

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF SEPTEMBER 24, 2008

REGULAR MEETING

TO: Francesca Loftis, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #8a: OTHER BUSINESS – LEGISLATION

RECOMMENDATION

Staff recommends that the Commission receive and review the following information regarding LAFCO-related legislation adopted by the Legislature and signed by Governor Schwarzenegger.

REASON FOR RECOMMENDED ACTION

With the exception of the budget, the Legislature has concluded most of its business for the year. This memo, the attached summary (Attachment A) and legislation report (Attachment B) are intended to inform the Commission of legislation impacting this agency's business.

BACKGROUND

Throughout the past year staff has kept the Commission informed about legislation that had the potential of impacting LAFCO. Now that the Legislature has concluded most of its business for the year, this report will cover the two more significant pieces of legislation that will impact LAFCO. Attachment A contains a summary report of some of the larger bills that have been signed into law, most of which the Commission has been following since 2007. This summary report was prepared by Peter Detwiler, lead consultant for the Senate Local Government Committee, and he presented it at the 2008 CALAFCO Conference. Attachment B is your regular legislation report, which contains all bills introduced in this session that could have potentially impact LAFCO and their final status (chaptered, enrolled or dead).

AB 1998 (Silva)

Last year's AB 745 (Silva) required the disclosure of expenditures for political purposes made in connection with petitions not yet submitted to a local agency formation commission. The bill became effective on January 1, 2008. To comply with the law, the Commission incorporated disclosure procedures and forms into its Policies and Guidelines (Section 3.1.1). Applicants were required to report politically-related expenditures to LAFCO, with the Executive Officer serving as the reporting agent. This bill moved the requirement to file campaign disclosure forms from LAFCOs to the Fair Political Practices Commission. This was signed by the governor and will become effective January 1, 2009. Early in 2009, staff will return with recommended language to amend Section 3.1.1 to conform with AB 1998.

SB 375 (Steinberg)

This legislation is a very complex measure that links transportation, housing and CEQA. Most of the provisions in the final bill do not affect LAFCO as in earlier versions; however, a discussion on the impacts to LAFCO will be discussed after covering what SB 375 does. The primary parts of the measure are these:

- A regional greenhouse gas reduction/transportation planning process that results in a "sustainable communities strategy" for the region.
- California Environmental Quality Act (CEQA) streamlining for development projects consistent with the sustainable communities strategy, including a CEQA exemption for some infill housing projects with an affordable component.
- A mandate that transportation projects consistent with the sustainable communities strategy receive state funding.
- Alignment of the regional housing needs allocation (RHNA) and regional transportation plan (RTP) processes. The RHNA cycle will be eight years, while RTPs will be updated every four.

The regional planning process calls for a regional advisory committee and local agencies to work with the California Air Resources Board (CARB) on setting greenhouse gas (GHG) reduction targets for each of the 17 metropolitan regions the bill affects (El Dorado County, as part of the Sacramento Region, is included). The target, over which CARB has final say, is intended to provide the basis for the sustainable communities strategy. Those regions that cannot meet their GHG targets through a sustainability strategy must prepare an alternative planning strategy that demonstrates how targets might be reached. The RHNA figures developed by the state Department of Housing and Community Development (HCD) and by the Sacramento Area Council of Government (SACOG) are supposed to account for a region's sustainable communities strategy. General plans, however, do not have to be consistent with the regional strategy — a provision demanded by local government.

As for CEQA, the measure exempts certain "transit priority projects." These have a density of at least 20 housing units per acre, are within a half-mile of a transit corridor, are smaller than eight acres and 200 units, provide at least 20% of units as affordable or set aside a certain amount of open space, comply with green building standards and are located on sites with no significant environmental constraints. While the exemption might prove limited, streamlining is available for other projects. A mixed-use project that

is consistent with the sustainable communities plan would not have to undergo analysis of greenhouse gas emissions, cumulative traffic impacts or growth-inducing impacts, and a reduced density alternative would not be required. In addition, local agencies may adopt a standard set of traffic mitigation measures for projects that are at least 10 units per acre and 75% residential. Qualifying projects would not have to provide any other traffic mitigation.

The legislation extends the housing element planning period from five years to eight. SACOG would distribute RHNA numbers at the very beginning of the planning period, which is also when the RTP and sustainable communities planning periods commence. Cities and counties must submit their housing elements to HCD no more than one year into the planning period, and they then have three years to complete all rezoning required by the housing element.

Transportation projects and programs must be consistent with the sustainable communities strategy to be eligible for state funding sources. However, projects programmed in the State Transportation Improvement Program through 2011 are exempt from this consistency requirement, as are projects and programs in any local sales tax program approved by voters before 2011. A local government could approve a project outside of the regional strategy, but those projects would be ineligible for transportation funding, resulting in the local jurisdiction absorbing most, if not all, of the infrastructure costs. In addition, those projects could not take advantage of the CEQA streamlining provisions. It is likely, however, that any affordable housing located in that project would count towards that jurisdiction's RHNA allocation.

Impacts to LAFCO or from LAFCO action

SACOG would have to take LAFCO's municipal service reviews and sphere of influence updates into account when crafting its regional strategy. There is no provision that requires SACOG to coordinate with LAFCO, so there is the potential for disagreements between the two agencies. For example, SACOG could include an area as eligible for high density housing in a district that cannot accommodate such growth.

On the other hand, LAFCO retains the authority to approve or deny proposals. In that respect, LAFCO has a hand in that it can ensure that agency growth occurs consistent with the regional strategy (or its alternative). LAFCO can also determine that it would deny proposals if they are inconsistent with the regional strategy, do not meet housing or greenhouse gas reduction targets.