applications also require extensive staff assistance prior to receipt of an application. Staff time spent in providing such assistance will be counted towards the deposit.

RESEARCH FEE

Proposed Revision

Increase the hourly fee for staff research from \$173 to \$213 to reflect the increase in staff hourly rates.

Discussion

This fee is for staff time spent in consultation or on research of a specific issue not necessarily associated with above listed applications. The fee is based on average staff costs.

ISLAND ANNEXATION FEES

Proposed Revision

No change proposed, no action necessary.

Discussion

LAFCO adopted Island Annexation Policies in February 2005 in order to encourage cities to annex unincorporated islands. The policies initially provided a 2-year fee waiver for annexations that result in the elimination of entire islands. Since that time, the Commission periodically reviewed and extended the discretionary fee waiver. In October 2009, the Commission amended its Island Annexation Policies to reflect that the ongoing fee waiver for entire island annexations will remain in effect until rescinded by the Commission. Additionally, in 2013, the legislature amended the CKH Act to remove the sunset date and allow streamlined island annexations on a permanent basis.

Since July 2010, LAFCO has processed 11 island annexations and waived **\$12,694** in island annexation fees. Previously, between FY 2006 and FY 2010, LAFCO waived over \$85,000 in island annexation fees.

SERVICE CHARGES

Proposed Revision

Establish the following service charges.

Service	Amount
Copying	\$0.10/side – color
	\$0.05/side – black and white
Mailing or Shipping	Actual Cost

EFFECTIVE DATE FOR THE NEW FEE SCHEDULE

Staff is proposing that the revised fee schedule become effective on June 8, 2018.

REVENUE COMPARISON

The following table compares the revenues generated under the current fee system with the potential revenues that would be realized if the proposed fee schedule were in place. This estimation is based on average level of application activity over the last five fiscal years (not including the current year activity). As seen in the following table, there is a 13% increase in revenues under the proposed Fee Schedule. It should be noted that the estimated revenues under the current and proposed fees are based on just the “minimum” or initial deposit amounts and not on the “final” or actual cost. Therefore actual revenues generated may differ significantly from this estimation not only because of the difference between the actual costs and initial deposits but also because application activity varies from year to year.

Potential Revenue Generation

Type of Applications	Average # of Applications in last 5 FYs	Current Fees	Average Annual Revenue (estimated)	Proposed Fees	Potential Annual Revenue (estimated)
City Conducted	7	\$1,154	\$8,078	\$1,367	\$9,569
100% Consent	2	\$5,914	\$11,828	\$6,218	\$12,436
Non-100% Consent	1	\$11,868	\$11,868	\$12,122	\$12,122
USA / SOI	3	\$11,574	\$34,722	\$13,758	\$41,274
Out of Agency Contracts	0	\$9,670	\$0	\$11,912	\$0
Reconsiderations	0	\$2,619		\$5,563	\$0
Incorporations/ Formations	0	\$11,481		\$13,758	\$0
Total	13		\$66,496		\$75,401

PROPOSED POLICIES ON LAFCO FEES

LAFCO's current Bylaws do not include policies to guide the Commission's procedures and timelines for establishing, reviewing, and amending the LAFCO Fee Schedule or for considering fee waiver requests.

Over the past few years LAFCO has received and considered various fee waiver requests. LAFCO's Finance Committee, at its March 19, 2018 meeting and at its March 9, 2017 meeting, directed staff to develop policies to help guide the Commission's consideration of such requests, as such requests have cost-recovery implications for LAFCO and implications for LAFCO's funding agencies. Therefore staff has drafted policies (Attachment C) for the Commission's consideration and adoption that clarify the following:

- Commission's procedures and timelines for establishing, reviewing, and amending the LAFCO Fee Schedule in order to help provide for an appropriate level of cost-recovery to the Commission in processing applications
- Commission's collection of application fees in relation to determining whether an application is complete
- Commission's consideration of fee waiver requests, in-light of cost-recovery goals and undue cost burden to LAFCO's funding agencies

NEXT STEPS

After Commission adoption of the resolution establishing the revised Fee Schedule, staff will mail the revised Fee Schedule to the County, Cities and Special Districts in the county and will post the revised Fee Schedule on the LAFCO website.

After Commission adoption of the policies on LAFCO Fees, staff will amend the LAFCO Bylaws to include the new policies and update the LAFCO website accordingly.

ATTACHMENTS

- | | |
|---------------|--|
| Attachment A: | Proposed LAFCO Fee Schedule |
| Attachment B: | Resolution adopting the Revised Fee Schedule |
| Attachment C: | Proposed policies on LAFCO Fees |

PROPOSED LAFCO FEE SCHEDULE

	Type of Application	Fee
1.	City Conducted Annexations	\$1,367 + SBE Fees
2.	100% Consent LAFCO Heard Change of Organizations	\$6,218 + SBE Fees
3.	Deposit Fees ***	
	Non-100% Consent LAFCO Heard Change of Organizations	\$12,122 deposit + Actual Costs + SBE Fees
	Urban Service Area / Sphere of Influence Amendments	\$13,758 deposit + Actual Costs
	Out of Agency Contract for Services	\$11,912 deposit + Actual Costs
	Mandatory Pre-Application Meeting for District Formations/City Incorporations	\$1,935 deposit + Actual Costs
	District Formations, City Incorporations and complex Dissolutions, Consolidations, Mergers	\$12,122 deposit + Actual Costs + SBE fees
	Reconsideration Requests	\$5,563 deposit + Actual Costs
4.	Research Fees	\$213/hour
5.	Service Charges	Copies: \$0.10/page – color \$0.05/page – B/W Mailing/Shipping Actual Cost

All fees/deposits shall be paid at the time of application submittal. The application shall not be deemed complete until the required fees/deposits are received.

When SBE fees are required, a separate check payable to the State Board of Equalization (SBE) must be included with the application packet. The SBE fee is based on acreage; and determined by the SBE Schedule of Fees.

*** Deposit fees are initial payments towards the actual cost of processing applications. Staff time spent on pre-application assistance will be counted towards the deposit. Actual costs include staff time, any consultant fees, special counsel legal services and miscellaneous costs such as noticing, copying etc. If actual costs are less than deposit, LAFCO will refund the difference to the applicant. If processing costs begin to exceed the deposit, additional fees are required. LAFCO approval will be conditional upon final payment within 35 days of LAFCO hearing date.

RESOLUTION NO. 2018-XX

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF SANTA CLARA COUNTY REVISING LAFCO FEE SCHEDULE**

RESOLVED by the Local Agency Formation Commission of Santa Clara County, California, that

WHEREAS, Government Code section 56383 authorizes the Commission to establish a schedule of fees for the cost of proceedings; and

WHEREAS, the schedule of fees shall not exceed the reasonable cost of providing the service for which the fee is charged;

WHEREAS, in compliance with Government Code section 66016, the Executive Officer set June 6, 2018 as the hearing date on the revised fee schedule attached hereto as Attachment A and gave the required notice of hearing; and,

WHEREAS, this Commission called the proposal for public hearing, considered the public testimony and considered the revised fee schedule and the report of the Executive Officer;

NOW THEREFORE, the Local Agency Formation Commission of Santa Clara County does hereby resolve, determine, and order as follows:

SECTION 1:

The proposed revision to the Local Agency Formation Commission fee schedule attached hereto as Attachment A and incorporated herein by reference is hereby approved and is effective June 8, 2018.

PASSED AND ADOPTED by Local Agency Formation Commission of Santa Clara County, State of California, on June 6, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Yeager, Chairperson
LAFCO of Santa Clara County

ATTEST:

APPROVED AS TO FORM:

Emmanuel Abello, LAFCO Clerk

Malathy Subramanian, LAFCO Counsel

AGENDA ITEM # 5
Attachment C

FEE POLICIES

- 1) The Commission may establish a schedule of fees and service charges for the processing of applications filed with the Commission, pursuant to Government Code §56383. The schedule of fees and service charges shall not exceed the estimated reasonable cost of providing the service for which the fee is charged.
- 2) The Commission shall regularly review and amend as necessary the schedule of fees and service charges to help ensure an appropriate level of cost-recovery.
- 3) All fees/deposits shall be paid at the time of the application submittal and said application shall not be deemed complete until the required fees/deposits are received.
- 4) In order to achieve reasonable cost-recovery and not place an undue cost burden on its funding agencies (i.e. County, cities, special districts), the Commission will not generally provide fee waivers.
- 5) Consistent with Government Code §56383(d), the Commission may reduce or waive fees if it finds that payment of such fees would be detrimental to the public interest.
- 6) Any request for a fee reduction or waiver must be submitted in writing to the Executive Officer.

LAFCO MEETING: June 6, 2018
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Lakshmi Rajagopalan, Analyst
SUBJECT: INDEPENDENT PROFESSIONAL AUDIT SERVICES

STAFF RECOMMENDATIONS

1. Authorize staff to issue a Request for Proposals (RFP) for an independent Certified Public Accounting firm to audit LAFCO's financial statements and prepare its General Purpose Financial Statements (GPFS) for the fiscal years ending June 30, 2018, June 30, 2019, June 30, 2020, and June 30, 2021.
2. Delegate authority to the LAFCO Executive Officer to enter into an agreement with the most qualified consultant in an amount not to exceed \$50,000 for a 4-year contract and to execute any necessary amendments subject to LAFCO Counsel's review and approval.
3. Appoint a LAFCO Commissioner to serve on the consultant interview panel, if desired.

BACKGROUND

At the April 4, 2018 meeting, the Commission directed staff to arrange for an annual audit of LAFCO's financial statements to be conducted by an independent auditor, beginning with the current fiscal year (FY 2018) and directed staff to prepare a draft RFP for independent financial audit services for Commission consideration and approval.

At its March 19, 2018 meeting, the LAFCO Finance Committee directed staff to research the potential costs involved in retaining an independent auditor. Staff conducted a survey of LAFCOs and received 15 responses. Thirteen of the LAFCOs that responded prepare annual audits, two of the LAFCOs prepare biennial audits. The cost of audits ranged from \$3,665 up to \$14,000 and the average cost was approximately \$8,100. Many LAFCOs have multi-year contracts (3 to 5 years) with the auditing firm which helps to keep the annual audit costs down. Staff received an initial price quote (\$12,000 to

\$15,000) for LAFCO's first year audit, from the audit firm that currently conducts the County's audit.

Effective January 2001, the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 required LAFCOs to be independent bodies. In June 2001, Santa Clara LAFCO entered into a Memorandum of Understanding (MOU) with the County of Santa Clara under which the County provides staffing, facilities and support services to LAFCO including all payroll, banking, and accounting services. LAFCO's funds are maintained in the County Treasury, LAFCO is included in the County's financial accounting system and all LAFCO financial transactions are subject to the internal controls in place at the County. The County provides accounting and reporting on both LAFCO's budget and actual transactions. The County treats LAFCO as a Special Revenue Fund to reflect its status as an independent agency that is separate from the County. The County has included LAFCO in its external audit process, and in its Comprehensive Annual Financial Report (CAFR), however LAFCO is presented together with other funds and therefore there is a lack of separate or detailed information on LAFCO.

Staff at the County Controller's Office concurred that as an independent agency, LAFCO should issue its own financial statements similar to several LAFCOs around the state, instead of being comingled with the County. This will have the advantage of providing greater clarity and transparency on LAFCO's financials.

PROPOSED BUDGET

The current year LAFCO budget includes sufficient funds to cover the cost of retaining an external audit firm. Staff recommends an allocation of \$50,000 for a 4-year contract. The LAFCO Executive Officer will negotiate the final project cost with the selected firm.

TENTATIVE TIMELINE

- Release RFP: June 7, 2018
- Proposals Due: July 2, 2018 (4:00 PM)
- Firm Interviews and Selection: mid-late July 2018

NEXT STEPS

Proposed Release of Final RFP

Upon LAFCO authorization, staff will email the Final RFP to a list Certified Public Accounting firms specializing in financial audits and will post the RFP on the LAFCO website and the CALAFCO website for interested firms.

ATTACHMENT

Attachment A: Draft RFP for Independent Professional Audit Services

-DRAFT-
REQUEST FOR PROPOSALS

INDEPENDENT PROFESSIONAL AUDIT SERVICES

To Audit Santa Clara LAFCO Financial Statements for Fiscal Years ending 2018, 2019, 2020 and 2021

I. Introduction

The Local Agency Formation Commission (LAFCO) of Santa Clara County is seeking proposals from qualified independent Certified Public Accounting firms to audit LAFCO's financial statements and prepare its General Purpose Financial Statements (GPFS) for the fiscal years ending June 30, 2018, June 30, 2019, June 30, 2020, and June 30, 2021. The audits are to be performed in accordance with generally accepted auditing standards and the standards set for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, as well as any other current and applicable federal, state, local or programmatic audit requirements.

It is anticipated the selection of a firm will be completed in July 2018.

II. Background

LAFCO of Santa Clara County is an independent local agency created by the State Legislature in 1963 to encourage orderly growth and development of local agencies. LAFCO's mission is to promote sustainable growth and good governance in Santa Clara County by preserving agricultural and open space lands, preventing urban sprawl, encouraging efficient delivery of services, promoting accountability and transparency of local agencies, and exploring and facilitating regional opportunities for fiscal sustainability.

Effective January 2001, the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 required LAFCOs to be independent bodies. In June 2001, Santa Clara LAFCO entered into a Memorandum of Understanding (MOU) with the County of Santa Clara under which the County provides staffing, facilities and support services to LAFCO including all payroll, banking, and

accounting services. LAFCO's funds are maintained in the County Treasury, LAFCO is included in the County's financial accounting system, and all LAFCO financial transactions are subject to the internal controls in place at the County. The County provides accounting and reporting on both LAFCO's budget and actual transactions. The County treats LAFCO as a Special Revenue Fund to reflect its status as an independent agency that is separate from the County. The County has included LAFCO in its external audit process, and in its Comprehensive Annual Financial Report (CAFR), however LAFCO is presented together with other funds and therefore there is a lack of separate or detailed information on LAFCO.

In recent discussions, staff at the County Controller's Office concurred that as an independent agency, LAFCO should issue its own financial statements similar to several LAFCOs around the state, instead of being comingled with the County. This will have the advantage of providing greater clarity and transparency on LAFCO's financials.

At the April 4, 2018 meeting, the Commission directed staff to arrange for an annual audit of LAFCO's financial statements to be conducted by an independent auditor, beginning with the current fiscal year (FY 2018).

More information on Santa Clara LAFCO is available on the LAFCO website at <http://www.santaclaralafco.org>.

III. Scope of Services

LAFCO is seeking qualified proposals for an independent financial audit for fiscal years 2018, 2019, 2020, and 2021, in accordance with the following requirements:

1. The audits are to be performed in accordance with generally accepted auditing standards and the standards set for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, as well as any other current and applicable federal, state, local or programmatic audit requirements.
2. The audit firm shall issue a separate "management letter" that includes recommendations, if any, for improvements in internal control that are considered to be significant deficiencies or material weaknesses.
3. Staff from the audit firm must present the audit report to the LAFCO Commission at a public meeting.

LAFCO staff will provide assistance during the audit by making available any background information, analysis, documentation, and explanation, and will assist in preparing the MD&A, as required.

All working papers and reports are to be retained at the auditor's expense for a minimum of three years, and made available to LAFCO, if requested.

IV. Budget

A final budget amount for this project will be negotiated with the consulting firm selected for the work prior to reaching agreement. The anticipated project cost of the proposal to audit Santa Clara LAFCO Financial Statements for fiscal years ending 2018, 2019, 2020 and 2021 should not exceed \$50,000.

V. Timetable of Deliverable Reports

The audit firm shall be responsible for the preparation and word processing of the following financial statements for each Fiscal Year:

<u>Report Description</u>	<u>Number of Copies</u>	<u>Due date</u>
General Purpose Financial Statements	1 electronic version (both PDF and Word)	September 15 of every year

A draft copy of each financial statement should be delivered to the LAFCO Executive Officer for review approximately 21 days prior to the deadline noted above. A final services agreement including the final schedule will be negotiated before executing the contract.

VI. Timetable of Audit Work to be Performed

LAFCO's books close on June 30 each year and are ready for audit soon thereafter. The audit fieldwork should begin no earlier than the date of the closing of books each fiscal year and be complete in time to meet the September 15 deadline of each year. A final services agreement including the final schedule will be negotiated before executing the contract.

VII. Proposal Requirements

Response to this RFP must include all of the following:

1. **Title Page** - with proposal subject, the firm's name and contact person and the firm's California CPA License Number and Federal Identification Number.
2. **Cover Letter** – briefly stating the auditing firm's understanding of the work to be performed and, the commitment to perform the work in the required time frame. The statement should demonstrate the experience and qualifications to perform the required duties, including information

regarding government audit experience, and the ability to stay within budget, and schedule. The cover letter should also make a statement that the firm's offer is a firm, irrevocable offer for 60 days. The cover letter should indicate whether the firm is independent with respect to LAFCO and that the firm is an Equal Opportunity Employer.

- 3. **Proposer's Qualifications** – with the following information:
 - A. Identification and designation of the individual(s) who would perform the work, including resumes documenting their education, CPA licenses, relevant experience, and competence to perform that work. Note that any subsequent changes in staff performing the work will require prior approval by LAFCO.
 - B. Sufficient information should be provided regarding current local government audit clients and date that the client has been served.
 - C. Provide any other information regarding general consulting and special audits provided by the firm, relevant to LAFCO.
- 4. **Assistance Needed from LAFCO** – identifying any information, materials, and/ or work assistance required from LAFCO
- 5. **Approach, Scope and Timing of the Audit**
 - A. Provide, in sufficient detail, the firm's understanding of and approach to LAFCO's audit, including specific information on procedures to be performed, auditing standards to be followed, and reports to be issued by the audit firm.
 - B. An overall project schedule, including the timing of each work task.
- 6. **Availability of Professionals** – information about availability of professionals who will be involved in the work.
- 7. **Maximum Fee and Hourly Rates** - The maximum fees and hourly rates for the audit should be provided in the following format for each fiscal year ending on June 30, 2018, 2019, 2020, and 2021. The fees should be inclusive of any out-of-pocket expenses incurred by the audit firm:
 - A. A not-to-exceed maximum fee (including expenses) for the fiscal years ending
 - June 30, 2018 \$ _____
 - June 30, 2019 \$ _____
 - June 30, 2020 \$ _____

June 30, 2021 \$_____

- B. The hourly rates for each person who will be involved in the work.
7. **Other Information Required in Proposal** - The auditing firm shall provide a copy of its most recent Peer Review together with the California Society of CPAs' acceptance of such peer review.
 8. **Comments about the draft services agreement** (*Attachment 1*) specifically including the ability of the consulting firm to meet the insurance requirements and other provisions.
 9. **References** - A list of not less than three (3) client references for which services similar to those outlined in this request for proposals have recently been, or are currently being, provided. For each reference listed, provide the name of the organization, dates, and type of service(s) provided, and the name, address, e-mail address and telephone number of the appropriate contact.

VIII. Evaluation Criteria and Selection Process

Proposals will be evaluated based upon their response to the provisions of this Request for Proposal. The following criteria will be used to evaluate responses to this proposal:

1. The firm's licensing, independence with respect to LAFCO and results of most recent peer review
2. Qualifications and Related Experience of the audit team who will serve LAFCO (Partner, Manager and Senior Auditors)
3. Experience of the firm auditing California cities or other public agencies
4. Reference of local government clients
5. Thoroughness of approach to conducting LAFCO's audit
6. Demonstration of the understanding of the objectives and scope of the audit
7. Commitment to timeliness in the conduct of the audit
8. Maximum fees to conduct the audit

A consultant selection committee will review proposals and the most qualified consulting firm will be selected based on the above evaluation criteria and reference checks. Interviews may be held, if needed, in mid-July 2018. The selection committee is expected to make a decision soon after. Following the selection of the most qualified consulting firm, a final services agreement

including budget, schedule, and final Scope of Services statement will be negotiated before executing the contract.

LAFCO reserves the right to reject any or all proposals, to issue addenda to the RFP, to modify the RFP or to cancel the RFP.

IX. Submission Requirements

DUE DATE AND TIME: **Monday, July 2, 2018 (4:00 PM)**

Proposals received after this time and date may be returned unopened.

NUMBER OF COPIES:

5 copies

DELIVER TO:

Neelima Palacherla
LAFCO of Santa Clara County
777 North First Street, Suite 410
San Jose, CA 95112

Note: If delivery is to be in person please first call the LAFCO office (408-993-4705 or 4709) to arrange delivery time.

X. LAFCO Contact

Lakshmi Rajagopalan
LAFCO of Santa Clara County
Voice: (408) 993-4709
Email: Lakshmi.rajagopalan@ceo.sccgov.org

XI. Attachments

1. Professional Service Agreement and Insurance Requirements

XII. Reference Information

More information on LAFCO of Santa Clara County and its activities are available on the LAFCO website (<http://www.santaclaralafco.org/>), including the following:

- Frequently Asked Questions (FAQs)
(<http://www.santaclaralafco.org/about-lafco/faq>),
- 2016-2017 LAFCO Annual Report
(<http://www.santaclaralafco.org/file/AnnualReport/FY2017AnnualReport.pdf>),

- Fiscal Year 2017-2018 LAFCO Budget
(<http://www.santaclaralafco.org/file/Budget/03%20LAFCO%20Budget%20FY2018.pdf>)

DRAFT

LAFCO MEETING: June 6, 2018
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
Lakshmi Rajagopalan, Analyst
SUBJECT: EXECUTIVE OFFICER'S REPORT

7.1 REPORT ON THE INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE MEETING

For Information Only.

Executive Officer Palacherla convened a meeting of the Independent Special District Selection Committee (ISDSC) on May 10, 2018 for the purpose of selecting two representatives – one primary and one alternate, to serve on the Countywide Redevelopment Oversight Board.

The ISDSC unanimously selected Tony Estremera (Santa Clara Valley Water District Board Member) as primary representative and Yoriko Kishimoto (Midpeninsula Regional Open Space District Board Member) as alternate representative. As there is no statutory provision for a length of term, both representatives serve at the pleasure of the ISDSC.

A notice of the ISDSC meeting was provided on April 10, 2018, a month in advance of the meeting date, to the 17 independent special districts. Notice was provided via email to district clerks, and district managers with a request to forward the notice to all board members. The notice was also posted on the LAFCO website. Prior to that, an announcement regarding the upcoming ISDSC meeting (date TBD) to select two representatives to the Countywide RDA Oversight Board was made at the March 5th Special Districts Association (SDA) Meeting and a report on the SDA meeting was provided to LAFCO at its April 4th meeting under Agenda Item #8.

As part of the dissolution of redevelopment agencies (RDAs), oversight boards were established for each of the redevelopment successor agencies charged with winding down the affairs of the former RDAs. In September 2015, Governor Brown signed SB 107, a bill which required the consolidation of Redevelopment Agency (RDA) oversight boards for each former RDA, which has been operational since early 2016. SB 107

mandated the consolidation of these boards by July 1, 2018, with a single new countywide board in each county. In Santa Clara County, the existing oversight boards will be consolidated into a Countywide RDA Oversight Board. The law further directs that LAFCO convene the ISDSC in each county to appoint special districts representatives to the new board.

7.2 UPDATE ON THE LAFCO COMMUNICATIONS AND OUTREACH PLAN

For Information Only.

On May 3rd, staff met with LAFCO's Consultant team, including Marianna Leuschel, Michael Meehan and Chad Upham, to discuss the draft outline and potential elements of the LAFCO Communications and Outreach Plan. Staff also provided feedback on some initial design concepts for identity and communications materials, including the proposed LAFCO brochure and updated informational map on county and cities boundaries.

The Consultant team is now drafting the plan and preparing some preliminary communications materials to help illustrate how the plan will be implemented. Staff will then review the draft plan and provide comments as necessary. The Consultant team will address those comments and present the Draft Plan and preliminary communications materials to the Commission in Fall of 2018 for its consideration and adoption.

7.3 MEETING WITH STATE WATER RESOURCE CONTROL BOARD STAFF ON MUTUAL WATER COMPANIES AND SMALL WATER SYSTEMS IN COUNTY

For Information Only.

On May 15, 2018, LAFCO staff had a preliminary meeting with California State Water Resources Control Board (SWRCB) staff about mutual water companies and small water systems and the State's interest in consolidating failing and struggling water systems with larger, better managed and maintained systems that are located nearby. The SWRCB staff discussed some of the challenges surrounding their past consolidation efforts for some systems in Santa Clara County. LAFCO staff informed them of the unique long-standing policies that are in place in Santa Clara County, as a result of which the County does not provide urban services and does not allow urban development in rural unincorporated areas outside of city urban service areas and encouraged them to consider the land use implications of potential consolidations. A follow-up meeting to discuss options for specific systems in the county is scheduled for mid-July. In preparation for this meeting, SWRCB staff will provide LAFCO staff with information on the small water systems that they are most concerned about.

7.4 MEETING WITH MORGAN HILL STAFF AND REPRESENTATIVES OF SOUTH COUNTY CATHOLIC HIGH SCHOOL ON PROPOSED URBAN SERVICE AREA AMENDMENT

For Information Only.

In late April 2018, staff received an inquiry from a consultant that is helping the San Jose Diocese prepare an urban service area (USA) amendment application for the proposed development of the South County Catholic High School in the Southeast Quadrant. In the interest of having a broader constructive discussion, LAFCO staff proposed a joint meeting with City of Morgan Hill staff and representatives of the property owner in order to discuss the proposed application, similar to a pre-application meeting. The purpose of the meeting was to inform the City and property owner, as early as possible, of any issues/concerns that LAFCO may have with proposal. Thus, allowing the City to consider and address these issues in advance of submitting an application to LAFCO.

On May 17, 2018, LAFCO staff and Counsel met with City of Morgan Hill staff (Attorney, Community Development Director, Principal Planner, and Environmental Program Administrator), and a representative and two consultants for the South County Catholic High School. The group discussed potential options for the proposal's boundaries and environmental review. LAFCO staff informed the group that the City is the applicant for any USA amendment application and therefore the City should consider how the proposed urban service area expansion request fits into the City's long-term growth/preservation plans.

Staff also requested that the City consider addressing other outstanding issues, including provision of services, impacts to agricultural lands, and availability of vacant/underutilized lands within the city limits. Lastly, staff reiterated its willingness to have further discussions with the City and hopes that May 17, 2018 discussion and others, held in the early stages of putting the proposal together, will help inform and influence the City's process and actions on the proposal.

As you know, the proposed private high school was part of the Morgan Hill 2015 USA Amendment application which was denied by LAFCO on March 11, 2016. Furthermore, on June 1, 2016, LAFCO denied the City's request for reconsideration of LAFCO's March 11, 2015 action relating specifically to the proposed private high school.

7.5 MEETING WITH COUNTY PLANNING STAFF ON PROPOSED AGRICULTURAL WORKER HOUSING DEVELOPMENT IN UNINCORPORATED AREA NEAR GILROY

For Information Only.

On May 29, 2018, EO Palacherla and Analyst Noel met with Rob Eastwood (County of Santa Clara Planning Manager) to discuss a proposed agricultural worker housing development in the unincorporated area near Gilroy, options for delivering sewer service and water service to the project site, and whether those options would require LAFCO's approval. The project site is a former agricultural labor camp with a history of county permit violations and enforcement issues. The specific number of housing units

and number of tenants envisioned for the proposed new development has not been determined yet.

The proposed development is in the preliminary planning stages and it has yet to be determined whether the development will ultimately occur in the unincorporated area or within the City of Gilroy. Should the development be planned for the unincorporated area, staff urged County Planning staff to ensure the long-term sustainability of the required onsite services, such as wells and septic systems, before approving such development in the unincorporated area.

Staff recognizes the need for affordable housing for farmworkers and believes that farmworker housing developments are a more appropriate use within urban areas, where urban amenities and services are more readily available. Furthermore, per long-standing County General Plan Policies, development that requires municipal services (i.e. city sewer or city water) should be located within a city, as the County does not provide urban services and does not allow urban development in rural unincorporated areas outside of city urban service areas.

7.6 MEETING WITH COUNTY PLANNING AND SANTA CLARA VALLEY OPEN SPACE AUTHORITY STAFF ON THE SANTA CLARA VALLEY AGRICULTURAL PLAN

For Information Only.

On May 18, 2018, EO Palacherla and Analyst Noel met with staff from the Santa Clara Valley Open Space Authority and County Planning concerning the Santa Clara Valley Agricultural Plan and next steps in the County's implementation efforts. County staff indicated that they are working with the County's Agricultural Task Force to develop a regional agricultural conservation easement program, consider ways to facilitate greater development of agricultural worker housing, and consider ways to limit the intensity of rural-ranchette development in the unincorporated area. Staff reiterated the comments and concerns expressed in LAFCO's January 5, 2018 letter to the County regarding the "Santa Clara Valley Agricultural Plan," and encouraged consideration of strategies to address the loss of farmland due to city annexations.

LAFCO has an interest in ensuring that the Santa Clara Valley Agricultural Plan is implemented in a way that preserves agricultural lands while also curbing sprawl and encouraging efficient delivery of services, as the three issues are interconnected. Therefore, permanent long-term solutions to these issues will also need to be interconnected.

7.7 MEETING WITH THE NATURE CONSERVANCY AND GREENBELT ALLIANCE STAFF ON POTENTIAL PARTNERSHIPS

For Information Only.

At their request, LAFCO staff met with The Nature Conservancy (TNC) and Greenbelt Alliance staff on May 25, 2018, in order to discuss LAFCO's role and efforts in preserving agricultural lands in Santa Clara County. They noted the important and

successful work that Santa Clara LAFCO has done over the years and how it may be a model for some other LAFCOs as they grapple with similar issues. They indicated that they are interested in finding ways to support LAFCOs in their efforts to address issues of common interest, including potential State level actions and providing assistance at the local level. Staff agreed that there are opportunities for collaboration and partnerships and welcomed further discussions with them.

7.8 PRESENTATION TO THE SOUTH COUNTY REALTORS ALLIANCE

For Information Only.

At the invitation of Alex Kennett (realtor and Santa Clara Valley Open Space Authority Board Member), EO Palacherla attended the South County Realtors Alliance meeting on May 18, 2018 and gave a presentation on LAFCO to over 80 attendees. EO Palacherla provided an overview of LAFCO, including its mandate and history, powers and legal authority, who serves on LAFCO, funding and staffing, key policies and boundaries; and factors that LAFCO must consider when evaluating an urban service area amendment application, particularly as it relates to conversion of agricultural land. She also discussed the importance of orderly growth and compact development in cities and the trend toward creating walkable neighborhoods and vibrant downtowns that are more conducive to maintaining an active and healthy lifestyle. Lastly, she noted that more and more cities, such as San Jose, are focusing on city-centered growth rather than outward expansion.

7.9 SILICON VALLEY AT HOME (SV@HOME) LUNCHTIME FORUM: WHEN LOCAL DECISIONS TAKE ON REGIONAL IMPORTANCE

For Information Only.

On April 26, 2018, EO Palacherla and Analyst Noel attended SV@Home's lunchtime forum entitled "When Local Decisions Take on Regional Importance." SV@Home believes that "major development proposals can provide an opportunity to create the future we want to see – one with affordable housing for all, greater balance between jobs and housing, and vibrant, mixed-use communities."

At the forum, a diverse panel consisting of the Sunnyvale Vice-Mayor, the Mountain View Community Development Director, and a Palo Alto housing advocacy organization Board Member discussed how their individual city/organization has effectively leveraged major development proposals in their city to begin to address the regional housing affordability challenges of today.

7.10 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS (SCCAPO) MEETING

For Information Only.

Executive Officer Palacherla attended the May 2, 2018 meeting of the SCCAPO that was hosted by the City of Sunnyvale. The meeting included an informative presentation by the City's Community Development Department staff on the past, present, and future of

California Housing Laws. Cities currently are determining how best to implement the various new housing laws. These laws are intended to streamline the approval process for affordable housing, discourage reduction of existing housing stock, and encourage the development of new housing.

7.11 INTER-JURISDICTIONAL GIS WORKING GROUP MEETING

For Information Only.

Analyst Noel attended the April 18th meeting of the Inter-Jurisdictional GIS Working Group that includes various County departments that use and maintain GIS data, particularly LAFCO related data. The meeting was hosted by County Information Technology Office staff, who presented new data sets and GIS data layers that they have prepared from Tax Rate Area (TRA) data that the State provides to the public via their website. The County IT Office's goal is to eventually provide this information to the public in a more useful manner. Group members who rely on TRA data were encouraged to review the tool and provide any feedback to County IT staff at the next GIS Working Group meeting. The Group also received updates from the participants on various GIS boundaries/data changes and discrepancies. The next meeting will be hosted by the County Surveyor's Office on June 13, 2018.

LAFCO MEETING: June 6, 2018
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: LEGISLATIVE REPORT

STAFF RECOMMENDATION

1. Accept report and provide direction to staff, as necessary.
2. Take a support position and authorize staff to send a letter of support for the following:
 - a. AB 3254 (Assembly Local Government Committee) Omnibus Bill
 - b. AB 2258 (Caballero) LAFCOs Grant Program
 - c. AB 2238 (Aguiar-Curry) Hazard Mitigation Plan and Safety Element
 - d. AB 2600 (Flora) Regional Park and Open Space Districts
 - e. SB 929 (McGuire) Independent Special Districts Internet Websites

LEGISLATIVE REPORT

CALAFCO LEGISLATIVE COMMITTEE MEETINGS

Commissioner Wilson and Executive Officer Palacherla participated by phone in the CALAFCO Legislative Committee meeting held on May 4, 2018 in Sacramento.

In the second year of the 2017-2018 legislative session, CALAFCO is sponsoring two bills: 1.) AB 3254 is CALAFCO's annual omnibus bill introduced on March 14th by the Assembly Local Government Committee to include largely non-substantive changes to the Cortese Knox Hertzberg Act, and 2.) AB 2258 is seeking one-time grant funding for LAFCOs as a follow-up to recommendations in the Little Hoover Commission report.

The next meeting of the Committee is scheduled as a conference call for June 8, 2018.

LAFCO POSITION LETTERS

CALAFCO has taken a support position and submitted support letters on the following bills and requested each LAFCO to do the same:

AB 3254: (Assembly Local Government Committee) Omnibus Bill

This is CALAFCO's annual omnibus bill introduced by the Assembly Local Government Committee to include non-substantive changes to the Cortese Knox Hertzberg Act. The bill would:

- Revise the definition for "affected territory" to include territory that is to receive extended services
- Add a definition for the term "uninhabited territory"
- Clarify that the requirement to mail notice to all registered voters and landowners within 300 feet of the property subject to the hearing applies only in the case of commission proceedings and not for protest proceedings
- Revise the independent special district selection committee procedures to allow the executive officer to prepare and deliver a call for nominations to each eligible district and if only one candidate is nominated for a vacancy, require that candidate to be appointed if a specified disclosure is made in the written notice of the meeting; and require all notices and election material to be addressed to the presiding officer
- Specify that "disincorporation" is included in the provisions under which the Commission determines the property tax revenue to be exchanged by affected local agencies
- Removes "per capita" from §56668(a)
- Renumbers §56880 to §56879.5

The Omnibus bill was to also include other non-controversial changes regarding commission composition, and one change relating specifically to the composition of Santa Clara LAFCO, i.e., deleting the following existing restriction concerning the Santa Clara LAFCO Public Member (currently found in 56327(d)):

The [public] member shall not be a resident of a city which is already represented on the commission. The commission may also appoint an alternate member, who shall not be a resident of a city represented on the commission.

The Commission discussed this matter at its February 7, 2018 meeting under Agenda Item # 11, and the Commission voted to support the proposed change. However, it appears that this proposed change and others relating to commission composition is on hold and not be included in the current bill, due to some outstanding questions. Instead, these proposed changes may be considered in a separate future bill, which has yet to be determined.

Please see **Attachment A** for text of the bill and for the draft letter in support of AB 3254.

AB 2258: (Caballero) LAFCOs Grant Program

AB 2258 would establish a funding program (until January 1, 2024) administered by the Strategic Growth Council, to provide cost reimbursements / grants to LAFCOs for costs associated with 1.) initiating and completing dissolution of inactive special districts; 2.) preparing special studies pursuant to GC §56378 in order to identify if any efficiencies in service provision are to be gained or to determine alternatives for improving efficiency and affordability of infrastructure and service delivery; and 3.) initiating actions described in GC 56375(a)(2); or developing and implementing reorganization plans with timelines for expected outcomes; or incentivizing service providers to work with LAFCOs to develop and implement the plans.

Please see **Attachment B** for text of the bill and for the draft letter in support of **AB 2258**.

AB 2238: (Aguiar-Curry) Hazard Mitigation Plan and Safety Element

AB 2238 would add a new factor for LAFCOs to consider when reviewing a proposal. That factor is information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Government Code §51178 or maps that identify land determined to be in a state responsibility area pursuant to Public Resource Code §4102, if determined that such information is relevant to the area that is the subject of the proposal.

As shown in the recent staff report for the Monte Sereno Urban Service Area and Sphere of Influence Amendment 2017 (Lucky Road), staff already routinely informs the Commission on whether a proposal is located within a high fire hazard zone, so that commissioners may consider this issue. At the request of Debbie Michel (Chief Consultant for the Assembly Local Government Committee), staff provided a copy of that staff report to her, as an example of how Santa Clara LAFCO already addresses this issue.

Please see **Attachment C** for text of the bill and for the draft letter in support of **AB 2238**.

SB 2600: (Flora) Regional Park and Open Space Districts

SB 2600 would add the option for a regional park and open space district to be formed by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district. The bill would require the resolution to contain certain information, including the methods by which the district would be financed and would require a public hearing before the adoption of the resolution.

Please see **Attachment D** for text of the bill and for the draft letter in support of SB 929.

SB 929: (McGuire) Independent Special Districts Internet Websites

SB 929 would require all independent special districts to have a website by January 1, 2020, unless certain exemption standards have been met.

Please see **Attachment E** for text of the bill and for the draft letter in support of SB 929.

OTHER CALAFCO TRACKED LEGISLATION

CALAFCO is also tracking a number of bills which have direct and indirect impact on LAFCOs. Please see **Attachment F** for the CALAFCO Legislative Report which is a summary report on the status of various LAFCO-related legislation.

ATTACHMENTS

Attachment A:	Draft Letter of Support: AB 3254 and Text of AB 3254
Attachment B:	Draft Letter of Support: AB 2258 and Text of AB 2258
Attachment C:	Draft Letter of Support: AB 2238 and Text of AB 2238
Attachment D:	Draft Letter of Support: AB 2600 and Text of AB 2600
Attachment E:	Draft Letter of Support: SB 929 and Text of SB 929
Attachment F:	CALAFCO Legislative Update – May 31, 2018



AGENDA ITEM # 8
Attachment A

June 7, 2018

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

RE: AB 3254 SUPPORT LETTER

Dear Chair Aguiar-Curry:

The Local Agency Formation Commission of Santa Clara County (LAFCO) is pleased to support the Assembly Local Government Committee Bill **AB 3254** 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 3254** currently makes minor technical corrections to the language used in the Act.

LAFCO of Santa Clara County is grateful to your Committee and staff, and the members of the California Association of Local Agency Formation Commissions (CALAFCO) Legislative Committee, all of whom worked diligently on this language to ensure there are no substantive changes while creating a significant increase in the clarity of the Act for all stakeholders.

This legislation helps insure 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 your support of the mission of LAFCOs. Please feel free to contact me should you have any questions about our support of **AB 3254**.

Yours sincerely,

Susan Vicklund Wilson
Vice Chairperson

Cc: Members, Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, California Association of LAFCOs

777 North First Street, Suite 410 ▪ San Jose, CA 95112 ▪ (408) 993-4713 ▪ www.santaclaralafco.org

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AMENDED IN ASSEMBLY MAY 17, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 3254

Introduced by Committee on Local Government (Assembly Members Aguiar-Curry (Chair), Waldron (Vice Chair), Bloom, Caballero, Cooley, Grayson, Lackey, and Voepel)

March 14, 2018

An act to amend Sections 56015, 56046, ~~56133.5~~, 56157, 56332, 56375, ~~and 56668~~ 56652, 56668, 56856.5, 57025, and 57026, of, and to add Section 56079.5 to, *and to amend and renumber Section 56880 of*, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 3254, as amended, Committee on Local Government. Local government organization: omnibus.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Existing law defines various terms for purposes of that Act, including the terms “affected territory” and “inhabited territory.”

This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term “uninhabited territory” for purposes of the Act.

The Act requires mailed notice to be given to landowners and to all registered voters within territory affected by a proposed change of organization, reorganization, or sphere of influence change, including notice to all landowners or registered voters within 300 feet of the

exterior boundary of the property that is subject of a hearing, as specified.

This bill would specify that the requirement to mail notice to all landowners or registered voters within 300 feet of the exterior boundary of the property that is subject of a hearing applies only in the case of commission proceedings.

The Act provides for the selection of representatives of independent special districts on each local agency formation commission by an independent special district selection committee pursuant to a nomination and election process. Existing law requires the executive officer of the commission to call and hold a meeting of the special district selection committee when, among other things, the executive officer anticipates a vacancy within the next 90 days among the members or alternate members representing independent special districts on the commission, as specified.

This bill would authorize the executive officer to prepare and deliver a call for nominations to each eligible district. The bill would, at the end of the nominating period, if only one candidate is nominated for a vacancy, require that candidate to be deemed appointed if a specified disclosure is made by the written notice of the meeting.

If the independent special district selection committee has determined to conduct business by mail, or if the executive officer determines that a meeting of the special district selection committee for the purpose of appointing the special district members or filling vacancies is not feasible, existing law requires the executive officer to conduct the business of the committee, including elections, by mail in accordance with specified procedures.

This bill would revise the elections procedures to, among other things, require all notices and election materials to be addressed to the presiding officer.

The Act sets forth the powers and duties of a local agency formation commission. If the proposal includes the incorporation of a city or the formation of a district, the commission is required to determine the property tax revenue to be exchanged by the affected local agencies, as specified.

This bill would specify the provisions under which the commission to determine the property tax revenue to be exchanged by affected local agencies if the proposal includes the disincorporation of a city.

The Act sets forth the factors to be considered by the commission in the review of a proposal, including, among others, per capita assessed valuation.

This bill would instead require the commission to consider assessed valuation generally.

Vote: majority. Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 56015 of the Government Code is
2 amended to read:

3 56015. “Affected territory” means any territory for which a
4 change of organization, reorganization, or sphere of influence
5 change is proposed or ordered, or any territory to which services
6 are proposed to be provided pursuant to Sections 56133, 56133.5,
7 or 56134.

8 SEC. 2. Section 56046 of the Government Code is amended
9 to read:

10 56046. “Inhabited territory” means territory within which there
11 reside 12 or more registered voters. The number of registered
12 voters, as determined by the elections officer, shall be established
13 as of the date a certificate of filing is issued by the executive
14 officer.

15 SEC. 3. Section 56079.5 is added to the Government Code, to
16 read:

17 56079.5. “Uninhabited territory” means territory within which
18 there reside fewer than 12 registered voters. The number of
19 registered voters, as determined by the elections officer, shall be
20 established as of the date a certificate of filing is issued by the
21 executive officer.

22 SEC. 4. Section 56133.5 of the Government Code is amended
23 to read:

24 56133.5. (a) A pilot program is hereby established for the
25 Napa and San Bernardino commissions. If consistent with adopted
26 policy, the Napa and San Bernardino commissions may authorize
27 a city or district to provide new or extended services outside its
28 jurisdictional boundary and outside its sphere of influence to
29 support existing or planned uses involving public or private

1 properties, subject to approval at a noticed public hearing in which
2 the commission makes all of the following determinations:

3 (1) The extension of service or services deficiency was identified
4 and evaluated in a review of municipal services prepared pursuant
5 to Section 56430.

6 (2) The extension of service will not result in either (1) adverse
7 impacts on open space or agricultural lands or (2) growth inducing
8 impacts.

9 (3) A sphere of influence change involving the ~~subject~~ *affected*
10 territory and its affected agency is not feasible under this division
11 or desirable based on the adopted policies of the commission.

12 (b) Subdivision (d) of Section 56133 shall apply to any request
13 for new or extended services pursuant to this section.

14 (c) For purposes of this section, “planned use” means any project
15 that is included in an approved specific plan as of July 1, 2015.

16 (d) The Napa and San Bernardino commissions shall submit a
17 report before January 1, 2020, to the Legislature on their
18 participation in the pilot program, including how many requests
19 for extension of services were received pursuant to this section
20 and the action by the commission to approve, disapprove, or
21 approve with conditions. The report required to be submitted
22 pursuant to this subdivision shall be submitted in compliance with
23 Section 9795 of the Government Code.

24 (e) The pilot program established pursuant to this section shall
25 be consistent with Chapter 8.5 (commencing with Section 1501)
26 of the Public Utilities Code.

27 (f) This section shall remain in effect only until January 1, 2021,
28 and as of that date is repealed.

29 ~~SEC. 4.~~

30 *SEC. 5.* Section 56157 of the Government Code is amended
31 to read:

32 56157. When mailed notice is required to be given to:

33 (a) A county, city, or district, it shall be addressed to the clerk
34 of the county, city, or district.

35 (b) A commission, it shall be addressed to the executive officer.

36 (c) Proponents, it shall be addressed to the persons so designated
37 in the petition at the address specified in the petition.

38 (d) Landowners within the affected territory, it shall be
39 addressed to each person to whom land is assessed, as shown upon
40 the most recent assessment roll being prepared by the county at

1 the time the proponent adopts a resolution of application pursuant
2 to Section 56654 or files a notice of intention to circulate a petition
3 with the executive officer pursuant to subdivision (a) of Section
4 56700.4, at the address shown upon the assessment roll and, in the
5 case of commission proceedings as defined in Section 56028, to
6 all landowners within 300 feet of the exterior boundary of the
7 property that is the subject of the hearing, at least 21 days prior to
8 the hearing. This requirement may be waived if proof satisfactory
9 to the commission is presented that shows that individual notices
10 to landowners have already been provided by the initiating agency.
11 Notice also shall be either posted or published in accordance with
12 Section 56153 in a newspaper of general circulation that is
13 circulated within the affected territory 21 days prior to the hearing.

14 (e) Persons requesting special notice, it shall be addressed to
15 each person who has filed a written request for special notice with
16 the executive officer or clerk at the mailing address specified in
17 the request.

18 (f) Registered voters within the affected territory, to the address
19 as shown on the most recent index of affidavits prepared by the
20 county elections official at the time the proponent adopts a
21 resolution of application pursuant to Section 56654 or files a notice
22 of intention to circulate a petition with the executive officer
23 pursuant to subdivision (a) of Section 56700.4 and, in the case of
24 commission proceedings as defined in Section 56028, to all
25 registered voters within 300 feet of the exterior boundary of the
26 property that is the subject of the hearing, at least 21 days prior to
27 the hearing. This requirement may be waived if proof satisfactory
28 to the commission is presented that shows that individual notices
29 to registered voters have already been provided by the initiating
30 agency. Notice shall also either be posted or published in
31 accordance with Section 56153 in a newspaper of general
32 circulation that is circulated within the affected territory 21 days
33 prior to the hearing.

34 (g) Pursuant to subdivisions (d) and (f), if a landowner or
35 landowners and registered voter or voters are the same individual
36 or individuals, only one notice is required to be mailed.

37 (h) If the total number of notices required to be mailed in
38 accordance with subdivisions (d) and (f) exceeds 1,000, then notice
39 may instead be provided by publishing a display advertisement of

1 at least one-eighth page in a newspaper, as specified in Section
2 56153, at least 21 days prior to the hearing.

3 *SEC. 6. Section 56332 of the Government Code is amended to*
4 *read:*

5 56332. (a) The independent special district selection committee
6 shall consist of the presiding officer of the legislative body of each
7 independent special district. However, if the presiding officer of
8 an independent special district is unable to participate in a meeting
9 or election of the independent special district selection committee,
10 the legislative body of the district may appoint one of its members
11 as an alternate to participate in the selection committee in the
12 presiding officer's place. Those districts shall include districts
13 located wholly within the county and those containing territory
14 within the county representing 50 percent or more of the assessed
15 value of taxable property of the district, as shown on the last
16 equalized county assessment roll. Each member of the committee
17 shall be entitled to one vote for each independent special district
18 of which he or she is the presiding officer or his or her alternate
19 as designated by the governing body. Members representing a
20 majority of the eligible districts shall constitute a quorum.

21 (b) The executive officer shall call and give written notice of
22 all meetings of the members of the selection committee. A meeting
23 shall be called and held under one of the following circumstances:

24 (1) Whenever the executive officer anticipates that a vacancy
25 will occur within the next 90 days among the members or alternate
26 member representing independent special districts on the
27 commission.

28 (2) Whenever a vacancy exists among the members or alternate
29 member representing independent special districts upon the
30 commission.

31 (3) Upon receipt of a written request by one or more members
32 of the selection committee representing districts having 10 percent
33 or more of the assessed value of taxable property within the county,
34 as shown on the last equalized county assessment roll.

35 (4) Upon the adoption of a resolution of intention pursuant to
36 Section 56332.5.

37 (5) Upon receipt of a written request by one or more members
38 of the selection committee notifying the executive officer of the
39 need to appoint a member representing independent special districts

1 on an oversight board pursuant to paragraph (3) of subdivision (j)
2 of Section 34179 of the Health and Safety Code.

3 (c) The selection committee shall appoint two regular members
4 and one alternate member to the commission. The members so
5 appointed shall be elected or appointed members of the legislative
6 body of an independent special district residing within the county
7 but shall not be members of the legislative body of a city or county.
8 If one of the regular district members is absent from a commission
9 meeting or disqualifies himself or herself from participating in a
10 meeting, the alternate district member may serve and vote in place
11 of the regular district member for that meeting. Service on the
12 commission by a regular district member shall not disqualify, or
13 be cause for disqualification of, the member from acting on
14 proposals affecting the special district on whose legislative body
15 the member serves. The special district selection committee may,
16 at the time it appoints a member or alternate, provide that the
17 member or alternate is disqualified from voting on proposals
18 affecting the district on whose legislative body the member serves.

19 *(1) The executive officer may prepare and deliver a call for*
20 *nominations to each eligible district. The presiding officer, or his*
21 *or her alternate as designated by the governing body, may respond*
22 *in writing by the date specified in the call for nominations, which*
23 *date shall be at least 30 days from the date on which the executive*
24 *officer mailed the call for nominations to the eligible district.*

25 *(2) At the end of the nominating period, if only one candidate*
26 *is nominated for a vacant seat, that candidate shall be deemed*
27 *appointed. This paragraph shall be operative only if the written*
28 *notice of the meeting provided pursuant to subdivision (b) discloses*
29 *that, if nominations are received for only one candidate by the end*
30 *of the nominating period, the candidate shall be deemed appointed*
31 *and the meeting may be cancelled.*

32 (d) If the office of a regular district member becomes vacant,
33 the alternate member may serve and vote in place of the former
34 regular district member until the appointment and qualification of
35 a regular district member to fill the vacancy.

36 (e) A majority of the independent special district selection
37 committee may determine to conduct the committee's business by
38 mail, including holding all elections by mailed ballot, pursuant to
39 subdivision (f).

1 (f) If the independent special district selection committee has
2 determined to conduct the committee's business by mail or if the
3 executive officer determines that a meeting of the special district
4 selection committee is not feasible, the executive officer shall
5 conduct the business of the committee by mail. Elections by mail
6 shall be conducted as provided in this subdivision.

7 (1) The executive officer shall prepare and deliver a call for
8 nominations to each eligible district. The presiding officer, or his
9 or her alternate as designated by the governing body, may respond
10 in writing by the date specified in the call for nominations, which
11 date shall be at least 30 days from the date on which the executive
12 officer mailed the call for nominations to the eligible district.

13 (2) At the end of the nominating period, if only one candidate
14 is nominated for a vacant seat, that candidate shall be deemed
15 appointed. If two or more candidates are nominated, the executive
16 officer shall prepare and deliver one ballot and voting instructions
17 to each eligible district. The ballot shall include the names of all
18 nominees and the office for which each was nominated. Each
19 presiding officer, or his or her alternate as designated by the
20 governing body, shall return the ballot to the executive officer by
21 the date specified in the voting instructions, which date shall be
22 at least 30 days from the date on which the executive officer mailed
23 the ballot to the eligible district.

24 (3) The call for nominations, ballots, and voting instructions
25 shall be delivered by certified mail to each eligible district. As an
26 alternative to the delivery by certified mail, the executive officer,
27 ~~with prior concurrence of the presiding officer or his or her~~
28 ~~alternate as designated by the governing body,~~ officer may transmit
29 materials by electronic mail. *All notices and election materials*
30 *shall be addressed to the presiding officer, care of the clerk of the*
31 *district.*

32 (4) ~~If the executive officer has transmitted the call for~~
33 ~~nominations or ballots by electronic mail, the presiding officer, or~~
34 ~~his or her alternate as designated by the governing body, may~~
35 ~~respond~~ *Nominations and ballots may be returned* to the executive
36 officer by electronic mail.

37 (5) Each returned nomination and ballot shall be signed by the
38 presiding officer or his or her alternate as designated by the
39 governing body of the eligible district.

1 (6) For an election to be valid, at least a quorum of the special
2 districts must submit valid ballots. The candidate receiving the
3 most votes shall be elected, unless another procedure has been
4 adopted by the selection committee. Any nomination and ballot
5 received by the executive officer after the date specified is invalid,
6 provided, however, that if a quorum of ballots is not received by
7 that date, the executive officer shall extend the date to submit
8 ballots by 60 days and notify all districts of the extension. *If ballots*
9 *from a quorum of the districts have not been received at the end*
10 *of the 60-day extension period, the executive officer shall extend*
11 *the period to return ballots for a length of time at his or her*
12 *discretion until a quorum is achieved, unless another procedure*
13 *has been adopted by the selection committee.* The executive officer
14 shall announce the results of the election within seven days of the
15 date specified.

16 (7) For a vote on special district representation to be valid, at
17 least a quorum of the special districts must submit valid ~~ballots.~~
18 *ballots to the executive officer by the date specified in the voting*
19 *instructions, which date shall be at least 30 days from the date on*
20 *which the executive officer mailed the ballot to the eligible district.*
21 *If ballots from a quorum of the districts have not been received at*
22 *the end of the 60-day extension period, the executive officer shall*
23 *extend the period to return ballots for a length of time at his or*
24 *her discretion until a quorum is achieved, unless another procedure*
25 *has been adopted by the selection committee.* By majority vote of
26 those district representatives voting on the issue, the selection
27 committee shall either accept or deny representation. *The executive*
28 *officer shall announce the results of the election within seven days*
29 *of the date specified.*

30 (8) All election materials shall be retained by the executive
31 officer for a period of at least six months after the announcement
32 of the election results.

33 (g) For purposes of this section, “executive officer” means the
34 executive officer or designee as authorized by the commission.

35 ~~SEC. 5.~~

36 *SEC. 7.* Section 56375 of the Government Code is amended
37 to read:

38 56375. The commission shall have all of the following powers
39 and duties subject to any limitations upon its jurisdiction set forth
40 in this part:

- 1 (a) (1) To review and approve with or without amendment,
2 wholly, partially, or conditionally, or disapprove proposals for
3 changes of organization or reorganization, consistent with written
4 policies, procedures, and guidelines adopted by the commission.
5 (2) The commission may initiate proposals by resolution of
6 application for any of the following:
7 (A) The consolidation of a district, as defined in Section 56036.
8 (B) The dissolution of a district.
9 (C) A merger.
10 (D) The establishment of a subsidiary district.
11 (E) The formation of a new district or districts.
12 (F) A reorganization that includes any of the changes specified
13 in subparagraph (A), (B), (C), (D), or (E).
14 (G) The dissolution of an inactive district pursuant to Section
15 56879.
16 (3) A commission may initiate a proposal described in paragraph
17 (2) only if that change of organization or reorganization is
18 consistent with a recommendation or conclusion of a study
19 prepared pursuant to Section 56378, 56425, or 56430, and the
20 commission makes the determinations specified in subdivision (b)
21 of Section 56881.
22 (4) A commission shall not disapprove an annexation to a city,
23 initiated by resolution, of contiguous territory that the commission
24 finds is any of the following:
25 (A) Surrounded or substantially surrounded by the city to which
26 the annexation is proposed or by that city and a county boundary
27 or the Pacific Ocean if the territory to be annexed is substantially
28 developed or developing, is not prime agricultural land as defined
29 in Section 56064, is designated for urban growth by the general
30 plan of the annexing city, and is not within the sphere of influence
31 of another city.
32 (B) Located within an urban service area that has been delineated
33 and adopted by a commission, which is not prime agricultural land,
34 as defined by Section 56064, and is designated for urban growth
35 by the general plan of the annexing city.
36 (C) An annexation or reorganization of unincorporated islands
37 meeting the requirements of Section 56375.3.
38 (5) As a condition to the annexation of an area that is
39 surrounded, or substantially surrounded, by the city to which the
40 annexation is proposed, the commission may require, where

1 consistent with the purposes of this division, that the annexation
2 include the entire island of surrounded, or substantially surrounded,
3 territory.

4 (6) A commission shall not impose any conditions that would
5 directly regulate land use density or intensity, property
6 development, or subdivision requirements.

7 (7) The decision of the commission with regard to a proposal
8 to annex territory to a city shall be based upon the general plan
9 and rezoning of the city. When the development purposes are not
10 made known to the annexing city, the annexation shall be reviewed
11 on the basis of the adopted plans and policies of the annexing city
12 or county. A commission shall require, as a condition to
13 annexation, that a city rezone the territory to be annexed or present
14 evidence satisfactory to the commission that the existing
15 development entitlements on the territory are vested or are already
16 at build-out, and are consistent with the city's general plan.
17 However, the commission shall not specify how, or in what
18 manner, the territory shall be rezoned.

19 (8) (A) Except for those changes of organization or
20 reorganization authorized under Section 56375.3, and except as
21 provided by subparagraph (B), a commission shall not approve an
22 annexation to a city of any territory greater than 10 acres, or as
23 determined by commission policy, where there exists a
24 disadvantaged unincorporated community that is contiguous to
25 the area of proposed annexation, unless an application to annex
26 the disadvantaged unincorporated community to the subject city
27 has been filed with the executive officer.

28 (B) An application to annex a contiguous disadvantaged
29 community shall not be required if either of the following apply:

30 (i) A prior application for annexation of the same disadvantaged
31 community has been made in the preceding five years.

32 (ii) The commission finds, based upon written evidence, that a
33 majority of the registered voters within the affected territory are
34 opposed to annexation.

35 (b) With regard to a proposal for annexation or detachment of
36 territory to, or from, a city or district or with regard to a proposal
37 for reorganization that includes annexation or detachment, to
38 determine whether territory proposed for annexation or detachment,
39 as described in its resolution approving the annexation, detachment,
40 or reorganization, is inhabited or uninhabited.

- 1 (c) With regard to a proposal for consolidation of two or more
2 cities or districts, to determine which city or district shall be the
3 consolidated successor city or district.
- 4 (d) To approve the annexation of unincorporated, noncontiguous
5 territory, subject to the limitations of Section 56742, located in the
6 same county as that in which the city is located, and that is owned
7 by a city and used for municipal purposes and to authorize the
8 annexation of the territory without notice and hearing.
- 9 (e) To approve the annexation of unincorporated territory
10 consistent with the planned and probable use of the property based
11 upon the review of general plan and rezoning designations. No
12 subsequent change may be made to the general plan for the annexed
13 territory or zoning that is not in conformance to the rezoning
14 designations for a period of two years after the completion of the
15 annexation, unless the legislative body for the city makes a finding
16 at a public hearing that a substantial change has occurred in
17 circumstances that necessitate a departure from the rezoning in
18 the application to the commission.
- 19 (f) With respect to the incorporation of a new city or the
20 formation of a new special district, to determine the number of
21 registered voters residing within the proposed city or special district
22 or, for a landowner-voter special district, the number of owners
23 of land and the assessed value of their land within the territory
24 proposed to be included in the new special district. The number
25 of registered voters shall be calculated as of the time of the last
26 report of voter registration by the county elections official to the
27 Secretary of State prior to the date the first signature was affixed
28 to the petition. The executive officer shall notify the petitioners of
29 the number of registered voters resulting from this calculation.
30 The assessed value of the land within the territory proposed to be
31 included in a new landowner-voter special district shall be
32 calculated as shown on the last equalized assessment roll.
- 33 (g) To adopt written procedures for the evaluation of proposals,
34 including written definitions consistent with existing state law.
35 The commission may adopt standards for any of the factors
36 enumerated in Section 56668. Any standards adopted by the
37 commission shall be written.
- 38 (h) To adopt standards and procedures for the evaluation of
39 service plans submitted pursuant to Section 56653 and the initiation

1 of a change of organization or reorganization pursuant to
2 subdivision (a).

3 (i) To make and enforce regulations for the orderly and fair
4 conduct of hearings by the commission.

5 (j) To incur usual and necessary expenses for the
6 accomplishment of its functions.

7 (k) To appoint and assign staff personnel and to employ or
8 contract for professional or consulting services to carry out and
9 effect the functions of the commission.

10 (l) To review the boundaries of the territory involved in any
11 proposal with respect to the definiteness and certainty of those
12 boundaries, the nonconformance of proposed boundaries with lines
13 of assessment or ownership, and other similar matters affecting
14 the proposed boundaries.

15 (m) To waive the restrictions of Section 56744 if it finds that
16 the application of the restrictions would be detrimental to the
17 orderly development of the community and that the area that would
18 be enclosed by the annexation or incorporation is so located that
19 it cannot reasonably be annexed to another city or incorporated as
20 a new city.

21 (n) To waive the application of Section 22613 of the Streets and
22 Highways Code if it finds the application would deprive an area
23 of a service needed to ensure the health, safety, or welfare of the
24 residents of the area and if it finds that the waiver would not affect
25 the ability of a city to provide any service. However, within 60
26 days of the inclusion of the territory within the city, the legislative
27 body may adopt a resolution nullifying the waiver.

28 (o) If the proposal includes the incorporation of a city, as defined
29 in Section 56043, or the formation of a district, as defined in
30 Section 2215 of the Revenue and Taxation Code, the commission
31 shall determine the property tax revenue to be exchanged by the
32 affected local agencies pursuant to Section 56810. If the proposal
33 includes the disincorporation of a city, as defined in Section 56034,
34 the commission shall determine the property tax revenue to be
35 exchanged by the affected local agencies pursuant to Section
36 56813.

37 (p) To authorize a city or district to provide new or extended
38 services outside its jurisdictional boundaries pursuant to Section
39 56133.

1 (q) To enter into an agreement with the commission for an
2 adjoining county for the purpose of determining procedures for
3 the consideration of proposals that may affect the adjoining county
4 or where the jurisdiction of an affected agency crosses the boundary
5 of the adjoining county.

6 (r) To approve with or without amendment, wholly, partially,
7 or conditionally, or disapprove pursuant to this section the
8 annexation of territory served by a mutual water company formed
9 pursuant to Part 7 (commencing with Section 14300) of Division
10 3 of Title 1 of the Corporations Code that operates a public water
11 system to a city or special district. Any annexation approved in
12 accordance with this subdivision shall be subject to the state and
13 federal constitutional prohibitions against the taking of private
14 property without the payment of just compensation. This
15 subdivision shall not impair the authority of a public agency or
16 public utility to exercise eminent domain authority.

17 *SEC. 8. Section 56652 of the Government Code is amended to*
18 *read:*

19 56652. Each application shall be in the form as the commission
20 may prescribe and shall contain all of the following information:

21 (a) A petition or resolution of application initiating the proposal.

22 (b) A statement of the nature of each proposal.

23 (c) A map and description, acceptable to the executive officer,
24 of the boundaries of the ~~subject~~ *affected* territory for each proposed
25 change of organization or reorganization.

26 (d) Any data and information as may be required by any
27 regulation of the commission.

28 (e) Any additional data and information, as may be required by
29 the executive officer, pertaining to any of the matters or factors
30 which may be considered by the commission.

31 (f) The names of the officers or persons, not to exceed three in
32 number, who are to be furnished with copies of the report by the
33 executive officer and who are to be given mailed notice of the
34 hearing.

35 ~~SEC. 6.~~

36 *SEC. 9. Section 56668 of the Government Code is amended*
37 *to read:*

38 56668. Factors to be considered in the review of a proposal
39 shall include, but not be limited to, all of the following:

1 (a) Population and population density; land area and land use;
2 assessed valuation; topography, natural boundaries, and drainage
3 basins; proximity to other populated areas; the likelihood of
4 significant growth in the area, and in adjacent incorporated and
5 unincorporated areas, during the next 10 years.

6 (b) The need for organized community services; the present
7 cost and adequacy of governmental services and controls in the
8 area; probable future needs for those services and controls; probable
9 effect of the proposed incorporation, formation, annexation, or
10 exclusion and of alternative courses of action on the cost and
11 adequacy of services and controls in the area and adjacent areas.

12 “Services,” as used in this subdivision, refers to governmental
13 services whether or not the services are services which would be
14 provided by local agencies subject to this division, and includes
15 the public facilities necessary to provide those services.

16 (c) The effect of the proposed action and of alternative actions,
17 on adjacent areas, on mutual social and economic interests, and
18 on the local governmental structure of the county.

19 (d) The conformity of both the proposal and its anticipated
20 effects with both the adopted commission policies on providing
21 planned, orderly, efficient patterns of urban development, and the
22 policies and priorities in Section 56377.

23 (e) The effect of the proposal on maintaining the physical and
24 economic integrity of agricultural lands, as defined by Section
25 56016.

26 (f) The definiteness and certainty of the boundaries of the
27 territory, the nonconformance of proposed boundaries with lines
28 of assessment or ownership, the creation of islands or corridors of
29 unincorporated territory, and other similar matters affecting the
30 proposed boundaries.

31 (g) A regional transportation plan adopted pursuant to Section
32 65080.

33 (h) The proposal’s consistency with city or county general and
34 specific plans.

35 (i) The sphere of influence of any local agency which may be
36 applicable to the proposal being reviewed.

37 (j) The comments of any affected local agency or other public
38 agency.

39 (k) The ability of the newly formed or receiving entity to provide
40 the services which are the subject of the application to the area,

1 including the sufficiency of revenues for those services following
2 the proposed boundary change.

3 (l) Timely availability of water supplies adequate for projected
4 needs as specified in Section 65352.5.

5 (m) The extent to which the proposal will affect a city or cities
6 and the county in achieving their respective fair shares of the
7 regional housing needs as determined by the appropriate council
8 of governments consistent with Article 10.6 (commencing with
9 Section 65580) of Chapter 3 of Division 1 of Title 7.

10 (n) Any information or comments from the landowner or ~~owners~~,
11 *landowners*, voters, or residents of the affected territory.

12 (o) Any information relating to existing land use designations.

13 (p) The extent to which the proposal will promote environmental
14 justice. As used in this subdivision, “environmental justice” means
15 the fair treatment of people of all races, cultures, and incomes with
16 respect to the location of public facilities and the provision of
17 public services.

18 *SEC. 10. Section 56856.5 of the Government Code is amended*
19 *to read:*

20 56856.5. (a) The commission shall not approve or conditionally
21 approve a change of organization or reorganization that would
22 result in the annexation to a city or special district of territory that
23 is subject to a contract entered into pursuant to the California Land
24 Conservation Act of 1965 (Chapter 7 (commencing with Section
25 51200) of Part 1 of Division 1), other than a contract entered into
26 pursuant to Article 7 (commencing with Section 51296) of Chapter
27 7 of Part 1 of Division 1, if that city or special district provides or
28 would provide facilities or services related to sewers,
29 nonagricultural water, or streets and roads to the territory, unless
30 these facilities or services benefit land uses that are allowed under
31 the contract.

32 (b) This section shall not be construed to preclude the annexation
33 of territory for the purpose of using other facilities or services
34 provided by the agency that benefit land uses allowable under the
35 contract.

36 (c) Notwithstanding subdivision (a), the commission may
37 nevertheless approve a change of organization or reorganization
38 if it finds any of the following:

39 (1) The city or county that would administer the contract after
40 annexation has adopted policies and feasible implementation

1 measures applicable to the ~~subject~~ *affected* territory ensuring the
2 continuation of agricultural use and other uses allowable under
3 the contract on a long-term basis.

4 (2) The change of organization or reorganization encourages
5 and provides planned, well-ordered, and efficient urban
6 development patterns that include appropriate consideration of the
7 preservation of open-space lands within those urban development
8 patterns.

9 (3) The change of organization or reorganization is necessary
10 to provide services to planned, well-ordered, and efficient urban
11 development patterns that include appropriate consideration of the
12 preservation of open-space lands within those urban development
13 patterns.

14 (d) This section shall not apply to territory subject to a contract
15 for which either of the following applies:

16 (1) A notice of nonrenewal has been served pursuant to Section
17 51245, if the annexing agency agrees that no services will actually
18 be provided by it for use during the remaining life of the contract
19 for land uses or activities not allowed under the contract.

20 (2) A tentative cancellation has been approved pursuant to
21 Section 51282.

22 *SEC. 11. Section 56880 of the Government Code, as added by*
23 *Section 7 of Chapter 334 of the Statutes of 2017, is amended and*
24 *renumbered to read:*

25 ~~56880.~~

26 56879.5 This article shall not apply to a special district formed
27 by special legislation that is required by its enabling statute to
28 obtain funding within a specified period of time or be dissolved.
29 That district shall not be subject to this article during that specified
30 period of time.

31 *SEC. 12. Section 57025 of the Government Code is amended*
32 *to read:*

33 57025. (a) The executive officer of the commission shall give
34 notice of the protest hearing to be held on the proposal by
35 publication pursuant to Sections 56153 and 56154 and by posting
36 pursuant to Sections 56158 and 56159.

37 (b) The executive officer shall give mailed notice to all
38 landowners owning land within any affected territory, consistent
39 with Sections 56155 to 56157, inclusive.

1 (c) If the ~~subject~~ *affected* territory is inhabited, the executive
2 officer shall also give mailed notice to all registered voters residing
3 within any affected territory, consistent with Sections 56155 to
4 56157, inclusive.

5 (d) The executive officer shall also give mailed notice to each
6 affected city, affected district, or affected county, the proponents,
7 if any, and to persons requesting special notice, consistent with
8 Sections 56155 to 56157, inclusive.

9 (e) In the case of a proposed change of organization or
10 reorganization that would result in the extension of any previously
11 authorized special tax or benefit assessment to the affected territory,
12 the executive officer of the commission shall give mailed notice
13 to each landowner within the affected territory.

14 *SEC. 13. Section 57026 of the Government Code is amended*
15 *to read:*

16 57026. The notice required to be given by Section 57025 shall
17 contain all of the following information:

18 (a) A statement of the distinctive short form designation assigned
19 by the commission to the proposal.

20 (b) A statement of the manner in which, and by whom,
21 proceedings were initiated. However, a reference to the proponents,
22 if any, shall be sufficient where proceedings were initiated by a
23 petition.

24 (c) A description of the exterior boundaries of the ~~subject~~
25 *affected* territory.

26 (d) A description of the particular change or changes of
27 organization proposed for each of the subject districts or cities and
28 new districts or new cities proposed to be formed, and any terms
29 and conditions to be applicable. The description may include a
30 reference to the commission's resolution making determinations
31 for a full and complete description of the change of organization
32 or reorganization, and the terms and conditions.

33 (e) A statement of the reason or reasons for the change of
34 organization or reorganization as set forth in the proposal submitted
35 to the commission.

36 (f) A statement of the time, date, and place of the protest hearing
37 on the proposed change of organization or reorganization.

38 (g) If the ~~subject~~ *affected* territory is inhabited and the change
39 of organization or reorganization provides for the submission of
40 written protests, a statement that any owner of land within the

1 territory, or any registered voter residing within the territory, may
2 file a written protest against the proposal with the executive officer
3 of the commission at any time prior to the conclusion of the hearing
4 by the commission on the proposal.

5 (h) If the ~~subject~~ *affected* territory is uninhabited and the change
6 of organization or reorganization provides for submission of written
7 protests, a statement that any owner of land within the territory
8 may file a written protest against the proposal with the executive
9 officer of the commission at any time prior to the conclusion of
10 the hearing by the commission on the proposal.

O

June 7, 2018

The Honorable Anna Caballero
California State Assembly
State Capital Room 5158
Sacramento, CA 95814

RE: AB 2258 SUPPORT LETTER

Dear Assembly Member Caballero:

The Local Agency Formation Commission of Santa Clara County (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of **Assembly Bill 2258**. Sponsored by CALAFCO, the bill establishes a funding program to provide grants to LAFCOs for conducting 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 grant program would be administered by the Strategic Growth Council and sunset on December 31, 2023.

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 times 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, which contained several recommendations directly related to LAFCO. One recommendation was for the Legislature to provide one-time grant funding to pay for specified LAFCO activities, particularly to incentivize LAFCOs or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes.

By establishing this one-time grant funding, **AB 2258** provides an additional tool for LAFCOs to conduct detailed studies and implement greater efficiencies in delivering local services based on local circumstances and conditions. For these reasons, LAFCO of Santa Clara County is pleased to support **AB 2258**.

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

Yours sincerely,

Susan Vicklund Wilson
Vice Chairperson

Cc: Assemblymember Tim S. Grayson, Co-Author
Pamela Miller, Executive Director, California Association of LAFCOs

AMENDED IN ASSEMBLY APRIL 23, 2018

AMENDED IN ASSEMBLY APRIL 9, 2018

AMENDED IN ASSEMBLY MARCH 15, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 2258

Introduced by Assembly Member Caballero
(Coauthor: Assembly Member Grayson)

February 13, 2018

An act to add and repeal Section 75131 of the Public Resources Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2258, as amended, Caballero. Local agency formation commissions: grant program.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for special districts, as specified. The act requires a local agency formation commission in each county to encourage the orderly formation and development of local agencies based upon local conditions and circumstances, among other things.

Existing law also establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities.

This bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation

commissions grant program for the payment of costs associated with initiating and completing the dissolution of ~~inactive districts~~, *districts listed as inactive*, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make funding for the program subject to appropriation in the annual Budget Act.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature hereby finds and declares:
- 2 (a) Local agency formation commissions play a critical role in
- 3 the logical formation of local agency boundaries, the promotion
- 4 of orderly development, and the efficient and effective provision
- 5 of services.
- 6 (b) It is the intent of the Legislature in adding Section 75131 to
- 7 the Public Resources Code to assist local agency formation
- 8 commissions in initiating studies of existing government agencies
- 9 and their provision of services and to consider action based on the
- 10 results of these studies, including dissolving inactive districts, for
- 11 the purpose of creating streamlined local government services and
- 12 improved efficiency in service delivery.
- 13 SEC. 2. Section 75131 is added to the Public Resources Code,
- 14 to read:
- 15 75131. (a) (1) The council shall establish and administer a
- 16 local agency formation commissions grant program for the
- 17 purposes described in subdivision (b).
- 18 (2) Program funding shall be subject to appropriation in the
- 19 annual Budget Act.

1 (3) Program funds provided to participating local agency
2 formation commissions shall be used to supplement, and not
3 supplant, existing funding and staffing levels.

4 (4) Program funds provided to participating local agency
5 formation commissions shall not be used to conduct a service
6 review of municipal services pursuant to Section 56430 of the
7 Government Code.

8 (5) All local agency formation commissions shall be eligible to
9 participate in the program.

10 (6) The council shall, after consulting with the California
11 Association of Local Agency Formation Commissions
12 (CALAFCO), adopt guidelines, timelines, and application and
13 reporting criteria for development and implementation of the
14 program to serve the purposes of this section and mutually meet
15 the needs of the council and the CALAFCO.

16 (b) The council shall award grants to local agency formation
17 commissions for any of the following purposes:

18 (1) The payment of costs associated with initiating and
19 completing the dissolution of ~~inactive districts, as defined in~~
20 ~~Section 56042 of the Government Code~~, *a special district that is*
21 *listed by the Controller as inactive* pursuant to Section 56879 of
22 the Government Code.

23 (2) The payment of costs associated with a study prepared
24 pursuant to Section 56378 of the Government Code of the services
25 provided within a county by a public agency to do either or both
26 of the following:

27 (A) Identify if there are any efficiencies to be gained in the
28 provision of services.

29 (B) Determine what alternatives, if any, exist for improving
30 efficiency and affordability of infrastructure and service delivery.

31 (3) The payment of costs to do any of the following:

32 (A) Initiate an ~~action~~, *action* described in paragraph (2) of
33 subdivision (a) of Section 56375, other than the dissolution of ~~an~~
34 ~~inactive district~~, *a special district that is listed by the Controller*
35 *as inactive pursuant to Section 56879 of the Government Code*,
36 based on determinations found in a study prepared pursuant to
37 Section 56378 of the Government Code, as approved by the
38 commission.

39 (B) Develop and implement reorganization plans with timelines
40 for expected outcomes.

1 (C) Incentivize service providers to work with the local agency
2 formation commission to develop and implement reorganization
3 plans with timelines for expected outcomes.

4 (c) (1) In order to obtain a grant award pursuant to paragraph
5 (1) of subdivision (b), a local agency formation commission shall
6 submit to the council an application for reimbursement of the costs
7 of the dissolution proceedings, in the form and manner specified
8 by the council. At a minimum, the application shall include all of
9 the following:

10 (A) The notification provided to the commission by the
11 Controller of the inactive district(s) and the requirement to initiate
12 dissolution proceedings.

13 (B) A full budget accounting for costs of the dissolution.

14 (C) All reports and documents pertaining to the final dissolution
15 action.

16 (2) The council shall review the application for reimbursement
17 and, provided all documentation is in order, issue reimbursement
18 to the local agency formation commission within 60 days of receipt
19 of the application.

20 (d) (1) In order to obtain a grant award pursuant to paragraph
21 (2) of subdivision (b) for purposes of conducting a study, a local
22 agency formation commission shall submit to the council an
23 application, in the form and manner specified by the council. At
24 a minimum, the application shall include all of the following:

25 (A) A resolution adopted by the commission authorizing
26 submission of the grant application and a commitment to review
27 and consider the recommendations and potential actions contained
28 in the study.

29 (B) A full budget accounting for estimated costs of the study to
30 be performed.

31 (C) A full explanation of the reason for the study.

32 (D) The most recent completed municipal service review or
33 study in which determinations were made by the local agency
34 formation commission indicating the agency to be studied is a
35 candidate for a change of organization or reorganization.

36 (2) The council shall review the applications submitted pursuant
37 to paragraph (1), select the program participants based on criteria
38 that furthers the purposes of this section, and notify the participants
39 of their selection within two months of receiving the application.

1 Funds shall be issued by the council to the local agency formation
2 commission within 60 days of notification.

3 (3) A local agency formation commission that receives a grant
4 pursuant to paragraph (2) of subdivision (b) shall commence the
5 study within 30 days of receipt of funding and shall complete the
6 study within two years of commencing the study. Upon completion
7 of the study, the local agency formation commission shall do all
8 of the following:

9 (A) Submit to the council a final report within 30 days of the
10 completion of the study and the commission's adoption of a
11 resolution making determinations. The report shall be in the form
12 and manner specified by the council. At a minimum, the report
13 shall include all of the following:

14 (i) The full study conducted.

15 (ii) The resolution making determinations as adopted by the
16 local agency formation commission.

17 (iii) A full budget accounting report of the funds used.

18 (iv) A reimbursement of any unexpended funds.

19 (v) The local agency formation commission's plan for future
20 action based on the study's conclusions.

21 (B) Upon the request of the council, participating local agency
22 formation commissions shall provide the council with any
23 supplemental information necessary to substantiate the information
24 contained in the report submitted pursuant to this subdivision.

25 (e) (1) A local agency formation commission that elects to
26 apply for a grant pursuant to paragraph (3) of subdivision (b) shall
27 submit to the council an application, in the form and manner
28 specified by the council. At a minimum, the application shall
29 include all of the following:

30 (A) A resolution adopted by the commission authorizing
31 submission of the application for purposes defined in the
32 application.

33 (B) Change of organization or reorganization plans with
34 timelines for expected outcomes.

35 (C) A full budget accounting for estimated costs of the action
36 to be performed.

37 (D) The most recent completed study in which determinations
38 were made by the local agency formation commission indicating
39 the agency should be reorganized or dissolved, or, if there exists

1 a municipal services review or study with like determinations that
 2 is no more than five years old.

3 (2) The council shall review the applications submitted pursuant
 4 to paragraph (3) of subdivision (b), select the program participants
 5 based on criteria that furthers the purposes of this section, and
 6 notify the participants of their selection within two months of
 7 receiving the application. Funds shall be issued by the council to
 8 the local agency formation commission within 60 days of
 9 notification.

10 (3) A local agency formation commission that receives funds
 11 pursuant to paragraph (3) of subdivision (b) shall commence action
 12 within 30 days of receipt of funding.

13 (4) A local agency formation commission that receives funds
 14 pursuant to paragraph (3) of subdivision (b) shall hold a public
 15 hearing to consider the ~~change of organization or reorganization~~
 16 ~~described in subdivision (a) of Section 56375 of the Government~~
 17 ~~Code, action described in paragraph (2) of subdivision (a) of~~
 18 ~~Section 56375, except the dissolution of an inactive district, and,~~
 19 ~~if that change of organization or a reorganization is approved, a~~
 20 ~~special district that is listed by the Controller as inactive pursuant~~
 21 ~~to Section 56879 of the Government Code. If the action is~~
 22 ~~approved, that local agency formation commission shall order the~~
 23 ~~change of organization or reorganization subject to Section 57075~~
 24 ~~of the Government Code, unless the change of organization is the~~
 25 ~~dissolution of a special district other than an inactive district. that~~
 26 ~~is not listed by the Controller as inactive. If the dissolution of a~~
 27 ~~the special district other than an inactive district is approved, the~~
 28 local agency formation commission shall order the dissolution,
 29 unless a majority of protest exists pursuant to subdivision (c) of
 30 Section 57077.1 of the Government Code. Upon completion of
 31 the change of organization or reorganization, the local agency
 32 formation commission that receives funds pursuant to paragraph
 33 (3) of subdivision (b) shall do both of the following:

34 (A) Submit to the council a final report within 30 days of the
 35 final action. The report shall be in the form and manner specified
 36 by the council. At a minimum, the report shall include all of the
 37 following:

38 (i) The final action taken by the local agency formation
 39 commission.

- 1 (ii) If proceedings were terminated as a result of protest, all
- 2 necessary information pertinent to support that fact.
- 3 (iii) All reports and documents pertaining to the final action or
- 4 protest action.
- 5 (iv) A full budget accounting report of the funds used.
- 6 (v) The reimbursement of any unexpended funds.
- 7 (B) Upon the request of the council, the participating local
- 8 agency formation commission shall provide the council with any
- 9 supplemental information necessary to substantiate the information
- 10 contained in the report submitted pursuant to this subdivision.
- 11 (f) The Legislature finds and declares that there is a compelling
- 12 public interest in allowing the council to implement and administer
- 13 this section as expeditiously as possible, and to thereby accelerate
- 14 local agency formation commission efforts. The guidelines,
- 15 timelines, and application and reporting criteria adopted by the
- 16 council for purposes of this section shall be exempt from the
- 17 rulemaking provisions of the Administrative Procedure Act
- 18 (Chapter 3.5 (commencing with Section 11340) of Part 1 of
- 19 Division 3 of Title 2 of the Government Code) for the purpose of
- 20 carrying out the duties enumerated in this section.
- 21 (g) For the purposes of this section, “local agency formation
- 22 commission” means a local agency formation commission that
- 23 operates in a county pursuant to the Cortese-Knox-Hertzberg Local
- 24 Government Reorganization Act of 2000 (Division 3 (commencing
- 25 with Section 56000) of Title 5 of the Government Code).
- 26 (h) This section shall be repealed on December 31, 2023.



AGENDA ITEM # 8
Attachment C

June 7, 2018

Assembly Member Cecilia Aguiar-Curry
California State Assembly
State Capital Room 5144
Sacramento, CA 95814

RE: AB 2238 SUPPORT LETTER

Dear Assembly Member Aguiar-Curry:

The Local Agency Formation Commission of Santa Clara County (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of **Assembly Bill AB 2238**. Specifically of interest to LAFCOs is the provision requiring the commission to consider information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or land determined to be in a state responsibility area if it is determined that such information is relevant to the area that is the subject of the proposal.

When reviewing proposals for changes of organization or reorganizations, it's important for LAFCOs to consider whether or not the proposal is consistent with a city or county general plan and other types of growth plans. Further, considering the impact of specific potential fire hazard threats is an important part of smart growth and development planning. As we collectively work to adapt and evolve the way we respond to the impacts of climate change, these kinds of considerations are important in balancing orderly growth and climate adaptation efforts.

Because **AB 2238** is aligned with LAFCO's goals to ensure reliable services, orderly growth and sustainable communities, LAFCO of Santa Clara County is pleased to support this bill.

Please do not hesitate to contact me with any questions you may have on our position.

Yours sincerely,

Susan Vicklund Wilson
Vice Chairperson

Cc: Debbie Michel, Chief Consultant, Assembly Local Government Committee
Anton Favorini-Csorba, Consultant, Senate Governance & Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus
Pamela Miller, Executive Director, California Association of LAFCOs

AMENDED IN ASSEMBLY APRIL 3, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 2238

Introduced by Assembly Member Aguiar-Curry

February 13, 2018

An act to amend ~~Section 56668~~ *Sections 56668, 65584.01, 65584.04, and 66474.02* of the Government Code, and to amend *Section 101080 of the Health and Safety Code*, relating to ~~local agency formation: local hazard management.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2238, as amended, Aguiar-Curry. ~~Change of organization or reorganization: local agency formation commission review: hazard mitigation plan: safety element.~~ *Local agency formation: regional housing need allocation: fire hazards: local health emergencies: hazardous and medical waste.*

~~Existing~~

(1) *Existing* law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts. The act specifies the factors that a local agency formation commission is required to consider in the review of a proposal for a change of organization or reorganization, including, among other things, the proposal's consistency with city or county general and specific plans.

This bill would additionally require the commission to consider ~~any relevant hazard mitigation plan or safety element of a general plan, and the extent to which the proposal will affect any land identified as a very high fire hazard severity zone or land determined to be in a state~~

~~responsibility area, as provided.~~ information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area if it is determined that such information is relevant to the area that is the subject of the proposal. By adding to the duties of local agency formation commissions in reviewing a change of organization or reorganization, this bill would impose a state-mandated local program.

(2) Existing law, the Planning and Zoning Law, requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and certain land outside its boundaries, that includes, among other specified mandatory elements, a housing element. That law, for the 4th and subsequent revisions of the housing element, requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, as provided, and requires the appropriate council of governments or for cities and counties without a council of governments, the department, to adopt a final regional housing need plan allocating a share of the regional housing need to each city, county, or city and county. Existing law requires the department to meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs and requires the council of governments to provide data assumptions, including specified information regarding housing availability within the region.

This bill would require that the information provided by the council of governments include the loss of units during a state of emergency, as defined, declared by the Governor pursuant to the California Emergency Services Act that have not been rebuilt or replaced at the time of the data request.

Existing law requires the council of governments, or delegate subregion as applicable, to develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or subregion, as applicable, that is consistent with specified objectives. Existing law, to the extent that sufficient data is available as provided, requires each council of governments, or delegate subregion as applicable, to include specified factors to develop the methodology that allocates regional housing needs.

This bill would require that these factors include the loss of units during a state of emergency, as defined, declared by the Governor pursuant to the California Emergency Services Act that have yet to be rebuilt or replaced at the time of the analysis.

By adding to the duties of councils of governments and delegate subregions in determining the regional housing need allocation, this bill would impose a state-mandated local program.

(3) Existing law, the Subdivision Map Act, requires, among other things, that the legislative body of a county make 3 specified findings before approving a tentative map, or a parcel map for which a tentative map was not required, for an area located in a state responsibility area or a very high fire hazard severity zone, as defined, except as provided. Existing law requires that one of these findings be that the design and location of each lot in the subdivision, and the subdivision as a whole, are consistent with specified regulations by the State Board of Forestry and Fire Protection establishing certain minimum fire safety standards applicable to state responsibility area lands and implementing specified fire safety standards applicable to specified lands.

This bill would instead require that this finding be that the subdivision is consistent with the board's regulations, but would delete the requirement that the subdivision be consistent with the above-described regulations relating to fire safety standards applicable to state responsibility area lands. The bill, upon approving a tentative map, or a parcel map for which a tentative map was not required, for an area located in a state responsibility area or a very high fire hazard severity zone would require a legislative body of a county to transmit a copy of these findings and accompanying maps to the State Board of Forestry and Fire Protection. By adding to the duties of counties in approving tentative maps and parcel maps, this bill would impose a state-mandated local program.

(4) Under existing law, whenever a release, spill, escape, or entry of waste occurs, as specified, and the Director of Health Care Services or the local health officer makes specified determinations as to that waste, the director is authorized to declare a health emergency and the local health officer is authorized to declare a local health emergency in the jurisdiction or any area thereof affected by the threat to the public health. Existing law prohibits a local health emergency declared by a local health officer in excess of 7 days unless the board of supervisors or city council, as applicable, ratifies the local health emergency. Existing law requires the board of supervisors or city council, as

applicable, to review the need for continuing the local health emergency at least every 14 days and requires the board of supervisors or city council to terminate the local health emergency at the earliest possible date that conditions warrant.

This bill would extend the periodic review of a local health emergency by a board of supervisors or city council from every 14 days to every 30 days.

The

(5) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 56668 of the Government Code is
2 amended to read:

3 56668. Factors to be considered in the review of a proposal
4 shall include, but not be limited to, all of the following:

5 (a) Population and population density; land area and land use;
6 per capita assessed valuation; topography, natural boundaries, and
7 drainage basins; proximity to other populated areas; the likelihood
8 of significant growth in the area, and in adjacent incorporated and
9 unincorporated areas, during the next 10 years.

10 (b) ~~(1)~~—The need for organized community services; the present
11 cost and adequacy of governmental services and controls in the
12 area; probable future needs for those services and controls; probable
13 effect of the proposed incorporation, formation, annexation, or
14 exclusion and of alternative courses of action on the cost and
15 adequacy of services and controls in the area and adjacent areas.

16 ~~(2)~~—“Services,”

17 “Services,” as used in this subdivision, refers to governmental
18 services whether or not the services are services which would be
19 provided by local agencies subject to this division, and includes
20 the public facilities necessary to provide those services.

1 (c) The effect of the proposed action and of alternative actions,
2 on adjacent areas, on mutual social and economic interests, and
3 on the local governmental structure of the county.

4 (d) The conformity of both the proposal and its anticipated
5 effects with both the adopted commission policies on providing
6 planned, orderly, efficient patterns of urban development, and the
7 policies and priorities in Section 56377.

8 (e) The effect of the proposal on maintaining the physical and
9 economic integrity of agricultural lands, as defined by Section
10 56016.

11 (f) The definiteness and certainty of the boundaries of the
12 territory, the nonconformance of proposed boundaries with lines
13 of assessment or ownership, the creation of islands or corridors of
14 unincorporated territory, and other similar matters affecting the
15 proposed boundaries.

16 (g) A regional transportation plan adopted pursuant to Section
17 65080.

18 (h) The proposal's consistency with city or county general and
19 specific plans.

20 (i) The sphere of influence of any local agency which may be
21 applicable to the proposal being reviewed.

22 (j) The comments of any affected local agency or other public
23 agency.

24 (k) The ability of the newly formed or receiving entity to provide
25 the services which are the subject of the application to the area,
26 including the sufficiency of revenues for those services following
27 the proposed boundary change.

28 (l) Timely availability of water supplies adequate for projected
29 needs as specified in Section 65352.5.

30 (m) The extent to which the proposal will affect a city or cities
31 and the county in achieving their respective fair shares of the
32 regional housing needs as determined by the appropriate council
33 of governments consistent with Article 10.6 (commencing with
34 Section 65580) of Chapter 3 of Division 1 of Title 7.

35 (n) Any information or comments from the landowner or owners,
36 voters, or residents of the affected territory.

37 (o) Any information relating to existing land use designations.

38 (p) The extent to which the proposal will promote environmental
39 justice. As used in this subdivision, "environmental justice" means
40 the fair treatment of people of all races, cultures, and incomes with

1 respect to the location of public facilities and the provision of
2 public services.

3 ~~(q) Any relevant hazard mitigation plan or safety element of a
4 general plan, and the extent to which the proposal will affect any
5 land identified as a very high fire hazard severity zone pursuant
6 to Section 51178 of this code or land determined to be in a state
7 responsibility area pursuant to Section 4102 of the Public
8 Resources Code.~~

9 *(q) Information contained in a local hazard mitigation plan,
10 information contained in a safety element of a general plan, and
11 any maps that identify land as a very high fire hazard zone
12 pursuant to Section 51178 or maps that identify land determined
13 to be in a state responsibility area pursuant to Section 4102 of the
14 Public Resources Code, if it is determined that such information
15 is relevant to the area that is the subject of the proposal.*

16 *SEC. 2. Section 65584.01 of the Government Code is amended
17 to read:*

18 65584.01. For the fourth and subsequent revision of the housing
19 element pursuant to Section 65588, the department, in consultation
20 with each council of governments, where applicable, shall
21 determine the existing and projected need for housing for each
22 region in the following manner:

23 (a) The department's determination shall be based upon
24 population projections produced by the Department of Finance
25 and regional population forecasts used in preparing regional
26 transportation plans, in consultation with each council of
27 governments. If the total regional population forecast for the
28 projection year, developed by the council of governments and used
29 for the preparation of the regional transportation plan, is within a
30 range of 1.5 percent of the total regional population forecast for
31 the projection year by the Department of Finance, then the
32 population forecast developed by the council of governments shall
33 be the basis from which the department determines the existing
34 and projected need for housing in the region. If the difference
35 between the total population projected by the council of
36 governments and the total population projected for the region by
37 the Department of Finance is greater than 1.5 percent, then the
38 department and the council of governments shall meet to discuss
39 variances in methodology used for population projections and seek
40 agreement on a population projection for the region to be used as

1 a basis for determining the existing and projected housing need
2 for the region. If no agreement is reached, then the population
3 projection for the region shall be the population projection for the
4 region prepared by the Department of Finance as may be modified
5 by the department as a result of discussions with the council of
6 governments.

7 (b) (1) At least 26 months prior to the scheduled revision
8 pursuant to Section 65588 and prior to developing the existing and
9 projected housing need for a region, the department shall meet and
10 consult with the council of governments regarding the assumptions
11 and methodology to be used by the department to determine the
12 region's housing needs. The council of governments shall provide
13 data assumptions from the council's projections, including, if
14 available, the following data for the region:

15 (A) Anticipated household growth associated with projected
16 population increases.

17 (B) Household size data and trends in household size.

18 (C) The percentage of renters' households that are overcrowded.
19 For purposes of this subparagraph, the term "overcrowded" means
20 more than one resident per room in each room in a dwelling.

21 (D) The rate of household formation, or headship rates, based
22 on age, gender, ethnicity, or other established demographic
23 measures.

24 (E) The vacancy rates in existing housing stock, and the vacancy
25 rates for healthy housing market functioning and regional mobility,
26 as well as housing replacement needs.

27 (F) Other characteristics of the composition of the projected
28 population.

29 (G) The relationship between jobs and housing, including any
30 imbalance between jobs and housing.

31 (H) *The loss of units during a state of emergency, as defined in*
32 *subdivision (b) of Section 8558, declared by the Governor pursuant*
33 *to the California Emergency Services Act (Chapter 7 (commencing*
34 *with Section 8550) of Division 1 of Title 2) that have not been*
35 *rebuilt or replaced at the time of the data request.*

36 (2) The department may accept or reject the information
37 provided by the council of governments or modify its own
38 assumptions or methodology based on this information. After
39 consultation with the council of governments, the department shall
40 make determinations in writing on the assumptions for each of the

1 factors listed in subparagraphs (A) to (G), inclusive, of paragraph
 2 (1) and the methodology it shall use and shall provide these
 3 determinations to the council of governments.

4 (c) (1) After consultation with the council of governments, the
 5 department shall make a determination of the region’s existing
 6 and projected housing need based upon the assumptions and
 7 methodology determined pursuant to subdivision (b). The region’s
 8 existing and projected housing need shall reflect the achievement
 9 of a feasible balance between jobs and housing within the region
 10 using the regional employment projections in the applicable
 11 regional transportation plan. Within 30 days following notice of
 12 the determination from the department, the council of governments
 13 may file an objection to the department’s determination of the
 14 region’s existing and projected housing need with the department.

15 (2) The objection shall be based on and substantiate either of
 16 the following:

17 (A) The department failed to base its determination on the
 18 population projection for the region established pursuant to
 19 subdivision (a), and shall identify the population projection which
 20 the council of governments believes should instead be used for the
 21 determination and explain the basis for its rationale.

22 (B) The regional housing need determined by the department
 23 is not a reasonable application of the methodology and assumptions
 24 determined pursuant to subdivision (b). The objection shall include
 25 a proposed alternative determination of its regional housing need
 26 based upon the determinations made in subdivision (b), including
 27 analysis of why the proposed alternative would be a more
 28 reasonable application of the methodology and assumptions
 29 determined pursuant to subdivision (b).

30 (3) If a council of governments files an objection pursuant to
 31 this subdivision and includes with the objection a proposed
 32 alternative determination of its regional housing need, it shall also
 33 include documentation of its basis for the alternative determination.
 34 Within 45 days of receiving an objection filed pursuant to this
 35 section, the department shall consider the objection and make a
 36 final written determination of the region’s existing and projected
 37 housing need that includes an explanation of the information upon
 38 which the determination was made.

39 *SEC. 3. Section 65584.04 of the Government Code is amended*
 40 *to read:*

1 65584.04. (a) At least two years prior to a scheduled revision
2 required by Section 65588, each council of governments, or
3 delegate subregion as applicable, shall develop a proposed
4 methodology for distributing the existing and projected regional
5 housing need to cities, counties, and cities and counties within the
6 region or within the subregion, where applicable pursuant to this
7 section. The methodology shall be consistent with the objectives
8 listed in subdivision (d) of Section 65584.

9 (b) (1) No more than six months prior to the development of a
10 proposed methodology for distributing the existing and projected
11 housing need, each council of governments shall survey each of
12 its member jurisdictions to request, at a minimum, information
13 regarding the factors listed in subdivision (d) that will allow the
14 development of a methodology based upon the factors established
15 in subdivision (d).

16 (2) The council of governments shall seek to obtain the
17 information in a manner and format that is comparable throughout
18 the region and utilize readily available data to the extent possible.

19 (3) The information provided by a local government pursuant
20 to this section shall be used, to the extent possible, by the council
21 of governments, or delegate subregion as applicable, as source
22 information for the methodology developed pursuant to this section.
23 The survey shall state that none of the information received may
24 be used as a basis for reducing the total housing need established
25 for the region pursuant to Section 65584.01.

26 (4) If the council of governments fails to conduct a survey
27 pursuant to this subdivision, a city, county, or city and county may
28 submit information related to the items listed in subdivision (d)
29 prior to the public comment period provided for in subdivision
30 (c).

31 (c) Public participation and access shall be required in the
32 development of the methodology and in the process of drafting
33 and adoption of the allocation of the regional housing needs.
34 Participation by organizations other than local jurisdictions and
35 councils of governments shall be solicited in a diligent effort to
36 achieve public participation of all economic segments of the
37 community. The proposed methodology, along with any relevant
38 underlying data and assumptions, and an explanation of how
39 information about local government conditions gathered pursuant
40 to subdivision (b) has been used to develop the proposed

1 methodology, and how each of the factors listed in subdivision (d)
 2 is incorporated into the methodology, shall be distributed to all
 3 cities, counties, any subregions, and members of the public who
 4 have made a written request for the proposed methodology. The
 5 council of governments, or delegate subregion, as applicable, shall
 6 conduct at least one public hearing to receive oral and written
 7 comments on the proposed methodology.

8 (d) To the extent that sufficient data is available from local
 9 governments pursuant to subdivision (b) or other sources, each
 10 council of governments, or delegate subregion as applicable, shall
 11 include the following factors to develop the methodology that
 12 allocates regional housing needs:

13 (1) Each member jurisdiction’s existing and projected jobs and
 14 housing relationship.

15 (2) The opportunities and constraints to development of
 16 additional housing in each member jurisdiction, including all of
 17 the following:

18 (A) Lack of capacity for sewer or water service due to federal
 19 or state laws, regulations or regulatory actions, or supply and
 20 distribution decisions made by a sewer or water service provider
 21 other than the local jurisdiction that preclude the jurisdiction from
 22 providing necessary infrastructure for additional development
 23 during the planning period.

24 (B) The availability of land suitable for urban development or
 25 for conversion to residential use, the availability of underutilized
 26 land, and opportunities for infill development and increased
 27 residential densities. The council of governments may not limit
 28 its consideration of suitable housing sites or land suitable for urban
 29 development to existing zoning ordinances and land use restrictions
 30 of a locality, but shall consider the potential for increased
 31 residential development under alternative zoning ordinances and
 32 land use restrictions. The determination of available land suitable
 33 for urban development may exclude lands where the Federal
 34 Emergency Management Agency (FEMA) or the Department of
 35 Water Resources has determined that the flood management
 36 infrastructure designed to protect that land is not adequate to avoid
 37 the risk of flooding.

38 (C) Lands preserved or protected from urban development under
 39 existing federal or state programs, or both, designed to protect

1 open space, farmland, environmental habitats, and natural resources
2 on a long-term basis.

3 (D) County policies to preserve prime agricultural land, as
4 defined pursuant to Section 56064, within an unincorporated area.

5 (3) The distribution of household growth assumed for purposes
6 of a comparable period of regional transportation plans and
7 opportunities to maximize the use of public transportation and
8 existing transportation infrastructure.

9 (4) The market demand for housing.

10 (5) Agreements between a county and cities in a county to direct
11 growth toward incorporated areas of the county.

12 (6) The loss of units contained in assisted housing developments,
13 as defined in paragraph (9) of subdivision (a) of Section 65583,
14 that changed to non-low-income use through mortgage prepayment,
15 subsidy contract expirations, or termination of use restrictions.

16 (7) High-housing cost burdens.

17 (8) The housing needs of farmworkers.

18 (9) The housing needs generated by the presence of a private
19 university or a campus of the California State University or the
20 University of California within any member jurisdiction.

21 *(10) The loss of units during a state of emergency, as defined*
22 *in subdivision (b) of Section 8558, declared by the Governor*
23 *pursuant to the California Emergency Services Act (Chapter 7*
24 *commencing with Section 8550) of Division 1 of Title 2) that have*
25 *yet to be rebuilt or replaced at the time of the analysis.*

26 ~~(10)~~

27 (11) Any other factors adopted by the council of governments.

28 (e) The council of governments, or delegate subregion, as
29 applicable, shall explain in writing how each of the factors
30 described in subdivision (d) was incorporated into the methodology
31 and how the methodology is consistent with subdivision (d) of
32 Section 65584. The methodology may include numerical weighting.

33 (f) Any ordinance, policy, voter-approved measure, or standard
34 of a city or county that directly or indirectly limits the number of
35 residential building permits issued by a city or county shall not be
36 a justification for a determination or a reduction in the share of a
37 city or county of the regional housing need.

38 (g) In addition to the factors identified pursuant to subdivision
39 (d), the council of governments, or delegate subregion, as
40 applicable, shall identify any existing local, regional, or state

1 incentives, such as a priority for funding or other incentives
2 available to those local governments that are willing to accept a
3 higher share than proposed in the draft allocation to those local
4 governments by the council of governments or delegate subregion
5 pursuant to Section 65584.05.

6 (h) Following the conclusion of the 60-day public comment
7 period described in subdivision (c) on the proposed allocation
8 methodology, and after making any revisions deemed appropriate
9 by the council of governments, or delegate subregion, as applicable,
10 as a result of comments received during the public comment period,
11 each council of governments, or delegate subregion, as applicable,
12 shall adopt a final regional, or subregional, housing need allocation
13 methodology and provide notice of the adoption of the
14 methodology to the jurisdictions within the region, or delegate
15 subregion as applicable, and to the department.

16 (i) (1) It is the intent of the Legislature that housing planning
17 be coordinated and integrated with the regional transportation plan.
18 To achieve this goal, the allocation plan shall allocate housing
19 units within the region consistent with the development pattern
20 included in the sustainable communities strategy.

21 (2) The final allocation plan shall ensure that the total regional
22 housing need, by income category, as determined under Section
23 65584, is maintained, and that each jurisdiction in the region
24 receive an allocation of units for low- and very low income
25 households.

26 (3) The resolution approving the final housing need allocation
27 plan shall demonstrate that the plan is consistent with the
28 sustainable communities strategy in the regional transportation
29 plan.

30 *SEC. 4. Section 66474.02 of the Government Code is amended*
31 *to read:*

32 66474.02. (a) (1) Before approving a tentative map, or a parcel
33 map for which a tentative map was not required, for an area located
34 in a state responsibility area or a very high fire hazard severity
35 zone, as both are defined in Section 51177, a legislative body of
36 a county shall, except as provided in subdivision (b), make the
37 following three findings:

38 (1)

39 (A) A finding supported by substantial evidence in the record
40 that the design and location of each lot in the subdivision, and the

1 ~~subdivision as a whole, are~~ *subdivision is* consistent with any
2 applicable regulations adopted by the State Board of Forestry and
3 Fire Protection pursuant to ~~Sections 4290 and~~ *Section 4291* of the
4 Public Resources Code.

5 ~~(2)~~

6 (B) A finding supported by substantial evidence in the record
7 that structural fire protection and suppression services will be
8 available for the subdivision through any of the following entities:

9 ~~(A)~~

10 (i) A county, city, special district, political subdivision of the
11 state, or another entity organized solely to provide fire protection
12 services that is monitored and funded by a county or other public
13 entity.

14 ~~(B)~~

15 (ii) The Department of Forestry and Fire Protection by contract
16 entered into pursuant to Section 4133, 4142, or 4144 of the Public
17 Resources Code.

18 ~~(3)~~

19 (C) A finding that, to the extent practicable, ingress and egress
20 for the subdivision ~~meet~~ *meets or exceeds the requirements of* the
21 regulations regarding road standards for fire equipment access
22 adopted pursuant to Section 4290 of the Public Resources Code
23 and any applicable local ordinance.

24 (2) *Upon approving a tentative map, or a parcel map for which*
25 *a tentative map was not required, for an area located in a state*
26 *responsibility area or a very high fire hazard severity zone, as*
27 *both are defined in Section 51177, a legislative body of a county*
28 *shall transmit a copy of the findings required by this subdivision*
29 *and accompanying maps to the State Board of Forestry and Fire*
30 *Protection.*

31 (b) (1) Subdivision (a) does not apply to the approval of a
32 tentative map, or a parcel map for which a tentative map was not
33 required, that would subdivide land identified in the open space
34 element of the general plan for the managed production of
35 resources, including, but not limited to, forest land, rangeland,
36 agricultural land, and areas of economic importance for the
37 production of food or fiber, if the subdivision is consistent with
38 the open space purpose and if, for the subdivision of land that
39 would result in parcels that are 40 acres or smaller in size, those
40 parcels are subject to a binding and recorded restriction prohibiting

1 the development of a habitable, industrial, or commercial building
2 or structure. All other structures shall comply with defensible space
3 requirements described in Section 51182 of this code or Section
4 4291 of the Public Resources Code.

5 (2) Any later approval to remove a binding restriction placed
6 as a condition of a tentative map, or a parcel map for which a
7 tentative map was not required, that would allow the development
8 of a building or structure for a parcel that has previously been
9 exempted from the requirements of subdivision (a) pursuant to
10 paragraph (1) of this subdivision shall be subject to the
11 requirements of subdivision (a).

12 (c) This section does not supersede regulations established by
13 the State Board of Forestry and Fire Protection or local ordinances
14 that provide equivalent or more stringent minimum requirements
15 than those contained within this section.

16 *SEC. 5. Section 101080 of the Health and Safety Code is*
17 *amended to read:*

18 101080. Whenever a release, spill, escape, or entry of waste
19 occurs as described in paragraph (2) of subdivision (b) of Section
20 101075 and the director or the local health officer reasonably
21 determines that the waste is a hazardous waste or medical waste,
22 or that it may become a hazardous waste or medical waste because
23 of a combination or reaction with other substances or materials,
24 and the director or local health officer reasonably determines that
25 the release or escape is an immediate threat to the public health,
26 or whenever there is an imminent and proximate threat of the
27 introduction of any contagious, infectious, or communicable
28 disease, chemical agent, noncommunicable biologic agent, toxin,
29 or radioactive agent, the director may declare a health emergency
30 and the local health officer may declare a local health emergency
31 in the jurisdiction or any area thereof affected by the threat to the
32 public health. Whenever a local health emergency is declared by
33 a local health officer pursuant to this section, the local health
34 emergency shall not remain in effect for a period in excess of seven
35 days unless it has been ratified by the board of supervisors, or city
36 council, whichever is applicable to the jurisdiction. The board of
37 supervisors, or city council, if applicable, shall review, at least
38 every ~~14~~ 30 days until the local health emergency is terminated,
39 the need for continuing the local health emergency and shall

1 proclaim the termination of the local health emergency at the
2 earliest possible date that conditions warrant the termination.

3 ~~SEC. 2.~~

4 *SEC. 6.* No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 a local agency or school district has the authority to levy service
7 charges, fees, or assessments sufficient to pay for the program or
8 level of service mandated by this act, within the meaning of Section
9 17556 of the Government Code.

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AGENDA ITEM # 8
Attachment D

June 7, 2018

Assembly Member Heath Flora
California State Assembly
State Capitol, Room 3098
Sacramento, CA 95814

RE: AB 2600 SUPPORT LETTER

Dear Assembly Member Flora:

The Local Agency Formation Commission of Santa Clara County (LAFCO) supports **Assembly Bill 2600**, which allows the initiation of Regional Park and Open Space Districts to occur by resolution of the City Councils and Board of Supervisors within the proposed district.

Current law only allows the initiation to occur by a petition of 5,000 or more voters. This restrictive initiation requirement is an antiquated feature of the Open Space District law which was passed in 1939 and has not undergone a comprehensive update since. The petition requirement increases the cost and time for proponents to initiate Regional Park and Open Space District formation proposals. The principal acts for a variety of special districts allow initiation by either petition or local agency resolution, including Cemetery Districts, Community Service Districts, Fire Protection Districts, Mosquito and Vector Abatement Districts, and Parks and Recreation Districts.

The proponents of the last eleven proposals for Regional Park and Open Space Districts have sought special enabling acts from the Legislature. A principal act should allow district initiations without the need for special enabling acts.

CALAFCO supports the availability of a more streamlined and less costly initiation process for Regional Park and Open Space Districts. Adding the option for local governments to adopt a resolution of application in lieu of the 5,000 signature petition is a much more streamlined way to initiate the formation process. Further, keeping the LAFCO application process intact also allows for the appropriate detailed review to ensure the efficient and sustainable provision of services.

For these reasons, the LAFCO of Santa Clara County is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) and support **AB 2600** and thank you for authoring this important piece of legislation.

Yours sincerely,

Susan Vicklund Wilson
Vice Chairperson

777 North First Street, Suite 410 ▪ San Jose, CA 95112 ▪ (408) 993-4713 ▪ www.santaclaralafco.org

COMMISSIONERS: Sequoia Hall, Sergio Jimenez, Rob Rennie, John L. Varela, Mike Wasserman, Susan Vicklund Wilson, Ken Yeager

ALTERNATE COMMISSIONERS: Sylvia Arenas, Cindy Chavez, Yoriko Kishimoto, Russ Melton, Terry Trumbull

EXECUTIVE OFFICER: Neelima Palacherla

Cc: Members, Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, California Association of LAFCOs

ASSEMBLY BILL

No. 2600

Introduced by Assembly Member Flora

February 15, 2018

An act to add Section 5503.5 to the Public Resources Code, relating to parks.

LEGISLATIVE COUNSEL'S DIGEST

AB 2600, as introduced, Flora. Regional park and open space districts.

Existing law authorizes proceedings for the formation of a regional park, park and open-space, or open-space district to be initiated pursuant to a petition signed by at least 5,000 electors residing within the proposed district territory and presented to the county board of supervisors, as specified. Existing law also authorizes proceedings for district formation in specified counties to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution.

This bill would authorize the formation of a district by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district. The bill would require the resolution to contain certain information, including the methods by which the district would be financed. The bill would require a public hearing before the adoption of the resolution, as provided.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5503.5 is added to the Public Resources
2 Code, to read:

3 5503.5. (a) A proposal to form a new district may also be made
4 by the adoption of a resolution of application by the legislative
5 body of any county or city that contains the territory proposed to
6 be included in the district.

7 (b) The resolution of application shall contain all of the
8 following:

9 (1) The methods by which the district will be financed,
10 including, but not limited to, special taxes and fees.

11 (2) The proposed name for the district and the reasons for
12 forming it.

13 (3) A description of the territory to be included.

14 (c) Before adopting a resolution of application, the legislative
15 body shall hold a public hearing on the resolution. Notice of the
16 hearing shall be published pursuant to Section 6061 of the
17 Government Code in one or more newspapers of general circulation
18 within the county or city. At least 20 days before the hearing, the
19 legislative body shall give mailed notice of its hearing to the
20 executive officer of the local agency formation commission of the
21 principal county. The notice shall generally describe the proposed
22 formation of the district and the territory proposed to be included
23 in the district.

24 (d) At the hearing, the legislative body shall give any person an
25 opportunity to present his or her views on the resolution of
26 application.

27 (e) The clerk of the legislative body shall file a certified copy
28 of the resolution of application with the executive officer of the
29 local agency formation commission of the principal county.

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June 7, 2018

Senator Mike McGuire
California State Senate
State Capital Room 5061
Sacramento, CA 95814

RE: SB 929 SUPPORT LETTER

Dear Assembly Senator McGuire:

The Local Agency Formation Commission of Santa Clara County (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of **Senate Bill 929**, which would require all independent special districts have a website by January 1, 2020, thereby increasing transparency.

LAFCOs work very closely with special districts in their role of overseeing the provision of municipal services. For the approximately 50 percent of the independent special districts that have websites today, communication and transparency with the local LAFCO is far more seamless than with the other half that do not have a website. In those instances, the LAFCO is left to creative resourcefulness to gain access to critical contact and agency information, often times requiring the LAFCO to expend a great deal of effort and resources. This information is especially critical for LAFCO when fulfilling their statutory obligations related to conducting Municipal Service Reviews on these districts.

LAFCO of Santa Clara County, through its municipal service reviews, has successfully encouraged many special districts to establish websites and better utilize their existing websites as a means for increasing their public accountability and transparency. Despite our best efforts, we still have two independent special districts that do not have a website and remain a challenge to contact and collect information on. **SB 929** will encourage such districts to address this issue in a timely manner.

Further, providing information in an easy, accessible and transparent way to all members of the public – especially those being served by the district – is simply good governance. For all of these reasons LAFCO of Santa Clara County supports **SB 929**.

Please do not hesitate to contact me with any questions you may have on our position.

Yours sincerely,

Susan Vicklund Wilson
Vice Chairperson

Cc: Members, Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, California Association of LAFCOs

AMENDED IN SENATE MARCH 6, 2018

SENATE BILL

No. 929

Introduced by Senator McGuire

January 25, 2018

~~An act to amend Section 53085 of the Government Code, relating to local government. An act to add Section 53087.8 to the Government Code, relating to special districts.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 929, as amended, McGuire. ~~Local government: applicant for economic development financial assistance: statement. Special districts: Internet Web sites.~~

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for special districts, as specified. The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its Internet Web site and directing a member of the public to the Web site, as specified.

This bill would, beginning on January 1, 2020, require every independent special district to maintain an Internet Web site that clearly lists contact information for the special district, except as provided. Because this bill would require local agencies to provide a new service, the bill would impose a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or

open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

~~Existing law authorizes a local agency to require an applicant for economic development loans, grants, or similar financial assistance to sign a statement under penalty of perjury that he or she has not been convicted of a felony.~~

~~This bill would make a nonsubstantive change to that provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (a) *Special districts are local government agencies that provide*
- 4 *essential services to millions of Californians.*
- 5 (b) *As of January 2018, there are 2,085 independent special*
- 6 *districts in California.*
- 7 (c) *Each special district focuses on a specific set of services,*
- 8 *including, but not limited to, water, utilities, and parks.*
- 9 (d) *Throughout California’s history, special districts have*
- 10 *empowered residents to find local solutions to fit the unique needs*
- 11 *of their communities.*
- 12 (e) *It is this local approach that continues to make special*
- 13 *districts a popular method for delivering essential public services*
- 14 *and infrastructure in communities throughout the state.*
- 15 (f) *In order to further public access to information related to*
- 16 *these essential services, it is the intent of the Legislature that each*

1 *independent special district provide easily accessible and accurate*
2 *information on an Internet Web site.*

3 *SEC. 2. Section 53087.8 is added to the Government Code, to*
4 *read:*

5 *53087.8. (a) (1) Except as provided in subdivision (b),*
6 *beginning on January 1, 2020, every independent special district,*
7 *as defined in Section 56044, shall maintain an Internet Web site.*

8 *(2) The Internet Web site required by paragraph (1) shall*
9 *conform to any other provisions of law applicable to the Internet*
10 *Web site of the district, including, but not limited to, Sections*
11 *6270.5, 53893, 53908, and 54954.2 of this code, and Section 32139*
12 *of the Health and Safety Code.*

13 *(3) The Internet Web site required by paragraph (1) shall clearly*
14 *list contact information for the independent special district.*

15 *(b) (1) An independent special district shall be exempt from*
16 *subdivision (a) if, pursuant to a majority vote of its governing body*
17 *at a regular meeting, the district adopts a resolution declaring its*
18 *determination that a hardship exists that prevents the district from*
19 *establishing or maintaining an Internet Web site.*

20 *(2) A resolution adopted pursuant to this subdivision shall*
21 *include detailed findings, based upon evidence set forth in the*
22 *minutes of the meeting, supporting the board's determination that*
23 *a hardship prevents the district from establishing or maintaining*
24 *an Internet Web site. The findings may include, but shall not be*
25 *limited to, inadequate access to broadband communications*
26 *network facilities that enable high-speed Internet access,*
27 *significantly limited financial resources, or insufficient staff*
28 *resources.*

29 *(3) A resolution adopted pursuant to this subdivision shall be*
30 *valid for one year. In order to continue to be exempt from*
31 *subdivision (a), the governing body of an independent special*
32 *district shall adopt a resolution pursuant to this subdivision*
33 *annually so long as the hardship exists.*

34 *SEC. 3. The Legislature finds and declares that Section 2 of*
35 *this act, which adds Section 53087.8 to the Government Code,*
36 *further, within the meaning of paragraph (7) of subdivision (b)*
37 *of Section 3 of Article I of the California Constitution, the purposes*
38 *of that constitutional section as it relates to the right of public*
39 *access to the meetings of local public bodies or the writings of*
40 *local public officials and local agencies. Pursuant to paragraph*

1 (7) of subdivision (b) of Section 3 of Article I of the California
2 Constitution, the Legislature makes the following findings:

3 By requiring independent special districts to maintain an Internet
4 Web site, this act increases public access to public records and
5 thereby furthers the purposes of paragraph (7) of subdivision (b)
6 of Section 3 of Article I of the California Constitution.

7 SEC. 4. No reimbursement is required by this act pursuant to
8 Section 6 of Article XIII B of the California Constitution because
9 the only costs that may be incurred by a local agency or school
10 district under this act would result from a legislative mandate that
11 is within the scope of paragraph (7) of subdivision (b) of Section
12 3 of Article I of the California Constitution.

13 However, if the Commission on State Mandates determines that
14 the act contains other costs mandated by the state, reimbursement
15 to local agencies and school districts for those costs shall be made
16 pursuant to Part 7 (commencing with Section 17500) of Division
17 4 of Title 2 of the Government Code.

18 ~~SECTION 1. Section 53085 of the Government Code is~~
19 ~~amended to read:~~

20 ~~53085. A local agency, as defined by Section 54951, may~~
21 ~~require an applicant for economic development loans, grants, or~~
22 ~~similar financial assistance to sign a statement under penalty of~~
23 ~~perjury that he or she has not been convicted of a felony.~~

**CALAFCO Daily Legislative Report
as of Thursday, May 31, 2018**

**AGENDA ITEM # 8
Attachment F**

AB 2050 (Caballero D) Small System Water Authority Act of 2018.

Current Text: Amended: 5/25/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Last Amended: 5/25/2018

Status: 5/30/2018-Read third time. Passed. Ordered to the Senate.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2019, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance with one or more state or federal primary drinking water standard maximum contaminant levels as of December 31, 2018, and for 4 consecutive quarters, as specified.

Position: Watch

Subject: LAFCo Administration, Municipal Services, Water

CALAFCO Comments: This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water authority. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency.

LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first 3 years.

CALAFCO continues to work with the author and sponsor on additional amendments including giving the authority to levy fines to the SWRCB (rather than the LAFCo); addressing process and timing issues/details; ensuring proper LAFCo funding language (a more generic statement rather than a not-to-exceed amount), and other issues.

AB 2238 (Aguiar-Curry D) Local agency formation: regional housing need allocation: fire hazards: local health emergencies: hazardous and medical waste.

Current Text: Amended: 4/3/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/3/2018

Status: 5/24/2018-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 specifies the factors that a local agency formation commission is required to consider in the review of a proposal for a change of organization or reorganization, including, among other things, the proposal's consistency with city or county general and specific plans. This bill would require the commission to consider information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area if it is determined that such information is relevant to the area that is the subject of the proposal.

Attachments:

[CALAFCO Support Letter May 2018](#)

Position: Support

Subject: Climate Change, Growth Management

CALAFCO Comments: This bill seeks to add another factor for LAFCo consideration in the review of a proposal. That factor is information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

The bill also adds two non-LAFCo-related sections pertaining to the update of a housing element.

This bill is in response to the rash of wildfires throughout the state over the past several years and the ongoing threat of same as a result of climate change.

AB 2258 (Caballero D) Local agency formation commissions: grant program.

Current Text: Amended: 4/23/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/23/2018

Status: 5/30/2018-Read third time. Passed. Ordered to the Senate.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities. This bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission.

Attachments:

[CALAFCO Support March 2018](#)

[CALAFCO Support March 2018](#)

Position: Sponsor

Subject: Other

CALAFCO Comments: This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCos one-time grant funding for in-depth studies of potential reorganization of local service providers. CALAFCO is working with the Strategic Growth Council (SGC) who has agreed to administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on December 31, 2023.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to a majority protest (mirroring existing language in Government Code Section 57077.1.c). For all other changes of organization or reorganization pursuant to this section, the threshold would be 25% rather than 10%, in accordance with Government Code Section 57075.

A separate budget ask of \$2 million over 5 years is being done as a companion to this bill.

AB 2600 (Flora R) Regional park and open space districts.

Current Text: Introduced: 2/15/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 5/3/2018-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would authorize the formation of a district by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district. The bill would require the resolution to contain certain information, including the methods by which the district would be financed. The bill would require a public hearing before the adoption of the resolution, as provided.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

CALAFCO Comments: This bill would expand the process of initiating the formation of a regional pack and open space district by adding that a local governing body may adopt a resolution proposing to form a new district. This would be in lieu of having a 5,000 signature petition. The LAFCo process remains intact.

The intent of this bill is to create an easier way to proposed the formation of these types of districts, thereby removing the need for special legislation to do so. The bill is author-sponsored.

AB 3254 (Committee on Local Government) Local government organization: omnibus.

Current Text: Amended: 5/17/2018 [html](#) [pdf](#)

Introduced: 3/14/2018

Last Amended: 5/17/2018

Status: 5/30/2018-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Current law defines various terms for purposes of that Act, including the terms "affected territory" and "inhabited territory." This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term "uninhabited territory" for purposes of the Act.

Attachments:

[CALAFCO Support](#)

Position: Sponsor

CALAFCO Comments: This is the annual Assembly Local Government Committee Omnibus bill, sponsored by CALAFCO. Amendments are pending to add several items.

SB 1215 (Hertzberg D) Provision of sewer service: disadvantaged communities.

Current Text: Amended: 4/30/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amended: 4/30/2018

Status: 5/29/2018-Read third time. Passed. (Ayes 30. Noes 8.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

This bill would authorize the State Water Resources Control Board to order the provision of sewer service by a special district, city, or county to a disadvantaged community, as defined, under specified circumstances. By authorizing the state board to require a special district, city, or county to provide sewer service, this bill would impose a state-mandated local program.

Position: Watch With Concerns

Subject: Disadvantaged Communities, Water

CALAFCO Comments: As amended, this bill authorizes the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of wastewater systems - both public and private, under certain circumstances. The process mirrors the process set forth in SB 88 giving the SWRCB authority to mandate the same for drinking water systems.

The current version includes a number of amendments that address previous CALAFCO concerns.

However, there is an outstanding issue of annexing territory to which services were extended into a city. (The bill does now call for a mandatory annexation into a district should the services be extended by them.)

SB 1496 (Committee on Governance and Finance) Validations.

Current Text: Enrollment: 5/23/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 5/23/2018-Enrolled and presented to the Governor at 10:30 a.m.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would enact the Second Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

SB 1497 (Committee on Governance and Finance) Validations.

Current Text: Enrollment: 5/23/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 5/23/2018-Enrolled and presented to the Governor at 10:30 a.m.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

This bill would enact the First Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: LAFCo Administration

SB 1499 (Committee on Governance and Finance) Validations.

Current Text: Enrollment: 5/23/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 5/23/2018-Enrolled and presented to the Governor at 10:30 a.m.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would enact the Third Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: LAFCo Administration

AB 2268 (Reyes D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Amended: 4/16/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/16/2018

Status: 5/25/2018-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 5/2/2018)

Desk	Policy	Dead	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

for the 2018–19 fiscal year, would require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2017–18 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2017–18 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

Attachments:

[CALAFCO Support Letter May 2018](#)

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations.

[AB 2491](#) (Cooley D) Local government finance: vehicle license fee adjustment amounts.

Current Text: Amended: 4/2/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amended: 4/2/2018

Status: 5/25/2018-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 4/25/2018)

Desk	Policy	Dead	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptured
1st House				2nd House							

Summary:

Would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2017.

[AB 2501](#) (Chu D) Drinking water: consolidation and extension of service.

Current Text: Amended: 4/17/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amended: 4/17/2018

Status: 5/30/2018-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptured
1st House				2nd House							

Summary:

The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation of consolidation. The act defines "disadvantaged community" for these purposes to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system. This bill would redefine "disadvantaged community" for these purposes to also include a disadvantaged community that is served by a state small water system or domestic well.

Position: Watch

Subject: Disadvantaged Communities, Water

[AB 1889](#) (Caballero D) Santa Clara Valley Water District.

Current Text: Amended: 4/4/2018 [html](#) [pdf](#)

Introduced: 1/18/2018

Last Amended: 4/4/2018

Status: 5/10/2018-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Santa Clara Valley Water District Act authorizes the district to impose special taxes at minimum rates according to land use category and size. The district act authorizes the district to provide an exemption from these taxes for residential parcels owned and occupied by one or more taxpayers who are at least 65 years of age, or who qualify as totally disabled, if the household income is less than an amount approved by the voters of the district. This bill would authorize the district to require a taxpayer seeking an exemption from these special taxes to verify his or her age, disability status, or household income, as prescribed.

Position: Watch

AB 2019 (Aguiar-Curry D) Health care districts.

Current Text: Amended: 4/30/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Last Amended: 4/30/2018

Status: 5/24/2018-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Local Health Care District Law provides for local health care districts that govern certain health care facilities. The bill would require a district that is authorized and elects to use the design-build process, as specified, for the construction of housing to require that at least 20% of the residential units constructed be subject to a recorded affordability restriction for at least 55 years and be affordable to lower income households, very low income households, extremely low income households, and persons and families of low or moderate income, as defined, unless the city, county, or city and county in which the district is predominantly located has adopted a local ordinance that requires a greater percentage of the units be affordable to those groups. This bill contains other related laws and provisions.

Position: Watch

CALAFCO Comments: This bill places a number of statutory requirements on healthcare districts (HCDs). One provision that directly affects LAFCo is the HCDs will be required to notify their respective LAFCo when they file for bankruptcy.

AB 2179 (Gipson D) Municipal corporations: public utility service: water and sewer service.

Current Text: Introduced: 2/12/2018 [html](#) [pdf](#)

Introduced: 2/12/2018

Status: 5/30/2018-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would authorize a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation.

Position: Watch

Subject: Municipal Services

AB 2262 (Wood D) Coast Life Support District Act: urgent medical care services.

Current Text: Amended: 4/16/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 4/16/2018

Status: 5/3/2018-Referred to Coms. on GOV. & F. and HEALTH.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law, the Coast Life Support District Act, establishes the Coast Life Support District and specifies the powers of the district. The district is authorized, among other things, to supply the inhabitants of the district emergency medical services, as specified. This bill would additionally authorize the district to provide urgent medical care services.

Attachments:[CALAFCO Oppose Unless Amended](#)[CALAFCO Support as amended](#)**Position:** Support**Subject:** LAFCo Administration, Special District Powers

CALAFCO Comments: This is a single district bill in which the district is seeking to add the power of providing urgent care (actually to codify powers they have been performing for a number of years). As amended, the bill cleans up the outdated reference to the Act and adds a provision requiring the district to seek LAFCo approval to activate the new power. As a result of these amendments, CALAFCO has removed our opposition and now supports the bill.

[AB 2339](#) (Gipson D) Water utility service: sale of water utility property by a city.**Current Text:** Amended: 4/3/2018 [html](#) [pdf](#)**Introduced:** 2/13/2018**Last Amended:** 4/3/2018**Status:** 5/31/2018-Action From THIRD READING: Read third time.Passed Assembly to SENATE.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

5/31/2018 #44 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS

Summary:

Would permit a city that owns and operates a public utility for furnishing water service to sell the public utility for the purpose of consolidating its public water system with another public water system pursuant to the specified procedures, only if the potentially subsumed water system is wholly within the boundaries of the city, if the city determines that it is uneconomical and not in the public interest to own and operate the public utility, and if certain requirements are met. The bill would prohibit the city from selling the public utility for one year if 50% of interested persons, as defined, protest the sale.

Position: Watch**Subject:** Water**[SB 522](#) (Glazer D) West Contra Costa Healthcare District.****Current Text:** Amended: 1/3/2018 [html](#) [pdf](#)**Introduced:** 2/16/2017**Last Amended:** 1/3/2018**Status:** 4/19/2018-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

6/13/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Current law provides for the formation of local health care districts and specifies district powers. Under existing law, the elective officers of a local health care district consist of a board of hospital directors consisting of 5 members, each of whom is required to be a registered voter residing in the district and whose term shall be 4 years, except as specified. This bill would dissolve the existing elected board of directors of the West Contra Costa Healthcare District, effective January 1, 2019, and would require the Board of Supervisors of the County of Contra Costa, at its election, to either serve as the district board or appoint a district board, as specified.

Position: Watch**Subject:** Special Districts Governance**[SB 561](#) (Gaines R) Fallen Leaf Lake Community Services District: elections.****Current Text:** Amended: 5/10/2018 [html](#) [pdf](#)**Introduced:** 2/17/2017**Last Amended:** 5/10/2018**Status:** 5/10/2018-From committee with author's amendments. Read second time and amended. Re-referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Under current law, the Fallen Leaf Lake Community Services District is a resident voting district. This bill would require the El Dorado County elections official, with the assistance of the Fallen Leaf Lake Community Services District, to conduct district elections pursuant to the Uniform District Election Law, except as otherwise provided in the bill.

Position: Watch

Subject: Special Districts Governance

SB 623 (Monning D) Water quality: Safe and Affordable Drinking Water Fund.

Current Text: Amended: 8/21/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 8/21/2017

Status: 9/1/2017-From committee: Without recommendation. (Ayes 11. Noes 0.) (September 1) Re-referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.

Position: Watch

Subject: Water

SB 778 (Hertzberg D) Water systems: consolidations: administrative and managerial services.

Current Text: Amended: 7/13/2017 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 7/13/2017

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. on 8/23/2017)(May be acted upon Jan 2018)

Desk	Policy	Fiscal	Floor	Desk	Policy	2 year	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would require, on or before March 1, 2018, and regularly thereafter, as specified, the State Water Resources Control Board to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after July 1, 2014. The bill would require the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.

Position: Watch

Subject: Municipal Services

SB 929 (McGuire D) Special districts: Internet Web sites.

Current Text: Amended: 3/6/2018 [html](#) [pdf](#)

Introduced: 1/25/2018

Last Amended: 3/6/2018

Status: 4/30/2018-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

6/13/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its Internet Web site and directing a member of the public to the Web site, as specified. This bill would, beginning on January 1, 2020, require every independent special district to maintain an Internet Web site that

clearly lists contact information for the special district, except as provided. Because this bill would require local agencies to provide a new service, the bill would impose a state-mandated local program.

Attachments:

[CALAFCO Support Letter May 2018](#)

Position: Support

SB 1498 (Committee on Governance and Finance) Local Government Omnibus Act of 2018.

Current Text: Amended: 4/18/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Last Amended: 4/18/2018

Status: 5/25/2018-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law sets forth various provisions governing cities that reference various officers and employees. This bill would make these references gender neutral.

Position: Watch

CALAFCO Comments: This is the annual Senate Governance & Finance Committee Omnibus bill.

Total Measures: 23

Total Tracking Forms: 23

5/31/2018 1:53:41 PM

LAFCO MEETING: June 6, 2018
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: CALAFCO RELATED ACTIVITIES

9.1 2018 CALAFCO ANNUAL CONFERENCE ON OCTOBER 3-5

Recommendation

Authorize commissioners and staff to attend the Annual Conference and direct that associated travel expenses be funded by the LAFCO Budget for Fiscal Year 2019.

Discussion

The upcoming CALAFCO Annual Conference will be held in Yosemite from Wednesday, October 3rd to Friday, October 5th. The conference provides an annual opportunity for commissioners and staff to gain additional knowledge about changes in LAFCO legislation, LAFCO policies and practices, and the latest issues facing LAFCOs, counties, cities and special districts across the state. Please see **Attachment A**, for further information on the session topics that are planned for the conference. The theme of this year's conference is "A Vision for California." Commissioner Wilson is a member of this year's Conference Planning Committee and staff has submitted a session proposal to the Committee for their consideration and we are awaiting their decision.

9.2 NOMINATIONS TO THE CALAFCO BOARD OF DIRECTORS

Recommendation

Nominate interested Commissioners and provide further direction to staff, as necessary.

Discussion

Nominations for the 2018/2019 CALAFCO Board of Directors are now open. Please see **Attachment B**. LAFCO of Santa Clara County is part of the Coastal Region. Within the Coastal Region, nominations are being accepted for "County Member" and "District Member." The deadline for LAFCO to submit nominations is Tuesday, September 4th. Serving on the CALAFCO Board is a unique opportunity to work with other LAFCO commissioners throughout the state on legislative, fiscal and operations issues that affect LAFCOs, counties, cities, and special districts. The Board meets four to five times each

year at alternate sites around the state. Any LAFCO commissioner or alternate commissioner is eligible to run for a CALAFCO Board seat. As you know, Commissioner Vicklund Wilson is currently serving on the Board for a 2-year term.

9.3 DESIGNATE VOTING DELEGATE AND ALTERNATE

Recommendation

Appoint voting delegate and alternate voting delegate.

Discussion

Elections for the 2018/2019 CALAFCO Board of Directors will occur on Thursday, October 4, 2018, at CALAFCO's Annual Conference in Yosemite. Each LAFCO must designate a voting delegate and alternate who is authorized to vote on behalf of their LAFCO.

9.4 REPORT ON THE 2018 CALAFCO STAFF WORKSHOP (APRIL 11- APRIL 13)

For Information Only.

LAFCO staff attended the 2018 Annual CALAFCO Staff Workshop in San Rafael (April 11-April 13), hosted by the LAFCO of Marin County. The workshop was attended by approximately 116 participants representing 40 of the 58 LAFCOs and provided various practical and hands-on courses, as well as roundtable discussions and professional development sessions. Executive Officer Palacherla was a panelist on a session entitled "State of the Art on Agriculture Preservation." Analyst Noel was a panelist on a session entitled "The Making of a Successful Strategic Plan for LAFCOs – Lessons Learned." Other sessions included:

- Mobile Workshop to Point Reyes Farmstead Cheese Company for educational walking tour of working farm and creamery
- Words From the Wise: Lessons and Insights from LAFCO Jedi Masters
- Collaborating for Success – A Case Study in City/County Annexation Collaboration
- LAFCO 101
- New Procedures for Independent Special District Selection Committees
- Using ArcGIS for LAFCO-related Work: The Need for Visual Aids and a Tool to Get You There
- Building a Stronger Relationship with the Board of Equalization
- Deliberating the Use of CEQA Exemptions: Hear the Closing Arguments
- Thru the Looking Glass: LAFCO and Transparency
- What is LAFCO's Role in Disaster Preparedness?
- CALAFCO Organization and Legislative Update

CALAFCO has posted workshop handouts on its website at www.calafco.org.

ATTACHMENTS

Attachment A: Flier Announcing the 2018 CALAFCO Annual Conference (October 3-5)

Attachment B: Memo from CALAFCO re: Nominations for 2018/2019 CALAFCO
Board of Directors dated May 25, 2018



Announcing The 2018 CALAFCO Annual Conference

AGENDA ITEM # 9 - Attachment A



Hosted by CALAFCO

October 3 – 5, 2018

Tenaya Lodge, Yosemite
Fish Camp, CA



Value-Added and Diverse General & Breakout Session Topics

- ▲ The natural disaster phenomenon: How they are changing the way LAFCoS plan and respond*
- ▲ LAFCoS' role in developing agency relationships, accountability and transparency
- ▲ Urban growth boundaries: A white paper discussion
- ▲ Using MSRs for more than a bookshelf placeholder: The increasing value of this critical LAFCo tool*
- ▲ LAFCo 101: Understanding and applying the basics
- ▲ Resource Conservation Districts: Who are they really?
- ▲ Ag land preservation: A white paper discussion
- ▲ LAFCo in a "perfect world": Your dream LAFCo
- ▲ Using strategic planning as a commission planning tool
- ▲ The hot topic of fire districts
- ▲ LAFCoS & affordable housing: What's the connection?
- ▲ Leading in challenging times*
- ▲ Annual CALAFCO Legislative Update*
- ▲ CALAFCO Annual Business Meeting (for all CALAFCO members)*

Special Highlights

Mobile Workshop
Still under construction.



We are working on a tour of the beautiful Yosemite area with a focus on the severe tree mortality issue, and the statewide effects – both short and long term.

Details will be announced shortly – but register now to secure your seat!

**Wednesday from
7:30 a.m. to 12:30 p.m.**
(times approx..)

LAFCo 101
An introduction to LAFCo and LAFCo law for Commissioners, Staff, and anyone interested in learning more about LAFCo

**Wednesday from
10: 00 a.m. to Noon**

**Thursday Luncheon
Keynote**

To Be Announced

Invaluable Networking Opportunities

- ▲ Regional Roundtable discussions on current regional LAFCo issues
- ▲ Extended roundtable discussion for LAFCo legal counsel
- ▲ Pre-dinner Reception with Sponsors Thursday
- ▲ Networking breakfasts and breaks
- ▲ Welcome Reception Wednesday
- ▲ Awards Banquet Thursday

Tenaya Lodge, Yosemite



Make your reservations now at the [Tenaya Lodge](#) at the special CALAFCO rate of \$175 (excludes tax and fees). Special rates available 3 days pre and post-conference on availability, includes in-room wifi and parking. **Reservation cutoff date is 9/01/18.**

TO MAKE HOTEL RESERVATIONS, PLEASE VISIT: [Tenaya Online Registration](#) or call 800-635-5807 (option 1) and use promo code 3163VO or reference CALAFCO Conference.

Visit www.calafco.org for Conference details or call us at 916-442-6536.

**Mark your calendar and
plan to attend!**

**Registration is now open!
Visit www.calafco.org**

May 25, 2018

To: Local Agency Formation Commission
Members and Alternate Members

From: Bill Kirby, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors



RE: Nominations for 2018/2019 CALAFCO Board of Directors

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

Northern Region

City Member
Public Member

Central Region

County Member
District Member

Coastal Region

County Member
District Member

Southern Region

City Member
Public Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 4, 2018 at the Tenaya Lodge in Yosemite, CA.

Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Tuesday, September 4, 2018*.

Incumbents are eligible to run for another term. Nominations received by September 4 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than September 20 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. The ballot request must be made no later than Tuesday, September 4, 2018. Completed absentee ballots must be returned by September 28, 2018.

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.

The nomination forms and materials must be received by the CALAFCO Executive Director no later than Tuesday, September 4, 2018. Here is a summary of the deadlines for this year's nomination process:

- **May 25** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 4** – Completed Nomination packet due
- **September 4** – Request for an absentee/electronic ballot due
- **September 4** – Voting delegate name due to CALAFCO
- **September 20** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **September 20** – Distribution of requested absentee/electronic ballots.
- **September 28** – Absentee ballots due to CALAFCO
- **October 4** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1215 K Street, Suite 1650
Sacramento, California 95814
FAX: 916-442-6535
EMAIL: info@calafco.org

Questions about the election process can be sent to the Chair of the Committee, Bill Kirby, at wkirby@calafco.org or by calling him at 530-889-4097. You may also contact CALAFCO Executive Director Pamela Miller at pmiller@calafco.org or by calling 916-442-6536.

Members of the 2018/2019 CALAFCO Election Committee are:

Bill Kirby, Chair wkirby@calafco.org	Placer LAFCo (Central Region) 530-889-4097
Debra Lake dlake@calafco.org	Humboldt LAFCo (Northern Region) 707-445-7508
Jo MacKenzie jmackenzie@calafco.org	San Diego LAFCo (Southern Region) 530-295-2707
Margie Mohler mmohler@calafco.org	Napa LAFCo (Coastal Region) 707-259-8645

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

Please consider joining us!

Enclosures

Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF AN ELECTION COMMITTEE:

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.⁸
- b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director.⁸
- c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee.⁸
- d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCoS across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline.⁸

2. ANNOUNCEMENT TO ALL MEMBER LAFCoS:

- a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:⁸
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. A regional map including LAFCoS listed by region.
 - iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action."⁸
 - iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.⁸
 - v. The address to send the nominations forms.
 - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The announcement shall include the following:⁸

Key Timeframes for Nominations Process	
<u>Days*</u>	
90	Nomination announcement
30	Nomination deadline
14	Committee report released
<small>*Days prior to annual membership meeting</small>	

- i. A statement clearly indicating which offices are subject to the election.
 - ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Election Committee action."⁸
 - iii. The names of the Election Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.⁸
 - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

3. THE ELECTION COMMITTEE:

- a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.⁸
- b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.⁸
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.⁸
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election.⁸
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.⁸

4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING⁶ Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCos voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.⁸

5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:

- a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:⁸
 - i. Review the election procedure with the membership.
 - ii. Present the Election Committee Report (previously distributed).
 - iii. Call for nominations from the floor by category for those seats subject to this election:
 - 1. For city member.
 - 2. For county member.
 - 3. For public member.
 - 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
 - 1. Name the nominees and offices for which they are nominated.
 - 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.
 - ii. For categories where there are more candidates than vacancies, the Presiding Officer

shall:

1. Poll the LAFCoS in good standing by written ballot.
 2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
 3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.⁸
 4. With assistance from CALAFCO staff, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
1. The nominee receiving the majority⁶ of votes cast is elected.
 2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).⁶
 3. In case of tie votes⁶:
 - a. A second run-off election shall be held with the same two nominees.
 - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
 4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.⁶
 - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
 - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
 - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.⁸
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCo may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new board members for the purpose of electing officers, determining meeting

places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007¹, 8 February 2008², 13 February 2009³, 12 February 2010⁴, 18 February 2011⁵, 29 April 2011⁶, 11 July 2014⁷ and 27 October 2017⁸. They supersede all previous versions of the policies.

CALAFCO Regions

FOUR REGIONS



The counties in each of the four regions consist of the following:

Northern Region

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas
Butte LAFCo
slucas@buttecounty.net

Southern Region

Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Carolyn Emery
Orange LAFCo
cemery@oclafco.org

Coastal Region

Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: Martha Poyatos
San Mateo LAFCo
mpoyatos@smcgov.org

Central Region

Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kern
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: Christine Crawford, Yolo LAFCo
christine.crawford@yolocounty.org

**Board of Directors
2018/2019 Nominations Form**

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) City County Special District Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

_____ LAFCo Chair

_____ Date

NOTICE OF DEADLINE

Nominations must be received by **September 4, 2018** to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1215 K Street, Suite 1650
Sacramento, CA 95814

Board of Directors 2018/2019 Candidate Resume Form

Nominated By: _____ LAFCo Date: _____

Region (please check one): Northern Coastal Central Southern

Category (please check one): City County Special District Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Nominations must be received by **September 4, 2018** to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1215 K Street, Suite 1650
Sacramento, CA 95814

CALAFCO Board Members 2017-18*(as of May 15, 2018)*

Board Member Name	LAFCo - Region	Type (Term Expires)
Cheryl Brothers	Orange - <i>Southern</i>	City (2018)
Bill Connelly	Butte - <i>Northern</i>	County (2019)
Shiva Frentzen	El Dorado - <i>Central</i>	County (2018)
Gay Jones – Chair	Sacramento - <i>Central</i>	District (2018)
Michael Kelley - Treasurer	Imperial - <i>Southern</i>	County (2019)
Dr. William Kirby	Placer - <i>Central</i>	City (2019)
Debra Lake	Humboldt - <i>Northern</i>	District (2019)
John Leopold	Santa Cruz - <i>Coastal</i>	County (2018)
Gerard McCallum	Los Angeles - <i>Southern</i>	Public (2018)
Michael McGill - Secretary	Contra Costa - <i>Coastal</i>	District (2018)
Jo MacKenzie	San Diego - <i>Southern</i>	District (2019)
Margie Mohler	Napa - <i>Coastal</i>	City (2019)
Anita Paque	Calaveras - <i>Central</i>	Public (2019)
Ricky Samayoa	Yuba - <i>Northern</i>	City (2018)
Josh Susman – Vice Chair	Nevada - <i>Northern</i>	Public (2018)
Susan Vicklund-Wilson	Santa Clara - <i>Coastal</i>	Public (2019)