
FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT

AGENDA ITEM NO. 10-A

DATE: July 14, 2010
TO: Fresno Local Agency Formation Commission
FROM: Jeff Witte, Executive Officer
SUBJECT: SB 1174 (Wolk)

Recommendation:

Provide direction to staff pertaining to legislation – SB 1174.

Analysis and Discussion:

This bill would establish the Future Sustainable Communities Pilot Project and allow cities and counties with disadvantaged unincorporated communities to apply to the Strategic Growth Council for assistance in general plan updates. Five cities and five counties would be selected for funding under this legislation. The goal would be for the cities and counties selected to prepare and adopt amendments to one or more elements of their general plans, complete with data analysis, goals, and implementation measures, to deal with issues in incorporated island areas, unincorporated fringe areas, or legacy communities.

Generally, the concept behind this legislation is to provide a way for the selected five cities and five counties to deal more in-depth with issues related to health and safety issues (water, sewer, flooding, etc.) in their general plan elements and create a way that identified work would follow through into the cities or counties Capital Improvement Planning (CIP). While the legislation talks about “more than 200 of these communities in the San Joaquin Valley”, there is no guarantee that selection of the 5 cities and 5 counties will be weighted in the Valley’s favor or be located in Fresno County. In large part, most of the concepts discussed in this legislation should already be present in the general plan work that cities and counties do based on existing State mandated general plan elements. However, in practicality, the most complete analysis in the present general plan process may have previously been restrained by the fact that these areas were likely fully developed years ago, may not contain areas for new development or additional revenue, and are generally inhabited areas where an annexation is unlikely under the present provisions. (Annexation process could change with AB 853.)

Although creating the future sustainable communities pilot project with the selected five cities and five counties is generally the focus of the legislation, it will likely have the impact of expanding the requirements for all such planning work and raise the level of

expectations, as identified problems would need to be tied into a city or county's CIP. Because lighting, sidewalks, and storm drainage are also included along with safe drinking water and sewer systems, the impact of this legislation could be fairly broad based in California. Historically, as California experienced fast growth after World War II, many counties allowed development in unincorporated areas with very minimal standards for development that would not be allowed today. That fact, and in combination with the income limits, aging population in some of these areas, along with the general lack of sidewalks, storm drainage, and lighting could result in legislation with far reaching impacts.

Because the thrust of this legislation is to identify, inventory, and develop plans (CIP work) to deal with these issues as a part of the general plan process for counties and cities, the net effect of this effort could be very helpful to LAFCOs as they deal with spheres of influence and Municipal Service Reviews.

The opposition to this legislation makes the argument that just having funds to do planning does not necessarily mean the issues identified will be resolved. The opponents suggest that additional financial resources for cities and counties to deal with identified problem. A copy of the bill is attached.

Key Issues:

1. Focused on city and county general plan/specific plan process and identifying areas with needs that are within sphere of influence which need to be addressed. Areas would have income that is 80 percent or less of the statewide median household income.
2. Not specifically directed to or involving LAFCOs and CALAFCO has taken no position on the legislation.
3. If enacted would create a process whereby five cities and five counties could make application to use funds from a Strategic Growth Council to do more in-depth planning for goals and policies as they relate to unincorporated islands, unincorporated fringe areas, or unincorporated legacy communities (in existence 50 year or more).
4. Enhancements required in the City and County General Plan process could be beneficial to LAFCOs in reviewing spheres of influence and MSRs.
5. Not directed to Special Districts.

Steps Following Commission Action:

At the direction of the Commission, staff and/or legal counsel will prepare the appropriate correspondence and forward it to the legislature.

Future Sustainable Communities Pilot Project

SB 1174 (Wolk)



Over *one million* Californians live in disadvantaged, unincorporated communities. Predominantly Latino and African American, these communities range from remote but concentrated settlements of industrial or agricultural laborers, to neighborhoods at the fringes of cities and towns that have been left out of city borders, to islands within cities, surrounded on all sides by an incorporated city but excluded from all of its services.

Residents of these areas often live without the most basic features of a safe and healthy environment—services like clean water, sewage lines, storm drains, streetlights, sidewalks, and safe housing. Dependent on county governance for urban needs, these communities are systematically underserved in the overall allocation of public resources and are frequently left out of local planning processes. This neglect and deprivation prevents these neighborhoods from realizing their potential as livable and economically viable communities and threatens the health, safety, and economic security of residents.

SB 1174 establishes the *Future Sustainable Communities Pilot Project*, requiring participating local governments to include these communities in the local planning process. Through this Project, a city or county with a disadvantaged unincorporated community inside or near its boundaries will be required to apply to the Strategic Growth Council (SGC) to receive the financial assistance necessary to update the city's or county's general plan in order to facilitate the transformation of the disadvantaged unincorporated community into a sustainable community. Upon receipt of funding from the SGC the city or county will be required to update their general plan to:

1. Identify the presence of disadvantaged unincorporated communities;
2. Conduct an assessment of the infrastructure conditions within these communities, and identify existing deficiencies (specifically waste water, drinking water and sidewalks, and other infrastructure as resources allow); and
3. Develop goals, objectives, and potentially a timeline for addressing those conditions.

AMENDED IN ASSEMBLY JUNE 24, 2010

AMENDED IN ASSEMBLY JUNE 21, 2010

AMENDED IN SENATE APRIL 29, 2010

AMENDED IN SENATE APRIL 27, 2010

AMENDED IN SENATE APRIL 13, 2010

SENATE BILL

No. 1174

**Introduced by Senator Wolk
(Principal coauthor: Senator Price)**

February 18, 2010

An act to add Section ~~65302.10 to the Government~~ 75128.5 to the *Public Resources* Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 1174, as amended, Wolk. Land use: general plan: Future Sustainable Communities Pilot Project.

The Planning and Zoning Law requires a city or county to adopt a comprehensive, long-term general plan for the physical development of the city or county and of any land outside its boundaries that bears relation to its planning. That law also requires the general plan to contain specified mandatory elements, including, among others, a housing element for the preservation, improvement, and development of the community's housing.

Existing law requires the Strategic Growth Council to manage and award financial assistance to specified regional and local governments to support the planning and development of sustainable communities, as specified, from bond funds made available through the Safe Drinking

Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

This bill would establish the Future Sustainable Communities Pilot Project. The bill would ~~require~~ *authorize* a city or county with a disadvantaged unincorporated community, as defined, inside or near its boundaries to apply to the Strategic Growth Council, as specified, to receive the financial assistance necessary to update its general plan to facilitate the transformation of the disadvantaged unincorporated community into a sustainable community. *The bill would require the Strategic Growth Council to choose 5 cities and 5 counties with a disadvantaged unincorporated community inside or near their boundaries to receive financial assistance.* The bill would require, upon receipt of the financial assistance from the council, the city or county to review, prepare, and adopt amendments to one or more elements of its general plan, as necessary to include data and analysis, goals, implementation measures, policies, and objectives to address the presence of *unincorporated* island, *unincorporated* fringe, or *unincorporated* legacy ~~unincorporated~~ communities, *as* respectively ~~as~~ defined, inside or near its boundaries, and to incorporate into the general plan specified purposes relating to the establishment of sustainable communities. The bill would also require the updated general plan to include specified information. This bill would further require the city or county to make a diligent effort to involve all members of the public in preparing the review and update of the general plan. ~~By adding to the duties of a city or county with a disadvantaged unincorporated community inside or near its boundaries, this bill would impose a state-mandated local program.~~

~~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~~-no.

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

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:

1 (1) Hundreds of disadvantaged unincorporated communities,
2 commonly referred to as “colonias,” exist in California. There are
3 more than 200 of these communities in the San Joaquin Valley
4 alone. Many of these communities are geographically isolated
5 islands, surrounded by the city limits of large and medium-sized
6 cities.

7 (2) Conditions within these disadvantaged unincorporated
8 communities evidence a distinct lack of public and private
9 investment that threatens the health and safety of the residents of
10 these communities and fosters economic, social, and educational
11 inequality. Many of these communities lack basic infrastructure,
12 including, but not limited to, streets, sidewalks, storm drainage,
13 clean drinking water, and adequate sewer service.

14 (3) Proposition 84, as implemented by Chapter 729 of the
15 Statutes of 2008, provides bond funds to support the planning and
16 development of sustainable communities, and requires the Strategic
17 Growth Council to manage and award financial assistance from
18 those funds for planning that (A) improves air and water quality,
19 (B) improves natural resource protection, (C) increases the
20 availability of affordable housing, (D) improves transportation,
21 (E) reduces greenhouse gas emissions, and (F) encourages
22 sustainable land use.

23 (4) Given the need for investment in infrastructure in
24 California’s disadvantaged unincorporated communities, and the
25 need to plan for, and to invest in the creation of, sustainable
26 communities, a policy that unites those goals to address them
27 concurrently is in the best interest of the people of California.

28 (b) It is the intent of the Legislature to encourage ~~each city and~~
29 ~~county~~ *cities and counties*, through participation in the Future
30 Sustainable Communities Pilot Project or otherwise, to identify
31 disadvantaged communities and ways to improve the conditions
32 that exist within them, and to review and update its general plan
33 to address and improve those conditions, while concurrently
34 implementing the purposes set forth in Proposition 84 and Chapter
35 729 of the Statutes of 2008.

36 ~~SEC. 2.— Section 65302.10 is added to the Government Code;~~
37 ~~to read:~~

38 ~~65302.10. (a) As used in this section, the following terms shall~~
39 ~~have the following meanings:~~

1 ~~(1) “Disadvantaged unincorporated community” means a fringe,~~
2 ~~island, or legacy community in which the median household~~
3 ~~income is 80 percent or less than the statewide median household~~
4 ~~income.~~

5 ~~(2) “Unincorporated fringe community” means any inhabited~~
6 ~~and unincorporated territory that is within a city’s sphere of~~
7 ~~influence.~~

8 ~~(3) “Unincorporated island community” means any inhabited~~
9 ~~and unincorporated territory that is surrounded or substantially~~
10 ~~surrounded by one or more cities or by one or more cities and a~~
11 ~~county boundary or the Pacific Ocean.~~

12 ~~(4) “Unincorporated legacy community” means a geographically~~
13 ~~isolated community that is inhabited and has existed for at least~~
14 ~~50 years.~~

15 ~~(b) There is hereby established the Future Sustainable~~
16 ~~Communities Pilot Project. Pursuant to the project, a city or county~~
17 ~~with a disadvantaged unincorporated community inside or near its~~
18 ~~boundaries shall apply to the Strategic Growth Council, pursuant~~
19 ~~to subdivision (a) of Section 75128 of the Public Resources Code,~~
20 ~~to receive the financial assistance necessary to update the city’s~~
21 ~~or county’s general plan in order to facilitate the transformation~~
22 ~~of the disadvantaged unincorporated community into a sustainable~~
23 ~~community. Upon receipt of financial assistance from the Strategic~~
24 ~~Growth Council, the planning agency of the city or county shall~~
25 ~~review and prepare, and the legislative body of the city or county~~
26 ~~shall adopt, amendments to one or more elements of the city or~~
27 ~~county general plan as necessary to include data and analysis,~~
28 ~~goals, implementation measures, policies, and objectives to address~~
29 ~~the presence of unincorporated island, fringe, or legacy~~
30 ~~communities inside or near the city’s or county’s boundaries, and~~
31 ~~to incorporate in the general plan the purposes set forth in~~
32 ~~subdivision (a) of Section 75128 of the Public Resources Code,~~
33 ~~in order to facilitate the transformation of the disadvantaged~~
34 ~~unincorporated communities into sustainable communities. The~~
35 ~~updated general plan shall include all of the following:~~

36 ~~(1) In the case of a city, an identification of each unincorporated~~
37 ~~island or fringe community, or in the case of a county, of each~~
38 ~~legacy community. This identification shall include a description~~
39 ~~of the community and a map designating its location.~~

1 ~~(2) For each identified community, an analysis of all of the~~
2 ~~following:~~

3 ~~(A) The extent to which households in the community lack~~
4 ~~access to sanitary sewer service, the extent to which improved~~
5 ~~sanitary sewer service would improve water quality, water~~
6 ~~conservation, and natural resource protection, and the extent to~~
7 ~~which it would encourage sustainable land use, allow for greater~~
8 ~~infill and compact development, and revitalize urban community~~
9 ~~centers:~~

10 ~~(B) The extent to which households in the community lack~~
11 ~~access to municipal water service, the extent to which municipal~~
12 ~~water service would improve water quality, water conservation,~~
13 ~~and natural resource protection, and the extent to which it would~~
14 ~~encourage sustainable land use, allow for greater infill and compact~~
15 ~~development, and revitalize urban community centers:~~

16 ~~(C) The extent to which the community lacks~~
17 ~~paved roads, storm drainage, sidewalks, and street lighting, and~~
18 ~~the extent to which improvement in those areas would encourage~~
19 ~~sustainable land use, allow for greater infill and compact~~
20 ~~development, and revitalize urban community centers:~~

21 ~~(3) An analysis of the city's or county's current programs and~~
22 ~~activities to address the conditions or deficiencies described in~~
23 ~~paragraph (2), and an identification of any constraints to addressing~~
24 ~~those conditions or deficiencies in a manner consistent with the~~
25 ~~purposes set forth in subdivision (a) of Section 75128 of the Public~~
26 ~~Resources Code. The analysis shall evaluate whether annexation~~
27 ~~of, or extension of service to, any identified island or fringe~~
28 ~~community is appropriate.~~

29 ~~(4) A statement setting forth the city's or county's specific,~~
30 ~~quantified goals, taking into consideration, and giving maximum~~
31 ~~effect to, the purposes set forth in subdivision (a) of Section 75128~~
32 ~~of the Public Resources Code, for eliminating or reducing the~~
33 ~~conditions or deficiencies described in paragraph (2) and found to~~
34 ~~be present in an unincorporated island, fringe, or legacy community~~
35 ~~within or proximate to the boundaries of the city or county:~~

36 ~~(5) A set of flexible implementation measures designed to carry~~
37 ~~out the goals described in paragraph (4), including an identification~~
38 ~~of resources and a timeline of actions:~~

39 ~~(e) In preparing the review and update required by this section,~~
40 ~~the city or county shall make a diligent effort to involve all~~

1 members of the public, including, but not limited to, residents of
2 the island, fringe, or legacy communities.

3 ~~SEC. 3. No reimbursement is required by this act pursuant to~~
4 ~~Section 6 of Article XIII B of the California Constitution because~~
5 ~~a local agency or school district has the authority to levy service~~
6 ~~charges, fees, or assessments sufficient to pay for the program or~~
7 ~~level of service mandated by this act, within the meaning of Section~~
8 ~~17556 of the Government Code.~~

9 *SEC. 2. Section 75128.5 is added to the Public Resources Code,*
10 *to read:*

11 *75128.5. (a) As used in this section, the following terms shall*
12 *have the following meanings:*

13 *(1) "Disadvantaged unincorporated community" means an*
14 *unincorporated fringe, unincorporated island, or unincorporated*
15 *legacy community in which the median household income is 80*
16 *percent or less than the statewide median household income.*

17 *(2) "Unincorporated fringe community" means an inhabited*
18 *and unincorporated territory that is within a city's sphere of*
19 *influence.*

20 *(3) "Unincorporated island community" means an inhabited*
21 *and unincorporated territory that is surrounded or substantially*
22 *surrounded by one or more cities or by one or more cities and a*
23 *county boundary or the Pacific Ocean.*

24 *(4) "Unincorporated legacy community" means a*
25 *geographically isolated community that is inhabited and has existed*
26 *for at least 50 years.*

27 *(b) There is hereby established the Future Sustainable*
28 *Communities Pilot Project. The purpose of the project is to provide*
29 *funding to update a city's or county's general plan in order to*
30 *facilitate the transformation of a disadvantaged unincorporated*
31 *community into a sustainable community. Cities and counties with*
32 *a disadvantaged unincorporated community inside or near their*
33 *boundaries may apply to the Strategic Growth Council for funding*
34 *made available pursuant to subdivision (c) of Section 75065, as*
35 *prescribed in (a) of Section 75128. The Strategic Growth Council*
36 *shall choose five cities and five counties that meet the qualifications*
37 *as prescribed in this section.*

38 *(c) Upon receipt of financial assistance from the Strategic*
39 *Growth Council, the planning agency of the city or county shall*
40 *review and prepare, and the legislative body of the city or county*

1 shall adopt, amendments to one or more elements of the city's or
2 county's general plan as necessary to include data and analysis,
3 goals, implementation measures, policies, and objectives to address
4 the presence of unincorporated island, fringe, or legacy
5 communities inside or near the city's or county's boundaries, and
6 to incorporate in the general plan efforts that include improving
7 air and water quality, improving natural resource protection,
8 increasing the availability of affordable housing, improving
9 transportation, meeting the goals of the California Global Warming
10 Solutions Act of 2006 (Division 25.5 (commencing with Section
11 38500) of the Health and Safety Code), and encouraging
12 sustainable land use, as prescribed in subdivision (a) of Section
13 75128, in order to facilitate the transformation of the
14 disadvantaged unincorporated communities into sustainable
15 communities.

16 (d) The updated general plan shall include all of the following:

17 (1) In the case of a city, an identification of each unincorporated
18 island or unincorporated fringe community, or in the case of a
19 county, an identification of each unincorporated legacy community.
20 This identification shall include a description of the community
21 and a map designating its location.

22 (2) For each identified community, an analysis of all of the
23 following:

24 (A) The extent to which households in the community lack access
25 to sanitary sewer service, municipal water service, and paved
26 roads, storm drainage, sidewalks, and street lighting.

27 (B) The extent to which improved sanitary sewer service,
28 improved municipal water service, and improved paved roads,
29 storm drainage, sidewalks, and street lighting, would improve
30 water quality, water conservation, and natural resource protection,
31 and the extent to which improvements would encourage sustainable
32 land use, allow for greater infill and compact development, and
33 revitalize urban community centers.

34 (3) An analysis of the city's or county's current programs and
35 activities to address the conditions or deficiencies described in
36 paragraph (2) and an identification of any constraints to
37 addressing those conditions or deficiencies. The analysis shall
38 evaluate whether annexation of, or extension of service to, an
39 identified unincorporated island or unincorporated fringe
40 community is appropriate.

1 (4) A statement setting forth the city's or county's specific,
2 quantified goals for eliminating or reducing the conditions or
3 deficiencies described in paragraph (2) and found to be present
4 in an unincorporated island, unincorporated fringe, or
5 unincorporated legacy community within or proximate to the
6 boundaries of the city or county, taking into consideration and
7 giving maximum effect to an effort to improve air and water quality,
8 improve natural resource protection, increase the availability of
9 affordable housing, improve transportation, meet the goals of the
10 California Global Warming Solutions Act of 2006 (Division 25.5
11 (commencing with Section 38500) of the Health and Safety Code),
12 and encourage sustainable land use, as prescribed in subdivision
13 (a) of Section 75128.

14 (5) A set of flexible implementation measures designed to carry
15 out the goals described in paragraph (4), including an
16 identification of resources and a timeline of actions.

17 (e) In preparing the review and update required by this section,
18 the city or county shall make a diligent effort to involve all
19 members of the public, including, but not limited to, residents of
20 the unincorporated island, unincorporated fringe, or
21 unincorporated legacy communities.

BILL ANALYSIS

Date of Hearing: June 30, 2010

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Cameron Smyth, Chair
SB 1174 (Wolk) - As Amended: June 24, 2010

SENATE VOTE : 22-14

SUBJECT : Land use: general plan: Future Sustainable Communities Pilot Project.

SUMMARY : Creates, under the Strategic Growth Council (SGC), the Future Sustainable Communities Pilot Project to provide financial assistance to five cities and five counties to update their general plans in order to facilitate the transformation of disadvantaged unincorporated communities into sustainable communities, using funds from Proposition 84 (2006). Specifically, this bill :

- 1) Defines "disadvantaged unincorporated community" to mean an unincorporated fringe, unincorporated island, or unincorporated legacy community in which the median household income is 80% or less than the statewide median household income.
- 2) Defines "unincorporated fringe community" to mean any inhabited and unincorporated territory that is within a city's sphere of influence.
- 3) Defines "unincorporated island community" to mean any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities or by one or more cities and a county boundary or the Pacific Ocean.
- 4) Defines "unincorporated legacy community" to mean a geographically isolated community that is inhabited and has existed for at least 50 years.
- 5) Establishes the Future Sustainable Communities Pilot Project and states that the purpose of the project is to provide funding to update a city's or county's general plan in order to facilitate the transformation of a disadvantaged unincorporated community into a sustainable community.
- 6) Authorizes cities and counties with a disadvantaged unincorporated community inside or near their boundaries to apply to SGC for funding through the Future Sustainable Communities Pilot Project.
- 7) Provides that funding for the Future Sustainable Communities Pilot Project shall come from the \$90 million pot contained in Proposition 84 that is set aside for planning grants and planning incentives, including revolving loan programs and other methods to encourage the development of regional and local land use plans that are designed to promote water conservation, reduce automobile use and fuel consumption, encourage greater infill and compact development, protect natural resources and agricultural lands, and revitalize urban

and community centers.

- 8) Requires SGC to choose five cities and five counties that meet the qualifications as prescribed by this bill for the Future Sustainable Communities Pilot Project.
- 9) Specifies that upon receipt of financial assistance from SGC, the planning agency of the pilot city or pilot county shall review and prepare, and the legislative body of the pilot city or pilot county shall adopt amendments to one or more elements of the city's or county's general plan as necessary to include the data and analysis, goals, implementation measures, policies, and objectives to address the presence of unincorporated island, fringe, or legacy communities inside or near the city's or county's boundaries, and to incorporate in the general plan efforts that include improving air and water quality, improving natural resource protection, increasing the availability of affordable housing, improving transportation, meeting the goals of the California Global Warming Solutions Act of 2006 (AB 32), and encouraging sustainable land use in order to facilitate the transformation of the disadvantaged unincorporated communities into sustainable communities.
- 10) Provides that the updated general plan shall include all of the following:
 - a) In the case of a city, an identification of each unincorporated island or unincorporated fringe community, or in the case of a county, of each unincorporated legacy community, and requires the identification to include a description of the community and a map designating its location;
 - b) For each identified community, an analysis of all of the following:
 - i) The extent to which households in the community lack access to sanitary service, municipal water service, and paved roads, storm drainage, sidewalks, and street lighting;
 - ii) The extent to which improved sanitary sewer service, improved municipal water service, and improved paved roads, storm drainage, sidewalks, and street lighting, would improve water quality, water conservation, and natural resource protection, and the extent to which improvements would encourage sustainable land use, allow for greater infill and compact development, and revitalize urban community centers.
 - c) An analysis of the city's or county's current programs and activities to address the conditions or deficiencies described in b), and an identification of any constraints to addressing those conditions or deficiencies, and provides that the analysis shall evaluate whether annexation of, or extension of service to, any identified island or fringe community is appropriate.
 - d) A statement setting forth the city's or county's specific, quantified goals for eliminating or reducing the conditions or deficiencies described in b) and found to be present in an unincorporated island, unincorporated fringe,

or unincorporated legacy community within or proximate to the boundaries of the city or county, taking into consideration and giving maximum effect to an effort to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the goals of AB 32, and encourage sustainable land use.

e) A set of flexible implementation measures designed to carry out the goals described in d), including an identification of resources and a timeline of actions.

11) Requires the city or county, in preparing the review and update required by this bill, to make a diligent effort to involve all members of the public, including, but not limited to, residents of the unincorporated island, unincorporated fringe, or unincorporated legacy communities.

12) Makes findings and declarations about the existence and needs of disadvantaged unincorporated communities in California.

13) States that it is the intent of the Legislature to encourage cities and counties, through participation in the Future Sustainable Communities Pilot Project or otherwise, to identify disadvantaged communities and ways to improve the conditions that exist within them, and to review and update its general plan to address and improve those conditions, while concurrently implementing the purposes set forth in Proposition 84 and SB 732 (Steinberg), Chapter 729, Statutes of 2008.

EXISTING LAW :

1) Authorizes approximately \$5.4 billion in general obligation bonds for safe drinking water, water quality and water supply, flood control, natural resource protection, and park improvements pursuant to Proposition 84, of which \$90 million is specified for planning grants and incentives and \$90 million for urban greening programs.

2) Provides for the creation of SGC, and provides that SGC shall:

a) Identify and review activities and funding programs of member state agencies that may be coordinated to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the goals

of the California Global Warming Solutions Act of 2006, encourage sustainable land use planning, and revitalize urban and community centers in a sustainable manner;

b) Recommend policies and investment strategies and priorities to the Governor, the Legislature, and to appropriate state agencies to encourage the development of sustainable communities;

c) Provide, fund, and distribute data and information to local governments and regional agencies that will assist in developing and planning sustainable communities;

- d) Manage and award grants and loans to support the planning and development of sustainable communities; and,
 - e) Develop guidelines for awarding financial assistance and eligibility, and develop criteria for determining the amount of financial assistance.
- 3) States that SGC, for the planning and development of sustainable communities, shall award a revolving loan to an applicant for a planning project, unless SGC determines that the applicant lacks the fiscal capacity to carry out the project without a grant.
- 4) Requires every city and county to adopt a general plan with seven mandatory elements including land use, circulation, housing, conservation, open space, noise, and safety.
- 5) Establishes the procedures for the organization and reorganization of cities, counties, and special districts under the Cortese-Knox-Hertzberg Local Reorganization Act of 2000.

FISCAL EFFECT : Unknown

COMMENTS :

- 1) SB 732 (Steinberg), Chapter 729, Statutes of 2008, created the SGC, consisting of the Director of the Office of Planning and Research (OPR), the Secretary of the Natural Resources Agency, the Secretary of the Environmental Protection Agency, the Secretary of the Business, Transportation and Housing Agency, the Secretary of the California Health and Human Services Agency, and a public member. The SGC is required to recommend policies to the Governor, state agencies, and the Legislature to encourage the development of sustainable communities and provide local governments and regional agencies with data to assist in planning sustainable communities. The SGC is charged with awarding and managing grants for the \$90 million pot contained in Proposition 84 - "The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" that was specifically set aside for "planning grants and incentives." Additionally, the SGC has the responsibility of commenting on OPR's Environmental Goals and Policies Report (EGPR) and the state's five-year infrastructure plan. AB 1473 (Hertzberg), Chapter 606, Statutes of 1999, required the Governor, beginning in 2002, to submit annually a five-year proposed capital improvement plan to the Legislature that includes proposed capital improvement projects and their proposed funding sources.
- 2) SB 1174 creates the Future Sustainable Communities Pilot Project under SGC to provide financial assistance to five cities and five counties, as chosen by the SGC, to update their general plans in order to facilitate the transformation of disadvantaged unincorporated communities into sustainable communities, to be funded by a pot of planning money contained in Proposition 84. Once funding is received by the local government, the city or county would then review and prepare amendments to their General Plan to address the presence of

- these types of disadvantaged unincorporated communities, including the extent to which the households in the communities lack access to sanitary sewer service, municipal water service, paved roads, storm drainage, sidewalks, and street lighting, and how improvements in these areas would encourage sustainable land use.
- 3) According to the author, SB 1174 addresses a very serious public health and planning problem in California - the existence of hundreds of disadvantaged unincorporated communities that lack basic necessities such as clean drinking water, adequate sewage disposal and other critical infrastructure. The author notes that there is funding contained in Proposition 84 that is aimed to begin planning and addressing the needs of these communities, and this bill helps to implement policy toward that direction by creating a pilot project for five cities and five counties.
 - 4) SGC released final guidelines for the Sustainable Communities Planning Grant and Incentives Program in March of 2010, with a proposed application due date of August 31, 2010 for local governments. The guidelines specify that at least 20% of each round of funding shall be prioritized for projects that target economically disadvantaged communities (EDCs). The SGC guidelines define an EDC as a community with a median household income less than 80% of the statewide average. The Committee may wish to ask the author why it is necessary to establish a new, somewhat duplicative program under SGC specifically designed for disadvantaged communities, when the disadvantaged unincorporated communities targeted in this bill are already eligible to apply for the existing Sustainable Communities Grant and Incentives Program.

Additionally, the Committee may wish to ask the author how the bill's provisions would work in light of the timeline of having grant applications due for the existing program this summer. Is the intention to carve out funding from the \$90 million pot to be used exclusively for the Future Sustainable Communities Pilot Project, or would the provisions of SB 1174 be used as additional criteria for the existing prioritization for EDCs under the Sustainable Communities Planning Grant and Incentives Program?

- 5) SB 1174 links together the addressing of the presence of disadvantaged unincorporated communities by the pilot local government with concepts of sustainability - specifically improving air and water quality, improving natural resource protection, increasing the availability of affordable housing, improving transportation, meeting the goals of AB 32, encouraging sustainable land use, allowing for greater infill and compact development, and revitalizing urban community centers. The Committee may wish to ask the author if local governments will be able to accomplish all of these sustainability goals through identifying and addressing disadvantaged unincorporated communities and analyzing their infrastructure needs.
- 6) Existing law states that SGC, for the planning and development of sustainable communities, shall award a revolving loan to an

applicant for a planning project, unless SGC determines that the applicant lacks the fiscal capacity to carry out the project without a grant. The Committee may wish to ask the author if a revolving loan will suffice for the new planning duties under the provisions of this bill for entities that participate in the Future Sustainable Communities Pilot Project.

7) There are several other bills moving through the legislative process that address the needs of unincorporated disadvantaged communities, including AB 853 (Arambula) and SB 194 (Florez). The Committee may wish to ask the author how these bills align with SB 1174.

8) Support Arguments : Supporters argue that over one million Californians live in disadvantaged unincorporated communities, and residents of these areas often live without the most basic features of a safe and healthy environment. Few local governments' local land use plans focus any attention on the existence of disadvantaged unincorporated communities, much less how to solve their many challenges. SB 1174 begins to address these disparities and also helps to prepare public officials to make better decisions based on better information.

Opposition Arguments : Providing funds for local governments to complete planning duties is a noble goal; however, having funds to do the planning does not necessarily mean that issues like lack of sanitary sewer service, lack of municipal water service and lack of paved roads and sidewalks will be resolved because the city or county will need additional funding and resources to complete those infrastructure improvements. The Committee may wish to consider if it may be more prudent to stick to the current SGC process instead of tying its hands even more.

REGISTERED SUPPORT / OPPOSITION :

Support

California Rural Legal Assistance Foundation [CO-SPONSOR]
PolicyLink [CO-SPONSOR]
CA Coalition for Rural Housing
CA Communities Against Toxics
CA Environmental Rights Alliance
CA Pan-Ethnic Health Network
CA Safe Schools
Catholic Charities, Diocese of Stockton
Clean Water Action
Community Water Center
Del Amo Action Committee
Dolores Huerta Foundation
Ella Baker Center for Human Rights
Environmental Justice Coalition for Water
Fresno Metro Ministry
Having Our Say
Healthy Places Coalition
Henry Perea, Fresno County Board of Supervisors
Housing California
Just Transition Alliance

Latino Coalition for a Healthy California
Michael Rubio, Kern County Board of Supervisors
Physicians for Social Responsibility
San Joaquin Valley Latino Environmental Advancement Project
Sierra Club California
Urban Habitat
One individual

Neutral (based on June 24, 2010 version)

County of Los Angeles

Opposition (based on the April 29, 2010 version)

American Planning Association (APA)
CA Chapter of APA
CA State Association of Counties
Cities of: Cerritos, Fountain Valley, Sacramento, Visalia
County of Butte
League of CA Cities
Regional Council of Rural Counties

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