

March 20, 2018

Assembly Member Ken Cooley  
California State Assembly  
State Capital Room 3013  
Sacramento, CA 95814

Subject: **Support of AB 2491**

Dear Assembly Member Cooley:

The California Association of Local Agency Formation Commissions (CALAFCO) is pleased to support **Assembly Bill AB 2491**, which would assist the fiscal viability of future city incorporations that meet all other state requirements.

CALAFCO believes the VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. For the past seven years, no new cities have formed. Given the growing population in our state and the need for orderly growth and adequate service provision, this policy issue needs to be addressed.

**AB 2491** by no means guarantees that a community wishing to incorporate will become a city. In order to incorporate, local communities have to overcome many hurdles, including compliance with state Local Agency Formation Commission (LAFCo) policies, negotiations with counties, and ultimately a public vote. This bill simply gives communities considering incorporation the same opportunity to incorporate that other California cities have previously had.

In 2017, the Legislature addressed the financial harm caused by SB 89 (2011) to four recently incorporated cities via the passage of SB 130 (Budget). SB 130 provides the legislature a template to address the fiscal viability of future incorporation. **AB 2491** adopts the template provided by SB 130 and extends the fix to future incorporations. The state budget conditions have vastly improved since 2011 and the fiscal challenges of the four recently incorporated cities have finally been addressed with the passage of SB 130. **AB 2491** provides the same option for any future incorporations.

Reinstating revenues for incorporations is consistent with the CALAFCO legislative policy of providing communities with local governance and efficient service delivery options, including the ability to incorporate. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl. Because **AB 2491** reinstates a critical funding component to cities incorporating after 2017, CALAFCO supports this bill.

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Thank you for carrying this important legislation. We look forward to working with you in support of this measure. Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pamela Miller".

Pamela Miller  
Executive Director

Cc: Chair and Members, Assembly Local Government Committee  
Misa Lennox, Consultant, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus