

M E M O R A N D U M

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer

SUBJECT: **Agenda Item 7.1 - Executive Officer's Report**

DATE: March 26, 2014 for the meeting of April 3, 2014

ADMINISTRATION:

1. The Executive Officer, serving as Chair of the CALAFCO Workshop Program Committee, is wrapping up preparations for the 2014 Staff Workshop. This is a significant undertaking in order for CALAFCO to provide quality content at one of its flagship events. Both the Executive Officer and Legal Counsel will be conducting sessions at the Workshop and the Commission Clerk has been involved in the preparation of a Clerks Track related to preparing and maintaining a Clerks Manual.
2. Staff requests the Commission discuss the potential to transition to an entirely digital agenda packet format/distribution. Two Commissioners have indicated they no longer wish to receive paper documents. Staff is happy to accommodate either approach.

PROJECT NOTES:

1. Staff has been contacted by representatives of the Buzztail Community Service District with a potential reorganization of the District to include a divestiture of powers or possibly the dissolution of the District. These discussions are at their tentative proposal stage and stem from a desire of the District to sell its water works to a private party (Del Oro Water Company) and provide its road maintenance functions through a homeowners association or other mechanism.
2. The City of Oroville recently directed its staff pursue 12 new island annexation proposals in order to create more logical city boundaries. Staff will be working with the City manage this effort.

GENERAL NOTES:

1. Staff has been contacted by community group representatives from the South Oroville area interested in promoting the annexation of the South Oroville area to the City of Oroville. These discussions focused on annexation processes and practices that the groups may initiate.

LEGISLATIVE NOTES: There are several bills currently working their way through the legislative process for which Butte LAFCO has been requested to provide letters of support. The bills are described below and the support letters are attached for consideration.

AB2762(Achadjian) - Omnibus Bill. CALAFCO has identified non-substantive, technical changes to the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH) that are requested to be a part of the Omnibus Bill. Existing law provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts. The amendments will:

- **Item 1: Government Code 57113** addresses voter-approval requirements for Commission-initiated change of organization or reorganization. 57113(b) relates to a "landowner-voter" district. This proposal would change the wording from "voters" to "landowners," so that it is clear that, in a landowner-voter district, only landowners have the right to protest and vote.
- **Item 2: Government Code 56106** states that the "time within which an official or the commission [LAFCO] is to act," for all provisions in Cortese-Knox-Hertzberg, are directory; it further identifies two exceptions—Government Code Section 56668(i) and Government

Code Section 56895(b), in which the time periods are directory. This proposal changes the cross reference to the correct subdivision in Section 56658. AB 2698 (Local Government Committee), Chapter 62, Statutes of 2012, restructured the section changing subdivision (i) to subdivision (d). This proposal changes the cross reference to reflect that change.

- **Item 3: Government Code 56653** This proposal amends Section 56653 to require submittal of a plan for services whenever a proposal for a change of organization or reorganization is submitted, either when a local agency submits a proposal, as the current language directs, or proposals submitted by petition.
- **Item 4: Government Code 56101** is a provision “grandfathering in” all pending applications filed prior to January 1, 2001 (the effective date of Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000). This proposal repeals this code section because there are no longer pending proceedings from applications accepted prior to January 1, 2001.
- **Item 5: Government Code 56668** requires LAFCOs to consider a number of factors in a review of a proposal for a change of organization or reorganization. SB 1330 added the word “its” to Government Code 56668(g) and inadvertently changed the meaning of the subdivision which previously required LAFCOs to only look at consistency of a proposal with the local land use plans. SB 215 amended 56668 (g) to also have LAFCO consider a Regional Transportation Plan (not necessarily consistency with a Regional Transportation Plan) when evaluating a proposal. The addition of “its” mean LAFCOs now consider the consistency of the Regional Transportation Plan with the local land use plans. This proposal will restore the original intent of the subdivision to once again require LAFCOs to consider consistency with city and county land use plans and also require consideration of the applicable regional transportation plan.
- **Item 6: Government Code 56886** prescribes LAFCOs’ the ability to impose specific terms and conditions for LAFCO proposals. However, Part 5, Government Code Section 57300 includes the terms and conditions and effect of a change of organization or reorganization, and states that the general provisions of Part 5 shall apply only if the Commission does not impose specific terms and conditions pursuant to Government Code Section 56886. This provides conflict of the use of the general provisions of Government Code Section 57300 and the use of specific terms and conditions prescribed in 56886. This proposal clarifies existing law by clearly stating that specific terms and conditions imposed by a LAFCO under Government Code 56886 prevail in an event of conflict with Part 5. This would allow LAFCOs to tailor terms and conditions relative to a proposal to retain the effect of the general provisions and specific terms and conditions as stated except the conflicting general provisions.

AB 1729 (Logue) - Williamson Act. This bill would reinstate the Williamson Act alternative funding mechanism.

AB 2156 (Achadjian) - JPA Studies. This bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (C-K-H), and include joint powers agencies and joint powers authorities (JPAs) among the entities from which a local agency formation commission (LAFCo) is authorized to request information in order to conduct studies considered relevant by each commission.

FINANCIAL REPORT: None.

APPLICATION ACTIVITY See Exhibit 2

Attachments: 1. Letter of Support for AB 2762
2. Letter of Support for AB 1729
3. Letter of Support for AB 2156

Exhibit 2 - APPLICATION ACTIVITY*Project Status As of Mar. 27, 2014*

File	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCO Hearing Date	Certificate of Completion	SBE Submittal Date	Additional Comments
09-05	Chico	Extension of Services - Bidwell Ave.	10/14/08	N/A	12/03/09	N/A	N/A	Need sewer & annex agreement
10-03	Chico	Extension of Services - W. Sac Ave	02/11/10	2/16/10	03/04/10	N/A	N/A	Need sewer & annex agreement
11-06	Butte County	CSA No. 114 - Expansion of Powers	02/02/11	N/A	pending	N/A	N/A	Incomplete - On Hold
11-22	Oroville	SOI Plan Update	06/21/12	N/A		N/A	N/A	Incomplete
13-04 MS	El Medio	MSR / SOI Plan Update	08/10/12	N/A	11/07/13	N/A	N/A	Approved - Waiting for Final Copy
13-15	Chico	Stewart Ave. Annexation No. 3	05/02/13	12/09/13	02/06/14			Processing
13-21	Chico	Ext. of Services - 1420 Boucher St.	02/07/13	N/A		N/A	N/A	Incomplete - Ck for Fees Returned
14-01	Chico	Oak Way Annexation No. 03	10/18/13	11/06/13	12/05/13	01/16/14	03/20/14	Approved
14-02	Chico	Boucher Street Annexation No. 05	11/13/13	02/03/14	04/01/14			landowner petition
14-03	Chico	Ext. of Services - 2449 Guynn Ave.	12/05/13	N/A	01/09/14	N/A	N/A	Approved
14-04	Chico	Ext. of Services - 973 Wisconsin St.	12/05/13	N/A	01/09/14	N/A	N/A	Approved
14-05	Chico	Ext. of Services - 1406 Boucher St.	12/17/13	N/A	03/06/14	N/A	N/A	applicant: landowner
14-06	Chico	Ext. of Services - 970 Wisconsin St.	03/24/14	N/A	05/01/14	N/A	N/A	Processing
SP-57	LAFCo	Gateway at Butte Creek						Consultation



BUTTE LOCAL AGENCY FORMATION COMMISSION

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April 3, 2014

Honorable Katcho Achadjian, Chair
Assembly Local Government Committee
California State Assembly
State Capitol, Room 4098
Sacramento, CA 95814

RE: Support of AB 2762: Local Government Committee Omnibus Bill

Dear Assembly Member Achadjian:

The Butte Local Agency Formation Commission is pleased to support AB 1427, the Assembly Local Government Committee bill which makes non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

This annual bill includes technical changes to the Act which govern the work of local agency formation commissions, or LAFCOs. These changes are necessary as commissions implement the Act, during which small inconsistencies are discovered or clarifications are needed to make the law as unambiguous as possible. AB 1427 clarifies several sections, makes changes to obsolete and incorrect code references, and makes minor updates to outdated sections. We are very grateful to the your Committee staff and counsel, all of whom worked diligently on this language to ensure there is no substantive change, yet creates a significant increase in the clarity of the Act for all stakeholders.

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

Sincerely,

Carl Leverenz
Chair

cc: Members, Assembly Local Government Committee
Misa Yokoi-Shelton, Associate Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus



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April 3, 2014

The Honorable Mike Gatto, Chair
Assembly Appropriations Committee
California State Capitol, Rm 2114
Sacramento, CA 95814

RE: AB 1729 (Logue) – Williamson Act – SUPPORT

Dear Assembly Member Gatto:

On behalf of the Butte Local Agency Formation Commission, I write to express our support for AB 1729 by Assembly Member Logue. This bill would reinstate the Williamson Act alternative funding mechanism.

The Williamson Act was intended to be a partnership between the state, counties and landowners to preserve agricultural resources. Counties, in exchange for implementing the State goal of farm and ranch land preservation, were to receive a partial replacement of their foregone property tax from the land enrolled in the program. State subventions have not been paid since 2009, and counties are struggling to meet their responsibilities under the Williamson Act and as a result, farmland protection may be compromised.

AB 1729 would reinstate the program, providing counties subvention funding from the state.

Since 1963 Local Agency Formation Commissions (LAFCo) have worked within each county to meet their legislative mandate of balancing growth and development with discouraging sprawl and protecting California's important agricultural lands. The Williamson Act and its role in LAFCO law, has proven an effective tool for many LAFCos to reduce sprawl and protect prime agricultural lands. The ramifications of the elimination of State subventions and not providing an alternative funding mechanism causes us great concern. Without financial incentives to maintain contracts we believe the ability of LAFCos to meet the Legislative intent to preserve agricultural and open-space lands is compromised.

For these reasons, Butte LAFCO respectfully urges your Committee's support of the Williamson Act.

Sincerely,

Carl Leverenz
Chair



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April 3, 2014

Honorable Katcho Achadjian, Chair
Assembly Local Government Committee
California State Assembly
State Capitol, Room 4098
Sacramento, CA 95814

RE: Support of AB 2156: Local Agency Formation Commissions: Studies

Dear Assembly Member Achadjian:

On behalf of the Butte Local Agency Formation Commission (LAFCO), I write to express our support for AB 2156. This bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (C-K-H), and include joint powers agencies and joint powers authorities (JPAs) among the entities from which a local agency formation commission (LAFCo) is authorized to request information in order to conduct studies considered relevant by each commission.

Pursuant to C-K-H, LAFCOs are charged with evaluating the provision of municipal services and to conduct studies of existing governmental agencies including their service area and service capacities. As many local agencies across the state are providing municipal services through JPAs, having access to the information that outlines service areas and specific services being delivered by these entities is critical to conducting comprehensive studies that support LAFCOs core missions of encouraging the efficient delivery of local services and evaluating local agency boundaries.

JPAs can be formed in order to extend services without oversight thus circumventing the LAFCo review and approval process. Such actions inhibit the ability of LAFCo to fulfill the part of their mission that relates to assuring efficient and accountable government services and undermines the core legislated purposes of LAFCOs to appropriately blend service provision with logical boundaries..

AB 2156 is consistent with the LAFCOs role of assuring our ability to review and act to determine the efficient and sustainable delivery of local services to meet current and future needs, and is an important first step in the development of the relationship between LAFCOs and JPAs. For these reasons, Butte LAFCO supports AB 2156 as amended and we thank you for authoring this important piece of legislation.

Sincerely,

Carl Leverenz
Chair