



**Voting Members**

Donald Dear  
Chair  
  
Gerald McCallum  
1st Vice-Chair  
  
Margaret Finlay  
2nd Vice-Chair

Kathryn Barger  
Lindsey Horvath  
John Lee  
Robert Lewis  
John Mirisch  
Francine Oschin

**Alternate Members**

Micah Ali  
Anthony Bell  
Wendy Celaya  
Angie Reyes English  
Hilda Solis  
Vacant  
(City of Los Angeles)

**Staff**

Paul Novak  
Executive Officer  
  
Adriana Romo  
Deputy Executive Officer  
  
Amber De La Torre  
Doug Dorado  
Adriana Flores  
Taylor Morris  
Alisha O'Brien

80 South Lake Avenue  
Suite 870  
Pasadena, CA 91101  
Phone: 626.204.6500  
Fax: 626.204.6507

[www.lalafco.org](http://www.lalafco.org)

May 20, 2024

California State Assembly  
1021 O Street, Suite 8220  
Sacramento, CA 95814

Subject: ***Oppose AB 2986***

Honorable Members of the Assembly:

As the Supervisor representing the First District of Los Angeles County, which includes the unincorporated community of East Los Angeles; and the Chair of the Local Agency Formation Commission for the County of Los Angeles (LA LAFCO); **we write to convey our strong opposition to AB 2986 by Assemblymember Wendy Carrillo.**

We note that Los Angeles County and LA LAFCO are the two public agencies most impacted were AB 2986 to become law. The support of our colleagues on the respective public agencies we represent is consistent: at its April 9, 2024 Meeting, LA LAFCO commissioners voted unanimously to oppose Assembly Bill 2986; and at is April 23, 2024 meeting, the Los Angeles County Board of Supervisors voted unanimously to oppose Assembly Bill 2986.

AB 2986 would require LA LAFCO to create the East Los Angeles Task Force (Task Force), assigned the responsibility to assess and analyze the potential impacts of incorporating East Los Angeles or establishing special districts within the area. There have been four (4) prior - and unsuccessful - attempts to incorporate East Los Angeles. The economic analysis for the most recent incorporation in 2012, documented that East Los Angeles does not have the tax revenue to sustain itself as required by State law. The Comprehensive Fiscal Analysis (CFA) commissioned by LA LAFCO documented a \$19 million deficit in the city’s first year, with deficits projected to continue for the first ten (10) years of cityhood. In short, the CFA conclusively documented not only that the city was infeasible, but that expenses would significantly exceed revenue for several years.

The CFA underscored the considerable fiscal challenges confronting East Los Angeles, stemming from insufficient revenues to pay for continuously escalating expenses. These challenges encompass non-taxable assets such as cemeteries and freeways, constrained revenue-generating capabilities, protracted incorporation procedures, and the State’s withdrawal of the Vehicle License Fee (VLF) Bump for new cities since 2012 (SB 89). Preliminary data indicate a substantial surge in costs for East Los Angeles, with expenses from the Sheriff’s Department escalating by 66% and those from the Consolidated Fire Protection District by 59%, among other expenses. Although Los Angeles County uses other funds to cover the costs exceeding the property tax revenues collected from taxpayers in East Los Angeles, a new City of East Los Angeles would not have that luxury. The only feasible options for a new city would be to increase fees on

landowners, residents, and businesses, reduce service levels, or privatize services. These options are neither preferred nor desirable for East Los Angeles, a community that is a designated Disadvantaged Unincorporated Community (one in which the annual median income is less than 80% of the statewide annual median household income).

Reduced service levels or the privatization of the services would mean the loss of union County jobs. This is why the County's union partners stand with us to oppose AB 2986, including: Service Employee International Union (SEIU) 721, SEIU 2015, California Association of Professional Employees (CAPE), the Association for Los Angeles Deputy Sheriffs (ALADS), Los Angeles County Firefighters Local 1014, Los Angeles County Probation Officers' Union, the International Brotherhood of Electrical Workers Local 11 and the Union of American Physicians and Dentists (UAPD).

If AB 2986 passes, both Los Angeles County and LA LAFCO will incur substantial costs. The estimated cost for the County to comply with AB 2986 is \$5.1 million, and the estimated costs for LA LAFCO to comply with AB 2986 is \$750,000, for a total of approximately \$5.8 million. Further, AB 2986 would divert staff from important County and LAFCO functions, a problem that is particularly acute for LA LAFCO, with a small staff and myriad ongoing responsibilities.

As noted previously, this would be the fourth time a proposal to incorporate East Los Angeles has been filed with LAFCO: two were defeated by the voters (1961 and 1975), one did not garner the required number of petition signatures (1963), and one was denied by the Commission (2012). There is no evidence available now to demonstrate that a future cityhood effort would yield a different outcome.

We also share a strong concern that AB 2986 is counter to the existing law governing LAFCOs, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 *et seq*). The State of California created LAFCOs to review proposals applications to change the boundary and service territory of cities and special districts. AB 2986 would put LAFCO in the uncomfortable role of assembling a proposal to incorporate a new city or form a new special district, reviewing and analyzing that same proposal, and then making a recommendation concerning the same proposal to the Commission. Asking LAFCO to be both the applicant and the review/approving authority is both an inherent conflict of interest and inappropriate conduct for a public agency.

Upon reviewing the fiscal analysis, which documented that a City of East Los Angeles was not economically viable, LA LAFCO voted to deny cityhood in February of 2012. Since then, and for a period of more than twelve (12) years, no East Los Angeles stakeholder had contacted LAFCO about a potential city incorporation. In fact, no such contact occurred until early May, shortly after Assemblymember Carrillo used the "gut and amend" process to reconfigure AB 2986 to address East Los Angeles.

Although Assemblywoman Carrillo recently amended AB 2986 to make the bill "contingent upon an appropriation by the Legislature in an amount sufficient to

reimburse the LALAFCO for its costs to implement this section.” This amendment does not address the other serious concerns cited herein.

For these reasons, we respectfully urge you to vote “NO” on AB 2986.

Should you or your staff have questions or concerns, please contact Waqas Rehman of the First District at [wrehman@bos.lacounty.gov](mailto:wrehman@bos.lacounty.gov) or Paul Novak of LAFCO at [pnovak@lalafco.org](mailto:pnovak@lalafco.org).

Sincerely,



HILDA L. SOLIS  
Supervisor, First District  
Los Angeles County

DONALD L. DEAR  
Chair  
LA LAFCO