



September 10, 2018

The Honorable Edmund G. Brown, Jr.  
Governor, State of California  
State Capitol  
Sacramento, CA 95814

Re: **AB 2258** (Caballero): Local agency formation commissions: grant program  
Request for Signature

Dear Governor Brown:

The Humboldt local agency formation commission (LAFCo) joins the California Association for Local Agency Formation Commissions (CALAFCO) in respectfully **requesting your signature on Assembly Bill 2258** by Assembly Member Anna Caballero. Sponsored by CALAFCO, **AB 2258** establishes a grant program administered by the Strategic Growth Council for California's 58 LAFCOs to provide grants to LAFCOs to address known service and governance concerns in disadvantaged communities.

The five-year grant funding program provides financial assistance to conduct studies and analyses of local government agencies and services serving disadvantaged communities for the purposes of creating improved efficiencies in the delivery of services and to complete the process to terminate inactive special districts. The bill authorizes the grant program for a limited time period, upon appropriation in the annual Budget Act and sunsets July 31, 2024.

As you know, LAFCOs are responsible for meeting important statutory directives to maintain orderly boundaries and seek greater efficiencies in delivering local services, and yet these directives often cannot be consistently met under current funding mechanisms. As a result, much-needed LAFCo activities are sometimes delayed or rejected due to lack of funds. In fact, an August 2017 Little Hoover Commission report on special districts outlined these concerns about LAFCOs and recommended the Legislature consider one-time grant funding to pay for specified activities, suggesting a small amount of funding could save taxpayers money in the long-term if local government services are streamlined and efficiency is improved.

In Humboldt County, there is tremendous opportunity to promote greater efficiencies and long-term sustainability through district formation, expansion, and consolidation. For example, the recent formation of fire protection districts in Briceland, Bridgeville and Fruitland Ridge demonstrates that, with the establishment of sustainable revenue sources, small non-district fire companies that previously relied solely on fundraising can become self-sufficient and stable agencies, ensuring a higher level of protection for their communities. The formation and expansion of fire-related district boundaries also supports future subdivision and associated development within Humboldt County by ensuring a source of revenue for not only local fire jurisdictions but also revenue for the County in the form of new property taxes and resulting economic development.

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**AB 2258** establishes a grant program – contingent upon an appropriation in a future budget – administered by the Strategic Growth Council, to provide LAFCOs with funding to initiate and complete dissolution of inactive districts as identified by the State Controller's Office, prepare special studies, and potentially initiate actions based on determinations contained in the study. The program includes specific eligible activities, limited to services provided in disadvantaged communities, and a requirement to report to the Strategic Growth Council as to the use of grant funds.

Through **AB 2258**, LAFCOs and service providers can work together to create greater efficiencies in the provision of sustainable municipal services, focusing on disadvantaged communities throughout California, by directing much needed resources to these areas.

We respectfully request your signature on **AB 2258** when it comes before you for action. Please don't hesitate to reach out with questions or concerns.

Sincerely,



Estelle Fennell, Chair  
Humboldt LAFCo

cc: The Honorable Anna Caballero, California State Assembly  
The Honorable Tim Grayson, co-author, California State Assembly  
The Honorable Robert Hertzberg, co-author, California State Senate  
Mr. Tom Dyer, Chief Deputy Legislative Secretary to the Governor  
Ms. Pamela Miller, CALAFCO Executive Director