

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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March 10, 2021

To: LAFCo Commissioners
From: Martha Poyatos, Executive Officer
 Rob Bartoli, Management Analyst
Subject: **Consideration of Revised LAFCo 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. Fees were last revised in 2019 and as part of the FY 19-20 Budget, a recommendation was made by the Commission to review fees every two years.

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.

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 the additional complexity and requirements related to processing applications. These fees were calculated based on an estimate of time to process the application by staff and the hourly rate for each portion of the application. On average, the fees for minor and major annexations are proposed to be increased 25%.

Annexations and Outside Service Agreements that are less than 5 acres in size are the most common type of application received by LAFCo. The highest proposed application fee for this

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 ▪ JOSHUA COSGROVE, SPECIAL DISTRICT ▪ RIC LOHMAN, SPECIAL DISTRICT ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATI MARTIN, SPECIAL DISTRICT ▪ DIANA REDDY, CITY ▪ JAMES O'NEILL, PUBLIC ▪ DAVE PINE, COUNTY

STAFF: MARTHA POYATOS, EXECUTIVE OFFICER ▪ TIM FOX, LEGAL COUNSEL ▪ ROB BARTOLI, MANAGEMENT ANALYST ▪ ANGELA MONTES, CLERK

application would be a major application fee of \$4,580. This application fee is similar to Alameda, Contra Costa, Marin, Napa, Orange, Santa Clara, and Sonoma LAFCos.

The fee for consolidation, merger, dissolution and the creation of subsidiary district is proposed to be moved to actual costs, as these actions vary greatly in complexity and required staff time. Fees for other types of actions have remained at actual costs. In addition to these changes, the LAFCo fee schedule current is lacking fees for the divestiture of special district powers.

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

State law requires the Commission to adopt processing fees by resolution. If approved, the new fee schedule would go into effect 60 days after adoption by LAFCo and would be applicable to proposals that are certified as complete on or after this 60 day period, estimated to be July 19, 2021.

Committee Review

On March 3, 2021, the Budget Committee recommended approval of the revised fee schedule.

Recommended Commission Action

By motion, direct LAFCo staff to circulate the draft LAFCo Budget Policy to the County, cities, special districts, and other interested parties, and place the consideration of adoption at the May 19, 2021 Commission meeting.

Attachments

- A. Proposed 2021 Processing Fee Schedule
- B. Adopted 2019 Processing Fee Schedule

SAN MATEO LAFCo FEE SCHEDULE
 Effective for Applications Accepted for Filing
 On or After (60 from adoption)~~July 16, 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)
Acres		
1 or less	\$1,872 \$1,480 -	\$2,754 \$2,176 -
1.1 - 4.9	\$3,114 \$2,474 -	\$4,580 \$3,638 -
5 - 9.9	\$3,489 \$2,724 -	\$5,131 \$4,006 -
10 - 19.9	\$3,766 \$3,053 -	\$5,538 \$4,490 -
20 - 29.9	\$4,646 \$3,724 -	\$6,833 \$5,476 -
30 - 49.9	\$5,415 \$4,305 -	\$7,962 \$6,331 -
50 +	\$6,108 \$4,930 -	\$8,983 \$7,250 -

OTHER ACTIONS

Outside Service Agreement	Same as acreage fees above
Consolidation/Merger/Dissolution/Subsidiary District (Excludes legal notice and election costs)	Actual Cost \$1,557
District Formation	Actual Cost
Municipal Service Review (Not initiated by LAFCo)	Actual Cost
Application for Activation or Divestiture ddition of Special District Powers	Actual Cost Plus Environmental Fees
Dissolution for Inactivity	\$650
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 <u>and</u> Publication Cost
Sphere of Influence Revision/Municipal Service Review	Actual Cost
Reconsideration pursuant to Section 56857	Actual cost/Deposit of \$650
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 plus Publication Cost
Preparation of a Negative Declaration or Environmental Impact Report	Actual Cost

COUNTY AND 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	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
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 (Government Code Section 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 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.	
County Department of Public Works Fees	Hourly rate of Public Works staff

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.

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State Controller's Review of Comprehensive Fiscal Analysis	Actual Cost
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