Introduced by Senator Kuehl

February 23, 2007

An act to amend Section 66473.7 of, *and to add Section 65852.10* to, the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 821, as amended, Kuehl. Land use: water supplies.

(1) Under existing law, the Subdivision Map Act prohibits approval of a tentative map, or a parcel map for which a tentative map was not required, or a development agreement for a subdivision of property of more than 500 dwelling units, except as specified, including the design of the subdivision or the type of improvement, unless the legislative body of a city or county or the designated advisory agency provides written verification from the applicable public water system that a sufficient water supply is available or, in addition, a specified finding is made by the local agency that sufficient water supplies are, or will be, available prior to completion of the project. Under these provisions, "subdivision" means a proposed residential development of more than 500 dwelling units, except as specified.

This bill would reduce the number of dwelling units to 250 or more. By this reduction, the bill would increase the duties of local planning officials and, thereby, impose a state-mandated local program.

(2) 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, if the Commission on State Mandates determines that the bill contains costs mandated by the state,

SB 821 — 2—

reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would also establish these same sufficient water supply requirements as a condition in any entitlement for a project, as defined.

(2) 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.

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

- 1 SECTION 1. Section 65852.10 is added to the Government 2 Code, to read:
- 3 65852.10. (a) As used in this section, the following definitions 4 apply:
 - (1) "Entitlement" means a permit, use permit, conditional use permit, special use permit, or building permit, whether discretionary or ministerial, issued by a local agency for the construction of a project, or a development agreement authorized pursuant to Article 2.5 (commencing with Section 65864).
- 10 (2) "Local agency" means a city, including a charter city, a 11 county, and a city and county.
 - (3) "Project" means all of the following:
- 13 (A) A proposed shopping center or business establishment 14 employing more than 1,000 persons or having more than 500,000 15 square feet of floor space.
- 16 (B) A proposed commercial office building employing more 17 than 1,000 persons or having more than 250,000 square feet of 18 floor space.
- 19 (C) A proposed hotel or motel, or both, having more than 500 20 rooms.
- 21 (D) A proposed industrial, manufacturing, or processing plant, 22 or industrial park planned to house more than 1,000 persons,
- 23 occupying more than 40 acres of land, or having more than
- 24 650,000 square feet of floor area.

5

3 SB 821

(E) A mixed-use project that includes one or more of the projects specified in this paragraph.

- (F) A project that would demand an amount of water equivalent to, or greater than, the amount of water required by 500 dwelling units.
- (4) "Public water system" means the water supplier that is, or may become as a result of serving the project pursuant to subdivision (b), a public water system, as defined in Section 10912 of the Water Code, that may supply water for a project.
- (5) "Sufficient water supply" means the total water supplies available during normal, single-dry, and multiple-dry years within a 20-year projection that will meet the projected demand associated with the proposed project, in addition to existing and planned future uses, including, but not limited to, agricultural and industrial uses. In determining "sufficient water supply," all of the following factors shall be considered:
- (A) The availability of water supplies over a historical record of at least 20 years.
- (B) The applicability of an urban water shortage contingency analysis prepared pursuant to Section 10632 of the Water Code that includes actions to be undertaken by the public water system in response to water supply shortages.
- (C) The reduction in water supply allocated to a specific water use sector pursuant to a resolution or ordinance adopted, or a contract entered into, by the public water system, as long as that resolution, ordinance, or contract does not conflict with Section 354 of the Water Code.
- (D) The amount of water that the water supplier can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state, and local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet the criteria of subdivision (d).
- (b) (1) A local agency shall include, as a condition in any entitlement for a project, a requirement that a sufficient water supply be available. Proof of the availability of a sufficient water supply shall be requested by the applicant or local agency, at the discretion of the local agency, and shall be based on written

SB 821 —4—

 verification from the applicable public water system within 90 days of a request.

- (2) If the public water system fails to deliver the written verification as required by this section, the local agency or any other interested party may seek a writ of mandamus to compel the public water system to comply.
- (3) If the written verification provided by the applicable public water system indicates that the public water system is unable to provide a sufficient water supply that will meet the projected demand associated with the proposed project, then the local agency may make a finding, after consideration of the written verification by the applicable public water system, that additional water supplies not accounted for by the public water system are, or will be, available prior to completion of the project that will satisfy the requirements of this section. This finding shall be made on the record and supported by substantial evidence.
- (4) If the written verification is not provided by the public water system, notwithstanding the local agency or other interested party securing a writ of mandamus to compel compliance with this section, then the local agency may make a finding that sufficient water supplies are, or will be, available prior to completion of the project that will satisfy the requirements of this section. This finding shall be made on the record and supported by substantial evidence.
- (c) The applicable public water system's written verification of its ability or inability to provide a sufficient water supply that will meet the projected demand associated with the proposed project as required by subdivision (b) shall be supported by substantial evidence. The substantial evidence may include, but is not limited to, any of the following:
- (1) The public water system's most recently adopted urban water management plan adopted pursuant to Part 2.6 (commencing with Section 10610) of Division 6 of the Water Code.
- (2) A water supply assessment that was completed pursuant to Part 2.10 (commencing with Section 10910) of Division 6 of the Water Code.
- (3) Other information relating to the sufficiency of the water supply that contains analytical information that is substantially similar to the assessment required by Section 10635 of the Water Code.

5 SB 821

(d) When the written verification pursuant to subdivision (b) relies on projected water supplies that are not currently available to the public water system to provide a sufficient water supply to the project, the written verification as to those projected water supplies shall be based on all of the following elements, to the extent each is applicable:

- (1) Written contracts or other proof of valid rights to the identified water supply that identify the terms and conditions under which the water will be available to serve the proposed project.
- (2) Copies of a capital outlay program for financing the delivery of a sufficient water supply that has been adopted by the applicable governing body.
- (3) Securing of applicable federal, state, and local permits for construction of necessary infrastructure associated with supplying a sufficient water supply.
- (4) Any necessary regulatory approvals that are required in order to be able to convey or deliver a sufficient water supply to the project.
- (e) If there is no public water system, the local agency shall make a written finding of sufficient water supply based on the evidentiary requirements of subdivisions (c) and (d) and identify the mechanism for providing water to the project.
- (f) In making any findings or determinations under this section, a local agency, or designated advisory agency, may work in conjunction with the project applicant and the public water system to secure water supplies sufficient to satisfy the demands of the proposed project. If the local agency secures water supplies pursuant to this subdivision, which supplies are acceptable to and approved by the governing body of the public water system as suitable for delivery to customers, it shall work in conjunction with the public water system to implement a plan to deliver that water supply to satisfy the long-term demands of the proposed project.
- (g) The written verification prepared under this section shall also include a description, to the extent that data is reasonably available based on published records maintained by federal and state agencies, and public records of local agencies, of the reasonably foreseeable impacts of the proposed project on the availability of water resources for agricultural and industrial uses within the public water system's service area that are not currently

SB 821 -6-

receiving water from the public water system but are utilizing the same sources of water. To the extent that those reasonably foreseeable impacts have previously been evaluated in a document prepared pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) or the National Environmental Policy Act (Public Law 91-190) for the proposed project, the public water system may utilize that information in preparing the written verification.

- (h) When a water supply for a proposed project includes groundwater, the public water system serving the proposed project shall evaluate, based on substantial evidence, the extent to which it or the landowner has the right to extract the additional groundwater needed to supply the proposed project. Nothing in this subdivision is intended to modify state law with regard to groundwater rights.
- (i) This section shall not apply to any residential subdivision or mixed-use project proposed for a site that is within an urbanized area and has been previously developed for urban uses, or where the immediate contiguous properties surrounding the residential subdivision or mixed-use project site are, or previously have been, developed for urban uses, or housing projects that are exclusively for very low and low-income households.
- (j) The determinations made pursuant to this section shall be consistent with the obligation of a public water system to grant a priority for the provision of available and future water resources or services to proposed housing developments that help meet the city's or county's share of the regional housing needs for lower income households, pursuant to Section 65589.7.
- (k) Nothing in this section shall preclude the legislative body of a city, county, or city and county, or the designated advisory agency, at the request of the applicant, from making the determinations required in this section earlier than required pursuant to subdivision (b).
- (l) Nothing in this section shall be construed to create a right or entitlement to water service or any specific level of water service.
- (m) Nothing in this section is intended to change existing law concerning a public water system's obligation to provide water service to its existing customers or to any potential future customers.

7 SB 821

(n) The Legislature finds and declares that the availability of sufficient water supplies is a matter of statewide concern and not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Accordingly, this section applies to every city, including a charter city, county, and city and county.

SECTION 1. It is the intent of the Legislature to include commercial and industrial developments in the provisions of Section 66473.7 of the Government Code.

- SEC. 2. Section 66473.7 of the Government Code is amended to read:
- 66473.7. (a) For the purposes of this section, the following definitions apply:
- (1) "Subdivision" means a proposed residential development of more than 250 dwelling units, except that for a public water system that has fewer than 5,000 service connections, "subdivision" means any proposed residential development that would account for an increase of 10 percent or more in the number of the public water system's existing service connections.
- (2) "Sufficient water supply" means the total water supplies available during normal, single-dry, and multiple-dry years within a 20-year projection that will meet the projected demand associated with the proposed subdivision, in addition to existing and planned future uses, including, but not limited to, agricultural and industrial uses. In determining "sufficient water supply," all of the following factors shall be considered:
- (A) The availability of water supplies over a historical record of at least 20 years.
- (B) The applicability of an urban water shortage contingency analysis prepared pursuant to Section 10632 of the Water Code that includes actions to be undertaken by the public water system in response to water supply shortages.
- (C) The reduction in water supply allocated to a specific water use sector pursuant to a resolution or ordinance adopted, or a contract entered into, by the public water system, as long as that resolution, ordinance, or contract does not conflict with Section 354 of the Water Code.
- (D) The amount of water that the water supplier can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state, and

SB 821 —8—

local water initiatives such as CALFED and Colorado River tentative agreements, to the extent that these water supplies meet the criteria of subdivision (d).

- (3) "Public water system" means the water supplier that is, or may become as a result of servicing the subdivision included in a tentative map pursuant to subdivision (b), a public water system, as defined in Section 10912 of the Water Code, that may supply water for a subdivision.
- (b) (1) The legislative body of a city or county or the advisory agency, to the extent that it is authorized by local ordinance to approve, conditionally approve, or disapprove the tentative map, shall include as a condition in any tentative map that includes a subdivision a requirement that a sufficient water supply shall be available. Proof of the availability of a sufficient water supply shall be requested by the subdivision applicant or local agency, at the discretion of the local agency, and shall be based on written verification from the applicable public water system within 90 days of a request.
- (2) If the public water system fails to deliver the written verification as required by this section, the local agency or any other interested party may seek a writ of mandamus to compel the public water system to comply.
- (3) If the written verification provided by the applicable public water system indicates that the public water system is unable to provide a sufficient water supply that will meet the projected demand associated with the proposed subdivision, then the local agency may make a finding, after consideration of the written verification by the applicable public water system, that additional water supplies not accounted for by the public water system are, or will be, available prior to completion of the subdivision that will satisfy the requirements of this section. This finding shall be made on the record and supported by substantial evidence.
- (4) If the written verification is not provided by the public water system, notwithstanding the local agency or other interested party securing a writ of mandamus to compel compliance with this section, then the local agency may make a finding that sufficient water supplies are, or will be, available prior to completion of the subdivision that will satisfy the requirements of this section. This finding shall be made on the record and supported by substantial evidence.

-9- SB 821

(c) The applicable public water system's written verification of its ability or inability to provide a sufficient water supply that will meet the projected demand associated with the proposed subdivision as required by subdivision (b) shall be supported by substantial evidence. The substantial evidence may include, but is not limited to, any of the following:

- (1) The public water system's most recently adopted urban water management plan adopted pursuant to Part 2.6 (commencing with Section 10610) of Division 6 of the Water Code.
- (2) A water supply assessment that was completed pursuant to Part 2.10 (commencing with Section 10910) of Division 6 of the Water Code.
- (3) Other information relating to the sufficiency of the water supply that contains analytical information that is substantially similar to the assessment required by Section 10635 of the Water Code.
- (d) When the written verification pursuant to subdivision (b) relies on projected water supplies that are not currently available to the public water system, to provide a sufficient water supply to the subdivision, the written verification as to those projected water supplies shall be based on all of the following elements, to the extent each is applicable:
- (1) Written contracts or other proof of valid rights to the identified water supply that identify the terms and conditions under which the water will be available to serve the proposed subdivision.
- (2) Copies of a capital outlay program for financing the delivery of a sufficient water supply that has been adopted by the applicable governing body.
- (3) Securing of applicable federal, state, and local permits for construction of necessary infrastructure associated with supplying a sufficient water supply.
- (4) Any necessary regulatory approvals that are required in order to be able to convey or deliver a sufficient water supply to the subdivision.
- (e) If there is no public water system, the local agency shall make a written finding of sufficient water supply based on the evidentiary requirements of subdivisions (c) and (d) and identify the mechanism for providing water to the subdivision.
- (f) In making any findings or determinations under this section, a local agency, or designated advisory agency, may work in

SB 821 -10 -

conjunction with the project applicant and the public water system to secure water supplies sufficient to satisfy the demands of the proposed subdivision. If the local agency secures water supplies pursuant to this subdivision, which supplies are acceptable to and approved by the governing body of the public water system as suitable for delivery to customers, it shall work in conjunction with the public water system to implement a plan to deliver that water supply to satisfy the long-term demands of the proposed subdivision.

- (g) The written verification prepared under this section shall also include a description, to the extent that data is reasonably available based on published records maintained by federal and state agencies, and public records of local agencies, of the reasonably foreseeable impacts of the proposed subdivision on the availability of water resources for agricultural and industrial uses within the public water system's service area that are not currently receiving water from the public water system but are utilizing the same sources of water. To the extent that those reasonably foreseeable impacts have previously been evaluated in a document prepared pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) or the National Environmental Policy Act (Public Law 91-190) for the proposed subdivision, the public water system may utilize that information in preparing the written verification.
- (h) Where a water supply for a proposed subdivision includes groundwater, the public water system serving the proposed subdivision shall evaluate, based on substantial evidence, the extent to which it or the landowner has the right to extract the additional groundwater needed to supply the proposed subdivision. Nothing in this subdivision is intended to modify state law with regard to groundwater rights.
- (i) This section shall not apply to any residential project proposed for a site that is within an urbanized area and has been previously developed for urban uses, or where the immediate contiguous properties surrounding the residential project site are, or previously have been, developed for urban uses, or housing projects that are exclusively for very low and low-income households.
- (j) The determinations made pursuant to this section shall be consistent with the obligation of a public water system to grant a

—11 — SB 821

priority for the provision of available and future water resources or services to proposed housing developments that help meet the city's or county's share of the regional housing needs for lower income households, pursuant to Section 65589.7.

- (k) The County of San Diego shall be deemed to comply with this section if the Office of Planning and Research determines that all of the following conditions have been met:
- (1) A regional growth management strategy that provides for a comprehensive regional strategy and a coordinated economic development and growth management program has been developed pursuant to Proposition C as approved by the voters of the County of San Diego in November 1988, which required the development of a regional growth management plan and directed the establishment of a regional planning and growth management review board.
- (2) Each public water system, as defined in Section 10912 of the Water Code, within the County of San Diego has adopted an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) of the Water Code.
- (3) The approval or conditional approval of tentative maps for subdivisions, as defined in this section, by the County of San Diego and the cities within the county requires written communications to be made by the public water system to the city or county, in a format and with content that is substantially similar to the requirements contained in this section, with regard to the availability of a sufficient water supply, or the reliance on projected water supplies to provide a sufficient water supply, for a proposed subdivision.
- (1) Nothing in this section shall preclude the legislative body of a city or county, or the designated advisory agency, at the request of the applicant, from making the determinations required in this section earlier than required pursuant to subdivision (b).
- (m) Nothing in this section shall be construed to create a right or entitlement to water service or any specific level of water service.
- (n) Nothing in this section is intended to change existing law concerning a public water system's obligation to provide water service to its existing customers or to any potential future customers.

SB 821 —12—

1

2

3 4

5

7

8

(o) Any action challenging the sufficiency of the public water system's written verification of a sufficient water supply shall be governed by Section 66499.37.

- SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.
- 9 SEC. 3. No reimbursement is required by this act pursuant to 10 Section 6 of Article XIII B of the California Constitution because 11 a local agency or school district has the authority to levy service 12 charges, fees, or assessments sufficient to pay for the program or 13 level of service mandated by this act, within the meaning of Section 14 17556 of the Government Code.