

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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March 12, 2019

To: LAFCo Commissioners
From: Martha Poyatos, Executive Officer *M. Poyatos*
Subject: Consideration of Revised Schedule of Processing Fees

Summary

The Cortese-Knox-Hertzberg (CKH) Act governing LAFCo operations authorizes the Commission to establish a schedule of fees for processing applications and provides that the fees shall not exceed the estimated reasonable cost of providing the service. Processing fees must be adopted by resolution following a noticed public hearing as part of a regularly scheduled meeting. LAFCo's fees were last revised in 2014.

San Mateo LAFCo's fee schedule categories include acreage and type of reorganization proposal. Fees are based on level of complexity of applications, County salary and benefit increases, and other service cost increases such as rent and County Counsel charges.

Update

Recommended revisions to the fee schedule include an update to the annexation/detachment fees, updates to other action fees, clarification of state fees, and adding fees for services that have been charged at cost, but were not explicitly shown on the fee schedule fees.

The update to the annexation/detachment fees take into account an increase in salary and benefits, the addition of a full time Management Analyst and shared secretarial position, and are based on the varying complexity and requirements related to processing different types of applications. These fees were calculated based on an estimate of time to process the application by staff and the hourly rate for each staff person and activity. On average, the fees for minor annexations are proposed to be increased 29%, with major application fees increased by 28%.

Annexations and Outside Service Agreements that are less than 5 acres in size are the most common type of application received by LAFCo. Highest proposed application fee for this application would be a major application fee of \$4,006. This application fee is less than the lowest annexation application fee for Alameda, Marin, Napa, Orange, Santa Clara, and Sonoma

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STAFF: MARTHA POYATOS, EXECUTIVE OFFICER ▪ REBECCA ARCHER, LEGAL COUNSEL ▪ ROB BARTOLI, MANAGEMENT ANALYST

LAFCos. The proposed San Mateo LAFCo fees are similar to fees charged by Contra Costa, Los Angeles, San Diego, and Ventura LAFCos.

For comparison of application fees paid to LAFCo, for 2018, the total amount of fee revenue for 13 applications was \$19,100. If the 2019 fees were applied to these same applications, the total fee amount would be \$26,448, a 38% percent increase and an additional \$7,348.

Fees for other types of actions either have remained at an actual cost basis or are proposed to be increased. For fees with a cost established, the fees are proposed to be increased 16%, to reflect increase in salary and benefits, additions in LAFCo staffing, and the change in expenditures since the fees were last increased in 2014.

In addition to these changes, after reviewing fees schedules of similar LAFCos, the LAFCo fee schedule is updated with fees for services including request for time extension for an application, request to hold a special meeting, fees for outside or special legal counsel, petition verification by the San Mateo County Registration & Elections Division, and requests for copies of meeting videos.

Regarding State fees, both Fish and Wildlife CEQA filing fees and State Board of Equalization Fees are subject to change on a yearly basis. In order to provide the most current fee information possible for applicants, the LAFCo fee schedule refers applicants to the two agencies for their fees.

The Commission has historically adopted fees with the goal of recovering processing costs for individual proposals while not discouraging boundary change applications.

On March 5, 2019, the Budget Committee recommended approval of the revised fee schedule. The Committee also recommended that the Commission adopt a policy of reviewing and updating the LAFCo fee schedule on a biennial basis, with the next review occurring in 2021.

State law requires the Commission to adopt processing fees by resolution. If approved, the new fee schedule would be applicable to proposals that are certified as complete on and after May 2019 and would go into effect 60 days after adoption by LAFCo.

Recommended Action:

By motion, adopt the attached 2019 LAFCo Processing Fee Schedule.

Attachments

- A. Proposed 2019 Processing Fee Schedule
- B. Adopted 2014 Processing Fee Schedule
- C. LAFCo fee comparisons

SAN MATEO LAFCo FEE SCHEDULE
 Effective for Applications Accepted for Filing
 On or After **2019**

PROCESSING FEES

(CA Government Code Sections 56383, 56654, and 56428)

Annexation or Detachment (City, District, or County Service Area)	Minor Applications (100% consent of property owners and exempt from CEQA)	Major Applications (Less than 100% consent of property owners or is not exempt from CEQA)
<u>Acres</u>		
1 or less	\$1,480 \$1,287	\$2,176 \$1,845
1.1 - 4.9	\$2,474 \$1,558	\$3,638 \$2,522
5 - 9.9	\$2,724 \$2,030	\$4,006 \$3,045
10 – 19.9	\$3,053 \$2,360	\$4,490 \$3,537
20 – 29.9	\$3,724 \$2,707	\$5,476 \$4,061
30 – 49.9	\$4,305 \$4,077	\$6,331 \$5,075
50 +	\$4,930 \$4,061	\$7,250 \$6,092

OTHER ACTIONS

Outside Service Agreement	Same as acreage fees above
Consolidation/Merger/Dissolution/Subsidiary District (Excludes legal notice and election costs)	\$1,557 \$1,345
District Formation	Actual Cost
Municipal Service Review (Not initiated by LAFCo)	Actual Cost
Application for Addition of Special District Powers	Actual Cost plus Environmental Fees
Dissolution for Inactivity	\$650 \$560
Incorporation/Disincorporation	Actual Cost
State Controller's Review of Comprehensive Fiscal Analysis	Actual Cost
Reorganization (two or more changes of organization included in one proposal)	Sum of fees for individual actions, less 20%
Noticed public hearing (if required)	Actual Preparation Publication Cost
Sphere of Influence Revision/Municipal Service Review	Actual Cost
Reconsideration pursuant to Section 56857	Actual cost/Deposit of \$650 \$560.00
Request for time extension	\$300
Request to hold special meeting	Actual Cost
Outside/Special Legal Fee	Actual Cost
Petition Verification	Actual Cost

ENVIRONMENTAL REVIEW
(P.R.C. Section 21089)

CEQA Exemption	No Charge
Review of Lead Agency’s Negative Declaration or Environmental Impact or determination that preparation of Negative Declaration or Environmental Impact Report is required	\$325 \$280 plus Publication Cost
Preparation of a Negative Declaration or Environmental Impact Report	Actual Cost

STATE FEES

The following fees are charged by State and County agencies and are listed below as public information to applicants. May be amended by State/County.

Department of Fish and Wildlife Fees (Fish and Game Code Sec. 711.4): (set by State/County)	
County Clerk - Document Handling Fee	\$50.00
Department of Fish and Wildlife CEQA Filing Fees	<p>For specific information regarding filing fees for Negative Declarations or Environment Impact Reports, please refer to California Department of Fish and Wildlife https://www.wildlife.ca.gov/Conservation/CEQA</p>
<p>The above fees may be required where LAFCo is the lead agency for environmental review and will be collected by LAFCo for transmittal to the County Clerk.</p> <p>Where LAFCo is responsible agency, copies of original Notice of Determination and receipt by Lead Agency is required.</p>	
State Board of Equalization Fees (Government Code Section 54902.5)	
<p>The conducting agency (city, county or district) may collect a State Board of Equalization filing fee for submittal to LAFCo with final proposal documents. The fee is based on acreage. Please refer to the State Board of Equalization (http://www.boe.ca.gov/) fee schedule and consult LAFCo staff for details. Checks of this fee should be made to the State Board of Equalization Fees and submitted to San Mateo LAFCo for filing.</p>	

ADMINISTRATIVE FEES

Photocopies	\$0.10 per page
Publications	Will be set for each publication
Conforming Copy	10.00 check payable to San Mateo County Recorder
Duplication of Meeting Record	Actual Cost

EXCEPTIONS: LAFCo processing fees may be waived by the Commission if financial hardship is demonstrated OR if the application is in response to a LAFCo condition or recommendation. State and County Clerk fees may not be waived.

SAN MATEO LAFCo FEE SCHEDULE
Effective for Applications Accepted for Filing
On or After May 19, 2014

PROCESSING FEES

(CA Government Code Sections 56383, 56654, and 56428)

Annexation or Detachment (City, District, or County Service Area)	Minor Applications (100% consent & exempt from CEQA)	Major Applications
<u>Acres</u>		
1 or less	\$1,287.....	\$1,845
1.1 - 4.9	\$1,558.....	\$2,522
5 - 9.9	\$2,030.....	\$3,045
10 - 19.9	\$2,360.....	\$3,537
20 - 29.9	\$2,707.....	\$4,061
30 - 49.9	\$4,077.....	\$5,075
50 +	\$4,061.....	\$6,092
District Formation		Actual Cost
Consolidation/Merger/Dissolution/Subsidiary District	\$1,342	
(Excludes legal notice and election costs)		
Municipal Service Review (Not initiated by LAFCo)		Actual Cost
Application for Addition of Special District Powers		Actual Cost plus Environmental Fees
Dissolution for Inactivity	\$560.00	
Incorporation/Disincorporation		Actual Cost
State Controller's Review of Comprehensive Fiscal Analysis		Actual Cost
Reorganization (two or more changes of organization included in one proposal)	Sum of fees for individual actions, less 20%	
Review of Outside Service Agreement		Same as acreage fees above
Noticed public hearing (if required)		Actual Preparation and Publication Cost
Sphere of Influence Revision/Municipal Service Review		Actual Cost
Reconsideration pursuant to Section 56857	Actual cost/Deposit of \$560.00	

(OVER)

ENVIRONMENTAL REVIEW
(P.R.C. Section 21089)

CEQA Exemption	No Charge
Review of Initial Study and preparation of Negative Declaration, OR determination that EIR is required	\$280 plus Publication Cost
Extended Initial Study or Preparation of EIR	Actual Cost

STATE FEES

The following fees are charged by State and County agencies and are listed below as public information to applicants. May be amended by State/County.

Department of Fish and Game Fees (F&GC Sec. 711.4): (set by State/County)

Negative Declaration	\$2,181.25
EIR	\$3,029.75
County Clerk - Document Handling Fee	\$50.00

The above fees may be required where LAFCo is the lead agency for environmental review and will be collected by LAFCo for transmittal to the County Clerk. Where LAFCo is responsible agency, copies of original Notice of Determination and receipt by Lead Agency is required.

State Board of Equalization Fees (G.C. Sect. 54902.5):

The conducting agency (city, county or district) may collect a State Board of Equalization filing fee for submittal to LAFCo with final proposal documents. The fee is based on acreage. Please consult LAFCo staff for details.

OTHER FEES

Photocopies	\$0.10 per page
Publications	Will be set for each publication
Conforming Copy	\$10.00 check payable to San Mateo County Recorder

EXCEPTIONS: LAFCo processing fees may be waived by the Commission or the Executive Officer if financial hardship is demonstrated OR if the application is in response to a LAFCo condition or recommendation. State and County Clerk fees may not be waived.

LAFCo Budget and Fee Comparison

LAFCo	2018-2019 Budget Expenditures	Percent of revenue from fees 17/18	Staff #	How are fees applied	Fee costs range for annexation or detachment	Year Fees Were Last Updated
San Mateo	\$574,397.00	5.1%	2	Acreage, actual costs, additional CEQA fee, minor project and major project	\$1,287-\$6,092	2014
Alameda	\$775,843.00	3.9%	3	Flat fee per project type, supplemental fees for special chargers (CEQA fee, consultants, County agency review)	\$4,500-\$5,000 (\$500 for whole island annexation)	2009
Contra Costa	\$945,210.00	5.1%	2	Flat fee per project type, supplemental fees for special chargers (CEQA fee, consultants, County agency review)	\$3,915-\$6,530	2015
Los Angeles	\$1,374,550.00	5.9%	7	Acreage, fees for other actions or actual costs (CEQA)	\$2,500-\$8,000	2006
Marin	\$601,875.00	5.5%	3	Flat fee per project type, supplemental fees for special chargers (consultants, County agency review)	\$4,896-\$9,792 (Includes CEQA fee)	2016
Napa	\$386,569.00	2.2%	2	Flat fee per project type, supplemental fees for special chargers (consultants, County agency review)	\$4,428-\$8,856 (Includes CEQA fee)	2017
Orange	\$1,139,860.00	N/A	5	Flat fee per project type, supplemental fees for special chargers (CEQA fee, consultants, County agency review)	\$4,600 plus time and materials	
San Diego	\$1,906,694.00	6.7%	8	Acreage, actual costs, additional CEQA fee	\$2,660-\$9,060	2019
Santa Clara	\$1,131,997.00	3.0%	4	Flat deposit plus actual costs per project type, supplemental fees for special chargers (CEQA fee, consultants, County agency review),	\$1,367 (for City Conducted Annexation) or \$6,218 - \$12,122	2018
Santa Cruz	\$759,200.00	N/A	2	Flat deposit, fees for other actions or actual costs (CEQA)	\$1,600-\$8,000 (for annexations not changing city boundaries) \$3,150 - \$14,600 (where city boundary changes)	2017
San Luis Obispo	\$668,090.00	2.8%	3	Acreage deposit plus actual costs per project type, supplemental fees for special chargers (CEQA fee, consultants, County agency review),	\$1,500-\$5,000	2017
Solano	\$590,372.15	7.8%	2	Acreage, fees for other actions or actual costs (CEQA)	\$3,000-\$30,000	2016
Sonoma	\$796,055.00	8.7%	3	Flat deposit plus actual costs per project type, supplemental fees for special chargers (CEQA fee, consultants, County agency review),	\$5,500-\$9,900	2018
Ventura	\$766,096.00	3.2%	3	Flat fee per project type, plus deposit	\$3,650-\$5,450	2018