

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

May xx, 2018

Assemblymember Anna Caballero  
California State Assembly  
State Capitol, Room 5158  
Sacramento, CA 95814

Subject: **Support of AB 2258 (as amended March 15, 2018)**

Dear Assemblymember Caballero:

The San Mateo Local Agency Formation Commission (LAFCo) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support for **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 have 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 oftentimes 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 that 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.

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In 2015 San Mateo LAFCo successfully processed the reorganization of the Los Trancos County Water District and formation of the County-governed Los Trancos County Maintenance District. This reorganization resolved the long-standing problem of a water district that no longer owned or operated a water system but continued to collect property tax and resulted in allocation of local property tax dollars for enhanced fire safety and storm drain infrastructure in a high fire danger community. In 2013, San Mateo LAFCo successfully processed the reorganization of the Granada Sanitary District forming the Granada Community Services District. The result was the addition of park and recreation service and shifting property tax from subsidizing sewer service charges to funding park and recreation to best meet the community's park and recreation needs. The cost of preparing the studies and applications for these types of proposals fall on small local agencies and LAFCo. 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, San Mateo LAFCo 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 San Mateo LAFCo's position.

Sincerely yours,

Martha Poyatos  
Executive Officer

cc: Chair and Members, Assembly Local Government Committee  
Debbie Michel, Chief Consultant, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus  
Assemblymember Kevin Mullin  
Senator Jerry Hill  
Pamela Miller, Executive Director, California Association of Local Agency  
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