



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

REGULAR MEETING

AGENDA

Wednesday, January 15, 2025

2:30 pm

Board of Supervisors Chambers

500 County Center

Redwood City, CA 94063

This meeting of the San Mateo Local Agency Formation Commission (LAFCo) will be in person at the above-mentioned address. Members of the public will be able to participate in the meeting remotely via the Zoom platform or in person at 500 County Center Redwood City, CA 94063. For information regarding how to participate in the meeting, either in person or remotely, please refer to the instructions at the end of the agenda.

Hybrid Public Participation

The January 15, 2025, LAFCo regular meeting may be accessed through Zoom online at <https://smcgov.zoom.us/j/96442908061>. The webinar ID is 964 4290 8061. The meeting may also be accessed by telephone by dialing +1 669 900 6833 (local) and entering webinar ID then #. Members of the public may also attend this meeting physically in the Board of Supervisors Chambers at 500 County Center, Redwood City, CA 94063.

*Written public comments may be emailed to lafco@smcgov.org, and should include the specific agenda item on which you are commenting.

* Spoken public comments will be accepted during the meeting in person or remotely through Zoom at the option of the speaker. Public comments via Zoom will be taken first, followed by speakers in person.

***Please see instructions for written and spoken public comments at the end of this agenda.**

ADA Requests

Individuals who require special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact LAFCo staff as early as possible but no later than 10:00 a.m. the day before the meeting at lafco@smcgov.org. Notification in advance of the

(OVER)

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT ▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ DIANE ESTIPONA, CLERK

meeting will enable the Staff to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

*All items on the consent agenda may be approved by one roll call vote unless a request is made at the beginning of the meeting that an item be withdrawn. Any item on the consent agenda may be transferred to the regular agenda.

1. Roll Call
2. Public Comment for Items Not on the Agenda and on the Consent Agenda
3. Consent Agenda*
 - a. Approval of Action Minutes: November 20, 2024 (*Page 5*)
 - b. Time Extension for LAFCo File No. 19-03 - Proposed Annexation of 252 Club Drive, Unincorporated San Mateo County (APN 049-050-050) to the City of San Carlos (*Page 9*)
 - c. Consideration of LAFCo File No. 24-11 - Proposed Annexation of 175 Los Trancos Rd., Portola Valley (APN 079-112-180) to West Bay Sanitary District (*Page 37*)

Public Hearings

4. Consideration of Municipal Service Review Circulation Draft for the San Mateo County Harbor District (*Page 49*)
5. Consideration of Final Municipal Service Review Municipal Service Review for the City of Millbrae (*Page 101*)

Regular Agenda

6. Broadmoor Police Protection District Update – Information Only (*Page 149*)
7. Appointment of Budget and Legislative/Policy Committees for 2025 (*Page 150*)
8. Quarterly LAFCo Budget Update – Information Only (*Page 151*)
9. CALAFCO – Information Only (*Page 154*)
 - a. CALAFCO 2024 Annual Conference Update
 - b. CALAFCO Sphere 2024
 - c. CALAFCO January 2025 Board Meeting Update
10. Legislative and Policy Committee (*Page 187*)
 - a. Legislative Report – Information Only
11. Commissioner/Staff Reports – Information Only
 - a. Future LAFCo Overview Workshop/Special Meeting
12. Adjournment

***Instructions for Public Comment During Teleconference Meetings**

During the LAFCo hybrid meeting, members of the public may address the Commission as follows:

***Written Comments:**

Written public comments may be emailed in advance of the meeting. Please read the following instructions carefully:

1. Your written comment should be emailed to lafco@smcgov.org.
2. Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda or is on the consent agenda.
3. Members of the public are limited to one comment per agenda item.
4. The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250-300 words.
5. If your emailed comment is received by 5:00 p.m. on the day before the meeting, it will be provided to the Commission and made publicly available on the agenda website under the specific item to which your comment pertains. If emailed comments are received after 5:00 p.m. on the day before the meeting, the Clerk will make every effort to either (i) provide such emailed comments to the Commission and make such emails publicly available on the agenda website prior to the meeting, or (ii) read such emails during the meeting. Whether such emailed comments are forwarded and posted or are read during the meeting, they will still be included in the administrative record.

***Spoken Comments**

In-person Participation:

1. If you wish to speak to the Commission, please fill out a speaker's slip located at the entrance. If you have anything that you wish distributed to the Commission and included in the official record, please hand it to the Clerk who will distribute the information to the Commission members and staff.

Via Teleconference (Zoom):

1. The Commission meeting may be accessed through Zoom online at <https://smcgov.zoom.us/j/96442908061>. The webinar ID is 964 4290 8061. The Commission meeting may also be accessed via telephone by dialing +1 669 900 6833 (local). Enter the webinar ID, then press #. Members of the public can also attend this meeting physically in the Board of Supervisors' Chambers at 500 County Center, Redwood City, CA 94063.
2. You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
3. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
4. When the Commission Chair or Clerk calls for the item on which you wish to speak, click on "raise hand." Speakers will be notified shortly before they are called to speak.

***Additional Information:**

For any questions or concerns regarding Zoom, including troubleshooting, privacy, or security settings, please contact Zoom directly.

Public records that relate to any item on the open session agenda for a regular Commission meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members or a majority of the members of the Commission.

NOTICE: State law requires that a participant in a LAFCo proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner in the past year must disclose the contribution. If you are affected, please notify the commission staff before the hearing.

Agendas and meeting materials are available at www.sanmateolafco.org

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Action Minutes San Mateo Local Agency Formation Commission Meeting November 20, 2024

Vice Chair Mueller called the Wednesday, November 20, 2024, Regular Meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm at the San Mateo County Board of Supervisors Chambers, 400 County Center, Redwood City, CA. Members of the public were also able to participate in the meeting remotely via Zoom.

Call to Order

The meeting was called to order at 2:30 p.m. by Vice Chair Mueller.

1. Roll Call

Members Present: Tygarjas Bigstych, Virginia Chang-Kiraly, Harvey Rarback, Ann Draper, Ray Mueller, Noelia Corzo (via Zoom), Katheryn Slater-Carter

Members Absent: Warren Slocum, Kati Martin

Staff Present: Rob Bartoli, Executive Officer
Timothy Fox, Legal Counsel
Sarah Flamm, Management Analyst
Diane Estipona, Clerk

2. Public Comment

None.

3. Consent Agenda

- a) Approval of Action Minutes: September 18, 2024
- b) Consideration of LAFCo File No. 24-05 - Proposed Outside Service Agreements for two (2) water connections and three (3) sewer connections by the City of Redwood City to three subdivided parcels at 890 Upland (APN 058-272-120), Unincorporated Redwood City
- c) Consideration of LAFCo File No. 24-09 - Proposed Outside Service Agreements for a sewer connection by the City of Redwood City to 2835 Brewster Ave. (APN 058-253-290), Unincorporated Redwood City

- d) Consideration of LAFCo File No. 24-10 - Proposed Annexation of APN 080-091-150, Los Trancos Woods to West Bay Sanitary District

4. Commission Action

The Commission approved the Consent Agenda items with amendments to Item 3a.

Motion: Commissioner Chang-Kiraly/ Second: Commissioner Rarback

Ayes: Commissioners Bigstycck, Chang-Kiraly, Draper, Mueller, Corzo, Slater-Carter, Rarback

Motion passed unanimously by roll call vote.

Regular Agenda

5. Appointment of Chair and Vice Chair for 2025.

The Commission approved the appointment of Commissioner Mueller as Chair and Commissioner Chang Kiraly as Vice Chair.

Motion: Commissioner Bigstycck/ Second: Commissioner Rarback

Ayes: Commissioners Bigstycck, Chang-Kiraly, Draper, Mueller, Corzo, Slater-Carter, Rarback

Motion passed unanimously by roll call vote.

Public Hearing

6. Request for Reconsideration of LAFCo File No. 24-08 - Proposed Sphere of Influence amendment for County Service Area 11 (CSA 11) and annexation by CSA 11 of the Pescadero Middle/High School located at 350-360 Butano Cut Off (APN 087-053-010)

The Commission received the presentation regarding the Request for Reconsideration of LAFCo File No. 24-08. Commissioner Mueller recused himself from the item.

Public Speakers:

Sophie Minter, Michael Schaller, Patrick Horn, Opheli Vico, Rob Skinner, Megan Hallbrook Ryan Augustine, Joanne Rocaski, Amanda Chang, Tera Utewon, Jordan Motta, Rita Manerva Guadalupe Ramirez, Rogelio Nabor, Salomon Nabor, Bryan Martinez, Corina Rodriguez, Hyun-Mi Kim, Chris Ramirez, Ana Polacek, BJ Burns, Adelyn, Bridget Jett

The Commission voted to deny the reconsideration of LAFCo File No. 24-08

Motion: Commissioner Draper/ Second: Commissioner Slater-Carter

Ayes: Commissioners Bigstycck, Chang-Kiraly, Draper, Corzo, Slater-Carter, Rarback

Abstain: Commissioner Mueller

7. Consideration of Municipal Service Review Circulation Draft for the San Mateo County Harbor District

This item was continued to the January 15, 2025 LAFCo Meeting.

8. Consideration of Final Municipal Service Review Municipal Service Review for the City of Millbrae

This item was continued to the January 15, 2025, LAFCo Meeting.

Regular Agenda Continued

9. Broadmoor Police Protection District and LAFCo Initiated Dissolution Process – Continued from July 17, 2024, LAFCo Meeting

The Commission received the presentation regarding the Broadmoor Police Protection District

Public Speakers: John V. Aguerre, Andrea Hall, Michael Connolly

The Commission proposed the return of a resolution via SB938 and directed staff to initiate a dissolution of the Broadmoor Police Protection District.

Motion: Commissioner Bigstycck/ Second: Commissioner Rarback

Ayes: Commissioners Bigstycck and Rarback

Noes: Commissioners Draper, Chang Kiraly, and Slater-Cater

Absent: Commissioners Mueller and Corzo

The motion failed 2-3.

The Commission directed LAFCo staff to provide updates at future meetings to the Commission regarding the Broadmoor Police Protection District. These updates will include information on the District's finances, Brown Act compliances, and transparency.

Motion: Commissioner Draper/ Second: Commissioner Slater-Carter

Ayes: Commissioners Bigstycck, Rarback, Draper, Chang Kiraly, Slater-Cater

Absent: Commissioners Mueller and Corzo

Motion passed unanimously by roll call vote.

10. CALAFCO – Information Only

This item was continued to the January 15, 2025, LAFCo Meeting.

11. Commissioner/Staff Reports

The Commission approved resolutions for the following four outgoing Commissioners: Warren Slocum, Tygarjas Bigstyck, Harvey Rarback, and Ann Schneider

Motion: Commissioner Chang-Kiraly/ Second: Commissioner Slater-Carter

Ayes: Commissioners Bigstyck, Rarback, Draper, Chang Kiraly, Slater-Cater

Absent: Commissioners Mueller and Corzo

12. Adjournment

The Commission adjourned at 6:20 PM.

Approved on January 15, 2025

Ray Mueller, Chair
Local Agency Formation Commission of the County of San Mateo

Prepared by: _____
Diane Estipona, LAFCo Clerk

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LOCAL AGENCY FORMATION COMMISSION

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January 8, 2025

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer

Subject: Time Extension for LAFCo File No. 19-03 - Annexation of 252 Club Drive, Unincorporated San Mateo County (APN 049-050-050) to the City of San Carlos

Summary

On January 15, 2020, the Commission approved the annexation of 252 Club Drive to the City of San Carlos because the septic system on the property had failed and the owner wished to obtain sewer service from the City. The City of San Carlos has approved the pre-zoning of the parcel and both the City and the County approved the required property tax exchange.

The Commission's approval was conditional upon the submittal of the map and legal description and Board of Equalization fee for the annexation and that the applicant completing all work associated with any County permits for the property. The map and legal description still need to be submitted to LAFCo for review and the applicants also need to finalize work regarding legalizing a basement conversion and the abandonment of the existing septic system.

Per Government Code Section 57001, if a certificate of completion for a change of organization or reorganization has not been filed within one year after the commission approves a proposal for that proceeding, the proceeding shall be deemed terminated unless prior to the expiration of that year the Commission authorizes an extension of time for that completion. The original approval expired on January 15, 2022, and upon request from the owner, the Commission has approved two one-year extensions so that the owner can complete the conditions of approval. The owner is requesting a third one-year extension to complete the conditions of approval.

Recommended Commission Action by Resolution

By motion, approve a one-year time extension for LAFCo File No. 19-03 - Annexation of 252 Club Drive, Unincorporated San Mateo County (APN 049-050-050) to the City of San Carlos so that the annexation is completed no later than January 15, 2026.

Attachments

- A. November 16, 2022 LAFCo staff report
- B. November 17, 2021 LAFCo staff report
- C. January 15, 2020 LAFCo staff report

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT
▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪

DIANE ESTIPONA, CLERK

LAFCo Meeting Packet Page 9

cc: Henry and Maria Zuschlag, Property Owners
Grace Lee and Andrea Mardesich, City of San Carlos
Tiffany Gee and Summer Burlison, San Mateo County Planning Department
Greg Smith, San Mateo County Environmental Health Services

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November 9, 2022

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer
Sofia Recalde, Management Analyst

Subject: Time Extension for LAFCo File No. 19-03 - Annexation of 252 Club Drive, Unincorporated San Mateo County (APN 049-050-050) to the City of San Carlos

Summary

On January 15, 2020, the Commission approved the annexation of 252 Club Drive to the City of San Carlos because the septic system on the property had failed and the owner wished to obtain sewer service from the City. The City of San Carlos has approved the pre-zoning of the parcel and both the City and the County approved the required property tax exchange.

The Commission's approval was conditional upon the submittal of the map and legal description and Board of Equalization fee for the annexation and that the applicant completing all work associated with any County permits for the property. The map and legal description still need to be submitted to LAFCo for review and the applicants also need to finalize work regarding legalizing a basement conversion and the abandonment of the existing septic system.

Per Government Code Section 57001, if a certificate of completion for a change of organization or reorganization has not been filed within one year after the commission approves a proposal for that proceeding, the proceeding shall be deemed terminated unless prior to the expiration of that year the Commission authorizes an extension of time for that completion. The original approval expired on January 15, 2022, and upon request from the owner, the Commission approved a one-year extension to January 15, 2023 as COVID-19 has impacted their ability to complete the conditions of approval. The owner is requesting a second one-year extension to complete the conditions of approval due to the impact of the on-going pandemic.

Recommended Commission Action by Resolution

By motion, approve a one-year time extension for LAFCo File No. 19-03 - Annexation of 252 Club Drive, Unincorporated San Mateo County (APN 049-050-050) to the City of San Carlos so that the annexation is completed no later than January 15, 2024.

COMMISSIONERS: MIKE O'NEILL, CHAIR, CITY ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ HARVEY RARBACK, CITY ▪ DON HORSLEY, COUNTY ▪ WARREN SLOCUM, COUNTY ▪ KATI MARTIN, SPECIAL DISTRICT ▪ RIC LOHMAN, SPECIAL DISTRICT

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

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIMOTHY FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

Attachments

- A. January 15, 2020 LAFCo staff report
- B. November 17, 2021 LAFCo staff report

cc: Henry and Maria Zuschlag, Property Owners
Jeff Maltbie, City of San Carlos
Grace Lee, City of San Carlos
Andrea Mardesich, City of San Carlos
Kanoa Kelley, San Mateo County Planning Department
Greg Smith, San Mateo County Environmental Health Services

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November 10, 2021

To: LAFCo Commissioners

From: Martha Poyatos, Executive Officer
Rob Bartoli, Management Analyst

Subject: Time Extension for LAFCo File No. 19-03 - Annexation of 252 Club Drive, Unincorporated San Mateo County (APN 049-050-050) to the City of San Carlos

Summary

On January 15, 2020, the Commission approved the annexation of 252 Club Drive to the City of San Carlos because the septic system on the property had failed and the owner wished to obtain sewer service from the City. The City of San Carlos has approved the pre-zoning of the parcel and both the City and the County approved the required property tax exchange.

The Commission's approval was conditional upon the submittal of the map and legal description and Board of Equalization fee for the annexation and that the applicant completing all work associated with any County permits for the property. The map and legal description still need to be submitted to LAFCo for review and the applicants also need to finalize work regarding legalizing a basement conversion and the abandonment of the existing septic system.

Per Government Code Section 57001, if a certificate of completion for a change of organization or reorganization has not been filed within one year after the commission approves a proposal for that proceeding, the proceeding shall be deemed terminated unless prior to the expiration of that year the commission authorizes an extension of time for that completion. The original approval is set to expire on January 15, 2021. The owner has requested an additional extension to January 15, 2023 as COVID-19 has impacted their ability to complete the conditions of approval.

Recommended Commission Action by Resolution

By motion, approve a one-year time extension for LAFCo File No. 19-03 - Annexation of 252 Club Drive, Unincorporated San Mateo County (APN 049-050-050) to the City of San Carlos so that the annexation is completed no later than January 15, 2023.

COMMISSIONERS: WARREN SLOCUM, CHAIR, COUNTY ▪ MIKE O'NEILL, VICE CHAIR, CITY ▪ HARVEY RARBACK, CITY ▪ DON HORSLEY, COUNTY
▪ 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

Attachments

A. January 15, 2020 LAFCo staff report

cc: Henry and Maria Zuschlag, Property Owners
Jeff Maltbie, City of San Carlos
Grace Lee, City of San Carlos
Andrea Mardesich, City of San Carlos
Kanoa Kelley, San Mateo County Planning Department
John Brennan, San Mateo County Building Department
Greg Smith, San Mateo County Environmental Health Services



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January 8, 2020

To: LAFCo Commissioners

From: Martha Poyatos, Executive Officer *M. Poyatos*

Subject: LAFCo File No. 19-03 - Proposed Annexation of 252 Club Drive (APN 049-050-050) to the City of San Carlos (0.15 acres)

Summary

This proposal, submitted by landowner petition, requests annexation of 252 Club Drive, (APN 049-050-050) to the City of San Carlos. On March 20, 2019 the Commission approved an Emergency Outside Service Agreement (LAFCo File No. 19-01) to allow the City of San Carlos to serve the existing house at 252 Club Drive, as the septic system on the property had failed. A condition of approval for this Outside Service Agreement required that the property owners apply for annexation to the City of San Carlos. The City of San Carlos has approved the pre-zoning of the parcel and both the City and the County have approved the required property tax exchange. The proposal has 100 percent landowner consent and requests waiver of conducting authority proceedings. Commission approval of the proposal is recommended.

Background

252 Club Drive is developed with one single-family home that was constructed in 1936. The property is located in unincorporated San Mateo County, but it is within the Sphere of Influence of the City of San Carlos. The parcel is located in an established single-family neighborhood and abuts the City boundary line on three sides. As shown on Attachment B, 252 Club Drive is one of five parcels on this side of Club Drive that are unincorporated. On the south side of Club there are three unincorporated developed parcels and many unincorporated parcels that are not developed due to topography, lot size and lack of access.

Departmental Reports

County Assessor: The net assessed land valuation shown in the records of the County Assessor for 252 Club Drive is \$25,248. The boundaries of the annexation as proposed conform to lines of assessment and ownership.

COMMISSIONERS: JOSHUA COSGROVE, CHAIR, SPECIAL DISTRICT ▪ WARREN SLOCUM, VICE CHAIR, COUNTY ▪ RICH GARBARINO, CITY ▪ DON HORSLEY, COUNTY ▪ MIKE O'NEILL, CITY ▪ RIC LOHMAN, SPECIAL DISTRICT ▪ ANN DRAPER, PUBLIC

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

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

County Clerk: The territory has one registered voter. Annexation would not conflict with any political subdivision boundaries. If the annexation was approved, the address would be changed from unincorporated to the City of San Carlos.

County Public Works: No comments. Club Drive is already within the City of San Carlos boundary.

The map and legal description required by the State Board of Equalization have not yet been submitted.

County Planning: The San Mateo County General Plan encourages the annexation of the urban unincorporated parcels needing municipal service. The property is located within the existing sphere of influence for the City of San Carlos and currently served by water and sewer providers.

The property has two open Building permits, one to complete the sewer connection (BLD2019-00393) and one to legalize a basement conversion (BLD2019-00487). These two permits shall be completed prior to recordation of the annexation.

County Environmental Health Services: The property is served by a domestic water and a City sewer connection. Environmental Health is supportive of the annexation.

City of San Carlos: The City of San Carlos supports the annexation proposal. The City Council approved a General Plan amendment and pre-zoning of the subject parcel, on November 12, 2019. The site is contiguous to the City boundary and City maintained Club Drive. Annexation of the parcel results in the addition of one single-family home into the City's housing stock and slight increase in the annual property tax revenue to be received. The use and nature of the existing single-family home is consistent and complimentary to the established surrounding land use pattern of other single-family homes in the adjacent City neighborhoods.

The City of San Carlos is requesting that the two associated building permits for this property that are currently open with the County be resolved prior to recording the certificate of completion for the annexation.

Existing and Proposed Land Use Designations

The property is developed with an existing single-family residence. No change to the use of the property is proposed. The current San Mateo County General Plan designation for the area is Medium Density Residential-Urban and the zoning designation is R-1/S-71 (Single Family Residential). The City of San Carlos City Council approved a General Plan designation of Single Family, Low Density and a pre-zoning designation of RS-3, Low Density to the proposal area on November 12, 2019. The City designations for both land use and zoning are consistent with neighboring parcels that are already located in the City.

Sphere of Influence

The sphere of influence of the City of San Carlos was most recently updated by LAFCo in 2011 and included the Devonshire area where 252 Club Drive is located. The subject parcel is not located within the service area or the sphere of influence of any County-governed special district.

Current and Proposed Services

Changes in service that would occur as a result of the reorganization are summarized below:

| Service | Current Service Provider | Proposed Service Provider |
|---------------------|-----------------------------------|---|
| Police | San Mateo County Sheriff | City of San Carlos (Contract with San Mateo County Sheriff) |
| Fire | San Mateo County Fire (CAL Fire) | City of San Carlos (Contract with Redwood City Fire Department) |
| Streets/Storm Water | County of San Mateo | City of San Carlos |
| Water | California Water Services Company | California Water Services Company |
| Sewer | City of San Carlos | City of San Carlos |
| Street Lighting | None | City of San Carlos |
| Parks | County of San Mateo | City of San Carlos |
| Library | Library Joint Power Authority | Library Joint Power Authority |

No change in service delivery patterns will occur for water or sewer as the property already receives service from the California Water Services Company and the City of San Carlos respectively. Annexation to the City will result in transfer of service responsibility for police, fire, parks and recreation, and street lights and transfer of associated property tax revenue to the City of San Carlos.

Property Tax Exchange

As noted, annexation to the City will result in transfer of service responsibility and associated property tax revenue to the City of San Carlos. Both the City of San Carlos and the County of San Mateo have adopted resolutions of property tax exchange pursuant to Revenue and Tax Code Section 99.

The County and the City agreed to a tax exchange that approximates the County and City shares elsewhere in the City. The agreed upon property tax transfers in tax rate area 053-010 are summarized in the following chart.

| From | To | Incremental Factor |
|---------------------|--------------------|---------------------------|
| County Fire | City of San Carlos | 0.078037767 |
| County of San Mateo | City of San Carlos | 0.054962233 |

The total increment transferred to the City of San Carlos is 0.1330000000. The remaining tax share for the County is 0.2329735117. Based on the proposed transfers, after the annexation and amendments are complete, the City of San Carlos will receive \$109.65 based on the current value of the home.

While this does not appear to have a large fiscal impact based on the amounts noted above, if the property was sold and reassessed, it is likely that taxes would significantly increase, and the incremental tax revenues will be distributed based on the proposed incremental factors. This property tax exchange was approved by both the San Mateo County Board of Supervisor and the City of San Carlos City Council in 2019.

Applicable Factors to be Considered for Annexation (Government Code Section 56668)

a. Population and the likelihood of significant growth in the area, during the next 10 years.

The population of unincorporated Devonshire as of 2010 is approximately 2,546. The parcel is developed, and would not have an impact on the overall population of the area. The annexation is occurring in an already developed single-family neighborhood. Due to the location, size, and lack of development activity, it is not anticipated that additional growth will occur relating to this annexation.

b. The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the County.

The proposal to annex the property will allow the City of San Carlos to more efficiently provide the residents of the property with public services. The City now provides sewer service to the property and the annexation would allow the City to provide municipal service, such as fire, police, and park and recreation services. Due to the existing development on the property, the annexation of the parcel to the City would have minimal impact on municipal service demand.

The proposal is consistent with existing residential uses in the surrounding neighborhood and would have negligible, if any, impact on adjacent areas, social and economic interests, and the local government structure of the county.

c. The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development and definiteness and certainty of the boundaries of the territory, the creation of islands or corridors of unincorporated territory.

The proposal conforms with LAFCo and County General Plan policies that encourage the annexation of areas within city spheres of influence. The property is adjacent to the City boundary on three sides. The Club Drive road right-of-way is already located in the City of San Carlos.

d. Consistency with city or county general and specific plan and the sphere of influence of any local agency which may be applicable to the proposal being reviewed.

The property owner is requesting annexation in order to comply with a condition of approval for the related Emergency Outside Service Agreement. No development is proposed on the property with the exception of completing existing permits regarding the sewer connection and the legalization of a previous basement conversion.

As noted above, the proposal is consistent with both City and County General Plan policies encouraging the annexation of areas in city spheres of influence.

- e. The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

The proposal area is already receiving water and sewer service consistent with other areas in the City of San Carlos. The City has indicated in a fiscal analysis of the proposal that the City would receive a minor net fiscal benefit and that no additional recurring service costs would be directly associated with the annexed parcel.

- f. The extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the appropriate council of governments.

While there will be minimal impact to the City's regional housing need, the provision of sewer service by the City allows the residential use on the property to remain. This sewer connection allows for an increased opportunity for the development of an Accessory Dwelling Unit (ADU) on the property that would not otherwise be allowed with a septic system.

- g. The extent to which the proposal will promote environmental justice.

The project area does not include a disadvantaged unincorporated community (DUC), as defined in Section 56033.5. (i.e., residents making less than 80% of the statewide annual median household income). At the census tract level, there are no DUCs identified in San Mateo County.

- h. Information contained in a safety element of general plan, local hazard mitigation plan, and any maps that identify land as a very high fire hazard zone or state responsibility area.

Based on a review of all relevant plans and maps, the area proposed to be annexed is located in a local very high fire area. The property is developed with an existing single-family home which was constructed in 1936. The very high fire area designation is applied to all properties, both incorporated and unincorporated, in the Devonshire area. If development is proposed in the future, the City of San Carlos will apply the applicable regulations and standards for construction within the very high fire hazard zone.

California Environmental Quality Act

The proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) exempt under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities).

Waiver of Conducting Authority Proceedings

Section 56663(c) of the Cortese-Knox-Herzberg (CKH) Act specifies that the Commission may waive conducting authority proceedings for annexations of uninhabited territory with 100 percent landowner consent provided that no objection is submitted by subject property owners or voters. The purpose of the conducting authority proceedings is to measure landowner or voter protest within the affected territory. Paragraph (c) was added to Government Code Section 56663 to streamline proceedings in which landowners have already given consent to an uninhabited annexation. The landowners have requested, and staff recommends, waiver of conducting authority proceedings.

Recommended Commission Action by Resolution

The proposal is consistent with the spheres of influence of the City, General Plans of the County and the City and the service delivery patterns in the area. Staff respectfully recommends that the Commission approve the proposal by taking the following action:

By resolution, approve LAFCo File No. 19-03– Proposed Annexation of 252 Club Drive (APN 049-050-050) to the City of San Carlos and direct the Executive Officer to waive the conducting of the conducting authority proceedings subject to the following conditions of approval:

San Mateo LAFCo:

1. Submittal of the map and legal description prepared by a licensed surveyor, that meet the requirements of the State Board of Equalization along with filing fee.

City of San Carlos:

2. The applicant shall complete all work associated with any County of San Mateo permits, including BLD2019-00393 and BLD2019-00487, prior to the recording of the annexation.

Attachments

A. Annexation Application

B. Vicinity Map

C. City of San Carlos Resolutions

cc: Henry and Maria Zuschlag, Property Owners
 Jeff Maltbie, City of San Carlos
 Grace Lee, City of San Carlos
 Andrea Mardesich, City of San Carlos
 Kanoa Kelley, San Mateo County Planning Department
 John Brennan, San Mateo County Building Department
 Greg Smith, San Mateo County Environmental Health Services

APPLICATION FOR A CHANGE OF ORGANIZATION OR REORGANIZATION TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION

RECEIVED

MAR 22 2019

LAFCO

A. GENERAL INFORMATION

1. Briefly describe the nature of the proposed change of organization or reorganization.

Annexation of 252 Club Drive, unincorporated San Carlos (APN 049-050-050) to the City of San Carlos

2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

- X Landowners or registered voters, by petition
An affected public agency, by resolution

(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)

3. What are the reasons for the proposal?

The annexation of the property is a requirement of an approved Outside Service Agreement with the City of San Carlos (LAFCo File No. 19-01) for a sewer connection.

4. Does this application have 100% consent of landowners in the affected area?

- X Yes No

5. Estimated acreage: 0.15 acres

B. SERVICES

1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

City of San Carlos, County of San Mateo, County Fire (CAL Fire)

2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none")

if service is not now provided), the proposed source of service and the source of funding for construction of necessary facilities (if any) and operation. Example is given on the first two lines of the space provided for your response.

| SERVICE | PRESENT SOURCE | PROPOSED SOURCE | FUNDING SOURCE | |
|--------------------|--|--|----------------|--------------|
| | | | CONSTRUCTION | OPERATING |
| <i>Police</i> | <i>Co. Sheriff</i> | <i>Co. Sheriff (by contract with the City of San Carlos)</i> | <i>N/A</i> | <i>Taxes</i> |
| <i>Sewer</i> | <i>City of San Carlos</i> | <i>City of San Carlos</i> | <i>N/A</i> | <i>Fees</i> |
| <i>Water</i> | <i>California Water Service – San Carlos</i> | <i>California Water Service – San Carlos</i> | <i>N/A</i> | <i>Fees</i> |
| <i>Fire</i> | <i>CAL Fire</i> | <i>City of San Carlos</i> | <i>N/A</i> | <i>Taxes</i> |
| <i>Solid Waste</i> | <i>Recology San Mateo County (under franchise agreement with San Mateo County)</i> | <i>Recology San Mateo County (under franchise agreement with City of San Carlos)</i> | <i>N/A</i> | <i>Fees</i> |
| <i>Storm Drain</i> | <i>City of San Carlos</i> | <i>City of San Carlos</i> | <i>N/A</i> | <i>Taxes</i> |

C. PROJECT PROPOSAL INFORMATION

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

252 Club Drive (APN 049-050-050) is located in unincorporated San Carlos (Devonshire)

2. Describe the present land use(s) in the subject territory.

The property is developed with an existing single-family residence.

3. How are adjacent lands used?

North: Developed with a single-family residence.

South: Club Drive roadway, across the road is a single-family residence

East: Developed with a single-family residence.

West: California Water Service water tank

4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

The proposed annexation of an existing house will not result in additional development. The annexation of the property is a requirement of an approved Outside Service Agreement with the City of San Carlos (LAFCo File No. 19-01) for a sewer connection. No new development of the property is proposed at this time.

5. What is the general plan designation of the subject territory?

Medium Density Residential Urban (San Mateo County)

6. What is the existing zoning designation of the subject territory?

R-1/S-71/DR (San Mateo County)

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?

An Outside Service Agreement for a sewer connection has been approved by the City of San Carlos and LAFCo. An application for rezoning has been submitted to the City of San Carlos.

8. What additional approvals will be required to proceed?

The City of San Carlos will need to approve the rezoning and environmental documents for the project. A property tax exchange for the annexation of the property will need to be approved by the City and County.

9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?

The property does not contain agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction.

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?


The existing property has existing sewer and water connections and is located within an existing single-family neighborhood. Any proposed development on the property will need to conform to the general plan and zoning designations of the City of San Carlos after the property is annexed, which is highly likely to maintain the single-family character of the property.

* * * * *

LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

NAME: HENRY ZUSCHLAG EMAIL: dianariz252@gmail.com

ADDRESS: 252 CLUB DR. TELEPHONE: (650) 339-1505

ATTN: _____

Signature of Proponent

Applica_blk.doc
(10/6/2000)

MAR 22 2019

LAFCO

PETITION
FOR PROCEEDINGS PURSUANT TO
THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF
2000

The undersigned hereby petition(s) the Local Agency Formation Commission of San Mateo County for approval of a proposed change of organization or reorganization, and stipulate(s) as follows:

1. This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with Section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
2. The specific change(s) of organization proposed (i.e., annexation, detachment, reorganization, etc. is/are:
Annexation of 252 Club Drive to the City of San Carlos.
3. The boundaries of the territory(ies) included in the proposal are as described in Exhibit(s) attached hereto and by this reference incorporated herein.
4. The territory(ies) included in the proposal is/are: 252 Club Drive, unincorporated San Carlos (APN 049-050-050)

___ inhabited (12 or more registered voters) X Uninhabited
5. This proposal is X is not ___ consistent with the sphere of influence of the affected city and/or district(s).
6. The reason(s) for the proposed annexation (annexation, detachment, reorganization, etc.) is/are:

The annexation of the property is a requirement of an approved Outside Service Agreement with the City of San Carlos (LAFCo File No. 19-01) for a sewer connection.

7. The proposed annexation is requested to be made subject to the following terms and conditions:

The City of San Carlos will need to approve the rezoning and environmental documents for the project. A property tax exchange for the annexation of the property will need to be approved by the City and County.

8. The persons signing this petition have signed as:

_____ registered voters **or** X Owners of land (check one) within the subject territory.

Wherefore, petitioner(s) request(s) that proceedings be taken in accordance with the provisions of Section 56000, et seq. Of the Government Code and herewith affix signatures as follows:

Chief Petitioners (not to exceed three):

Date: Printed Name: Signature/Residence address APN*

| | | | | |
|--------------------|--------------------|--------------------|---------------------|--|
| <u>22 MAR 2019</u> | <u>H. ZUSCHLAG</u> | <u>H. Zuschlag</u> | <u>252 CLUB DR.</u> | |
| <u>20 Mar 2019</u> | <u>M ZUSCHLAG</u> | <u>M ZUSCHLAG</u> | <u>252 CLUB DR</u> | |
| _____ | _____ | _____ | _____ | |

*Assessor's Parcel Number of parcel(s) proposed for annexation.

RESOLUTION NO. 2019 - 092**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CARLOS
ADOPTING A GENERAL PLAN MAP AMENDMENT FOR THE PROPERTY LOCATED AT
252 CLUB DRIVE (APN: 049-050-050) TO A LAND USE DESIGNATION OF SINGLE
FAMILY, LOW DENSITY (3 DU/ACRE).**

WHEREAS, the San Carlos City Council has received an application from the property owners of 252 Club Drive (Assessor's Parcel Number (APN) 049-050-050) for a General Plan Map Amendment to a land use designation of Single Family, Low Density (3 DU/Acre) with the associated request for a Zoning District Boundary Map Amendment as initial steps to rezoning and annexation of the subject property from the County of San Mateo into the City of San Carlos ("Project"); and

WHEREAS, it is determined that the aforementioned property is located within the Local Agency Formation Commission ("LAFCo") adopted sphere of influence ("SOI") of San Carlos; and

WHEREAS, in accordance with the California Environmental Quality Act ("CEQA"), the City Council has determined that the application for a General Plan Map Amendment and associated Zoning District Boundary (Map) Amendment for the aforementioned property is exempt from the provisions of CEQA pursuant to Section 15061(b)(3) Common Sense Exemption and Section 15319 Annexation of Existing Facilities and Lots for Exempt Facilities; and

WHEREAS, on October 21, 2019 the San Carlos Planning Commission conducted a public hearing to consider a recommendation to the City Council regarding a General Plan Map amendment for the aforementioned property to a land use designation of Single Family, Low Density (3 DU/acre); and

WHEREAS, on October 21, 2019 the San Carlos Planning Commission adopted Planning Commission Resolution No. 2019-09 recommending City Council approval of such, which includes the reasons for the recommendation, findings for a General Plan Amendment in Chapter 18.34 and the relationship of the proposed amendment to applicable general and specific plans; and

WHEREAS, on November 12, 2019 the City Council conducted a public hearing to receive Planning Commission Resolution 2019-09 recommending approval and to consider the application from the property owners of the aforementioned property regarding a General Plan Map amendment to a land use designation of Single Family, Low Density (3 DU/acre) in conformance with Chapters 18.27 Common Procedures and 18.34 Amendments to the General Plan of the San Carlos Municipal Code; and

WHEREAS, the City Council finds that an amendment to the General Plan Map to a land use designation of Single Family, Low Density (3 DU/acre) for the aforementioned property is consistent the San Carlos General Plan and Municipal Code.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of San Carlos does hereby resolve, determine and order as follows:

A. Findings

The City Council determines that the General Plan Map Amendment meets, and is consistent with, the following required General Plan policies:

1. POLICY LU-4.2 Annexation of all or portions of unincorporated residential areas shall only be permitted when public services and facilities meeting City standards are available to the lands proposed for inclusion in the city. All streets, sewage and drainage systems and police and fire protection must meet City standards. In no case shall the city taxpayer be burdened with paying for additional services for newly annexed lands. Funds for these services shall be generated through property tax revenue, the establishment of special assessment districts or they shall be paid for by the developer/property owner.
2. POLICY LU-4.5 Annexation of developed parcels shall be in substantial compliance with the following criteria:
 - a. The parcel is contiguous to parcels located in the City of San Carlos and contiguous to city streets.
 - b. The parcel is connected to the city's sanitary sewer system or can be connected to the city's sewer to the satisfaction of the City Engineer.
 - c. The structure on the parcel shall comply with the Building Codes in effect at the time the structures were constructed. A Code Compliance evaluation prepared by a licensed Civil Engineering or Architect shall be submitted to the San Carlos Building Department for review and approval prior to annexation.
3. POLICY LU-4.6 Parcels proposed for annexation to the City shall be rezoned:
 - a. (b) Other parcels proposed for annexation shall be rezoned R-1-LD Low-Density, Single-Family Residential District.
4. POLICY LU-4.7 Prior to annexation of parcels, public services and facilities meeting City standards shall be installed or provisions for their installation shall have been made to the satisfaction of the City Engineer. Public services and utilities include:
 - a. Construction and acceptance of improvements shall be completed prior to issuance of Building Permits or sewer connections.
 - b. Construction of streets meeting City subdivision street standards from the terminus of city streets currently meeting City standards to and throughout the subdivision. Where possible and appropriate and subject to environmental, health and safety considerations, rural road standards shall apply. Assessment districts may be used by the developer for installation of portions of the street which is the responsibility of the owner of abutting unimproved lands at the time their development.
5. POLICY LU-4.8 Annexation of parcels shall be in compliance with City General Plan policies.
6. POLICY LU-4.9 An environmental analysis under the provisions of the California Environmental Quality Act and a fiscal impact analysis shall be conducted.

B. Adoption

1. The City Council adopts an amendment to the General Plan Map with a land use designation of Single Family, Low Density (3 DU/Acre) for 252 Club Drive (APN: 049-050-050) as set forth in Exhibit "A".

* * * * *

I, Crystal Mui, hereby certify that the foregoing Resolution was duly and regularly passed and adopted as a Resolution of the City Council of the City of San Carlos at a regular meeting thereof held on the 12th day of November, 2019 by the following vote:

| | |
|---------------------------------|---|
| AYES, COUNCILMEMBERS: | <u>COLLINS, MCDOWELL, PARMER-LOHAN, RAK, OLBERT</u> |
| NOES, COUNCILMEMBERS: | <u>NONE</u> |
| ABSENT, COUNCILMEMBERS: | <u>NONE</u> |
| ABSTAIN, COUNCILMEMBERS: | <u>NONE</u> |


CITY CLERK of the City of San Carlos

APPROVED:


MAYOR of the City of San Carlos

Exhibit A: General Plan Map for 252 Club Drive

**Exhibit A to Resolution No 2019 - 092
General Plan Map Amendment for 252 Club Drive, San Carlos**



.....General Plan Map Amendment, Land Use Designation: Single Family, Low Density (3 DU/AC)

ORDINANCE NO. 1558

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN CARLOS
ADOPTING A ZONING DISTRICT BOUNDARY MAP AMENDMENT FOR THE PROPERTY
LOCATED AT 252 CLUB DRIVE (APN: 049-050-050) TO ALLOW FOR PRE-ZONING OF
THE PROPERTY TO RS-3: SINGLE FAMILY, LOW DENSITY.**

The City Council of the City of San Carlos does ordain as follows:

SECTION 1:

WHEREAS, the San Carlos City Council has received an application from the property owners of 252 Club Drive (Assessor's Parcel Number (APN) 049-050-050) for a Zoning District Boundary Map Amendment to allow for a rezoning designation of RS-3: Single Family, Low Density as initial steps to annexation of the subject property from the County of San Mateo into the City of San Carlos; and

WHEREAS, the San Carlos City Council has received an associated application from the owners of the aforementioned property for a General Plan Amendment to a land use designation of Single Family, Low Density (3 DUs/Acre); and

WHEREAS, it is determined that the aforementioned property is located within the Local Agency Formation Commission ("LAFCo") adopted sphere of influence ("SOI") of San Carlos; and

WHEREAS, in accordance with the California Environmental Quality Act ("CEQA"), the City Council has determined that the application for associated Zoning District Boundary (Map) Amendment and associated General Plan Map Amendment for the aforementioned property is exempt from the provisions of CEQA pursuant to Section 15061(b)(3) Common Sense Exemption and Section 15319 Annexation of Existing Facilities and Lots for Exempt Facilities; and

WHEREAS, on October 21, 2019 the San Carlos Planning Commission conducted a public hearing for consideration of a Zoning District Boundary Map Amendment and Rezoning and Annexation for the aforementioned property to RS-3: Single Family, Low Density in consideration of a recommendation to the City Council regarding adoption of an Ordinance; and

WHEREAS, on October 21, 2019 the San Carlos Planning Commission adopted Planning Commission Resolution No. 2019-10 recommending City Council approval of a Zoning District Boundary Map Amendment and Rezoning and Annexation, which include the reasons for the recommendation, findings related to the criteria for zoning amendments in Section 18.35.080 and the relationship of the proposed amendment to applicable general and specific plans; and

WHEREAS, on November 12, 2019 City Council conducted a public hearing to consider the application from the property owners of the aforementioned property regarding a Zoning District Boundary Map Amendment and Rezoning of RS-3: Single Family, Low Density in conformance with Chapters 18.27 Common Procedures, 18.35 Amendments to the Zoning Ordinance and Map and 18.38 Rezoning and Annexation Procedure of the San Carlos

Municipal Code and to receive Planning Commission Resolution No. 2019-10 recommending approval of such; and

WHEREAS, the City finds that a Zoning District Boundary Map Amendment and Rezoning of RS-3: Single Family, Low Density for the aforementioned property is consistent with the City of San Carlos General Plan and Municipal Code.

SECTION 2:

The City Council makes the following findings:

A. Regarding Section 18.35.080 B. Zoning District Boundary Map Amendments of the San Carlos Municipal Code:

1. The change in district boundaries is consistent with the General Plan;

The site is proposed for a General Plan land use designation of Single Family, Low Density (3 DU/Acre), which is consistent and reflective of applicable General Plan policies.

2. The change in district boundaries is consistent with the purpose of this title to promote the growth of the city in an orderly manner and to promote and protect the public health, safety, peace, comfort and general welfare;

Annexation of this parcel is occurring in an orderly and systematic matter as City jurisdiction and services are currently immediately adjacent to the subject site would simply be extended to cover this one developed parcel. Annexation will provide clear and efficient emergency service to the site, which if left in its current state, could potentially harm the public health, safety, peace, comfort and general welfare.

3. The change in district boundaries is necessary to achieve the balance of land uses desired by the City, consistent with the General Plan, and to increase the inventory of land within a given zoning district;

Annexation of the parcel results in the addition of one new single-family home into the City's housing stock and slight increase in the annual property tax revenue to be received. The use and nature of the existing single-family home is consistent and complimentary to the established surrounding land use pattern of other single-family homes in the adjacent City neighborhoods.

B. Regarding Section 18.38.040 Annexation Regulations:

1. The site is located contiguous both to the City boundary and a City maintained street. A fiscal impact analysis has been prepared by an economic development and consulting firm, which concludes that the City will receive annual net revenue and that no additional recurring service costs are directly associated. Public services and facilities are determined to be available. The site meets the minimum lot size and density standards of the Zoning and Subdivision Ordinance.

SECTION 3: The approved Zoning District Boundary Map Amendment to prezone the property to RS-3: Single Family, Low Density is set forth in the map listed as Exhibit "A" and

with conditions of approval as set forth in Exhibit "B".

SECTION 4: Severability. That the City Council hereby declares that it would have passed this Ordinance sentence by sentence, paragraph by paragraph, and section by section, and does hereby declare that any provisions of this Ordinance are severable and, if for any reason any sentence, paragraph or section of this Ordinance shall be held invalid, such decision shall not effect the validity of the remaining parts of this Ordinance.

SECTION 5: Publication. This Ordinance shall be published and posted according to law and shall take effect and be in force from and after 30 days after its passage and adoption.

* * * * *

I, Crystal Mui, hereby certify that the foregoing Ordinance was introduced on the 12th day of November, 2019 and passed and adopted as an Ordinance of the City Council of the City of San Carlos at a regular meeting thereof held on the 25th day of November, 2019, by the following vote:

AYES, COUNCILMEMBERS: COLLINS, MCDOWELL, PARMER-LOHAN, RAK, OLBERT

NOES, COUNCILMEMBERS: NONE

ABSENT, COUNCILMEMBERS: NONE

ABSTAIN, COUNCILMEMBERS: NONE


CITY CLERK of the City of San Carlos


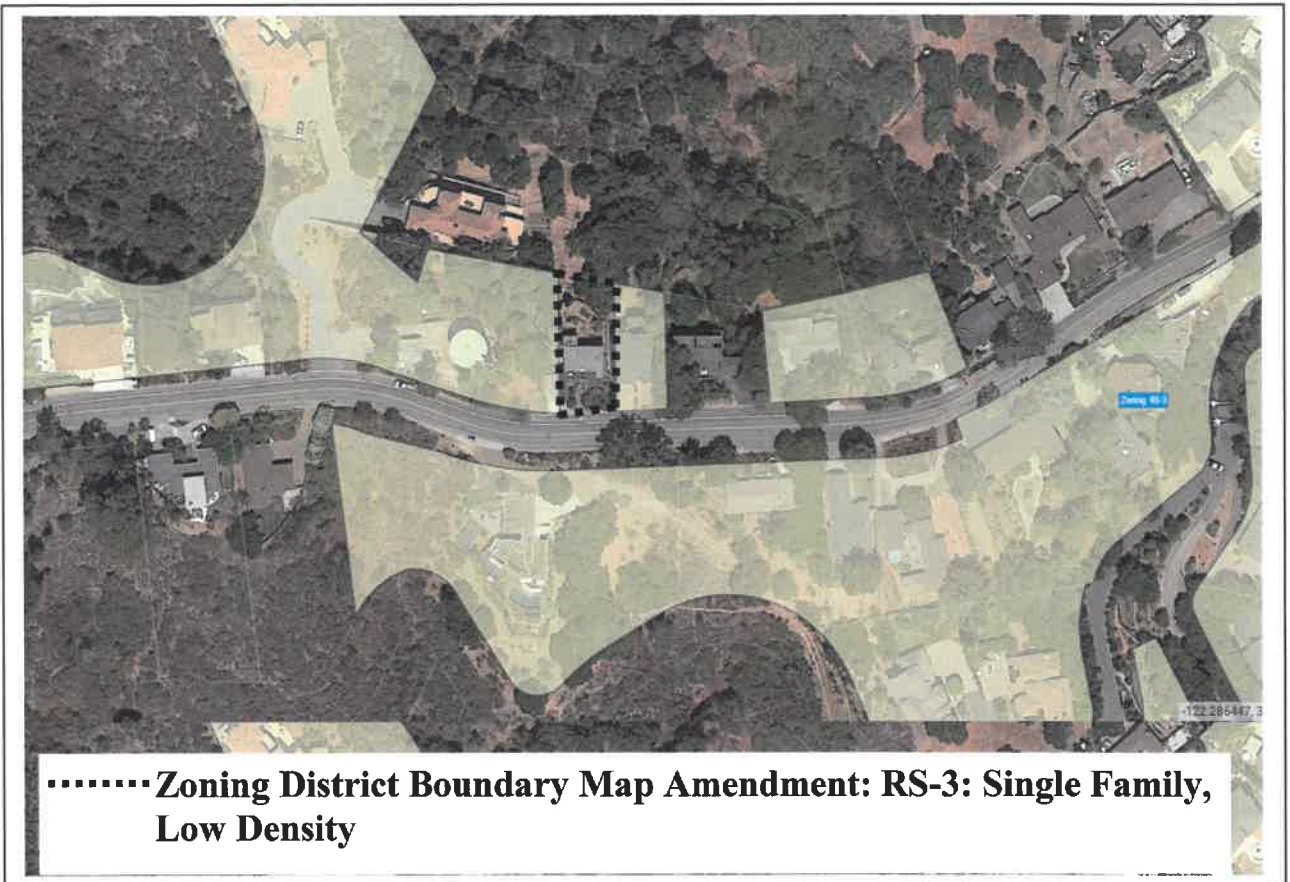
APPROVED: 
MAYOR of the City of San Carlos

Exhibit A: Zoning District Boundary Map Amendment

Exhibit B: Conditions of Approval

Exhibit A to Ordinance No.1558

Zoning District Boundary Map Amendment Map – 252 Club Drive, San Carlos



**Exhibit B to Ordinance No. 1558
Zoning District Boundary Map Amendment Conditions of Approval**

**ZONING DISTRICT BOUNDARY MAP AMENDMENT CONDITIONS OF APPROVAL
FOR ANNEXATION OF 252 CLUB DRIVE (APN: 049-050-050)**

1. The applicant shall apply to the Local Agency Formation Commission (LAFCo) for annexation to the City of San Carlos.
2. The rezoning shall remain the same for two years after annexation in compliance with Chapter 18.38 of the San Carlos Municipal Code.
3. The applicant shall comply with all future conditions of the Public Works Division, to the satisfaction of the Public Works Director, prior to annexation.
4. The applicant shall comply with any and all future conditions of the Building Division, to the satisfaction of the Chief Building Official, prior to annexation.
5. The applicant shall be responsible to obtain any and all required approvals from the San Mateo County Environmental Health Department.
6. The applicant shall comply with any and all future conditions of the Fire Department, to the satisfaction of the Fire Marshal prior to annexation.

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

January 8, 2025

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer

Subject: Consideration of LAFCo File No. 24-11 - Proposed Annexation of 175 Los Trancos Rd., Portola Valley (APN 079-112-180) to West Bay Sanitary District

Summary

This proposal, submitted by landowner petition, requests annexation of 175 Los Trancos Rd., Portola Valley (APN 079-112-180) to West Bay Sanitary District and connection to the District's sewer main. The property owners are in the process of redeveloping the parcel with a new single-family home. The proposal has 100 percent landowner consent and waiver of conducting authority proceedings is also requested. Commission approval is recommended.

Departmental Reports

County Assessor: The total net assessed land valuation for the parcel shown in the records of the County Assessor is \$2,700,000. The boundaries of the annexation as proposed conform to lines of assessment and ownership.

County Clerk: The territory has zero registered voters. If the annexation is approved, the property will need to be assigned to a precinct that includes West Bay Sanitary District.

County Public Works: The draft map and legal description have been submitted for review.

Town of Portola Valley: The Town's General Plan designation is low intensity residential (1-2 acres per dwelling unit). It will be necessary for any work to be reviewed by Town Planning and Public Works, and an encroachment permit is required.

County Environmental Health: The California Water Service Company and West Bay Sanitary District provide the available water and sewer service in the area.

West Bay Sanitary District: Fees for annexation, permits, annual service charges and reimbursement fees associated with this connection will be required and paid for by the proponent. Per the WBSD, there currently is a gravity sewer main located in front of the subject

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT
▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪
DIANE ESTIPONA, CLERK

parcel on Los Trancos Road in front of the property. Annexation to the on-site wastewater disposal zone (ZONE) will not be required. If gravity flow cannot be established to the sewer main, then a private ejector pump may be installed on the property. A grinder type pump shall not be used for this connection.

Executive Officer's Report

This proposal has been submitted by landowner petition. The territory proposed for annexation is located at 175 Los Trancos Rd. in Portola Valley, near Firethorn Way. The property is proposed to connect to an existing sewer gravity main located in front of the subject property.

The annexation area is within the sphere of influence of West Bay Sanitary District adopted by the Commission in 1984 and is consistent with the District's plans for extending service. Approval of the annexation is recommended.

California Environmental Quality Act

The proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) exempt under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities).

Waiver of Conducting Authority Proceedings

Section 56662(a) of the Cortese-Knox-Hertzberg (CKH) Act specifies that the Commission may waive conducting authority proceedings for annexations of uninhabited territory with 100 percent landowner consent provided that no objection is submitted by subject property owners or voters. The purpose of the conducting authority proceedings is to measure landowner or voter protest within the affected territory. The landowners have requested, and staff recommends, waiver of conducting authority proceedings.

Recommended Commission Action by Resolution

By resolution, approve LAFCo File No. 24-11 - Proposed Annexation of 175 Los Trancos Rd., Portola Valley (APN 079-112-180) to West Bay Sanitary District and Waiver of Conducting Authority Proceedings.

Attachments

- A. Annexation Application for 175 Los Trancos Rd., Portola Valley
- B. Vicinity Map and Annexation Map
- C. Resolution No. 1332

cc: Sergio Ramirez and Jason Feudale, West Bay Sanitary District
Tiffany Gee, San Mateo County Planning
Gregory Smith, San Mateo County Environmental Health
San Mateo County Clerk
Andrew Smith, San Mateo County Assessor
Property Owners

APPLICATION FOR A CHANGE OF ORGANIZATION, REORGANIZATION, OR OUTSIDE SERVICE AGREEMENT TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION

A. GENERAL INFORMATION

- 1. Briefly describe the nature of the proposed change of organization, reorganization, or outside service agreement.

Removal of septic system/tank at 175 Los Trancos Rd, Portola Valley, CA 94028.
New construction of single family residence to connect to sewer through Westbay Sanitary district.

- 2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

X Landowners or registered voters, by petition
An affected public agency, by resolution

(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)

- 3. What are the reasons for the proposal?

Demolition of existing SFR. New construction of SFR with detached ADU to follow.

- 4. Does this application have 100% consent of landowners in the affected area?

X Yes No

- 5. Estimated acreage: 1

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LAFCO

DEC 09 2024

RECEIVED

B. SERVICES

LAFCO

- 1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

Westbay Sanitary District

- 2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none")

if service is not now provided), the proposed source of service and the source of funding for construction of necessary facilities (if any) and operation. Example is given on the first two lines of the space provided for your response.

| SERVICE | PRESENT SOURCE | PROPOSED SOURCE | FUNDING SOURCE | |
|-----------------------------|--------------------|---------------------------|------------------|--------------|
| | | | CONSTRUCTION | OPERATING |
| <i>Police (example)</i> | <i>Co. Sheriff</i> | <i>City Police</i> | <i>N/A</i> | <i>Taxes</i> |
| <i>Sewer (example)</i> | <i>None</i> | <i>City of . . .</i> | <i>Proponent</i> | <i>Fees</i> |
| Sewer | None | Westbay Sanitary District | Proponent | Fees |
| | | | | |
| | | | | |
| | | | | |

C. PROJECT PROPOSAL INFORMATION

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

175 Los Trancos Rd, Portola Valley, CA 94028

APN: 079-112-180

2. Describe the present land use(s) in the subject territory.

Residential

3. How are adjacent lands used?

North: Residential

South: Residential

East: Residential

West: Residential

4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

New single family residence

5. What is the general plan designation of the subject territory?

Alpine Scenic Corridor Plan: The conservation and enhancement of the beauty of landscape and the rich variety of plants and wildlife of the scenic corridor so as to maintain this band of pleasant open country for the enjoyment of all.

6. What is the existing zoning designation of the subject territory?

R-1

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?

none yet

8. What additional approvals will be required to proceed?

Permits from Portola Valley and Westbay Sanitary District.

9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?

N/A

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?

While the sewer connection will allow for greater development potential compared to the use of exosting septic system, the existing single family house will be replaced with a new single family housee as part of this project; no change in the level of development on the property.

* * * * *

LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

NAME: John Mills

EMAIL: john@jpmconstructs.com

ADDRESS: 175 Los Trancos Rd, Portola Valley, CA 94026

TELEPHONE: (650)269-2312

ATTN:



Signature of Proponent

Applica_blk.doc
(10/6/2000)

**LEGAL DESCRIPTION
ANNEXATION TO WEST BAY SANITARY DISTRICT
LANDS OF MILLS
175 LOS TRANCOS ROAD
PORTOLA VALLEY, SAN MATEO COUNTY, CALIFORNIA
BEING A PORTION OF THE RANCHO EL CORTE DE MADERA**

All that certain real property situate in the Town of Portola Valley, County of San Mateo, State of California, being all of the lands of John P. Mills II and Jennifer Mills as described in the grant deed recorded November 3, 2023, in Document No. 2023-057360 in the Office of the Recorder of said County, and being more particularly described as follows:

BEGINNING at the most northerly corner of said lands of Mills, said corner also being the westerly corner of that annexation to the West Bay Sanitary District as adopted on January 27, 1992, by Resolution No. 1191(92);

1. Thence along the southwesterly line of said annexation and the northeasterly line of said lands of Mills, South 61°47'18" East 291.14 feet to the southwesterly corner of said annexation and the southeasterly corner of said lands of Mills, said corner also lying in the centerline of Los Trancos Creek and on the northwesterly line of that annexation to the West Bay Sanitary District as adopted on January 20, 1999, by Resolution No. 898;

Thence along said centerline of Los Trancos Creek, said northwesterly annexation line, and the southeasterly line of said lands of Mills, the following courses;

2. South 20°47'30" West 41.83 feet;
3. South 26°28'54" West 14.45 feet;
4. South 40°17'35" West 22.32 feet;
5. South 50°23'33" West 52.19 feet;
6. South 29°19'30" West 23.23 feet;
7. South 22°01'23" West 12.34 feet to the most southerly corner of said lands of Mills;
8. Thence leaving said creek and last said annexation line, along the southwesterly line of said lands of Mills, North 61°47'18" West 253.10 feet to the most westerly corner of said lands of Mills and the southeasterly right-of-way line of Los Trancos Road, said

corner lying on a curve concave to the east having a radius of 200.00 feet and to which a radial bearing bears North 74°32'33" West;

9. Thence northerly along said curve and right-of-way line and the northwesterly line of said lands of Mills through a central angle of 5°56'33" a distance of 20.74 feet;

10. Thence tangent from said curve and along said southeasterly right-of-way line of Los Trancos Road and said northwesterly line of the lands of Mills, North 21°24'00" East 142.13 feet to the **POINT OF BEGINNING**;

Containing an area of 44,660 square feet, more or less.

The herein described annexation parcel is shown on the attached map of this legal description, Page 3 of 3, and is made a part hereof.

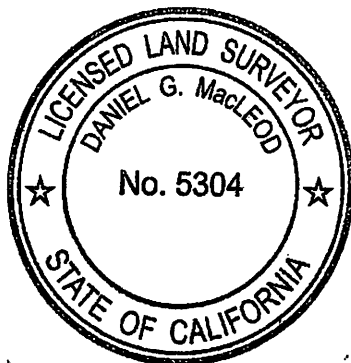
Description prepared by MacLeod and Associates, Inc.

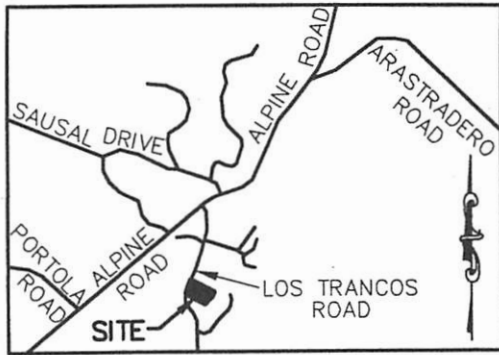


Daniel G. MacLeod L.S. 5304

SEPT. 30, 2024

Date





VICINITY MAP
NO SCALE

A.P.N. 182-36-010

RESOLUTION #898

SAN MATEO/SANTA CLARA COUNTY LINE & CENTERLINE OF LOS TRANCOS CREEK

③ S 26°28'54" W
14.45'

② S 20°47'30" W
41.83'

④ S 40°17'35" W
22.32'

SAN MATEO/SANTA CLARA COUNTY LINE & CENTERLINE OF LOS TRANCOS CREEK

⑤ S 50°23'33" W
52.19'

⑥ S 29°19'30" W
23.23'

⑦ S 22°01'23" W
12.34'

A.P.N. 079-112-160

RESOLUTION #1191(92)

A.P.N. 079-112-180

⑨ R=200.00'
Δ=5°56'33"
L=20.74'

A.P.N. 079-112-190

POINT OF BEGINNING

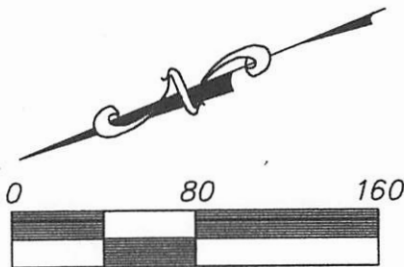
⑩ N 21°24'00" E
142.13'

LOS TRANCOS ROAD

N 74°32'33" W
RADIAL

A.P.N. 079-112-350

A.P.N. 079-112-360
RESOLUTION #837



Scale 1" = 80 ft

LEGEND

- PROPOSED WEST BAY SANITARY DISTRICT BOUNDARY
- - - - - EXISTING WEST BAY SANITARY DISTRICT BOUNDARY
- ① COURSE NUMBER

TITLE: PLAT TO ACCOMPANY LEGAL DESCRIPTION
PROPOSED SEWER ANNEXATION;
175 LOS TRANCOS ROAD; A.P.N. 079-112-180
BEING A PORTION OF THE RANCHO EL CORTE DE MADERA
TOWN OF PORTOLA VALLEY SAN MATEO COUNTY CALIFORNIA

| | | | |
|--------------|------------------|-------------------|-------------------|
| PLAT: DJK | SCALE: 1"=80' | DATE: 09-30-24 | JOB #: 5572-23 |
|--------------|------------------|-------------------|-------------------|

MacLEOD AND ASSOCIATES

CIVIL ENGINEERING • LAND SURVEYING

965 CENTER STREET SAN CARLOS CA 94070 (650) 593-8580



RESOLUTION NO. 1332

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
MAKING DETERMINATIONS, APPROVING LAFCO FILE 24-11 -
ANNEXATION OF 175 LOS TRANCOS ROAD, PORTOLA VALLEY (APN 079-112-180)
TO THE WEST BAY SANITARY DISTRICT AND
WAIVING CONDUCTING AUTHORITY PROCEEDINGS**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California, that

WHEREAS, a proposal for the annexation of certain territory to the West Bay Sanitary District in the County of San Mateo was heretofore filed with the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

WHEREAS, the Executive Officer has reviewed the proposal and prepared a report, including the recommendations thereon, the proposal and report having been presented to and considered by this Commission; and

WHEREAS, it appears to the satisfaction of this Commission that all owners of the land included in the proposal consent to the proceeding; and

WHEREAS, a public hearing by this Commission was held on the proposal and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report; and

WHEREAS, the proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities); and

NOW, THEREFORE, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. This proposal is approved, subject to the following conditions: None.

Section 2. The boundaries as set forth in the application are hereby approved as submitted and are as described in Exhibit "A" attached hereto and by this reference incorporated herein.

Section 3. The territory consists of 1.02 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: Annexation of 175 Los Trancos Road, Portola Valley to the West Bay Sanitary District.

Section 4. Conducting authority proceedings are hereby waived in accordance with Government Code Section 56662(a) and this annexation is hereby ordered.

Regularly passed and adopted this _ day of _____.

Ayes and in favor of said resolution:

Commissioners:

Noes and against said resolution:

Commissioner(s):

Absent and/or Abstentions:

Commissioner(s):

Chair
 Local Agency Formation Commission
 County of San Mateo
 State of California

ATTEST:

Rob Bartoli
 Executive Officer
 Local Agency Formation Commission

Date: _____

I certify that this is a true and correct copy of the resolution above set forth.

Clerk to the Commission
 Local Agency Formation Commission

Date: _____

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

January 8, 2025

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer
Sarah Flamm, Management Analyst

Subject: Consideration of Draft Municipal Service Review for the San Mateo County Harbor District; Continued from November 20, 2024 meeting, Item 6.

Summary and Background

In 1985, San Mateo LAFCo first prepared comprehensive Sphere of Influence (SOI) studies and adopted SOIs for the County's cities and special districts. Subsequently, LAFCo reviewed and updated spheres on a three-year cycle. SOI updates focus on changes in service demand within the boundaries of cities and special districts. In 2003, in order to comply with the newly enacted CKH Act, LAFCo began the process of preparing SOI updates in conjunction with or following a Municipal Service Review (MSR). This is the third MSR study that San Mateo LAFCo has conducted on the San Mateo County Harbor District (SMCHD, the District) in the past 19 years.

The SMCHD is an independent district created in 1933 by a County election and governed by a five-member Board of Commissioners. The District's boundaries are contiguous with the County of San Mateo, encompassing approximately 449 square miles of land area and a population of 745,193 residents. SMCHD operates pursuant to Section 6000 et seq. of the California Harbor and Navigations Code and is one of 13 harbor or port districts in the State. The District operates Pillar Point Harbor in the unincorporated community of Princeton-by-the-Sea on the Pacific Ocean, as well as Oyster Point Marina/Park located on the San Francisco Bay in the City of South San Francisco.

Current Key Issues

Key issues identified in compiling information on the San Mateo County Harbor District include:

- Since the District's latest LAFCo MSR/SOI study in 2015, the District has improved its financial transparency and budgeting practices.

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT
▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪
DIANE ESTIPONA, CLERK

- The District remains reliant on property tax revenue to cover its operating costs. The District has an ongoing focus on how to enhance its operating revenue stream, through the continued development of enterprise functions such as the operation of the harbors and leasing SMCHD property.
- While existing revenue is sufficient for ongoing operations and maintenance expenditures, 85% of the \$80 million in capital improvement projects that have been identified over the next five years are unfunded. Funding for these projects may require finding multiple funding sources such as grants, loans, and working capital/fund balance. While there are challenges with funding present and future capital projects, there are no ongoing concerns regarding the District’s financial ability to provide services.
- Similar to prior studies, LAFCo finds that the assumption of SMCHD operations by a successor agency (or agencies) could offer the opportunity to achieve certain service efficiencies and cost savings due to economies of scale and eliminating duplicative elected offices and administrative functions. However, no proposal for a governance change has been submitted to LAFCo at this time.

Proposed Municipal Service Review Determinations and Recommendations

As required by California Government Code Section 56430, this Circulation Draft MSR has seven determination areas and recommendations:

I. Growth and Population Determination

While the County will continue to grow in population, demand for Harbor District services and facilities is more heavily driven by other factors, such as weather conditions, fishing season prospects, and outdoor recreation trends. The projected population growth will not directly impact the District’s service needs and demands.

Recommendation: None

II. Disadvantaged Unincorporated Communities Determination

The District’s sphere and corporate boundaries are contiguous with the County. While there are disadvantaged unincorporated communities within the District’s boundaries, services to these areas—such as water, sewer, and structural fire—are the responsibility of other agencies.

Recommendation: None

III. Capacity and Adequacy of Public Facilities and Services Determination

SMCHD has significant infrastructure and facility improvement needs due to wear and tear from heavy use, a harsh marine environment, and deferred maintenance and capital projects. The District’s 2019 Strategic Plan and 2022 Master Plan indicate necessary repairs and capital improvements. The Plan details that at Pillar Point Harbor the Johnson Pier is in generally good condition while some support piers are in poor condition and will need to be replaced. The marina docks are 30-40 years old and need to be replaced. Buildings at Pillar Point are generally in fair condition. At Oyster Point Marina, several of the docks are in serious to critical condition and will require replacement within the next five years. The Fiscal Year 2024-25 Budget and Capital Improvement Plan identifies \$80 million in necessary capital improvement projects over the next five years. Per District staff, three of the ten projects in the Capital

Improvement Plan are unfunded: the Johnson Pier Expansion Project, Replacement of Floating Docks, and a new Pillar Point Harbor Retail Building. Funding for these projects will require multiple sources including grants, loans, and working capital/fund balance. The \$80 million of identified projects does not include any improvements to the District's recently purchased property.

Recommendations:

1. SMCHD should update the 2019 Strategic Plan and 2022 Master Plan to align with the most recent Capital Improvement Plan. LAFCo encourages SMCHD to include a review of CIP projects, services provided by the District, and opportunities for enhancing operational revenue in the 2024 Strategic Plan.
2. The updated Strategic Plan and Master Plan should include a review of the current land purchases made by SMCHD and identify their potential future uses and how their development will be funded. Both Plans should also show how the purchasing of these parcels and their future development will align with the mission and services of the District.

IV. Financial Ability Determination

For five consecutive years, SMCHD has been recognized by the Government Finance Officers Association for transparent budget reporting, receiving the Distinguished Budget Presentation Award. This award recognizes the District's success in publishing a budget document that "meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device".

The SMCHD budget consistently exhibits a net operating shortfall due to operating costs exceeding enterprise revenues. For FY 2024-25, SMCHD projects \$15.3 million in total revenue. Of that, \$10.6 million (69%) is non-operating revenue. This revenue is largely property tax and other tax revenue that is received by the District. These total revenues are sufficient to fully fund operations and partially fund some capital projects. The CIP currently identifies \$80 million in capital projects, with approximately 15% of the total capital improvement project costs funded as of August 2024. The District has typically funded capital projects with a mix of grants, cash, or on a "pay-as-you-go" basis. The cash for these projects has been from the fund balance resulting from revenues (enterprise and non-enterprise) exceeding operating costs. Recently, some of the fund balance has been utilized to purchase properties around the existing Pillar Point Harbor area, which has decreased the fund available for existing capital needs by \$6 million in FY 2024-25. Capital projects for these newly purchased properties have not yet been evaluated by the District.

The District's July 2024 Policies Handbook contains finance and accounting policies for the District.¹ These policies are publicly available on the District website. The District has had no long-term debt since 2016. Outstanding liabilities include CalPERS and Other Post Employment Benefits (OPEB) costs.

¹ [Table+of+Contents+With+Policies+2024_08_28.pdf \(smharbor.com\)](#)
LAFCo Meeting Packet Page 51

Recommendations:

3. As part of the forthcoming updated Strategic Plan, SMCHD should evaluate potential funding sources for the existing projects identified in the Capital Improvement Plan.
4. SMCHD should evaluate the recently purchased properties and determine what potential uses will be developed on the properties, what the cost of those improvements will be, how they will be funded, and what priority these projects will be given compared to existing identified capital projects.

V. Shared Service and Facilities Determination

Through this MSR process, staff has not identified any new opportunities for shared facilities. The SMCHD currently partners with multiple agencies, including the City of South San Francisco and the San Mateo Resource Conservation District, on services and functions at the two harbor facilities.

Recommendation: None

VI. Accountability, Structure, and Efficiencies Determination

The District has taken a number of steps since the 2015 MSR to enhance transparency and address governance and operational efficiencies. In 2023, the District received the Transparency Certificate of Excellence from the Special District Leadership Foundation. This certificate highlights an agency's commitment to government transparency requirements, including the completion of ethics training for commissioners, adherence to the Brown Act for public meetings, and filing and reporting on financial transactions to the State in a timely manner. As noted in this MSR, the District adopted a Strategic Plan in 2019, and is currently developing an update of this plan.

There are at least two potential governance changes to the District that may produce greater efficiencies and cost savings: dissolution or altering District boundaries. No proposal for a change of governance has been submitted for either action since the 2006 MSR.

The District has communicated to San Mateo LAFCo staff that it is interested in assuming operational responsibilities for all county-owned ports (Coyote Point Marina, San Carlos Airport, and the Half Moon Bay Airport). San Mateo LAFCo is not aware of any formal communications between the County and the District on this matter.

Recommendations:

- 5) LAFCo supports the actions that SMCHD has made regarding transparency and encourages the District to continue these efforts.
- 6) The Harbor District, the City of South San Francisco, and the County of San Mateo should continue to confer and research issues and options affecting the feasibility of implementing these possible governance changes.

VII. Other Issues Determination

The District collaborates with several agencies, such as OneShoreline, U.S. Army Corps of Engineers, County of San Mateo, the City of Half Moon Bay and other special districts, on issues related to hazard mitigation and climate change. San Mateo LAFCo commends the District for the work they have undertaken in these areas.

Recommendation:

- 7) San Mateo LAFCo encourages SMCHD and all other agencies working on natural hazards mitigation and climate change related projects to continue to collaborate. As there are numerous projects either on-going or in the planning stage within the midcoast area, LAFCo would encourage all agencies involved in these projects to continue to share updates and communicate. The County of San Mateo could explore being an agency that hosts climate resiliency and hazard mitigation information relating to the several projects that are occurring within the midcoast area.

Sphere of Influence Determinations

As required by State law, LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency as set forth in Government Code Section 56425(e) that addresses the following:

I. The present and planned land uses in the area, including agricultural and open-space lands.

The SMCHD is comprised of a wide range of land use designations, including tidelands, submerged lands, residential, commercial, industrial, open space, agricultural, and rural. The District boundaries contain land that is under the jurisdiction of the County of San Mateo, incorporated cities, the California Coastal Commission, the State of California through a tidelands grant, the San Francisco Bay Conservation and Development Commission, as well as other agencies that have land use review authority.

II. The present and probable need for public facilities and services in the area.

Some services provided by the SMCHD within District boundaries are also provided at varying levels by other public and private entities to include emergency response/maritime search and rescue. The Harbor District provides search-and-rescue security vessels stationed at Pillar Point and Oyster Point Marina. Bayside, the Harbor District is a partner in an active search-and-rescue network that includes the County of San Mateo Sheriff's Department, other marina operators, and several fire agencies. The Harbor District is the only public agency providing immediate on water emergency response for maritime events and emergencies on the San Mateo County coastline. Need for search-and rescue and maritime assist services in this area is expected to continue.

III. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

SMCHD has significant infrastructure and facility improvement needs as a result of the wear and tear of heavy use, a harsh marine environment, and deferred maintenance and capital projects. At Pillar Point Harbor, some support piers are in poor condition and need to be replaced. The marina docks are 30-40 years old and need to be replaced. Buildings at Pillar Point are generally in fair condition. Several of the docks at Oyster Point Marina are in serious to critical condition and will require replacement within the next five years. Pillar Point Harbor has a 90-95 percent berth occupancy rate, and Oyster Point Marina has a 70-75 percent berth occupancy rate. Both facilities include visitor-serving opportunities.

IV. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The District's boundaries are coterminous with San Mateo County, while operations are based out of two locations: Oyster Point in South San Francisco and Pillar Point in Half Moon Bay. These represent distinct communities with common social and economic interest in commercial and recreational fishing, boating, and visitor-serving facilities. Commercial fishing is an important industry to the County. Pillar Point Harbor's search-and-rescue and maritime assist capabilities benefit those who work, live, recreate, vacation, transit or visit the San Mateo County coastline. Oyster Point offers a venue for a commuter ferry. These services remain valuable to the area, whether they are provided by the current Harbor District or by a potential successor agency such as the County of San Mateo or the City of South San Francisco.

V. For an update of a SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the SOI for the SMCHD is proposed at this time.

Public/Agency Involvement

San Mateo LAFCo submitted a request for data to the District, and on October 28, 2024, the District provided a response to this request. The information from the District's response has been incorporated into this report. Additional primary sources of information used in this MSR include the District's adopted plans, budgets, reports, and policies.

Environmental Review/CEQA

The MSR is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for the basic data collection, research, experimental management, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource. The MSR collects data

for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The MSR is also exempt from CEQA under section 15061(b)(3), the common sense provision, which states that CEQA applies only to projects which have the potential to cause a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

The MSR and SOI update will not have a significant effect on the environment as there are no land use changes associated with the documents.

Staff's Recommendation to Commission

1. Open the public hearing and accept public comment.
2. Provide Commissioner comment.
3. Direct the Executive Officer to schedule the Final Municipal Service Review for the San Mateo County Harbor District for a public hearing at the next Commission meeting on March 19, 2025, and circulate it with any necessary amendments to the County, cities, and independent special districts.

Attachments

- A. Draft Municipal Service Review for the SMCHD.



Municipal Service Review and Sphere of Influence Review for the San Mateo County Harbor District

Circulation Draft

Released January 8, 2025

Municipal Service Review and Sphere of Influence Review for the San Mateo County Harbor District

SUBJECT AGENCY:

San Mateo County Harbor District

504 Avenue Alhambra, 2nd Floor

El Granada, California 94018

Contact: James B. Pruett, General Manager

CONDUCTED BY:

San Mateo Local Agency Formation Commission

455 County Center, 2nd Floor

Redwood City, CA 94063

(650) 363-4224

Commissioners:

Ray Muller, Chair, County Member

Virginia Chang Kiraly, Vice Chair, Special District Member

Ann Draper, Public Member

Kati Martin, Chair, Special District Member

Vacant, City Member

Vacant, City Member

Vacant, County Member

Commission Alternates:

Noelia Corzo, County Member

James O'Neill, Public Member

Katheryn Slater-Carter, Special District Member

Vacant, City Member

Staff:

Rob Bartoli, Executive Officer

Sarah Flamm, Management Analyst

Diane Estipona, Commission Clerk

Tim Fox, Legal Counsel

**Municipal Service Review
and Sphere of Influence Review
San Mateo County Harbor District**

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EXECUTIVE SUMMARY

Section 1: MSR Overview

This report is a Municipal Service Review (MSR) and Sphere of Influence (SOI) review for the San Mateo County Harbor District (SMCHD). California Government Code Section 56430 requires that the Local Agency Formation Commissions (LAFcos) complete MSRs and SOI reviews on all cities and special districts. LAFco is an independent entity with jurisdiction over the boundaries of cities and special districts. An SOI is a plan for the boundaries of a city or special district. The MSR and SOI do not represent a proposal¹ for reorganization of agencies, but rather a State-mandated study of service provisions of an agency.

Once adopted, the service review determinations are considered in reviewing and updating the SOI pursuant to Section 56425. The SOI, which serves as the plan for boundaries of a special district, is discussed in the second part of this report. This State-mandated study is intended to identify municipal service delivery challenges and opportunities and provides an opportunity for the public and affected agencies to comment on city, county, or special district services and finance; and opportunities to share resources prior to LAFco adoption of required determinations.

San Mateo Local Agency Formation Commission

San Mateo Local Agency Formation Commission (LAFco or “the Commission”) is a State-mandated, independent commission with county-wide jurisdiction over the boundaries and organization of cities and special districts including annexations, detachments, incorporations, formations, and dissolutions. LAFco also has authority over extensions of service outside city or district boundaries, and activation or divestiture of special district powers. The purpose of the Commission includes discouraging urban sprawl, preserving open space and prime agricultural lands, planning for the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. LAFco operates pursuant to The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) contained in California Government Code Sections 56000 and 57000. The Commission includes two members of the County Board of Supervisors, two city councilmembers from two of the County’s 20 cities, two special district board members from two of the 21 independent special districts, one member of the public, and four alternate members (county, city, special district, and public).

In 1985, San Mateo LAFco first prepared comprehensive SOI studies and adopted SOI’s for the County’s cities and special districts. Subsequently, LAFco reviewed and updated spheres on a three-year cycle. SOI updates focus on changes in service demand within the boundaries of cities and special districts. In 2003, in order to comply with the newly enacted CKH Act, LAFco began the process of preparing SOI updates/reviews in conjunction with or following a Municipal Service Reviews (MSR).

¹ An application for annexation may be submitted by 5 percent of the voters or landowners of territory proposed for annexation or by resolution of the District.

Local Government in San Mateo County

Municipal service providers in San Mateo County include the County of San Mateo, 20 cities, 21 independent special districts, six subsidiary districts governed by city councils, and 33 County-governed special districts. Independent special districts provide a limited set of services based on their enabling legislation (i.e., fire, water, sanitation, etc.), while cities generally provide a wider array of basic services including police, recreation programs, planning, street repair, and building inspection. The County, as a subdivision of the State, provides a vast array of services for all residents across its cities, special districts and subsidiary districts, including social services, public health protection, housing programs, property tax assessments, tax collection, elections, and public safety. The County also provides basic municipal services for residents who live in unincorporated areas who are not part of any city or special district. According to Census 2020 data, 63,205 of the County’s total 765,417 residents live in unincorporated areas.

Purpose of a Municipal Service Review

This Municipal Service Review (MSR) examines the San Mateo County Harbor District (SMCHD) and represents the third MSR completed for this District. San Mateo County Harbor District is a countywide independent special district with a SOI that is coterminous with the District’s boundaries.

LAFCo prepared this MSR based on SMCHD source documents that included Adopted Budgets, Basic Financial Reports and Audits, Capital Plans, Urban Water Management Plans, and Planning Documents, including the General Plan. Draft MSRs are first circulated to the District under study, as well as interested individuals and groups. The Final MSR will include comments on the circulation draft as well as LAFCo staff’s recommended determinations to be presented before the Commission for consideration during its public meeting. MSR determinations must be adopted before the Commission updates or amends a SOI.

Per Government Code Section 56430, LAFCo is required to include the following areas in the MSR determinations:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities² within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.
4. Financial ability of agency to provide services.
5. Status of, and opportunities for shared facilities.

² “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the Statewide annual median household income. This area of determination does not apply to the study area.

6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.
 - a. Water Resiliency and Climate Change
 - b. Impact of Natural Hazards and Mitigation Planning

Per Government Code Section 56425, LAFCo is required to make five written determinations when establishing, amending, or updating a SOI for any local agency that address the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Disadvantaged Unincorporated Communities

In 2011, SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of MSR determination #2 and SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited, unincorporated territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income. San Mateo County Harbor District’s Sphere of Influence and corporate boundaries are contiguous with the County. While there are disadvantaged unincorporated communities within the District’s boundaries, services to these areas—such as water, sewer, and structural fire—are the responsibility of other agencies, and so an SOI determination in this regard is not applicable.

Section 2. Summary of Key Issues

This is the third MSR study conducted by San Mateo LAFCo for the San Mateo County Harbor District in the past 19 years. Since the latest 2015 study, the District has greatly improved its financial transparency and budgeting practices. The District remains reliant on property tax revenue to cover its operating costs. The District has an ongoing focus on how to enhance its operating revenue stream, through the continued development of enterprise functions such as the operation of the harbors and leasing SMCHD property. The District has enhanced its

collaboration with other agencies and organizations on projects relating to climate change mitigation and coastal erosion.

While existing revenue is sufficient for ongoing operations and maintenance expenditures, 85% of the \$80 million in capital improvement projects that have been identified over the next five years are unfunded. Funding for these projects may require finding multiple funding sources such as grants, loans, and Working Capital/Fund Balance. While there are challenges with funding both present and future capital projects, there are no ongoing concerns regarding the District’s financial ability to provide services.

Similar to prior studies, LAFCo finds that the assumption of SMCHD operations by a successor agency (or agencies) could offers the opportunity to achieve certain service efficiencies and cost savings due to economies of scale and eliminating duplicative elected offices and administrative functions. Although it may be possible to achieve longer-term efficiencies, stability and cost savings, in the short-term there would be transition costs associated with reorganization. A detailed Plan for Service would need to accompany any proposal for a governance change. This Plan would need to evaluate how service responsibility would be transferred, the benefits of the governance change, how pension liability would be addressed, the implementation and financing strategies for capital improvement projects, legacy costs, and staff transition. It is likely that the net benefits to County taxpayers and users following a reorganization would lag and not be measurable for several years.

The evaluation of alternative District governance options is solely a high-level review by LAFCo as part of this MSR. No proposal for a governance change has been submitted to LAFCo at this time. No action by LAFCo has been taken toward SMCHD other than the publication of this and previous studies. Changing the governance of SMCHD would require a separate application and action before the LAFCo Commission.

Section 3: Affected Agencies

County and Cities: All cities in San Mateo County.

School Districts: All school districts within San Mateo County.

Independent Special Districts: All special districts within San Mateo County.

Dependent Special Districts: All special districts within San Mateo County.

Section 4: San Mateo County Harbor District

Background and Overview

San Mateo County Harbor District (SMCHD) is one of 13 harbor or port districts in the State. The District operates Pillar Point Harbor in the unincorporated community of Princeton-by-the-Sea, on the Pacific Ocean, as well as Oyster Point Marina/Park located on the San Francisco Bay in the City of South San Francisco. The District was created with County-wide boundaries by a County election in 1933. It was originally formed to build a harbor at Redwood City, but the Great Depression intervened.

Pillar Point Harbor

In 1960, the State of California conveyed by statutory grant 1,235 acres of tidelands and submerged lands to the District upon condition that the harbor be developed in the unincorporated area of Princeton. A breakwater was built at Pillar Point for a harbor of refuge for the fishing fleet. The US Army Corps of Engineers began work on this breakwater after World War II and completed it in 1961. The Johnson Pier, docks, 369 berths, and the inner breakwater were built during the 1970s and 1980s. Pillar Point remains a major commercial and sport fishing harbor on California's central coast.

Oyster Point Marina

In 1977, the San Mateo County Harbor District (SMCHD) entered into a Joint Powers Agreement (JPA) with the City of South San Francisco and took over operation of Oyster Point Marina/Park from the City of South San Francisco. During the 1980s, SMCHD completed construction of docks and 589 berths, a new breakwater, and onshore facilities. The San Francisco Bay Area Water Emergency Transit Authority (WETA), a regional public transit agency, independently operates ferryboat services, currently offering connections between the East Bay from Oyster Point Marina.

Revenue

Implementation of Proposition 13 in 1978 resulted in SMCHD receiving a share of the 1 percent property tax countywide in perpetuity. In Fiscal Year 2024-25, this property tax revenue is approximately \$10 million. LAFCo's 2006 and 2015 MSR/SOI for SMCHD expressed concerns about the use of Countywide property tax to fund harbor and marina operations. However, this property tax revenue is essential to maintain SMCHD fiscal viability, and to address a broad range of maintenance and capital improvement needs. In addition, the SMCHD provides a range of non-enterprise services and facilities that benefit a broader public, but which are not revenue-generating activities, including parks, waterfront access, public piers, and emergency water rescue.

Formation and Statutory Authority

The SMCHD is an independent district governed by a five-member Board of Commissioners with countywide boundaries operating pursuant to Section 6000 et seq. of the California Harbor and Navigations Code. The SMCHD is thus empowered to acquire, construct, and maintain property related to the operation and development of ports and waterways; supervise seagoing vessels within its harbors; adopt any necessary police regulations for waterways; issue debt; collect charges for use of facilities; and plan for harbor district improvements.³

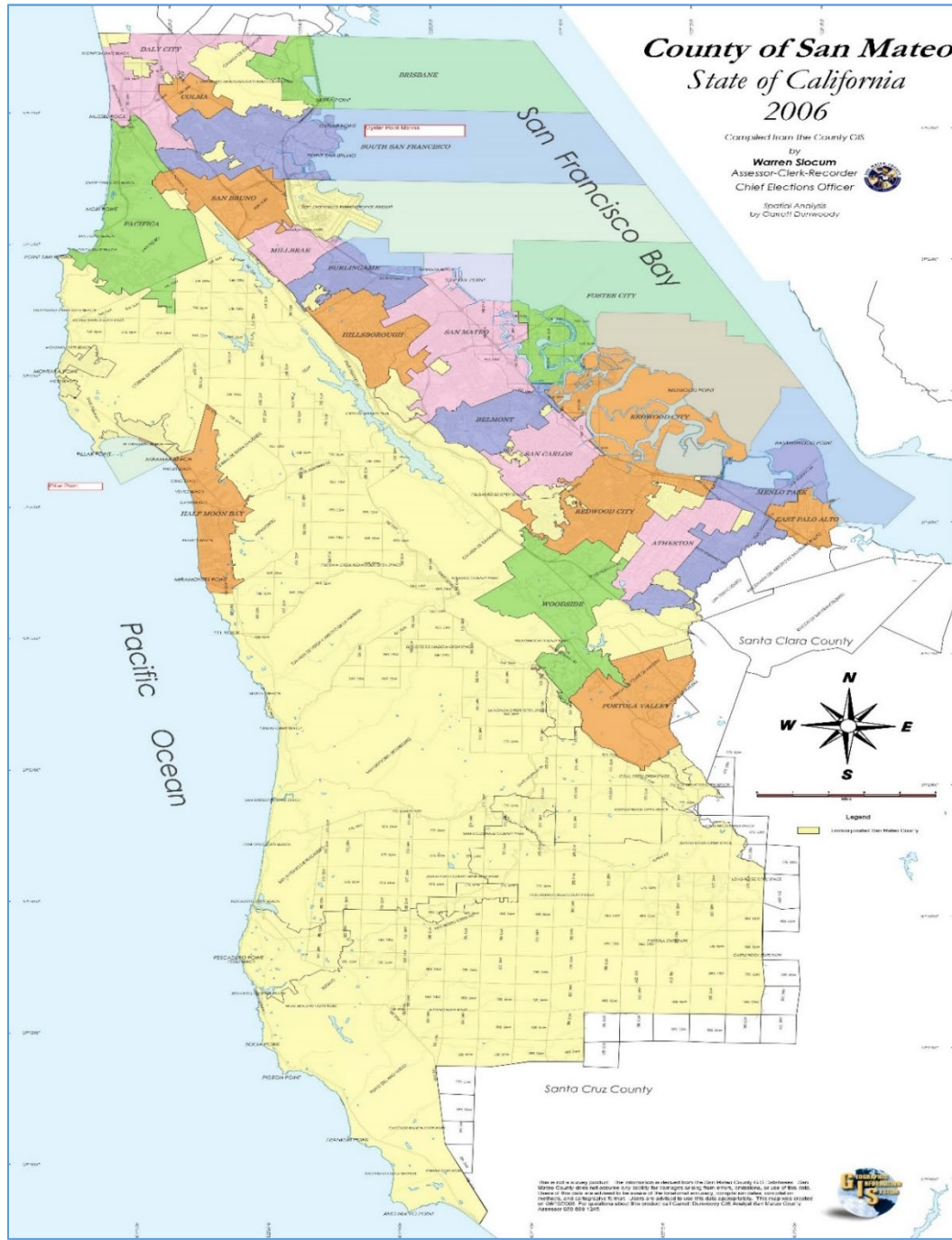
Boundaries and Service Area

The San Mateo County Harbor District encompasses approximately 449 square miles of land, 20 cities and unincorporated areas, and a population of 745,193 residents. Figure 1 shows the

³ Harbor and Navigations Code Sec. 6075. Notwithstanding Section 6012: (a) A harbor district may acquire, construct, own, operate, control, or develop any and all harbor works or facilities within the limits of its established boundaries. No interest in lands may be acquired, either by lease, purchase, or the exercise of the power of eminent domain within any port district, chartered port, harbor improvement district, incorporated city, or recreational harbor district without the prior consent to the acquisition by resolution of the governing body of each district, port, or city in which the lands are located.

current District boundaries which correspond to the boundaries of San Mateo County. In addition to the SMCHD facilities at Pillar Point Harbor and at Oyster Point Marina, the County is served by eight other harbor and marina operations providing an additional 2,100 berths and related facilities.

Map of the San Mateo County Harbor District Boundaries



Inventory of Active Services

Government Code Section 56425 (i) and (j) requires that in conducting MSRs, LAFCo's prepare

an inventory of all authorized powers under a district’s enabling legislation and identify those powers that are active versus inactive. Government Code Section 56824.12 requires that before a District activates an inactive service or divests of an active service, it must first apply to LAFCo and obtain LAFCo approval. The SMCHD is providing the full set of services authorized by the enabling legislation, including recreational use of District facilities located at Pillar Point Harbor and Oyster Point Marina, under a Joint Powers Agreement with the City of South San Francisco as owner of the marina.

Pillar Point Harbor- Princeton-by-the-Sea

Enterprise activities:

- Commercial and sport fishing facilities, including fuel dock, ice-making facility, and a fish buying center for the public to purchase fresh fish off the boats from several vendors.
- Forty maintained moorings for private rent.
- One six-lane public small-craft launch ramp.
- One public hoist.
- Lease of premises: Rent-paying lease holders include three wholesale commercial fish buyers, a fuel dock, an ice facility, a bait and tackle shop, a surf shop, a kayak rental, a beach bar, three restaurants, and one recreational vehicle park. The District is responsible for maintaining building structures and exteriors. Lessees are responsible for the interior of the premises and any improvements.
- Issuance of commercial activity permits for sport fishing charter boats, retail fish sales, and retail fish “off the boat” sales.

Non-Enterprise Activities:

- Search and rescue services and vessel assists to all boaters.
- Harbor facility personnel are onsite 24 hours a day, 365 days per year. Personnel include trained search and rescue staff (SAR), vessels and SAR personal watercraft (PWC) for surf impact zone work.
- Law enforcement: Pillar Point Harbor staff enforces the California Harbors and Navigation Code and the County Harbor District Ordinance Code. The Harbor Patrol wears uniforms, and District patrol vehicles and vessels are marked accordingly.
- The District operates a waste oil collection facility available to boaters to help maintain water quality.
- The District contracts for garbage collection and operates a marine debris recycling facility.
- Recreational facilities available to the public include free parking, public restrooms, fishing piers, break walls, paths, shoreline access trails and beaches.
- Community Engagement: Outreach to local schools regarding ocean awareness and boating safety as well as educational tours to diverse groups including school children,

Culinary Institute of American, World Federation of Fisherman, and environmental groups.

- Collaboration with federal, State and local environmental organizations⁴ on policy matters that relate to harbor users including sustainable fisheries, marine protected areas, harbor dredging issues, water quality, shoreline protection, and public access.

Oyster Point Marina/Park-South San Francisco

Enterprise Activities:

- Vessel berths.
- One two-lane public small craft launch ramp.
- Boat wash station.
- Leaseholders.
- Real Property Use Revocable Trusts.
- 41 live-board permits.
- Commercial Activity Permits: Charter fishing/passenger vessels, wind-surfing lessons, tour boats, private commercial ferries, sewage pump out service, and commercial diving.

Non-Enterprise Activities:

- Search and Rescue (SAR): Oyster Point Harbor Patrol maintains a search and rescue/maritime capability during the hours of 7am and 7pm, 365 days per year.
- Law enforcement: Oyster Point Harbor staff enforce the California Harbors and Navigation Code and the District Ordinance Code. The Harbor Patrol wears uniforms, and District patrol vehicles and vessels are marked accordingly.
- Educational programs offered in local schools and community centers on ocean awareness, boating safety, environmental education and natural history in schools.
- Public park use: The San Francisco Conservation and Development Commission (BCDC) Bay Plan segment for South San Francisco designates most of Oyster Point for shoreline public park uses.

Prior Municipal Service Reviews and Current SOI

San Mateo LAFCo conducted Municipal Service Reviews (MSRs) on SMCHD in 2006 and 2015. Both of these MSRs reaffirmed the dissolution Sphere of Influence (SOI) designation that LAFCo adopted in 1977. The current LAFCo-adopted SOI for the Harbor District indicates that it be dissolved, and the County of San Mateo be established as successor agency to assume service and be successor to all Harbor District revenues, assets and liabilities. It is important to note

⁴ Collaboration with organizations include the Gulf of the Farallones and Monterey Bay National Marine Sanctuaries, State Coastal Conservancy, Coastal Commission, San Mateo County, the nonprofits Save Our Shores and Heal the Bay, and the Princeton Citizens Advisory Committee

that a SOI is regulatory in that a change of organization of any special district must be consistent with the District’s SOI. However, implementation of the SOI requires that an affected agency take action by applying to LAFCo for that change of organization. In the case of the Harbor District, the District itself, the County, or any city, district or school district could apply to LAFCo to implement the sphere. In addition, applications can be submitted by 25 percent of the registered voters or landowners in District boundaries. However, implementation of the SOI has not been taken, and the District has been administering services per usual despite the LAFCo dissolution verdict.

The 2006 MSR also recommended that a) the District review its financial and debt policies and practices related to capital projects, b) explore cost sharing agreements with other agencies, c) review funding for capital projects that do not have identified funding sources, and d) work on efforts to address rising operational costs.

The 2015 MSR highlighted several additional issues including a) the need for significant infrastructure and facility improvement, a result of wear and tear from heavy use and a harsh marine environment, b) deferred maintenance and capital projects, c) lack of an adopted capital improvement plan, d) lack of accounting system to track cost for enterprise versus non-enterprise expenses, and e) that the District’s elected Harbor Commissioners and Commission administration duplicated governance and administrative functions that the County already provides. The report notes that the District was in the midst of a transitional phase, particularly regarding General Manager staffing.

Since the 2015 MSR, SMCHD has adopted a Capital Improvement Plan, a Strategic Plan, a standards of conduct policy, and several financial policies. The District has also recruited and hired a General Manager with 30 years of maritime, search and rescue, and management experience. Furthermore, in 2021 the District implemented a new system that allows for automated and improved internal business processes, provides customers with an online payment portal, and increases security and information backup of District records and transactions.

Section 5: Municipal Service Review

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages. If most or all determinations are not significant, as indicated by “no” answers, the Commission may find that an MSR update is not warranted.

1) Growth and Population

| Growth and population projections for the affected area. | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|---|------------|--------------|-----------|
| Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years? | X | | |

| | | | |
|---|--|---|---|
| Will population changes have an impact on the subject agency’s service needs and demands? | | X | |
| Will projected growth require a change in the agency’s service boundary? | | | X |

Discussion

- a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?

As of 2020, the County of San Mateo is home to 764,442 residents. The Association of Bay Area Governments (ABAG), the agency responsible for forecasting population, housing and economic trends in the nine Bay Area counties, in coordination with the California Department of Housing and Community Development (HCD) estimates the housing need for the region and allocates a portion of projected need to every jurisdiction. In collaboration with Bay Area partner agencies, non-profit organizations, and residents, ABAG developed Plan Bay Area 2050. Plan Bay Area 2050 is a long-range regional plan that projects the population growth of each region throughout the Bay Area. Plan Bay Area 2050 anticipates that San Mateo County will increase its population by 48%, from 265,000 households in 2015 to 394,000 households in 2050. Actual growth will depend on future economic conditions, land use policies and other factors.

- b) Will the population changes have an impact on the subject agency’s service needs and demands?

Demand for SMCHD services and facilities is less influenced by the County’s population growth, as it is by other factors such as weather conditions, fishing season prospects, and outdoor recreation trends.

- c) Will projected growth require a change in the agency’s service boundary?

The District’s boundaries are countywide and will not be altered by growth within the County.

Growth and Population MSR Determination

While the County will continue to grow in population, demand for SMCHD services and facilities is more heavily driven by other factors, such as weather conditions, fishing season prospects, and outdoor recreation trends. The projected population growth will not directly impact the District’s service needs and demands.

2) Disadvantaged Unincorporated Communities

| The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence. | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|--|------------|--------------|-----------|
| a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection? | | | X |
| b) Are there any “inhabited unincorporated communities” within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the Statewide median household income)? | | | X |
| c) If “yes” to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if “no” to either a) or b), this question may be skipped)? | | | X |

Discussion:

- a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?

SMCHD does not provide public services related to sewers, municipal and industrial water, or structural fire protection.

- b) Are there any inhabited unincorporated communities within or adjacent to the subject agency’s sphere of influence that are considered disadvantaged (80% or less of the statewide median household income)?

SMCHD boundaries are countywide. While there are disadvantaged unincorporated communities within the District’s boundaries, services to these areas—such as water, sewer, and structural fire—are provided by other agencies.

- c) If yes to both, is it feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community?

Not applicable.

Disadvantaged Unincorporated Communities MSR Determination

The District’s sphere and corporate boundaries are contiguous with the County. While there are disadvantaged unincorporated communities within the District’s boundaries, services to these areas—such as water, sewer, and structural fire—are the responsibility of other agencies.

3) Capacity and Adequacy of Public Facilities and Services

| Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence. | Yes | Maybe | No |
|--|------------|--------------|-----------|
| a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory? | | | X |
| b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth? | | | X |
| c) Are there any concerns regarding public services provided by the agency being considered adequate? | | | X |
| d) Are there any significant infrastructure needs or deficiencies to be addressed? | | X | |
| e) Are there changes in State regulations on the horizon that will require significant facility and/or infrastructure upgrades? | | | X |
| f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence? | | | X |

Discussion:

The SMCHD provides a range of harbor-related facilities and services to residents, visitors, and businesses. As described below, some of these services are revenue-generating enterprises, while others serve a broader public function that is typically not subject to fees and charges. Facilities are generally well-utilized. The high levels of use, combined with the sometimes harsh and corrosive maritime environment, place exceptional demands on the SMCHD for facility and infrastructure maintenance.

Pillar Point Harbor

Pillar Point Harbor is located adjacent to the unincorporated communities of Princeton and El Granada on Half Moon Bay approximately 25 miles south of the City of San Francisco. It is a

369-berth mixed-use harbor supporting commercial fishing fleet, recreational boating, kayaking and standup paddling boarding and other opportunities and public access.

In 1960, the State conveyed by statutory grant, 1,235 acres of tidelands and submerged lands to the District upon condition that the harbor be developed. The outer breakwater was completed in 1961 by the U.S. Army Corps of Engineers, with an extension added in 1967 to decrease the amount of wave energy coming through the entrance to the harbor. Also in 1961, the main concrete pier was built. Full buildout of the inner harbor was accomplished during the 1980s with the construction of the harbor’s floating docks and berths, along with a second, inner breakwater to provide further protection for the coastal fishing fleet.

Pillar Point Harbor also includes several support buildings. The age of structures varies; 1961 buildings include the fish buyer building, the Harbor Master’s building, certain restrooms, and “Tenant Row” buildings. The maintenance building was built in 1979, additional restrooms were built in 1982, the ice house was added in 1985, and restroom ramps were built in 1992.



Oyster Point Marina

Oyster Point Marina consists of a 408-berth recreational marina in the City of South San Francisco. It is owned by the City of South San Francisco and managed/operated by the District under a 2018 Agreement between the two agencies.

The west basin of the marina was originally constructed in the 1960s, north of the South San Francisco landfill. In 1977, the District assumed operational control over Oyster Point Marina under a 49-year Joint Powers Agreement. The agreement gave the District the authority to improve and complete construction of a recreational marina while retaining the berthing and other related fees. In the 1980s, the District replaced the original docks in the west basin and expanded the marina into the east basin with construction of a new breakwater. At highest available occupancy, the marina had 589 slips. The breakwater was modified in 2008, and Docks 9 and 10, with a combined total of 134 slips, were removed in late 2009 and early 2010 to make way for the San Francisco Bay Area Water Emergency Transportation Authority ferry terminal, which opened in 2012. In Fiscal Year 2012–13, the guest dock (Dock 8) and Dock 11 were replaced with concrete floating docks. Dock 8 accommodates side-tie only and is intended for temporary moorage as vessels check into the Marina. It is also being utilized by smaller privately operated commuter ferries. Dock 11 was reconfigured to avoid interference with the operational requirements of the Water Emergency Transit Authority ferry terminal and incorporates both side-tie and slips. This reconfiguration resulted in the loss of approximately 30 slips.



The District’s management of the Oyster Point Marina was originally documented and guided by a 1977 Joint Powers Agreement between the District and the City of South San Francisco. In 2018, the District and the City of South San Francisco negotiated and entered into a new agreement for the management of Oyster Pint Marina, which replaced the Joint Powers Agreement. The agreement is active for an initial 15-year period that automatically renews for two 10-year periods unless either party provides official notice of nonrenewal. The first term is set to expire on December 28, 2033.

According to District staff, the Harbor District has initiated discussions with the City of South San Francisco to address updates to the 2018 Agreement. One major amendment to the agreement would relate to the timeline for capital improvement projects. Under the current agreement, the District is required to replace Docks 12, 13, and 14 by December 31, 2024. This is an unrealistic deadline based on the substantial and unforeseen increase in construction costs. In 2018, (pre COVID-19), when the agreement was entered into, both the City and District estimated the cost of the Dock Replacement Project to be less than \$5 million dollars. Following the design, engineering, and permitting of the project (post COVID 19), the new estimate is greater than \$18 million dollars, well beyond the District’s current budget. The COVID-19 pandemic produced shortages in labor and construction materials which increased costs on all aspects of the scheduled dock replacement project. Instead, to mitigate any risk associated with the floating docks and the expiration of their “useful life”, the District has implemented the Floating Dock Life Extension Project. The Project includes the inspection of and replacement of deck boards, inspection and renewal of internal brackets and crossmembers, and the repair or replacement of flotation.

Another amendment the District would propose to the 2018 Agreement relates to a 40,000 square foot retail building at Oyster Point. In 2017, the City and the Harbor District entered into an agreement that provided authority for the District to construct and lease the building, but the current Agreement will expire in 2026 and the District would like to extend this clause beyond 2026.

Commercial Fishing Facilities

Pillar Point Harbor offers commercial fishing facilities, including a fuel dock, ice-making facility, and commercial fish buying center. The public can purchase fresh fish off the boats from several vendors.

Commercial/Retail/Restaurant Leases

The District leases space to three wholesale fish buying operations on Johnson Pier at Pillar Point Harbor. The wholesalers purchase and unload salmon, halibut, rockfish, shellfish and bait directly from commercial fishermen. The SMCHD also owns buildings leased to restaurants, bait shops, and a surf shop. At Oyster Point Marina, the District leases a building to the Oyster Point Yacht Club.

Parks and Trails, Open Space and Public Access

Pillar Point Harbor offers two public access trails for walking, cycling, and jogging. The harbor also provides a public fishing area, public fishing pier, and fish cleaning area. Oyster Point Marina provides a public fishing pier with a fish cleaning station, and a 33-acre recreational green space with a picnic area and a swimming beach. The San Francisco Bay Trail runs through the site. Public parking is available at no charge at both Pillar Point Harbor and Oyster Point Marina.

Emergency Services and Search and Rescue

Harbor District staff perform a range of activities in support of safety of life at sea, at both Pillar Point Harbor and Oyster Point Marina, including:

- **Search and Rescue:** The Harbor District is routinely requested by the U.S. Coast Guard, Sheriff's Office, or Coastside Fire Protection District to respond to maritime emergencies. For each emergency that involves more than one agency, a unified command of the involved agencies involved in the active search and recovery of a known or suspected person in distress is established to ensure unity of effort.
- **First Responder Support:** The Harbor District provides waterside support of shoreside operations such as cliff rescues. The District also provides secondary rescue support for victims and rescuers. The U.S. Coast Guard and Harbor District train weekly on rescue helicopter operations, rescue swimmer deployment, and recovery operations. All qualified Deputy Harbormasters participate in emergency maritime response. Harbor Workers can volunteer to serve as boat crew on a rescue vessel but are not required.
- **Vessel Assists:** The Harbor District Patrol routinely deploys to assist vessels that have run out of fuel, have engine problems, cannot safely navigate into the harbor, are taking on water, or other issues that while not an emergency, do require assistance to make it back to shore safely. On one particularly busy Sunday, August 25, 2024, Oyster Point Marina Patrol staff were called out on five separate vessel assists.
- **Body Recovery/Evidence:** The Harbor District assists the San Mateo Coroner, Sheriff, and Coastside Fire Protection District with the recovery of victims or evidence located at sea or on remote beaches and coves inaccessible from land. Most recently, the Pillar Point Harbor Patrol was able to recover several pieces of an aircraft that crashed off the coast of Moss Beach, California. The Harbor Patrol was also able to recover and transport the victims of the crash to shore. In another case, the Harbor Patrol was asked to recover a victim washed ashore south of Cowell Ranch State Beach in a remote cove that was inaccessible from shore.
- **Transportation Assistance:** The Harbor District transports first responders (i.e., police, fire rescue, and paramedics) to the scene of a medical or maritime emergency.
- **Firefighting:** The Harbor District assists with waterside firefighting.

- **Persons in Distress:** The Harbor District helps novice windsurfers, kitesurfers, swimmers, surfers, kayakers, and standing boarders who are routinely caught off guard by weather conditions and require assistance returning to shore.

From 2019 through 2024, San Mateo County Harbor District executed a total of 425 search and rescue cases and 7,506 maritime assist cases, as shown in the tables below.

| Pillar Point Harbor | | |
|----------------------------|-----------------------------------|--|
| Year | Search and Rescue Launches | Vessel Assists, Agency Assists, Other |
| 2019 | 97 | 634 |
| 2020 | 79 | 684 |
| 2021 | 85 | 926 |
| 2022 | 53 | 1,484 |
| 2023 | 44 | 1,127 |
| 2024 | 13 | 199 |

| Oyster Point Marina | | |
|----------------------------|-----------------------------------|---|
| Year | Search and Rescue Launches | Vsl Assists, Agency Assists, Other |
| 2019 | 0 | 490 |
| 2020 | 0 | 602 |
| 2021 | 16 | 634 |
| 2022 | 36 | 455 |
| 2023 | 0 | 195 |
| 2024 | 2 | 76 |

The environments of oceanside Pillar Point Harbor and bayside Oyster Point Marina are drastically different, as are the available resources. In an effort to formalize the services provided and allocate appropriate resources, in August 2024, the Harbor District and Coastside Fire Protection District entered into a Memorandum of Understanding (MOU) defining roles and responsibilities for emergency maritime response. The Harbor District is initiating discussions with the San Mateo County Sheriff’s Office to negotiate a similar MOU.

- Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?

The tables below show the occupancy rates of the berths/slips at Pillar Point Harbor and Oyster Point Marina.

Pillar Point Harbor:

| Pillar Point Harbor | | |
|----------------------------|------------------------|-----------------------|
| Year | Occupied of 399 | Occupancy Rate |
| 2019 | 399 | 100% |
| 2020 | 395 | 99% |
| 2021 | 391 | 98% |
| 2022 | 379 | 95% |
| 2023 | 367 | 92% |
| 2024 | 359 | 90% |

The 10% decline in occupancy rate at Pillar Point Harbor from 2019 to 2024 is attributed to the COVID-19 Pandemic, the restricted and closed fishing seasons, the District’s effort to reduce the number of unseaworthy, inoperable, or derelict vessels, and enforcement of slip agreements.

Tenants in violation of their slip agreement, i.e. missed monthly slip payments, are required to bring their accounts current. If a vessel owner fails to bring their account current, the slip agreement is voided, and the vessel owner is required to remove the vessel from District property.

Several boats, both recreational and commercial, were found to be unseaworthy or derelict. To remain in a slip, a boat is required to be operational. Several vessel owners with inoperable boats elected to surrender their vessels to the District for removal under the California Surrendered and Abandoned Vessel Exchange (SAVE) Program at no cost to the vessel owner or District.

In 2023 and 2024, the commercial crab season has been significantly reduced and the salmon season has been canceled all together. As a result, some commercial fishing vessels have shifted ports to areas unaffected by the closures (i.e. Oregon, Washington, and Alaska). Other commercial fishing vessels have simply been removed from the water and stored, awaiting the next fishing season.

The COVID-19 pandemic also forced some commercial passenger vessels (charter boats) and fishers to cease operations all together.

As of August 1, 2024, Pillar Point Harbor had a waiting list of 54 vessel owners seeking regular slips and 15 requests for liveaboard permits. Of the 54 people on the waiting list, 27 are waiting for 30-foot slips and the other 27 are commercial fishers requesting a better slip (location) and/or waiting for crab and/or salmon season to open.

Oyster Point Marina

| Oyster Point Marina | | |
|----------------------------|----------------------------|---------------------------|
| Year | Occupied of 398 | Occupancy Rate |
| 2019 | 310 | 78% |
| 2020 | 306 | 77% |
| 2021 | 295 | 74% |
| 2022 | 283 | 71% |
| 2023 | 318 | 80% |
| 2024 | 310 | 78% |

The occupancy rate at Oyster Point Marina has improved since 2022 due to two main factors. First, the Oyster Point Redevelopment Project is coming to conclusion, reducing the restrictions, dust, and inconvenience to the Marina tenants/users caused by the construction. The second factor relates to the closure of Oyster Cove Marina, a separate private marina located on Oyster Point. Many of the tenants of Oyster Cove applied for and were accepted to Oyster Point Marina and have remained.

Oyster Point Marina/Park has also benefited from significant improvements to tenant and visitor serving amenities (i.e. restrooms and showers), improved landscaping, and improved access. These improvements have assisted in the retention of slip tenants.

Of note, in 2023 a private owner closed Oyster Cove Marina. Multiple vessels at Oyster Cove were liveaboards, providing much needed housing for the owners. Oyster Point Marina was already at the maximum 10% capacity for liveaboards as set by the Bay Area Conservation and Development Commission (BCDC) which prevented the District from accepting additional liveaboard vessels. However, to prevent the vessel owners from becoming un-housed, the Harbor District worked with the City of South San Francisco and the Bay Conservation and Development Commission (BCDC) to temporarily accept the liveaboard vessels under emergency circumstances. Each of the accepted vessel owners have now earned liveaboard status at Oyster Point or have moved to alternative housing shoreside. Oyster Point Marina is now back at 10% occupancy rate for liveaboard permits.

Oyster Point Marina has a waiting list of 2 vessel owners seeking a regular slip and 53 on the waiting list for liveaboard permits.

- b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?

The District is in the process of updating its 2022 Strategic Plan.

- c) Are there any concerns regarding the public services provided by the agency being considered adequate?

LAFCo staff does not have any concerns regarding the adequacy of the public services being delivered by the SMCHD.

- d) Are there any significant infrastructure needs or deficiencies to be addressed?

In 2022, the District adopted a Master Plan which guides future capital improvement project and land development. This Plan includes an assessment of the existing harbor facilities and proposed future capital projects. The Plan details that at Pillar Point Harbor the Johnson Pier is in generally good condition while some support piers are in poor condition and will need to be replaced. The marina docks are 30-40 years old and need to be replaced. Buildings at Pillar Point are generally in fair condition. At Oyster Point Marina, several of the docks are in serious to critical condition and will require replacement within the next five years. The District has a Capital Improvement Plan (CIP) for Fiscal Year 2024-25, and will be reevaluating District facilities in the FY 2025-26 CIP. Currently, the FY 2024-25 Budget notes that there is \$80 million in identified capital improvement projects over the next five years. Per District staff, several projects in the CIP are unfunded; Johnson Pier Expansion Project, Replacement of Floating Docks, and a new Pillar Point Harbor Retail Building. Funding for these projects may require multiple funding sources to include grants, loans, and Working Capital/Fund Balance.

In 2023, the District was awarded a \$400,000 Boat launching Facilities grant from California State Parks for the design and engineering of the Pillar Point Harbor Launch Ramp. The project will include the construction of restrooms, outdoor showers, bike racks, seating, recycling center, dog waste station, and fish cleaning station. In September 2024, the California Ocean Protection Project awarded the District a \$2.9 million grant for a restoration project at Surfers Beach. The District has recently purchased several properties in the area around Pillar Point Harbor which are currently undeveloped and will require unprogrammed funds to be used for development.

- e) Are there changes in State regulations on the horizon that will require significant facility and/or infrastructure upgrades?

Per the District, one potential California Assembly Bill that would impact the District is AB 2916. This legislation would require that an overwater structure that contains, or a block or float that contains or is comprised of, expanded polystyrene or other plastic foam, sold or installed before January 1, 2026, and that is repaired or maintained on or after that date, be fitted with a shell made of aluminum, concrete, steel or plastic. If passed into law, AB 2916 could have a negative fiscal impact on the Harbor District in the maintenance or replacement of the floating docks at both Pillar Point Harbor and Oyster Point Marina. Currently this bill is being held in committee. However, this potential impact is not expected to be substantial.

- f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence? Not applicable.

Capacity and Adequacy of Public Facilities and Services MSR Determination

SMCHD has significant infrastructure and facility improvement needs as a result of the wear and tear of heavy use, a harsh marine environment, and deferred maintenance and capital projects. The District’s 2019 Strategic Plan and 2022 Master Plan indicate necessary repairs and capital improvements. The Plan details that at Pillar Point Harbor the Johnson Pier is in generally good condition while some support piers are in poor condition and will need to be replaced. The marina docks are 30-40 years old and need to be replaced. Buildings at Pillar Point are generally in fair condition. At Oyster Point Marina, several of the docks are in serious to critical condition and will require replacement within the next five years. The Fiscal Year 2024-25 Budget and Capital Improvement Plan identifies \$80 million in necessary capital improvement projects over the next five years. Per District staff, several projects in the Capital Improvement Plan are unfunded: the Johnson Pier Expansion Project, Replacement of Floating Docks, and a new Pillar Point Harbor Retail Building. Funding for these projects may require multiple sources including grants, loans, and Working Capital/Fund Balance. The \$80 million of identified projects does not include any improvements to the District’s recently purchased property.

Recommendations:

- 1) SMCHD should update the 2019 Strategic Plan and 2022 Master Plan to align with the most recent Capital Improvement Plan. LAFCo encourages SMCHD to include a review of CIP projects, services provided by the District, and opportunities for enhancing operational revenue in the 2024 Strategic Plan.

- 2) The updated Strategic Plan and Master Plan should include a review of the current land purchases made by SMCHD and identify their potential future uses and how their development will be funded. Both Plans should also show how the purchasing of these parcels and their future development will align with the mission and services of the District.

4) Financial Ability

| Financial ability of agencies to provide service | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|---|------------|--------------|-----------|
| a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late? | | | X |
| b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs? | | | X |

| | | | |
|---|--|---|---|
| c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations? | | X | |
| d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion? | | X | |
| e) Is the organization lacking financial policies that ensure its continued financial accountability and stability? | | | X |
| f) Is the organization’s debt at an unmanageable level? | | | X |

Discussion:

a) Does the District routinely engage in budgeting practices that may indicate poor financial management such as overspending its revenue, failing to commission independent audits, or adopted its budget late?

For five consecutive years, SMCHD has been recognized by the Government Finance Officers Association for transparent budget reporting, receiving the Distinguished Budget Presentation Award. This award recognizes the District’s success in publishing a budget document that “meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device”.

In accordance with the Harbors and Navigation Code Section 6062, the District has hired a certified public accountant to conduct annual audits of its finances, each year from 2016 through 2023. All audit reports are publicly available on the District’s website. In 2023, the District switched from hiring Maze & Associates Accounting Corporation to Nigro & Nigro PC to conduct the audits. There have been no notable discrepancies or audit findings in the past five years.

Funds

The District is comprised of three departments: Administration, Pillar Point Harbor, and Oyster Point Marina. All departments share one fund, the Enterprise Fund.

Non-Operating Revenue

For Fiscal Year 2024-25, SMCHD projects \$15.3 million in total revenue. Of that, \$10.6 million (69%) is non-operating revenue. This revenue is largely property tax and other tax revenue that is received by the District. Implementation of Proposition 13 in 1978 resulted in SMCHD receiving a share of the 1 percent property tax countywide. The SMCHD receives a share of all property tax growth from all properties in San Mateo County. The percentage of non-operating revenue to operating revenue has continued to increase. The 2015 LAFCo MSR notes that in

previous years, property taxes represented 55 percent to 60 percent of revenue, while in the FY 2024-25 Budget, property taxes represented 69 percent of total revenue.

All San Mateo County property tax revenue is managed by the Administration department and is shown as revenue in the budget in Administration department funds. This revenue is also used by Pillar Point Harbor department and Oyster Point Marina department to cover both of their operating deficits. The commercial and enterprise activity at Pillar Point Harbor and Oyster Point Marina includes fees collected for berth rent, use of boat launch ramp, and leased property rents. However, these fees and rents do not cover operating costs which primarily include ocean/maritime search and rescue, salaries and benefits, repairs and maintenance of facilities, contract services, and utilities. The District faces other costs, such as biennial elections (totaling \$900,000 in FY 2024-25), legal costs associated with claim settlements (approximately \$300,000 in both FY 2021-22 and FY 2022-23) and bad debts (approximately \$100,000 in each of the past three years).

For each of the past five years, the District’s total revenue has exceeded its actual and projected spending. The District’s primary revenue source is Property Tax Revenue from San Mateo County property owners (over 65% of total revenue), followed by commercial activity generated by the District (approximately 30% of total revenue).

The District has maintained a net positive position: for each of the past five years, the District’s total revenue has exceeded its actual and projected spending. The net difference is used to fund reserves and pay for capital improvement projects.

San Mateo County Harbor District Net Expenditures

| | FY 2020-21 (Actual) | FY 2021-22 (Actual) | FY 2022-23 (Actual, unaudited) | FY 2023-24 (Projected) | FY 2024-25 (Projected) |
|--------------|------------------------|------------------------|--------------------------------------|---------------------------|---------------------------|
| Expenditures | \$11,313,339 | \$7,658,065 | \$10,957,110 | \$10,789,000 | \$11,631,000 |
| Revenues | \$13,326,698 | \$14,249,000 | \$15,052,822 | \$14,647,000 | \$15,287,000 |
| Net | \$2,013,359 | \$6,590,935 | \$4,095,712 | \$3,858,000 | \$3,656,000 |

The District states that it intends to enhance its commercial activity revenue stream. In 2022, the District sold surplus parcels of land. In January 2024, the District purchased several parcels of land surrounding Pillar Point Harbor for \$8.7 million. Development of these properties will be discussed in the District’s upcoming Strategic Plan. The last time the Strategic Plan was updated was in 2019. This January 2024 purchase decreased the amount of working capital/Fund Balance available for capital projects.

Capital Improvement Projects

The Capital Improvement Plan (CIP) Budget is a five-year plan adopted by the District Harbor Commission on an annual basis. In each of the past five years, the cost of identified capital improvement projects has exceeded the working capital balance available to fund them. The FY 2024-25 budget identifies \$80 million in capital improvement projects over the next five years.

As of August 2024, approximately 15% of the total capital improvement project costs are funded. Of the ten projects, three are unfunded: The Johnson Pier Expansion Project (\$39 million), Replacement of Floating Docks (\$18 million), and the new Pillar Point Harbor Retail Building (\$12 million). The District plans to seek grants and may consider loans in an attempt to increase its working capital to fund these projects.

The Capital Improvement Projects cost estimates include \$200,000 in General Manager Projects that are within the GM’s authority of below \$50,000 individually.

Under the District’s 2018 agreement with the City of South San Francisco, the District is required to replace Docks 12, 13, and 14 by December 31, 2024. The District has determined this is unrealistic given that the estimated project cost has increased from \$5 million in 2018 to \$18 million in 2024, due to the rise in construction costs. Instead, the District has extended the life of the existing docks by replacing deck boards, brackets, and flotation as needed. The replacement project is on hold, and the 2018 agreement with the City of South San Francisco may be updated in the near future.

The District has received grant funds every year including a \$40,518 grant from the Ocean Protection Council Grant in FY 2021-22, a \$298,000 grant from the Metropolitan Transportation Commission, a \$400,000 grant from the California Division of Boating and Waterways, and a \$2.9 million grant from the Ocean Protection Council in FY 2024-25.

Estimated Working Capital Balance to Fund CIP

| FY 2020-21 (Budget) | FY 2021-22 (Budget) | FY 2022-23 (Budget) | FY 2023-24 (Budget) | FY 2024-25 (Budget) |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$15,511,000 | \$18,765,613 | \$12,207,064 | \$15,030,442 | \$9,610,000 |

The District has purchased several properties around Pillar Point Harbor over the last few years. The District purchased a parcel at the corner of Avenue Portola and Obispo Road in El Granada with the intent of constructing a new administrative building. However, the District also purchased 504 Avenue Alhambra, which it chose instead for its new administrative office, and now the other parcel is considered to be surplus.

Other recently purchased parcels are located adjacent to Highway 1. Per SMCHD, the land is envisioned as future expansion of the Harbor and will be discussed in the 2024 District Strategic Plan that is being developed.

Other Post Employment Benefits (OPEB)

The District ended the OPEB program in 2009 and only employees that were hired prior to July 1, 2009 are eligible to participate. Currently there are 6 employees and 11 retirees that are eligible. OPEB benefits are administered on a pay as you go basis. If excess funds become available, the District may consider setting aside funds in a trust account. Employees hired prior to July 1, 2009, who meet service time eligibility rules, are entitled to continue the individual’s and dependent’s then existing health, dental, and vision benefits, and life insurance. These

benefits may only be collected for a period that is equal to half of the time the individual was employed by the District.

The District provides post-retirement health care, vision care, dental care and life insurance benefits, in accordance with the Board of Harbor Commissioners employee benefit resolutions, to all employees who retire from the District and meet the age and years of service requirements as specified in such resolutions.

CalPERS

On June 30, 2020, the District reported a net pension liability (NPL) of \$2,698,394 compared to June 30, 2019 NPL of \$4,831,495. The decrease was due to a request from a past Board President and current Commissioner to make a pre-payment of the District’s long-term liability of \$2,300,000.

The District participates in two benefit formulas, 2.5% at 55 for Classic Members and 2.0% at 62 for PEPRAs. Payments for the employer’s share are as follows: The District pays the contribution amount in a lump sum at the beginning of each fiscal year saving the District approximately \$10,000 per year.

Audited Financial Statements and the Unfunded Liability (UAL) described above is from CalPERS Actuarial Report. Additional contributions are not being considered at this time. CalPERS unfunded liabilities are amortized over a 15-year period for the Classic Pool and a 20-year period for PEPRAs. Paying the actuarial contributions would pay the Unfunded Liability within these time periods. Currently, the District anticipates that the Unfunded Liabilities will be paid according to the amortization schedule. In the future, the District may revisit this issue if surplus funds become available.

- b) Is the organization lacking adequate reserves to protect against unexpected events or upcoming significant costs?

District policy is to maintain a reserve of 25% of the Operating Budget Appropriations plus 50% of Election Cost Appropriations. For FY 2024-25, the reserve amount is \$4,357,750, exceeding the actual minimum required reserves.

SMC Harbor District Minimum Required Reserves

| | FY 2020-21 (Budget) | FY 2021-22 (Budget) | FY 2022-23 (Budget) | FY 2023-24 (Budget) | FY 2024-25 (Budget) |
|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Minimum Required Reserves | \$3,115,250 | \$2,385,250 | \$3,068,500 | \$2,697,250 | \$3,357,750 |

The District's working capital balance is used to fund the capital improvement program as well as unforeseen and unexpected emergencies, disasters and other events. The District’s reserves are set at an appropriate level to address potential unforeseen or unexpected emergencies but are insufficient to meet unfunded projects approved in the capital improvement program.

The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts.

- c) Is the City’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?

A review of berth fees shows that they are keeping up with the cost-of-living index for the San Francisco Bay Area, while maintaining high occupancy rates. The following tables show the slip size and rates for each facility:

Pillar Point Harbor

| | FY 2021-22 | | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | | Slips |
|--------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|
| | Docks D-H | Docks A-C | Docks D-H | Docks A-C | Docks D-H | Docks A-C | Docks D-H | Docks A-C | |
| 30" | \$316 | \$340 | \$326 | \$351 | \$335 | \$361 | \$347 | \$374 | 82 |
| 35" | \$364 | \$389 | \$375 | \$401 | \$286 | \$412 | \$400 | \$427 | 74 |
| 40" | \$415 | \$437 | \$428 | \$451 | \$440 | \$464 | \$456 | \$481 | 64 |
| 45" | \$469 | \$492 | \$484 | \$508 | \$498 | \$522 | \$516 | \$541 | 50 |
| 50" | \$511 | \$534 | \$527 | \$551 | \$542 | \$566 | \$562 | \$587 | 61 |
| 55" | \$560 | \$584 | \$578 | \$603 | \$594 | \$620 | \$616 | \$643 | 12 |
| 65" | \$658 | \$679 | \$679 | \$701 | \$698 | \$721 | \$724 | \$748 | 31 |
| 65" + | \$11/foot | \$11/foot | \$11/foot | \$11/foot | \$12/foot | \$12/foot | \$12/foot | \$12/foot | |
| Side Ties | | | | | | | | | 9 |
| End Ties | | | | | | | | | 16 |
| Total | | | | | | | | | 399 |

Oyster Point Marina

| | FY 2021-22 | | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | | Slips |
|--------------|------------|----------|------------|-----------|------------|-----------|------------|-----------|------------|
| | Single | Double | Single | Double | Single | Double | Single | Double | |
| 26" | N/A | \$244 | N/A | \$252 | N/A | \$259 | N/A | \$269 | 31 |
| 30" | \$269 | \$280 | \$278 | \$289 | \$286 | \$297 | \$297 | \$308 | 164 |
| 35" | \$323 | \$335 | \$333 | \$346 | \$342 | \$356 | \$355 | \$369 | 86 |
| 40" | \$372 | \$384 | \$384 | \$396 | \$395 | \$407 | \$410 | \$422 | 10 |
| 45" | \$415 | \$432 | \$428 | \$446 | \$440 | \$458 | \$456 | \$475 | 55 |
| 50" | \$463 | \$481 | \$478 | \$496 | \$491 | \$510 | \$509 | \$529 | 18 |
| 55" | N/A | \$529 | N/A | \$546 | N/A | \$561 | N/A | \$582 | 1 |
| 60" | \$554 | \$579 | \$572 | \$598 | \$588 | \$615 | \$610 | \$638 | 33 |
| 65" | \$9/foot | \$9/foot | \$10/foot | \$10/foot | \$10/foot | \$10/foot | \$11/foot | \$11/foot | |
| 65" + | \$9/foot | \$9/foot | \$10/foot | \$10/foot | \$10/foot | \$10/foot | \$11/foot | \$11/foot | |
| Total | | | | | | | | | 398 |

In 2024, Operating Revenue is budgeted to increase by 5.9% due to a projected inflationary increase in fees by 3.7%, and an anticipated increase in lease revenue from the Pillar Point Harbor retail center.

Lease amounts are based on market value. As each lease is developed (initial and renewal), the District contracts with a third-party licensed property appraiser to obtain the current market value. Each lease is then set at or above market value. The District provided the example of one particular lessee in which it recently negotiated an increase in the base lease payment from \$2,500 per month to \$15,800 per month.

The leases for four of the five leased spaces in the commercial building at Pillar Point have been recently renegotiated, all at or above market value.

d) Is the agency unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?

The District has funded a significant portion of the approved Capital Improvement Plan over the past several years to include the West Trail Living Shoreline Project, Publish Fishing Pier, Piling Repairs, Harbormaster Building ADA Update, Tenant Row ADA Restroom, Surfers Beach Restroom and Greenspace Project, Oyster Point Marina Electrical Upgrade, Pillar Point Harbor Launch Ramp Dredging, and the Coastal Trail Extension. The Harbor District has also approved funding for the Oyster Point Entrance Ramp Replacement Project, the Johnson Pier Electrical Upgrade, the Surfers Beach Replenishment Pilot Project, the Pillar Point Harbor Dredge Project, the Pillar Point Harbor Eelgrass Mitigation Project, and the Design Engineering, and Permitting of the Pillar Point Launch Ramp and Restroom Project. The District is currently unable to fully fund the large unfunded capital improvement projects include the requirement to replace the floating docks at Oyster Point Marina, per its agreement with the City of South San Francisco in 2018.

Summary of 5-year historical & proposed budget year expenditures and FTE Authority

| | FY 2020-21 (Budget) | FY 2021-22 (Budget) | FY 2022-23 (Budget) | FY 2023-24 (Budget) | FY 2024-25 (Budget) |
|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| SMC Harbor District | \$10,203,000 | \$9,812,000 | \$10,784,000 | \$10,789,000 | \$11,631,000 |
| FTE Count | 41 | 41 | 44 | 44 | 44 |

The District’s budget increased by \$1,428,000 or 14% from the adopted budget in FY 2020-21 to the final project in FY 2024-25. The District’s FTE count increased by 3 FTE, or 7 percent, from the adopted budget in FY 2020-21 to the final budget in FY 2024-25. As of FY 2024-24, the Administration division consists of five elected Harbor Commissioners and 10.6 full time positions. Oyster Point has 13 FTE, Pillar Point has 20.4 FTE.

e) Is the agency lacking financial policies that ensure its continued financial accountability and stability?

The District’s July 2024 Policies handbook contains finance and accounting policies for the District.⁵ These policies are publicly available on the District website.

⁵ [Table+of+Contents+With+Policies+2024_08_28.pdf \(smharbor.com\)](#)

In July 2023, the District received the “Transparency Certificate of Excellence” from the Special District Leadership Foundation (SDLF) in recognition of its outstanding efforts to promote transparency and good governance.⁶

g) Is the agency’s debt at an unmanageable level?

The District has no long-term debt since 2016. Outstanding liabilities include CalPERS and OPEB costs.

Financial Ability MSR Determination

For five consecutive years, SMCHD has been recognized by the Government Finance Officers Association for transparent budget reporting, receiving the Distinguished Budget Presentation Award. This award recognizes the District’s success in publishing a budget document that “meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device”.

The SMCHD budget consistently exhibits a net operating shortfall due to operating costs exceeding enterprise revenues. For FY 2024-25, SMCHD projects \$15.3 million in total revenue. Of that, \$10.6 million (69%) is non-operating revenue. This revenue is largely property tax and other tax revenue that is received by the District. These total revenues are sufficient to fully fund operations and partially fund some capital projects. The CIP currently identifies \$80 million in capital projects, with approximately 15% of the total capital improvement project costs funded as of August 2024. The District has typically funded capital projects with a mix of grants, cash or on a “pay-as-you-go” basis. The cash for these projects has been sourced from the fund balance resulting from total revenues (enterprise and non-enterprise) exceeding operating costs. Recently, some of the fund balance has been utilized to purchase properties around the existing Pillar Point Harbor area, which has decreased the fund available for existing capital needs by \$6 million in FY 2024-25. Capital projects for these newly purchased properties have not yet been evaluated by the District.

The District’s July 2024 Policies Handbook contains finance and accounting policies for the District.⁷ These policies are publicly available on the District website. The District has had no long-term debt since 2016. Outstanding liabilities include CalPERS and Other Post Employment Benefits (OPEB) costs.

Recommendations

3) As part of the forthcoming updated Strategic Plan, SMCHD should evaluate potential funding sources for the existing projects identified in the Capital Improvement Plan.

4) SMCHD should evaluate the recently purchased properties and determine what potential uses will be developed on the properties, what the cost of those improvements will be, how they will be funded, and what priority these projects will be given compared to existing identified capital projects.

⁶ [Transparency Certificate of Excellence](#)

⁷ [Table-of+Contents+With+Policies+2024_08_28.pdf \(smharbor.com\)](#)

5) Shared Service and Facilities

| Status of, and opportunities for, shared facilities | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|---|------------|--------------|-----------|
| a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts. | X | | |
| b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized? | | | X |
| c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources? | | X | |

a) Is the agency currently sharing services or facilities with other organizations?

The District currently leases office space to the Granada Community Services District. The Harbor District recently purchased the office complex located at 504 Avenue Alhambra for use as the District’s Administrative Office. Unused office space is leased to governmental and commercial tenants.

As noted previously, SMCHD and the City of South San Francisco have an agreement for the operation and management of the Oyster Point Marina. The District has characterized the relationship between the City and SMCHD as positive and cooperative. The District has not explored alternatives to the current management of Oyster Point Marina.

The City and District participate on the Oyster Point Joint Liaison Committee, which is comprised of two City Councilmembers from the City of South San Francisco and two Commissioners from SMCHD. The Oyster Point Joint Liaison Committee last met on August 28, 2024.

The City and District have worked together to share maintenance tasks at Oyster Point Marina. Overnight security staffing at Oyster Point Marina was canceled in part due to the fact it was duplicative of a service already being provided by South San Francisco Police Department.

The SMCHD has obtained the services of and partnered with the San Mateo Resource Conservation District to help identify sources of pollutants in Pillar Point Harbor through the Pillar Point Harbor Water Quality Assistance project and the First Flush program, which involves volunteers monitoring and reporting on the levels of a variety of pollutants such as bacteria, nutrients, and metals during the first significant rain storm. In 2021, the State

Water Board developed and approved a plan to reduce bacteria pollution in the Pillar Point Harbor area.⁸

b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?

LAFCo staff has not identified other opportunities that SMCHD could engage in to share costs and/or reduce duplication of resources, facilities, or infrastructure.

c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?

See discussion under 6d-f.

Shared Services MSR Determination

Through this MSR process, staff has not identified any new opportunities for shared facilities. The SMCHD currently partners with multiple agencies, including the City of South San Francisco and the San Mateo Resource Conservation District, related to services and functions at the two harbor facilities.

⁸ [Pillar Point Harbor and Venice Beach Bacteria TMDL](https://www.waterboards.ca.gov/sanfranciscobay/water_issues/programs/TMDLs/PPH_TMDL.html),
https://www.waterboards.ca.gov/sanfranciscobay/water_issues/programs/TMDLs/PPH_TMDL.html

6) Accountability, Structure, and Efficiencies

| Accountability for community service needs, including governmental structure and operational efficiencies | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|---|------------|--------------|-----------|
| a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act? | | | X |
| b) Are there any issues with staff turnover or operational efficiencies? | | | X |
| c) Is there a lack of regular audits, adopted budgets and public access to these documents? | | | X |
| d) Are there any recommended changes to the organization’s governance structure that will increase accountability and efficiency? | | | X |
| e) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies? | | X | |
| f) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices? | | X | |

Discussion:

The Board of Commissioners is the elected body that oversees all SMCHD operations and provides policy leadership. The Board acts as the legislative arm of the District. Each Commissioner serves a staggered four-year term and is provided a monthly salary of \$600, per State law. Commissioners are also eligible for reimbursements for any and actual necessary expenses related to Commission actions. The District recently adopted an updated policy regarding reimbursement for Commissioners. Until recently, Commissioners were elected at-large. However, in 2018, a change to the California Voting Rights Act required SMCHD to switch to District elections. The first District elections were held 2020 for Districts 1 and 4. District elections for Districts 2, 3 and 5 occurred in November 2022.

- a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?

The San Mateo County Harbor District meets in person at the District Offices located at 504 Avenue Alhambra, 2nd floor, El Granada CA 94018 on the 3rd Wednesday of every month at

10am. Regular meetings are also accessible to the public by Zoom. Recording of the meetings are available on the District’s website.

Agendas, agenda packets and meeting presentations are posted to the SMCHD website at least 72 hours prior to meeting dates.

According to the District, SMCHD received an allegation of Brown Act violation regarding an item at the June 4, 2020 Special Meeting. The District responded to the allegation by reconsidering the item at a subsequent meeting. No additional action was taken by any party or agency related to this issue.

SMCHD notes that it is in compliance with the Public Records Act and no violations have been reported. LAFCo staff is not aware of compliance issues with a public records request. In 2023, the District received the Transparency Certificate of Excellence from the Special District Leadership Foundation. This certificate highlights an agency’s commitment to government transparency requirements, including the completion of ethics training for commissioners, adherence to the Brown Act for public meetings, and the filing and reporting for financial transactions and reports to the State in a timely manner.

The District’s website includes information regarding financial documents including budgets and audits, wage and compensation data, archived meeting minutes, and currently adopted policies on reserves financial transactions, conflict of interest, and ethics code.

b) Are there issues with staff turnover or operational efficiencies?

According to the District, there have not been challenges regarding staff turnover. Over half of the 32 operational employees have been with the District for longer than five years. Top positions in the Administrative department have been staffed by the same individuals for several years. The General Manager has been in his current position since 2019.

c) Is there a lack of regular audits, adopted budgets, and public access to these documents?

The SMCHD regularly prepares an annual budget and contracts with an accounting firm to conduct annual audits, both of which are presented to the Board of Commissions at a public hearing and are published on the District’s website. Past budget and audit documents are available on the District’s website as well.

d-f) Changes in governance structure?

The 2006 and 2015 San Mateo LAFCo MSR’s mentioned several alternative SMCHD governance options. These potential changes included dissolution of SMCHD or altering the boundaries of the District. Neither governance alternative has occurred, and the ongoing study and discussion of these options does not impact the day-to-day operations of the District. These two potential governance options are summarized below:

I. Dissolution with the County of San Mateo as Long-Term Successor/JPA with City of South San Francisco

The County could assume all of the assets, liabilities and operational responsibilities of the Oyster Point Marina and Pillar Point Harbor. All revenues would accrue to the County to

fund expenditures. The County’s Board of Supervisors ultimately would have authority over the facilities to which it is the successor. The Board could create an appointed body to advise it on operational and policy issues.

The County would assume responsibility for Pillar Point Harbor, and could utilize existing staff for operations. The County of San Mateo Parks Department currently operates Coyote Point Marina and consequently has experience managing these types of facilities, as well as administrative staff that could be augmented as necessary to handle additional workload.

The County could assign responsibility for Oyster Point Marina to the City of South San Francisco through a new JPA, and allocate property tax sufficient to pay for Oyster Point Marina operations, capital improvements and applicable share of debt service. This amount could be adjusted annually as costs adjust during transition, efficiencies are achieved, and revenues change.

The City of South San Francisco would be responsible for maintaining parks and open space at Oyster Point Marina as they currently do in other areas of the City, and could utilize existing Oyster Point Marina staff to manage and operate the marina facilities. Currently, City administrative staff could be augmented as necessary to handle administrative tasks including financial accounting.

Potential Cost Savings

The assumption of SMCHD operations by a successor agency (or agencies) offers the opportunity to achieve certain service efficiencies and cost savings due to economies of scale and eliminating duplicative elected offices and administrative functions. This would eliminate some existing Harbor Commission expenses, such as election costs. The cost associated with holding elections is the greatest potential savings of a successor agency. The Fiscal Year 2024-25 Budget projects election costs of \$900,000 in alternating years. The majority of these election costs could be shared with the other County entities also holding elections. The exact magnitude of other administrative savings, if any, would depend upon the ability of the successor agency to manage increased workload before adding staff.

Transition Issues and Costs

Although it may be possible to achieve longer-term efficiencies, stability, and cost savings, in the short-term there would be transition costs associated with reorganization. A detailed Plan for Service would need to accompany any proposal for a governance change. This Plan would need to evaluate how service responsibility would be transferred, the benefits of the governance change, how pension liability would be addressed, the implementation and financing strategies for capital improvement projects, legacy costs, and staff transition. It is likely that the net benefits to County taxpayers and users following a reorganization would lag and not be measurable for several years.

II. Alternative Boundaries

The current boundaries of the SMCHD could be reduced if it is determined that the SMCHD

primarily serves and area that is less than Countywide. However, depending on the extent of the boundary reduction, property taxes would correspondingly be reduced. Unless there are equal reductions in current SMCHD expenditures and liabilities, the reduced property tax may be inadequate to fund operations and provide for needed capital improvements.

The District, in turn, has communicated to San Mateo LAFCo staff that it is interested in assuming operational responsibilities for all county-owned ports (Coyote Point Marina, San Carlos Airport, and the Half Moon Bay Airport). San Mateo LAFCo is not aware of any formal communications between the County and the District on this matter. LAFCo has not conducted an analysis regarding any future expansion of services by SMCHD.

As noted previously in this section, the evaluation of alternative District governance options is solely a high-level review by LAFCo as part of this MSR/SOI. No proposal for a governance change has been submitted to LAFCo at this time. No action by LAFCo has been taken toward SMCHD other than the publication of this and previous studies. Changing the governance of SMCHD would require a separate application and action before the LAFCo Commission.

Accountability, Structure, and Efficiencies MSR Determination

The District has taken a number of steps since the 2015 MSR to enhance transparency and address governance and operational efficiencies. In 2023, the District received the Transparency Certificate of Excellence from the Special District Leadership Foundation. This certificate highlights an agency's commitment to government transparency requirements, including the completion of ethics training for commissioners, adherence to the Brown Act for public meetings, and filing and reporting on financial transactions to the State in a timely manner. As noted in this MSR, the District adopted a Strategic Plan in 2019, and is currently developing an update of this plan.

There are at least two potential governance changes to the District that may produce greater efficiencies and cost savings: dissolution or altering District boundaries. No proposal for a change of governance has been submitted for either action since the 2006 MSR.

Recommendations

- 5) LAFCo supports the actions that SMCHD has made regarding transparency and encourages the District to continue these efforts.
- 6) The Harbor District, the City of South San Francisco and the County of San Mateo should continue to confer and research issues and options affecting the feasibility of implementing these possible governance changes.

7) Other

| Any other matter related to effective or efficient service delivery, as required by commission policy. | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|--|------------|--------------|-----------|
| a) Are there any other service delivery issues that can be resolved by the MSR/SOI process? | | | X |
| b) Water Resiliency and Climate Change | | | |
| i) Does the organization support a governance model that enhances and provides a more robust water supply capacity? | | X | |
| ii) Does the organization support multi-agency collaboration and a governance model that provide risk reduction solutions that address sea level rise and other measures to adapt to climate change? | X | | |
| c) Natural Hazards and Mitigation Planning | | | |
| i) Has the agency planned for how natural hazards may impact service delivery? | X | | |
| ii) Does the organization support multi-agency collaboration and a governance model that provides risk reduction for all natural hazards? | X | | |

a) Other service delivery issues that can be resolved by the MSR/SOI process.

LAFCo staff did not identify any other service delivery issues that can be resolved by the MSR/SOI process.

b) Water Resiliency and Climate Change

SMCHD has worked in partnership with OneShoreline⁹, San Mateo County, Caltrans, the U.S. Army Corps of Engineers (ACOE), and the City of Half Moon Bay to address sea level rise and coastal erosion. In 2023, the Harbor District coordinated with OneShoreline to act as the lead agency in making a request to the ACOE under the Corps Continuing Authorities Program to address the coastal erosion at Princeton by the Sea. The Harbor District and ACOE are now entering the second phase of the project, identifying and comparing potential solutions. During

⁹ OneShoreline refers to the San Mateo County Flood and Sea Level Rise Resiliency District. It is an independent government agency devoted to securing funds and planning for the long-term resilience of the area, building solutions to mitigate the climate change impacts of sea level rise, flooding and coastal erosion. <https://oneshoreline.org>

this phase, the Harbor District will coordinate with the public and all affected agencies including the Granada Community Services District to address:

- Reestablishing the beach to serve as a nature based protective zone for Princeton by the Sea; and,
- Disrupting the counterclockwise current created by the installation of the breakwater. This current is the cause of the excessive erosion and disappearance of the original beach at Princeton by the Sea. The project will prevent the current from stripping the beach of sand in the future.

The Harbor District has also been working with Congresswoman Anna Eshoo to include Sea Level Rise/Coastal Erosion in Northern Half Moon Bay in the Water Resources Development Act of 2024 (WRDA 2024). On July 22, 2024, the WRDA 2024 was approved by the House of Representative with a vote of 359 to 13. It has passed the Senate and is expected to be signed into law prior to the end of the year given the WRDA bill has strong bipartisan support and has passed every two years for the past several years without incident.

There are several other agencies that are conducting environmental studies and projects within the area of Pillar Point Harbor, including:

- Plan Princeton – A project by the County of San Mateo intended to a) make a comprehensive update to the policies, plans, and standards regulating the Princeton study area (west of and including Highway 1, between Pillar Point Harbor and Moss Beach); b) to review coastal access, recreation, research, and education opportunities; c) support and expand coastal-dependent and coastal-related uses; and, d) identify effective strategies for protecting the community from sea level rise, among other hazards.
- Mirada Road – A project by the County of San Mateo to repair portions of Mirada Road that were damaged by recent storm events and wave action.
- 2018 San Mateo County Sea Level Rise Vulnerability Assessment – A project by the County of San Mateo that reviewed how sea level rise will affect San Mateo County residents, businesses, and the services and infrastructure along the San Mateo County coast and bay shorelands.
- Pillar Point Harbor Area Shoreline Management Study – A study by OneShoreline regarding shoreline management approach for the northern Half Moon Bay shoreline from Mavericks Beach to the Mirada Road bridge.
- Surfer’s Beach and Highway 1— San Mateo County, Caltrans, and Half Moon Bay collaborated on a project constructed in 2016 to protect the highway from erosion at Surfers’ Beach, connect a 400-foot section of the Coastal Trail, and add a stairway down to the beach over the newly installed 175-foot section of rock slope protection. The Coastal Development Permit for the coastal armoring is temporary, for a 10-year period, to allow time for Caltrans to implement a long-term solution to protect the highway from erosion, which included a requirement to study moving the alignment of Highway 1.

c) Natural Hazards and Mitigation Planning

SMCHD participated in the 2021 Local Hazard Mitigation Plan (LHMP), along with the County and other San Mateo County cities. The Plan assessed hazard vulnerabilities and identified opportunities for mitigation to reduce the level of injury, property damage and community disruption that could occur in manmade and natural disasters.

SMCHD staff and consultants have worked to integrate and address resilience against natural hazards such as storm, waves, sea level rise, and flooding, in the planning for all infrastructure, capital improvement, and restoration projects at Pillar Point Harbor, Oyster Point Marina, and other District-owned properties. An assessment of the impacts of sea level rise on harbor facilities was conducted as part of the 2022 Master Plan.

The District has also implemented projects that specifically address existing issues that are caused by natural hazards. For example, the West Trail Living Shoreline Project was recently completed in spring of 2022. The West Trail is a very popular walking path located along the western edge of Pillar Point Harbor connecting the West Point Avenue parking lot to the Pillar Point outer harbor and Mavericks Beach. The living shoreline project uses a nature-based design to address chronic coastal erosion over the past few decades, resulting in degradation of the trail, and creating hazardous conditions for users as well as limiting access for emergency response. This project was designed to accommodate future sea level rise and will provide protection for many decades into the future.

Another project that is specifically being designed to address impact of natural hazards is the Surfers Beach Restoration Pilot Project. The District is currently in the final stages of planning for the Surfers Beach Restoration Pilot Project, another nature -based coastal resilience project. This project, being planned for Summer 2025, will address two major issues being caused by natural hazards: shoaling of sediment inside Pillar Point Harbor as well as extreme coastal erosion issues at Surfers Beach just outside of the Harbor. By placing clean sand that has been trapped inside the Harbor's breakwaters in a berm along Surfers Beach, the District is addressing the impacts of sedimentation inside the harbor and erosion and hazards to beach access at Surfers Beach.

The Princeton by the Sea Shoreline Project also directly addresses sea level rise. The project will re-establish a living shoreline (the beach) along the Princeton shoreline that will provide a natural barrier to sea level rise and coastal erosion.

Finally, the Northern Half Moon Bay Sea Level Rise Project being addressed by WRDA 2024 as discussed above will address sea level rise from Pillar Point south to Miramar.

In addition to the above, the District has:

- Contracted with a professional consultant to conduct a Tsunami and Sea Level Rise vulnerability assessment.

- Replaced all articulating pins for all access ramps from land and Piers to docks to ensure safe range of motion during a tsunami event.
- Replaced all flex hoses and flanges for the extreme range during tsunami and king tide events.
- Trained staff on the Emergency Response Plan and the protocol for Public and Marina safety for near shore as well as long warning tsunamis.
- Assisted in the development of the San Mateo County Tsunami Warning and Preparedness Plan.
- Raised dock landings at Oyster Point Marina to a higher elevation.
- Posted Emergency Assembly Points and Tsunami Evacuation routes at key places throughout properties.
- Raised shoreline elevation through the Bay Trail Shoreline Project.

Of note, during the January 15, 2022 tsunami, the highwater rose four to five feet above normal hightide with no damage being reported within the harbor. Santa Cruz Harbor suffered over \$6 million in costs to repair damage caused by the same tsunami.

In order to address potential fire dangers, the District has:

- Placed hillside fire watch cameras at Pillar Point Harbor.
- Conducted ongoing removal of loose combustible vegetation, tree trimmings, fallen branches, etc. to harden landscape against potential fires.
- Assist and support community organizations (e.g. Coastside Emergency Response Teams, local schools, and the California Division of Boating and Waterways) in emergency response and educational efforts so the public knows how to respond to all natural hazards.
- Employed a Training Officer who coordinates all staff rescue training and public education to ensure staff are prepared to assist in protecting the public and quickly react to all natural hazards, then in aftermath, assist in mitigation and recovery.
- Maintain emergency response vehicles and vessels in always ready condition and stored emergency response equipment, supplies, generators.

Other Issues MSR Determination

SMCHD collaborates with several agencies, such as OneShoreline, U.S. Army Corps of Engineers, County of San Mateo, and other special districts, related to hazard mitigation and climate change. San Mateo LAFCo commends the District for the work they have undertaken in these areas.

Recommendation

- 7) San Mateo LAFCo encourages SMCHD and all other agencies working on natural hazards mitigation and climate change related projects to continue to collaborate. As there are numerous projects either ongoing or in the planning stage within the midcoast area, LAFCo would encourage all agencies involved in these projects to continue to share updates and communicate. The County of San Mateo could explore being an agency that hosts climate resiliency and hazard mitigation information relating to the several projects that are occurring within the midcoast area.

Section 6. Sphere of Influence Review

Determinations

Government Code Section 56425 requires the San Mateo LAFCo make determinations concerning land use, present and probable need for public facilities and services in the area, capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, and existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency. These include the following determinations:

- 1. The present and planned land uses in the area, including agricultural and open space lands.**

The SMCHD is comprised of a wide range of land use designations, including tidelands, submerged lands, residential, commercial, industrial, open space, agricultural, and rural. The District boundaries contain land that is under the jurisdiction of the County of San Mateo, the City of Half Moon Bay, incorporated cities, the California Coastal Commission, the California Water Board, the State of California through a tidelands grant, the San Francisco Bay Conservation and Development Commission, as well as other agencies that have land use review authority.

- 2. The present and probable need for public facilities and services in the area.**

Some services provided by the SMCHD are also provided at varying levels by other public and private entities to include emergency response/maritime search and rescue. The Harbor District provides search-and-rescue vessels stationed at Pillar Point and Oyster Point Marina. Bayside, the Harbor District is a partner in a search-and-rescue network that includes the County of San Mateo Sheriff's Department, other marina operators, and several fire agencies. The Harbor District is the only public agency providing immediate on water emergency response for maritime events and emergencies on the San Mateo County coastline. Need for search-and rescue and maritime assist services in this area is expected to continue.

- 3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

SMCHD has significant infrastructure and facility improvement needs as a result of the wear and tear of heavy use, a harsh marine environment, and deferred maintenance and capital projects. At Pillar Point Harbor, some support piers are in poor condition and need to be replaced. The marina docks are 30-40 years old and need to be replaced. Buildings at Pillar Point are generally in fair condition. Several of the docks at Oyster Point Marina are in serious to critical condition and will require replacement within the next five years. Pillar Point Harbor has a 90-95 percent berth occupancy rate, and Oyster Point Marina has a 70-75 percent berth occupancy rate. Both facilities include visitor-serving opportunities.

4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

San Mateo County Harbor District's boundaries are coterminous with San Mateo County, operating out of two locations: Oyster Point in South San Francisco and Pillar Point in Half Moon Bay. These represent distinct communities with common social and economic interest in commercial and recreational fishing, boating, and visitor-serving facilities. Commercial fishing is an important industry to the County. Pillar Point Harbor's search-and-rescue and maritime assist capabilities benefit those who work, live, recreate, vacation, transit or visit the San Mateo County coastline. Oyster Point offers a venue for a commuter ferry. These services remain valuable to the area, whether they are provided by the current Harbor District or by a potential successor agency such as the County of San Mateo or the City of South San Francisco.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Not Applicable.

On the basis of the Municipal Service Review:

Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency's SOI is recommended and SOI determinations HAVE NOT been made.

Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency's SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.

Appendix A. San Mateo County Harbor District Fact Sheet

General Manager: James B. Pruett

Mailing Address: P.O. Box 1449, El Granada, CA 94018

Physical Address: 504 Avenue Alhambra, 2nd Floor, El Granada, California 94018

Email Address: jpruett@smharbor.com

Phone Number: (650) 583-4400

Date of Formation: 1933

District Commissioners:

| Commissioners | Term Expiration Date |
|---|-----------------------------|
| Bill Zemke, District 1 | December 2028 |
| George W. Domurat, District 2 | December 2026 |
| Kathryn V. Slater-Carter (Vice President), District 3 | December 2026 |
| Tom Mattusch (President), District 4 | December 2028 |
| Virginia Chang Kiraly, District 5 | December 2028 |

Compensation: Harbor Commissioners receive a monthly salary of \$600

Public Meetings: Commission meetings are held in person at the District Offices located at 504 Avenue Alhambra, 2nd floor, El Granada CA 94018 on the 3rd Wednesday of every month at 10am. Regular meetings are also accessible to the public by Zoom. Recording of the meetings are available on the District’s website.

Services Provided: Harbor-related services as well as search-and-rescue.

Agency staff: 44 FTE

Area Served: Countywide, 449 square miles of land area

Population: 745,193 residents

Sphere of Influence: Dissolution (Zero)

FY 2024-25 Budget: \$11.6M

Appendix B. References

October 28, 2024 email correspondence with attachments received by LAFCo Staff in response to request for information from San Mateo County Harbor District staff.

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

January 15, 2025

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer

Subject: Consideration of Final Municipal Service Review for the City of Millbrae

Summary and Background

In 1985, San Mateo LAFCo first prepared comprehensive Sphere of Influence (SOI) studies and adopted SOIs for the County's cities and special districts. Subsequently, LAFCo reviewed and updated spheres on a three-year cycle. SOI updates focus on changes in service demand within the boundaries of cities and special districts. In 2003, in order to comply with the newly enacted Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), LAFCo began the process of preparing SOI updates in conjunction with or following a Municipal Service Review (MSR). This Circulation Municipal Service Review is the first MSR for the City of Millbrae.

The City of Millbrae was incorporated in 1948. As of 2020, the population of Millbrae was 23,216. The City of Millbrae's SOI includes small portions of unincorporated San Francisco Airport Lands to the northeast of the City's boundaries and west of Highway 101. Although Capuchino High School is entirely surrounded by the City of Millbrae, it is part of the City of San Bruno. Since 1979, the SOI for the City has also included a recommendation to detach Capuchino High School from the City of San Bruno and annex the property to the City of Millbrae. The High School is connected to San Bruno by a narrow corridor with irregular boundaries and is largely surrounded by the City of Millbrae. Currently, the City of Millbrae provides water and sewer to the property.

The City provides the following municipal services: law enforcement, parks and recreation, library, streets, lighting, water, wastewater and storm drain and flood control.

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT
▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪
DIANE ESTIPONA, CLERK

Updates to Final Circulation Municipal Service Review

On November 4, 2024, San Mateo LAFCo staff received a letter from the City of Millbrae in response to a request for information. The comments from the letter have been incorporated into the staff report the Final MSR report.

Current Key Issues

Key issues identified in compiling information on the City of Millbrae include the following:

- While LAFCo staff has not identified any issues with the City's budgeting practices, the City's enterprise funds for water, sewer, and storm drains are projected to use fund balance to fund capital improvement projects. According to the City, there is sufficient revenue to fund ongoing operation and maintenance costs associated with sewer and water service, but storm drain projects are subsidized by the City's General Fund.
- While the revenue for the City has largely returned to pre-pandemic levels, the City has continued to implement various cost saving measures such as a hiring freeze for non-critical positions, reduction in spending on upgrades and deferred maintenance on City facilities, and limiting General Fund subsidies to fund Capital Improvement Projects only deemed mandatory, necessary and achievable.
- The City is making accommodations to incur a nearly 45% increase in its housing stock over the next eight years. The City's 2040 General Plan, which includes the specific plans and development projects described above, was updated and adopted by the City in 2022. The Environmental Impact Report for the General Plan did not identify any significant impacts to the City's ability to deliver municipal services to the residents and businesses of Millbrae.

Proposed Municipal Service Review Recommendations and Determinations

As required by State law, there are seven areas of MSR determination, including local policies as set forth in Section 56430. For the Circulation Draft, LAFCo has the following determinations and recommendations:

I. Growth and Population Determination

As of 2020, the City of Millbrae is home to 23,216 residents and 8,679 housing units. The City's adopted Housing Element proposes to increase its housing stock by 22% over the next eight years. The City's 2020 Urban Water Management Plan, which forecasts water demand and availability through 2045, projects that the City's population will increase to over 27,000 residents and that water demand in 2045 will exceed the available water supply.

Recommendation:

1. LAFCo encourages the City to update the Urban Water Management Plan to align with the projected development in the City's adopted Housing Element.

II. Disadvantaged Unincorporated Communities Determination

The City's sphere and municipal boundaries are nearly contiguous with the exception of the San Francisco International Airport Lands located along the City's eastern border and west of

Highway 101. Although Capuchino High School site is part of the City of San Bruno it is surrounded by the City of Millbrae. There are no disadvantaged unincorporated communities within the City's SOI.

Recommendation: None

III. Capacity and Adequacy of Public Facilities and Services Determination

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet most service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

Recommendations:

2. The City's UMWP was last updated in 2020. The City should align the growth projections in the UMWP with the RHNA growth projections and the 2023-2031 Housing Element in its next UMWP update.
3. LAFCo encourages the City to continue to review potential revenue increases or the creation of a dedicated revenue source for stormwater projects.
4. LAFCo encourages the City to continue to work with Central County Fire, the City of Burlingame and the Town of Hillsborough regarding the implementation of recommendations from the Community Risk Assessment/Standards of Cover & Deployment Analysis.

IV. Financial Ability Determination

LAFCo staff has not identified any issues with the City's budgeting practices regarding process. The City of Millbrae prepares an annual operating and Capital Improvement Program (CIP) budget for the upcoming fiscal year that gets adopted by the City Council at a noticed public hearing before June 30th. The City also produces an Annual Comprehensive Financial Report (ACFR) that is reviewed by City Council.

The General Fund has been able to cover budgeted expenditures and the City has projected that the General Fund will continue to cover budgeted expenditures in upcoming years. However, the City has had to implement several cost saving measures including an ongoing hiring freeze for non-critical positions, and deferred maintenance for City facilities.

The City has three main enterprise funds, one each for Sewer, Water, and Storm Drain. Each one of these funds for FY 2024-25 is proposing to use fund balance to support on-going capital projects. The Water and Sewer funds have sufficient revenue to fund operational and maintenance expenditures. Budget documents do not differentiate between expenses for capital projects and for ongoing operations and maintenance.

Recommendations:

5. LAFCo encourages the City to continue to review potential revenue increases for stormwater projects.
6. LAFCo encourages the City to develop projections for the Sewer, Water, and Storm Drain enterprise funds to provide the City a more complete assessment of these

funds. These projections can be used in conjunction with the Capital Improvement Program to help the City to allocate appropriate resources to infrastructure projects.

7. In future budget documents, the City should explore including a detailed breakdown of capital improvement costs versus operation and maintenance expenses for each enterprise fund. This would better illustrate what are ongoing versus one-time costs for each fund.

V. Shared Service and Facilities Determination

The City of Millbrae partners with several agencies to share resources and reduce costs.

Recommendation:

8. LAFCo encourages the City to review potential options regarding fire service, including becoming a member of the Central County Fire Department Joint Powers Agreement.

VI. Accountability, Structure, and Efficiencies Determination

The City of Millbrae ensures that public meetings are accessible and well-publicized. LAFCo staff is not aware of any failures to comply with disclosure laws or the Brown Act. The City prepares and adopts an annual budget, and annual independent audits are reviewed at a City Council meeting. LAFCo staff does not recommend any changes to the City's governmental structure or operations that will increase accountability and efficiency.

Recommendation: None

VII. Other Issues Determination

The City of Millbrae is engaged in activities to address hazard mitigation, wildfire prevention, and sea level rise for City residents and businesses.

Recommendation:

9. LAFCo encourages the City to continue its work in the areas of natural hazard mitigation and sea level rise, and continue to coordinate with partner agencies.

Sphere of Influence Determinations

As required by State law, LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency as set forth in Government Code Section 56425(e) that addresses the following:

I. The present and planned land uses in the area, including agricultural and open-space lands.

The City of Millbrae's Sphere of Influence includes small portions of unincorporated San Francisco Airport Lands to the northeast of the City's boundaries and west of Highway 101. Although Capuchino High School is entirely surrounded by the City of Millbrae, it is part of the City of San Bruno. The City's land use is primarily residential with some open space, office, commercial, and industrial uses. There is no agricultural land within the City's SOI.

II. The present and probable need for public facilities and services in the area.

The City of Millbrae's facilities and services meet the needs of its residents and businesses, and the City anticipates that it will be able to provide adequate facilities and services for the anticipated growth within its service area.

III. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The City currently provides adequate public services to its residents, including fire and police protection, water, sanitary sewer, and storm water services. In addition, the City routinely adopts a Capital Improvement Program to fund critical repairs, replacements and improvements to the City's infrastructure and facilities.

IV. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

There are no disadvantaged unincorporated communities within the SOI for the City of Millbrae.

V. For an update of a SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the SOI for the City of Millbrae is proposed at this time.

Public/Agency Involvement

The primary source of information used in this MSR has been information collected from agency staff and adopted plans, budgets, reports, policies, etc.. San Mateo LAFCo also submitted a request for data to the City. On November 4, 2024, the City provide a response to this request for data. The information from the City's response has been incorporated into this report.

LAFCo staff presented an overview of the draft MSR to the Millbrae City Council at their public meeting on October 22, 2024.

Environmental Review/CEQA

The MSR is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for the basic data collection, research, experimental management, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource. The MSR collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The MSR is also exempt from CEQA under section 15061(b)(3), the commonsense provision, which states that CEQA applies only to projects which have the potential to cause a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

The MSR and SOI update will not have a significant effect on the environment as there are no land use changes associated with the documents.

Staff's Recommendation to Commission

1. Open the public hearing and accept public comment.
2. Accept the Final Municipal Service Review for the City of Millbrae.
3. Adopt the Municipal Service Review Determinations and Recommendations contained in this report.

Attachments

- A. Final Municipal Service Review for the City of Millbrae
- B. Resolution No. 1330 for the City of Millbrae Municipal Service Review
- C. MSR Areas of Determinations and Recommendations for the City of Millbrae



**Municipal Service Review and Sphere of Influence
Review for the City of Millbrae**

Final

Released January 8, 2025

Municipal Service Review and Sphere of Influence Review for the City of Millbrae

SUBJECT AGENCY:

City of Millbrae

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Millbrae, CA 94030

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CONDUCTED BY:

San Mateo Local Agency Formation Commission

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**Municipal Service Review
and Sphere of Influence Update
City of Millbrae**

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EXECUTIVE SUMMARY

Section 1: Overview

This report is a Municipal Service Review (MSR) and Sphere of Influence (SOI) study for the City of Millbrae (City). California Government Code Section 56430 requires that the Local Agency Formation Commissions (LAFCOs) complete MSRs and SOI reviews on all cities and special districts. A LAFCo is an independent entity with jurisdiction over the boundaries of cities and special districts. An SOI is a plan for the boundaries of a city or special district. The MSR and SOI update do not represent a proposal¹ for reorganization of agencies, but rather a State-mandated study of service provisions of an agency.

Once adopted, the service review determinations are considered in reviewing and updating the SOI pursuant to Section 56425. The SOI, which serves as the plan for boundaries of a special district, is discussed in the second part of this report. This State-mandated study is intended to identify municipal service delivery challenges and opportunities and provides an opportunity for the public and affected agencies to comment on city, county, or special district services and finance; and opportunities to share resources prior to LAFCo adoption of required determinations.

San Mateo Local Agency Formation Commission

San Mateo Local Agency Formation Commission (LAFCo or “the Commission”) is a State-mandated, independent commission with county-wide jurisdiction over the boundaries and organization of cities and special districts including annexations, detachments, incorporations, formations, and dissolutions. LAFCo also has authority over extension of services outside city or district boundaries, and activation or divestiture of special district powers. The purpose of the Commission includes discouraging urban sprawl, preserving open space and prime agricultural lands, planning for the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. LAFCo operates pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) contained in California Government Code Sections 56000 and 57000. The Commission includes two members of the County Board of Supervisors, two city councilmembers from two of the County’s 20 cities, two special district board members from two of the 21 independent special districts, one member of the public, and four alternate members (county, city, special district, and public).

In 1985, San Mateo LAFCo first prepared comprehensive SOI studies and adopted SOIs for the County’s cities and special districts. Subsequently, LAFCo reviewed and updated spheres on a three-year cycle. SOI updates focus on changes in service demand within the boundaries of cities and special districts. In 2003, in order to comply with the newly enacted CKH Act, LAFCo

¹ An application for annexation may be submitted by 5 percent of the voters or landowners of territory proposed for annexation or by resolution of the District.

began the process of preparing SOI updates in conjunction with or following a Municipal Service Review (MSR).

Local Government in San Mateo County

Municipal service providers in San Mateo County include the County of San Mateo, 20 cities, 21 independent special districts, six subsidiary districts governed by city councils, and 33 County-governed special districts. Independent special districts provide a limited set of services based on their enabling legislation (i.e. fire, water, sanitation, etc.), while cities generally provide a wider array of basic services including police, recreation programs, planning, street repair, and building inspection. The County, as a subdivision of the State, provides a vast array of services for all residents across its cities, special districts and subsidiary districts, including social services, public health protection, housing programs, property tax assessments, tax collection, elections, and public safety. The County also provides basic municipal services for residents who live in unincorporated areas, who are not part of any city or special district. According to 2020 Census data, 63,205 of the County’s total 765,417 residents live in unincorporated areas.

Purpose of a Municipal Service Review/Sphere of Influence Update Study

This MSR/SOI study examines the City of Millbrae and represents the first MSR for the City.

LAFCo prepared this MSR/SOI study based on Millbrae source documents that include Adopted Budgets, Basic Financial Reports and Audits, Capital Plans, Urban Water Management Plans, and Planning Documents, including the General Plan. Draft MSRs/SOI Updates are first circulated to the District under study, along with interested individuals and groups. The Final MSR/SOI Update study will include comments on the circulation draft as well as LAFCo staff recommended determinations that are presented before the Commission for consideration. MSR determinations must be adopted before the Commission updates or amends a SOI.

Per Government Code Section 56430, LAFCo is required to include the following areas in the MSR determinations:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities² within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.

² “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the Statewide annual median household income. This area of determination does not apply to the study area.

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6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.
 - a. Water Resiliency and Climate Change
 - b. Impact of Natural Hazards and Mitigation Planning

Per Government Code Section 56425, LAFCo is required to make five written determinations when establishing, amending, or updating a SOI for any local agency that address the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Disadvantaged Unincorporated Communities

In 2011, SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of MSR determination #2 and SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited, unincorporated territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the Statewide annual median household income. The City of Millbrae does not have any disadvantaged unincorporated communities within its SOI.

Section 2. Summary of Key Issues

Key issues identified in compiling information on the City of Millbrae include the following:

- While LAFCo staff has not identified any issues with the City’s budgeting practices, the City’s enterprise funds for water, sewer, and storm drains are projected to use fund balance to fund capital improvement projects. Per the City, there is sufficient revenue to fund ongoing operation and maintenance costs associated with sewer and water service, but storm drain projects are subsidized by the City’s General Fund.
- While the revenue for the City has largely returned to pre-pandemic levels, the City has continued to implement a number of cost saving measures such as a hiring freeze for

non-critical positions, reducing spending on upgrades or deferred maintenance on City facilities, and having General Fund subsidies to Capital Improvement Projects limited to those deemed mandatory, necessary and achievable.

- The City of Millbrae is making accommodations to incur a nearly 45% increase in its housing stock over the next eight years. The City’s 2040 General Plan, which includes the specific plans and development projects described above, was updated and adopted by the City in 2022. The Environmental Impact Report for the General Plan did not identify any significant impacts to the City’s ability to deliver municipal services to the residents and businesses of Millbrae.

Section 3: Affected Agencies

County and Cities: City of Millbrae and San Mateo County

School Districts: Millbrae School District and San Mateo Union High School District

Independent Special Districts: San Mateo County Harbor District, San Mateo County Mosquito and Vector Control, Peninsula Health Care District

Dependent Special Districts: None

Section 4: City of Millbrae

Background and Overview

The City of Millbrae encompasses 3.3 square miles and is bordered by the City of San Bruno and San Francisco Airport (SFO) to the north, SFO and the San Francisco Bay to the east, Highway 280 and unincorporated San Mateo County to the west, and the City of Burlingame and unincorporated San Mateo County to the south. Incorporated in 1948, Millbrae is home to approximately 23,000 residents and remains a primarily residential community with some commercial and industrial uses in the northeast portion of the City near El Camino Real and Highway 101. The City is well served by transit, including BART, SamTrans, Caltrain and SFO.

Millbrae operates under a Council-Manager form of government with five Councilmembers that set legislative priorities and who appoint the City Manager who then oversees daily operations of City life.

The City of Millbrae’s Sphere of Influence includes small portions of unincorporated San Francisco Airport Lands to the northeast of the City’s boundaries and west of Highway 101.

MSR– City of Millbrae

Although Capuchino High School is entirely surrounded by the City of Millbrae, it is part of the City of San Bruno.

Municipal Services

| SERVICE | RESPONSIBLE AGENCY |
|---------------------------------------|--|
| Public Safety | |
| Police protection | County Sheriff's Office |
| Fire protection | Central County Fire Department |
| Emergency Medical Service | Central County Fire Department |
| Animal Control | Peninsula Humane Society & SPCA |
| Utilities | |
| Water distribution | City of Millbrae |
| Wastewater collection | City of Millbrae |
| Wastewater treatment | City of Millbrae |
| Electricity | Pacific Gas & Electric Peninsula Clean Energy |
| Natural Gas | Pacific Gas & Electric Peninsula Clean Energy |
| Solid Waste Collection & Disposal | South San Francisco Scavenger Company (franchise agreement) |
| Stormwater drainage and flood control | City of Millbrae |
| Street Maintenance | City of Millbrae |
| Street Lighting | City of Millbrae |
| Community Services | |
| Parks and recreation | City of Millbrae |
| Library | City of Millbrae |
| Mosquito abatement and vector control | San Mateo County Mosquito & Vector Control |
| Public transportation | Bay Area Rapid Transit SamTrans Caltrain |

Section 5: Municipal Service Review

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages. If most or all determinations are not significant, as indicated by “no” answers, the Commission may find that an MSR update is not warranted.

1) Growth and Population

| Growth and population projections for the affected area. | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|--|------------|--------------|-----------|
| a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years? | X | | |
| b) Will population changes have an impact on the subject agency’s service needs and demands? | | X | |
| c) Will projected growth require a change in the agency’s service boundary? | | | X |

Discussion

- a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?

As of 2020, the City of Millbrae is home to 23,216 residents and 8,679 housing units. Over the past 20 years, the City’s population has grown by 10%, slightly faster than the overall County’s population growth at 9%. Like other communities in the Bay Area, the number of new homes built in Millbrae has not kept up with demand. Between 2010 and 2020, Millbrae’s housing stock only increased by 3.1%^{3,4}.

The City of Millbrae offers a variety of housing options. As of 2020, 64.2% of households were single-family detached, 3.4% were single-family attached, 3.3% were multi-family housing with 2-4 units and 30.5% were multi-family housing with five or more units.

The Association of Bay Area Governments (ABAG), the agency responsible for forecasting population, housing and economic trends in the nine Bay Area counties, in coordination with the California Department of Housing and Community Development (HCD) estimates the housing need for the region and allocates a portion of projected need to every jurisdiction. In collaboration with Bay Area partner agencies, non-profit organizations and residents, ABAG developed Plan Bay Area 2050, a long-range regional plan that, among other activities, projects the population growth of each region throughout the Bay Area. Plan Bay Area 2050 anticipates that North San Mateo County, which includes the City of Millbrae, will increase its population by 70%, from 98,000 households in 2015 to 166,000 households in 2050.

To accommodate the projected growth, cities and counties throughout the State are updating their housing elements every eight years to accommodate the regional housing need assessment (RHNA) allocation for the upcoming cycle. The County and the cities in San Mateo County are currently in the process of updating their Housing Elements to be consistent with

³ https://data.census.gov/profile/Millbrae_city,_California?g=160XX00US0647486

⁴ City of Millbrae Draft Housing element

the RHNA allocations. The Housing Element is a required component of a city’s or county’s General Plan, and the RHNA allocations for each cycle may require an update to zoning ordinances to demonstrate plans to meet the community’s housing needs. The housing element empowers the City to address constraints that limit more productive housing construction, including amending zoning policies, development impact, and permitting fee processes.

Although the City of Millbrae did not meet its housing goals during the 5th RHNA cycle, meeting only 67 percent of its target (see table below), the City had several successes including:

- Issuing 447 building permits
- Adopting the updated Millbrae Station Area Specific Plan, which zoned for potential development of 1,750 units near transit
- Approving the Gateway at Millbrae Station project, which includes 400 new housing units, of which 100 are affordable
- Approving the Millbrae Serra Station Transit Oriented Development, which includes 488 units, of which 73 are affordable
- Updating the Millbrae 2040 General Plan
- Updating the Downtown and El Camino Real Specific Plan, which plans for 3,130 units and hotel, office, commercial and restaurant development.

The City expects that the planning efforts it undertook during the 5th RHNA cycle will prepare it to exceed the mandate of the 6th RHNA cycle. In addition to the 1,700 entitled proposed projects and potential creation of 112 accessory dwelling units, the City has identified over 2,000 sites that are available for housing production at a variety of income levels. The City Council adopted the Housing Element on February 27, 2024, and it was certified by HCD on March 1, 2024.

City of Millbrae Regional Housing Need Assessment (RHNA) allocation

| Income Category | RHNA 2015-2023 (5 th Cycle) | Permits Issued 2014-2022 | RHNA 2023-2031 (6 th Cycle) | Proposal for 2023-2031 |
|---|--|--------------------------|--|------------------------|
| Very low (0-50% Area Median Income [AMI]) | 193 | 37 (19%) | 575 | 672 (117%) |
| Low (51-80% AMI) | 101 | 66 (65%) | 331 | 390 (118%) |
| Moderate (81-120% AMI) | 112 | 32 (29%) | 361 | 464 (120%) |
| Above moderate (Over 120% AMI) | 257 | 312 (121%) | 932 | 2,335 (1,151%) |
| Total | 663 | 447 (67%) | 2,199 | 3,861 (+76%) |

- b) Will the population changes have an impact on the subject agency’s service needs and demands?

The City of Millbrae is making accommodations to incur a nearly 45% increase in its housing stock over the next eight years. The City’s 2040 General Plan, which includes the specific plans and development projects described above, was updated and adopted by the City in 2022. The Environmental Impact Report for the General Plan did not identify any significant impacts to the City’s ability to deliver municipal services to the residents and businesses of Millbrae.

However, the City’s 2020 Urban Water Management Plan, which forecasts water demand and availability through 2045, projects that the City’s population will increase to over 27,000 residents and that water demand in 2045 will exceed the available water supply. Despite a decrease in the average annual water demand over the past several years due to the successful implementation of water conservation measures, the UWMP projects that the annual water demand will be 1,170 million gallons (MG), whereas the annual water supply from the San Francisco Public Utilities Commission (SFPUC) will be 1,150 MG. The shortage would be exacerbated by a single dry year, resulting in a shortage of as much as 635 MG annually.

The City of Millbrae has an adopted a Water Shortage Contingency Plan (WSCP), which was updated alongside the 2020 UWMP. The WSCP outlines a six-stage approach to reducing water demand during times of water shortage. In addition, the City uses recycled water from the Water Pollution Control Plant operated by the City. Recycled water usage is currently limited to onsite activities, but the City has identified opportunities for additional recycled water usage that may supplement water supply in future years.

Annual Water Supply and Demand Comparison (Million Gallons)

| | 2025 | 2035 | 2045 |
|---------------------------|-------|-------|-------|
| Normal year supply | | | |
| Supply | 1,150 | 1,150 | 1,150 |
| Demand | 835 | 896 | 1,170 |
| Difference | 315 | 251 | -20 |
| Dry year supply | | | |
| Supply | 533 | 569 | 635 |
| Demand | 835 | 896 | 1,170 |
| Difference | -302 | -327 | -535 |

- c) Will projected growth require a change in the agency’s service boundary?

The projected growth will occur within the City’s boundaries and will not require a change in the City of Millbrae’s service boundary.

Growth and Population MSR Determination

As of 2020, the City of Millbrae is home to 23,216 residents and 8,679 housing units. The City’s adopted Housing Element proposes to increase its housing stock by 22% over the next eight years. The City’s 2020 Urban Water Management Plan, which forecasts water demand and availability through 2045, projects that the City’s population will increase to over 27,000 residents and that water demand in 2045 will exceed the available water supply.

Recommendations:

LAFCo encourages the City to update the Urban Water Management Plan to align with the projected development in the City’s adopted Housing Element.

2) Disadvantaged Unincorporated Communities

| The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence. | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|--|------------|--------------|-----------|
| a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection? | X | | |
| b) Are there any “inhabited unincorporated communities” within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the statewide median household income)? | | | X |
| c) If “yes” to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if “no” to either a) or b), this question may be skipped)? | | | X |

Discussion:

a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?

The City of Millbrae provides public services related to sewers, municipal and industrial water to its residents and contracts with the Central County Fire Department for structural fire protection.

b) Are there any inhabited unincorporated communities within or adjacent to the subject agency’s sphere of influence that are considered disadvantaged (80% or less of the statewide median household income)?

There are no disadvantaged unincorporated communities within the City of Millbrae’s SOI. The areas located within the SOI of the City include uninhabited, vacant lands adjacent to Highway 101 and Capuchino High School. The City of Millbrae already provides water and sewer services to Capuchino High School.

c) If yes to both, is it feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community?

Not applicable.

Disadvantaged Unincorporated Communities MSR Determination

The City’s sphere and municipal boundaries are nearly contiguous with the exception of the San Francisco International Airport Lands located along the City’s eastern border and west of Highway 101. Although Capuchino High School site is part of the City of San Bruno it is surrounded by the City of Millbrae. There are no disadvantaged unincorporated communities within the City’s SOI.

3) Capacity and Adequacy of Public Facilities and Services

| Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence. | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|--|------------|--------------|-----------|
| a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory? | | | X |
| b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth? | | X | |
| c) Are there any concerns regarding public services provided by the agency being considered adequate? | | | X |
| d) Are there any significant infrastructure needs or deficiencies to be addressed? | | X | |
| e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades? | | X | |
| f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence? | | | X |

Discussion:

Water⁵

The City of Millbrae Public Works Department distributes water purchased from the San Francisco Public Utilities Commission (SFPUC) to its residents and commercial customers. The City’s 2020 UWMP reported that Millbrae has reduced its water demand and usage over the past decade. In 2020, Millbrae’s annual water demand was approximately 685 MG, well under the annual guaranteed supply of 1,150 MG annually. Based on population projections, water demand is projected to rise to 1,170 MG by 2045, which would exceed the guaranteed supply by 1.7%. Demand projections take into account conservation measures such as updated building codes, education and outreach, high efficiency water fixture rebates, water loss control program, and more.

The City’s Water Shortage Contingency Plan outlines a six-stage approach to reducing water demand during times of water shortage. On July 25, 2023 the City rescinded the State’s 2022 Executive Order to enact water shortage actions and implemented Stage 1 of its Water Contingency Plan. The City is currently under Stage 1 of the WSCP, which calls for voluntary usage reductions and implementation of conservation measures.

In 2017, the City adopted a Water Financial Plan and Rate Study conducted by Bartle Wells Associates. Prior to Study adoption, rates had not been increased in two years, and the water utility fund was operating at a deficit and drawing down its reserve fund. The Study noted that the City’s water rates for a typical single-family home were among the lowest in the County and recommended annual rate increases over five years that would bring water rates in the upper range compared to neighboring agencies and help recover the rising cost associated with purchasing water from SFPUC and ongoing operations and maintenance. The City paused the annual rate increases scheduled for Fiscal Year 2020 and Fiscal Year 2021 to alleviate the financial burden its residents faced during the COVID-19 pandemic. The City is in the process of reviewing the water rates and will be conducting an updated water rate study in early 2025.

City of Millbrae Water Rates⁶

| | Effective Dates | | |
|-------------------------------------|-----------------|--------------|--------------|
| | July 1, 2019 | July 1, 2023 | July 1, 2024 |
| Fixed monthly service charge | | | |
| 3/4" | \$25.00 | \$28.40 | \$30.00 |
| 1" | \$31.25 | \$35.50 | \$37.50 |
| 1.5" | \$62.50 | \$71.00 | \$75.00 |
| 2" | \$100.00 | \$113.60 | \$120.00 |
| 3" | \$187.50 | \$213.00 | \$225.00 |
| 4" | \$312.50 | \$355.00 | \$375.00 |
| 6" | \$625.00 | \$710.00 | \$750.00 |
| 8" | \$1,000.00 | \$1,136.00 | \$1,200.00 |

⁵ 2020 Urban Water Management Plan

⁶ <https://www.ci.millbrae.ca.us/400/Water-Sewer-Service>

| | | | |
|---|-----------|------------|------------|
| 10" | \$1437.50 | \$1,633.00 | \$1,725.00 |
| Quantity charge (billed per hundred cubic feet of metered water use) | | | |
| All water use | \$10.40 | \$12.00 | \$12.80 |

The Water Utility Fund’s sole revenue source is from water fees collected from customers. The City estimated the Water Utility Fund will earn approximately \$11.97M in FY 24-25 and dedicated \$9.42M towards CIP projects during the fiscal year, including the Broadway Water Main Replacement, water main replacements on Ahwahnee Drive and Vista Grande, among other streets.

Sanitary Sewer Services

Sanitary sewer services are provided by the City of Millbrae Public Works Department. The City’s sanitary sewer collection system consists of 55 miles of gravity sewers, 1,600 manholes and 22 miles of publicly owned lower laterals⁷. The City also owns and maintains a wastewater treatment plant. The City of Millbrae is the only user of this facility.

The sanitary system has two Enterprise funds to support operations. The first is the Sanitation Fund, which receives revenue through fees collected by customers. Sanitation Sewer Enterprise fund operations and maintenance associated with treatment and collection of wastewater, the Water Pollution Control Plant and pre-treatment. It is anticipated that the Sewer Fund will bring in \$15.89M and expend \$28.93M in FY 2024-25. A fund balance of \$15 million is anticipated to address the \$13.04M deficit for this Enterprise Fund. At the end of the fiscal year, the Enterprise Fund will be reduced to \$2 million.

City of Millbrae Sewer Rates (Residential)⁸

| | Effective Dates | | | | |
|---|-----------------|--------------|--------------|--------------|--------------|
| | July 1, 2022 | July 1, 2023 | July 1, 2024 | July 1, 2025 | July 1, 2025 |
| Fixed monthly service charge | | | | | |
| Per Account or Dwelling Unit | \$62.43 | \$66.18 | \$70.15 | \$74.36 | \$78.82 |
| Universal Life Support | \$46.82 | \$49.64 | \$52.61 | \$55.77 | \$59.12 |
| Quantity charge (billed per hundred cubic feet of metered water use) | | | | | |
| All water use | \$6.62 | \$6.62 | \$7.01 | \$7.43 | \$7.87 |

Deleted: ⁹

The second Enterprise Fund is the Sewer Modernization Program, which is funded by Clean Bay Charges collected from sewer customers. The Sewer Modernization Program was formed in 2011 in response to a Consent Decree from San Francisco Baykeeper¹⁰. In the 2000s and early 2010s, the City’s sewer system was in significant need of repair and rehabilitation, and the system was susceptible to sanitary sewer overflows (SSOs). In 2011, the City entered into a

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⁷ <https://www.ci.millbrae.ca.us/583/Sewer-System-Management-Plan>

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⁸ <https://www.ci.millbrae.ca.us/400/Water-Sewer-Service>

¹⁰ <https://www.ci.millbrae.ca.us/331/Sewer-Modernization-Program>

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Consent Decree with San Francisco BayKeeper that required Millbrae to reduce the number of SSOs by November 2018. The City successfully reduced the number of SSOs by the deadline.

Clean Bay Charges for the City’s Sewer Modernization Fund¹²

| | Effective July 1, 2020 |
|--|-------------------------------|
| Single Family Charge per Dwelling Unit | \$23.71 |
| Multi-Family Charge per Dwelling Unit | \$14.23 |
| Quantity Charge (\$/ccf) | \$3.89 |
| Min. Monthly Charge | \$14.23 |

The sanitary sewer capital improvement projects for FY 2023-24 include the Arroyo Seco Storm Drain Bypass project, annual sewer main replacements at various locations, the bi-annual flow monitoring program, and sewer capacity upgrades at Murchison Avenue, Richmond Drive and Anita Drive.

Storm Drain and Flood Control¹³

The City Public Works Water Pollution Control Division operates and maintains the City’s storm drain infrastructure and implements programs to remove and prevent pollutants from entering the San Francisco Bay, and programs to address issues related to sea level rise. The Storm Drain Fund supports the administration, maintenance, and improvements of the City’s storm drains.

The City’s 2018 Storm Drain Master Plan noted that the City’s storm drain system is not equipped to handle 100-year, 24-hour storms and that significant SSOs would be expected under those conditions. The Plan recommended Tier 1, 2 and 3 improvements, where Tiers 1 and 2 prioritized projects where flood hazard risk is more significant. The City has completed storm drain improvements in Landing Lane Bowl and at several locations along Hillcrest and Tioga Drive and continues to prioritize funding toward the Tier 1 improvements. LAFCo staff is unaware of any proposed updates to the Master Plan.

The storm drain fund receives fees that are collected as part of property tax, but those fees are insufficient to meet program needs. As a result, transfers from the City’s General Fund have been made to support storm drain and flood control operations and capital improvements. The City has allocated funding in FY 2023-24 for several storm CIP projects at the Arroyo Seco/Vista Grande Vista Grande Bypass project and the Tioga/Helen/Geraldine Drive Storm Drain project and GIS mapping of the stormwater system.

Streets and Sidewalks

The Millbrae Public Works Department maintains street pavement, sidewalks, traffic signs and signals, street lights and pavement marking. As of 2022, the City’s pavement condition index, as

¹² <https://www.ci.millbrae.ca.us/400/Water-Sewer-Service>

¹³ FY 2023-24 budget

reported by [the Association of Bay Area Governments \(ABAG\)](#),¹⁴ is considered “at risk” with a score of 55 out of a maximum score of 100. The City has an Annual Pavement Maintenance Program, as well as a Sidewalk Maintenance Program to replace damaged or broken sidewalks and pavement. The City has allocated \$2.32M in CIP funding for street and sidewalk projects and is applying for funding to support additional pavement maintenance as part of the State SB1 Local Streets and Road Program.

Police^{15, 16}

Since 2012, the San Mateo County Sheriff’s Office operates, via contract with the City, the Millbrae Police Bureau. The Police budget for FY 2024-25 is \$10.58M. Contracted police services include a County Sheriff Captain who provides administration and oversight of the department, two deputies, and a supervising sergeant available 24 hours a day, seven days a week. In addition, the Sheriff’s Office provides staffing for traffic enforcement, investigative services, records, administration and school resources, and community policing. Per the contract with the Sheriff’s Office, there are 21.45 full-time employees assigned to the City of Millbrae. Per the City, the City and the County Sheriff’s Department maintain a collaborative partnership and relationship.

Fire Protection^{17, 18}

Since 2014, fire protection services are provided to the City of Millbrae via a contract with the Central County Fire Department (CCFD), a JPA between the City of Burlingame and Town of Hillsborough. CCFD operates two stations in the City of Millbrae. Fire Station 37, located at 511 Magnolia Ave, was built in 1956 and upgraded in 1997 to meet seismic standards. According to the Community Risk Assessment/Standards of Cover & Deployment Analysis published by CCFD in March 2023, Fire Station 37 is in Poor condition. Fire Station 38, located at 785 Crestview Drive, was built in 1974 and is in Fair condition. Two fire engines are assigned in the City of Millbrae at Fire Stations 37 and 38. CCFD recently was awarded a SAFER grant to hire 12 additional Firefighters that will increase truck staffing from three Firefighters to four Firefighters and re-open Station 36 (the current administration location). Station 36 is located at 1399 Rollins Road and was closed in 2008. Station 36, when open, will help increase Millbrae’s Station 37 reliability and will increase the service level to Millbrae as the next closest fire apparatus.

Millbrae is responsible for approximately 30% of the CCFD operational budget. In FY 2024-25, the City budgeted \$12.63M.

In FY 2021-22, CCFD responded to 2,707 calls from the City of Millbrae, representing 32.5% of all calls that fiscal year. On average, CCFD arrived on a structure fire scene within six minutes of

¹⁴ [ABAG publishes an annual jurisdiction-by-jurisdiction ranking of average pavement conditions index \(PCI\) scores among the Bay Area’s nine counties and 101 cities.](#)

¹⁵ <https://www.ci.millbrae.ca.us/370/San-Mateo-County-Sheriffs-Office>

¹⁶ FY 23-24 budget

¹⁷ Central County Fire Department FY 23-24 Budget

¹⁸ Central County Fire Department, Community Risk Assessment/Standards of Cover & Deployment Analysis, March 2023, <https://ccfd.org/wp-content/uploads/2023/07/Central-County-FD-CRA-SOC-Study-FINAL-2023-0327-optimized.pdf>

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dispatch over 80% of the time and responds to priority 1 (emergency) calls in under five minutes and thirty seconds. The CCFD received an ISO rating of 2 in 2023.

CCFD Systemwide performance

| | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | Est. FY 22-23* |
|--|----------|----------|----------|----------|-------------------|
| Total calls for service | 7,493 | 7,410 | 7,004 | 8,328 | 4,774 |
| Medical responses | 4,548 | 4,486 | 4,314 | 5,141 | 3,014 |
| Fire suppression responses | 144 | 116 | 156 | 153 | 96 |
| Hazardous conditions responses | 214 | 225 | 169 | 238 | 114 |
| Training hours completed | 7,168 | 18,122 | 20,491 | 12,294 | 4,017 |
| % of time fire engine arrives on structure fire scene within 6 min of dispatch | 100% | 83% | 86% | 73% | 76% |
| Avg. response time for all calls | 6:59 | 5:17 | 5:43 | 5:32 | 5:29 |
| Avg. response time for priority 1 calls (emergency) | 6:59 | 5:02 | 5:30 | 5:18 | 5:21 |
| Average response time for priority 3 calls (non-emergency) | 6:59 | 6:21 | 6:37 | 6:38 | 6:08 |

* FY 22-23 YTD data collected as of March 9, 2023

The Community Risk Assessment/Standards of Cover & Deployment Analysis examined the department’s response performance, operations, facilities and apparatus, organizational structure, governance and mutual cooperation. The Assessment made several systemwide recommendations and noted several observations regarding the City of Millbrae, including the lack of representation from the City on the Board, and that Fire Station 37 in the City of Millbrae has historically incurred most of the service demand within the service area. City staff report that they will be considering becoming a member of the CCFD JPA.

Parks and Recreation¹⁹

The City provides parks and recreation services for Millbrae residents. The Recreation Department operates the Millbrae Recreation Center, the Millbrae Community Youth Center, the Millbrae Library, City Hall Council Chambers, Central Park picnic sites and the David J Chetcuti Community Room. In addition, the Department maintains six playgrounds, nine picnic areas, one skate park and one dog park. All athletic fields are owned by the Millbrae school district and managed by the Recreation Department. The Department provides a variety of programs to Millbrae residents, including adult sports, middle and elementary school sports, senior programs and summer camps.

The City’s Recreation Department was significantly impacted by the COVID-19 pandemic due to low program participation and facility use. However, following the June 2022 opening of the Millbrae Recreation Center, located at 477 Lincoln Circle, revenue for the Department has increased substantially. Between FY 2022 and FY 2023, the City saw a 137% increase in senior classes, a 20% increase in summer camp participation, a 39% increase in elementary and middle

¹⁹ City of Millbrae FY 23-24 Budget

school sports participation, a 133% increase in adult sports participation and a 309% increase in rental revenue.

Library^{20, 21}

The Millbrae Library is located at 1 Library Avenue in Millbrae’s municipal complex. As a member of the San Mateo County Libraries, the Millbrae Library serves residents throughout the City, mainlining 500,000 volumes and circulating 3.3M items per year. The Millbrae Library offers a variety of services, including access to public computers, printers, copy machines, Wi-Fi and study rooms. The Library’s roof needs to be re-roofed, as it has reached its end of useful life, and the City has programmed \$150,000 in the FY 24-25 CIP to complete the roof replacement.

Since 1976, the Friends of the Millbrae Library, a non-profit organization, provides support, programming and funding for the Millbrae Library. The non-profit funds events such as the Annual Open House, the Mid-Autumn Festival, and the Tricycle Music Fest and provides support to learning programs²².

Contract Services

Animal Control

Twenty cities in San Mateo County, including the City of Millbrae, contract with the County to operate a countywide animal control program. The County contracts with the Peninsula Humane Society & SPCA to enforce all animal control laws, shelter homeless animals, and to provide a variety of other related services.

Garbage/solid waste/recycling/composting

The City of Millbrae contracts with the South San Francisco Scavenger Company to collect and dispose non-recyclable garbage, recyclables, and yard trimmings along with food scraps once a week. Rates are adjusted annually in accordance with the franchise agreement with the City.

South San Francisco Scavenger Fees for Millbrae Residential Services

| Residential Rates* | Monthly Rate | Quarterly Rate (invoice Amount) |
|--------------------|--------------|---------------------------------|
| 20 Gallon | \$28.68 | \$86.04 |
| 32 Gallon | \$45.92 | \$137.76 |
| 64 Gallon | \$91.86 | \$275.58 |
| 96 Gallon | \$137.77 | \$413.31 |

²⁰ <https://smcl.org/jpa-governing-board/>

²¹ <https://citylibrary.com/public-libraries/millbrae-library/>

²² <https://www.millbraelibraryfriends.org/>

*Rates as of November 2024, available on South San Francisco Scavenger web page

- a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?

LAFCo staff has not identified any deficiencies to meet the needs of existing development within the City of Millbrae.

- b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?

The City of Millbrae is planning for additional growth over the next eight years and expects to have sufficient water supply during non-drought years and resources to fund sewer, police, fire and emergency response services, as well as administrative services to support administrative and some public works functions.

- c) Are there any concerns regarding the adequacy of public services provided by the agency?

LAFCo staff does not have any concerns regarding the adequacy of the public services being delivered by the City of Millbrae to its residents and businesses.

- d) Are there any significant infrastructure needs or deficiencies to be addressed?

The City continues to implement capital improvements to road, sewer and water systems, and building and park improvements with allocations to capital improvement funds for projects.

- e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?

The City anticipates that the state may change discharge requirements from the wastewater treatment plant. This may result in improvements to the wastewater treatment plant including the installation of a new filter system.

- f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?

Not applicable.

Capacity and Adequacy of Public Facilities and Services MSR Determination

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet most service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

Recommendations:

2. The City’s UMWP was last updated in 2020. The City should align the growth projections in the UMWP with the RHNA growth projections and the 2023-2031 Housing Element in its next UMWP update.
3. LAFCo encourages the City to continue to review potential revenue increases or the creation of a dedicated revenue source for stormwater projects.
4. LAFCo encourages the City to continue to work with Central County Fire, the City of Burlingame and the Town of Hillsborough regarding the implementation of recommendations from the Community Risk Assessment/Standards of Cover & Deployment Analysis

4) Financial Ability

| Financial ability of agencies to provide service | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|---|------------|--------------|-----------|
| a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late? | | | X |
| b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs? | | | X |
| c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations? | | X | |
| d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion? | | X | |
| e) Is the organization lacking financial policies that ensure its continued financial accountability and stability? | | | X |
| f) Is the organization’s debt at an unmanageable level? | | | X |

Discussion:

a) Does the City routinely engage in budgeting practices that may indicate poor financial management such as overspending its revenue, failing to commission independent audits, or adopted its budget late?

LAFCo staff has not identified any issues with the City’s budgeting practices. The City of Millbrae prepares an annual operating and Capital Improvement Program (CIP) budget for the upcoming fiscal year that gets adopted by the City Council at a noticed public hearing before June 30th.

The City of Millbrae engages in annual budget process to develop its annual budget. At the start of the calendar year, City staff review mid-year actuals for the current fiscal year and works with the Finance team to prepare estimates for the following year. City Council also holds a goal setting session to identify priorities for the following year. In April, the City holds study sessions on the draft budget to finalize a budget proposal that aligns with Council priorities. In May and June, the draft budget is proposed to City Council and the final budget is adopted prior to the beginning of the fiscal year.

The City’s largest portions of revenue for the General Fund are Property Tax, Transit Occupancy Tax, Sales Tax, and Franchise Taxes.

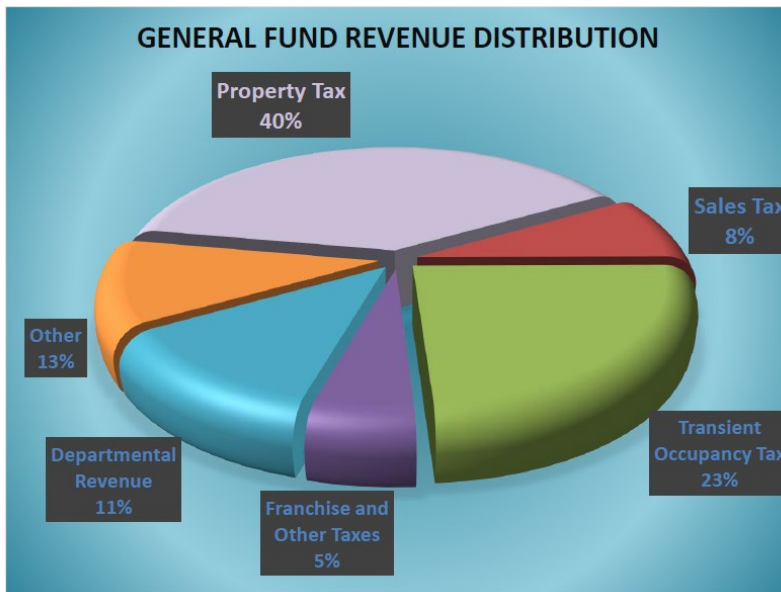


Figure 1 - City of Millbrae General Fund Revenues FY 2024-25 (Source - City of Millbrae)

| City of Millbrae Budget FY2020-2025 | | | | | |
|--|-------------------|-------------------|-------------------|-----------------------------------|------------------------|
| | FY20-21 (Actuals) | FY21-22 (Actuals) | FY22-23 (Actuals) | FY23-24 (Estimated Actuals) | FY24-25 (Projected) |
| In \$1,000s | | | | | |
| Revenues | | | | | |
| Property Tax | 12,676 | 13,228 | 16,357 | 15,823 | 15,776 |
| Sales Tax | 2,621 | 3,384 | 3,335 | 3,395 | 3,323 |
| Hotel/Motel Tax (TOT) | 2,278 | 4,893 | 7,960 | 9,600 | 9,565 |
| Franchise Tax | 1,123 | 1,264 | 1,318 | 1,389 | 1,513 |
| Other Taxes | 606 | 837 | 797 | 711 | 741 |
| Licenses and Permits | 2,186 | 841 | 3,497 | 1,792 | 2,952 |
| Charges for Services | 1,164 | 1,397 | 2,085 | 1,963 | 1,822 |
| Fines and Forfeitures | 929 | 1,261 | 884 | 843 | 956 |
| Use of Money | -101 | -1,390 | 1,723 | 1,555 | 1,689 |
| Grants/Intergovernmental | 4,114 | 3,092 | 257 | 195 | 165 |
| Other Revenue | 2,292 | 2,416 | 2,376 | 2,768 | 2,636 |
| Total Revenue | 29,887 | 31,224 | 40,595 | 40,035 | 41,140 |
| Expenditures | | | | | |
| General Government | 4,222 | 4,689 | 5,602 | 5,865 | 5,212 |
| Police | 7,595 | | 8,968 | 9,845 | 10,582 |
| Fire | 9,287 | | 10,572 | 10,778 | 12,117 |
| Public Works | 2,412 | 2,692 | 3,362 | 6,101 | 4,279 |
| Parks | 1,310 | 2,294 | 2,012 | 2,674 | 2,411 |
| Community Development | 2,632 | 3,283 | 3,702 | 3,458 | 4,187 |
| Total Expenditures | 28,139 | 31,723 | 34,662 | 38,721 | 38,788 |
| Transfer to other funds | 2,424 | 2,479 | 2,784 | 2,241 | 2,656 |
| Reserve | 4,830 | 5,028 | 5,483 | 5,958 | 6,171 |
| Fund Balance | 14,106 | 13,166 | 13,826 | 12,686 | 12,480 |
| Total Ending Funding Balance | 18,936 | 16,417 | 19,565 | 18,654 | 18,651 |

The City has noted that sales tax revenue and Transient Occupancy Tax (TOT) now exceeds pre-pandemic levels. However, the City is continuing to practice caution with spending costs. The City has taken a number of steps in recent fiscal years to control spending including:

- A hiring freeze except for critical positions. No new headcount unless approved by the City Council.
- Part time and seasonal employee freeze unless cost recovery.
- A reduction of purchases of vehicles and equipment unless determined essential; extended amortization schedules for additional five years.
- Reduction in IT hardware and software updates.
- General Fund subsidies to Capital Improvement Projects limited to those deemed mandatory, necessary and achievable.
- Discontinuation or significant reduction in reliance on contract services.
- Reduction in spending on upgrades or deferred maintenance on City facilities.

The General Fund has been able to cover budgeted expenditures and the City has projected that the General Fund will continue to cover budgeted expenditures in upcoming years. However, there have been recent cost increases for contracted police and fire services.

Enterprise funds

The City has three Enterprise funds, one each for Sewer, Water, and Storm Drain. In review of budget documents, the Sewer fund consists of two accounts, one for general sanitation costs associated with collection and treatment of wastewater and the other for sewer system modernization.

Sanitation Sewer Fund: The Sanitation Fund includes programs associated with collection and treatment of wastewater from City customers. This includes utility billing, engineering, operations, Water Pollution Control Plant (WPCP), and pretreatment. These costs are funded entirely by collection of fees from customers. In 2018, costs related to the Sewer Modernization Program (previously called the Wet Weather Program) were moved into a separate fund described in the next section. Reserves will be set at a similar rate to the General Fund (15% of operating expenditures and transfers out). This fund mainly supports the Public Works Department. This fund also supports various administration and finance positions as well as a small public safety allocation. Budget documents do not differentiate between expenses for capital projects and for ongoing operations and maintenance.

Sewer Modernization: In response to a consent decree from Baykeeper requiring the reduction of Sanitary Sewer Overflows (SSO's) from the City's sanitary sewer collection system, the City has initiated a capital improvement program to meet the requirements of this consent decree which is focused on Rainfall Dependent Infiltration and Inflow (RDII or I/I). This program is funded by Clean Bay Charges collected from sewer customers. While these costs are considered a part of the sewer program, the City separates this specific program to assure the specified charges are directed at program needs and associated debt service. For Fiscal Year 2024-2025, many capital projects are included in the Capital Improvement Plan (CIP) including a few large

capital projects (Lower Hillcrest Subbasin 4 South Sewer Replacement, Sludge Thickener and Digester 2 Rehabilitation, Nearshore Outfall, and the City SCADA Upgrade Project).

The combined total revenue for the two Sewer funds for FY 2024-25 is projected to be \$15,891,000 and expenditures are \$28,930,000. Fund balance is proposed to be reduced to fund on-going capital projects. Per City staff, revenue for the two sewer funds is sufficient to cover operation and maintenance activities.

Water Utility: The Water Utility Fund includes programs associated with distribution of water to City customers. This includes utility billing, engineering, operations, and water conservation. These costs are funded entirely by collection of fees from customers For Fiscal Year 2024-2025, a few capital projects are included in the Capital Improvement Plan (CIP) including Millbrae Downtown Specific Plan Improvement and the Highline – Hillsborough Water Transmission Main. Reserves are set at the same rate as the General Fund (15% of operating expenditures and transfers out.) This fund mainly supports the Public Works department. Total revenue for water fund is projected to be \$13,211,000 in FY24-25, with expenditures expected to be \$17,015,000. Fund balance is proposed to be used to fund on-going capital projects. Per City staff, revenue for the two sewer funds is sufficient to over operation and maintenance activities. However, budget documents do not differentiate between expenses for capital projects and for ongoing operations and maintenance.

Storm drain: The Storm Drain Fund is used to account for the administration, maintenance, and improvements of the City's Storm Drains. The storm drain fund receives fees that are collected as part of property tax, but those fees are insufficient to meet program needs, which is similar to several cities that LAFCo has recently conducted MSRs for. Transfers from the General Fund are made to support operations and capital programs in this Fund. For Fiscal Year 2024-2025, a few capital projects are included in the Capital Improvement Plan (CIP), including the Helen Drive Stormwater Subbasin Improvements, Landing Lane Trash Capture Devices Project and the Anita Drive Drainage Subbasin Stormwater Study. Total revenue for stormwater fund is projected to be \$1,452,000 in FY24-25, with expenditures expected to be \$1,460,000. The majority of this revenue is a \$1,152,000 transfer of funds from the General Fund. To address the revenue shortfall, fund balance is proposed to be used. The current CIP notes that there are \$45 million in unfunded stormwater projects compared to just \$1 million in funded projects.

Fire Assessment Fee

Since 2004, the City of Millbrae has maintained a Fire Assessment to fund fire services. The assessment has been renewed in 2009 and 2014, and was scheduled for a reauthorization at a higher rate in the spring of 2024. The rate would have been \$299 per single family home which would have run in perpetuity. However, this reauthorization did not pass. The City amended the proposed fire assessment with a lower rate of \$199 and set the duration of the assessment to 10 years. This assessment passed in June of 2024.

Internal Service Funds

The City has several internal funds, include garage operations for costs associated with maintenance of City vehicles and similar equipment, a vehicle replacement fund, workers compensation fund, insurance, unemployment, and OPEB funds.

CalPERS Increases:

The City's share of the "normal" retirement rate increased from 16.87% of payroll to 16.94% of payroll for Classic Employees. Employees pay 5.5% of the employer's cost. The Unfunded Actuarial Liability (UAL) for the City Miscellaneous employees increased from \$2.5 million to \$2.9 million. The UAL portion is allocated to each department based on employee PERS costs.

The transfer to the General Liability Insurance Internal Service Fund has been updated to current rates. Transfers to the Workers Compensation Fund and Unemployment Fund have sufficient balances and will not receive an allocation this year. Staff expect to monitor these Internal Service Funds in future years and restart funding for these funds.

b) Is the organization lacking adequate reserves to protect against unexpected events or upcoming significant costs?

According to the City's FY 2024-25 Budget, the City's Reserve fund will be funded at 15% of budgeted expenditures and transfers out and all uses of the reserve must be approved by City Council and repaid to the Reserve over period to be determined by Council at the time of approval. It is not clear to LAFCo staff whether the City has an adopted a reserve policy.

c) Is the City's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?

LAFCo is not aware of any challenges to raising fees for the City. However, in review of the budgets for the sewer, water, and storm drain funds, each fund has a shortfall in revenue. While fund balance is projected to be utilized to address these shortfalls for each fund, based on publicly available data it is unclear to LAFCo if these funds will have sufficient fund balance and revenue in future years with service change increases or reduced expenditures.

d) Is the agency unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?

The City of Millbrae's Five Year Capital Improvement Plan (CIP) is normally developed and updated with funding allocated every two years. Per the City FY 2024-25 Budget document, despite increases in revenue for impact fees, the CIP remains largely limited to and focused on preservation and maintenance of capital assets, transportation and utility infrastructure, and operations. The budget document also states that the City will continue to face challenges in finding the resources to build and maintain its capital infrastructure. It is noted that the City will review moving back to a biennial (two-year) budget as revenues and expenditures begin to stabilize.

e) Is the agency lacking financial policies that ensure its continued financial accountability and stability?

Long-term financial planning includes a focus on transit-oriented development, investment in bringing in retail and diversification of revenue sources, including attracting biotech to the City. In addition, the City collects impact fees and focuses on risk management, cash flow management, and Pension and OPEB.

f) Is the agency's debt at an unmanageable level?

As of June 30, 2022, Millbrae's debt amount subject to the limit was \$8,033,053, approximately 3.40% of the overall legal debt limit. The City is currently making payments on several bonds including a Pension Obligation Bond, General Obligation Refunding Bond associated with the Millbrae Public Library Project, Wastewater Revenue Bond, and a Wastewater Revenue Bond. Total outstanding debt is \$52 million.

The city continues to prepay in full the UAL (Unfunded Actuarial Liability) in July of each Fiscal Year, saving on interest with the pre-payments. The city plans to continue to pre-pay the UAL in the future to continue to save on interest costs.

Financial Ability MSR Determination

LAFCo staff has not identified any issues with the City's budgeting practices in regards to process. The City of Millbrae prepares an annual operating and capital improvement program (CIP) budget for the upcoming fiscal year that gets adopted by the City Council at a noticed public hearing before June 30th. The City also produces an Annual Comprehensive Financial Report (ACFR) that is reviewed by City Council.

The General Fund has been able to cover budgeted expenditures and the City has projected that the General Fund will continue to cover budgeted expenditures in upcoming years. However, the City has had to implement several cost saving measures including a hiring freeze and deferred maintenance to City facilities.

The City has three main enterprise funds, for Sewer, Water, and Storm Drain. Each one of these funds for FY 2024-25 is proposing to use fund balance to provide funding for on-going capital projects. The Water and Sewer funds have sufficient revenue to fund operational and maintenance expenditures. Budget documents do not differentiate between expenses for capital projects and for ongoing operations and maintenance.

Recommendations:

5. LAFCo encourages the City to continue to review potential revenue increases for stormwater projects.
6. LAFCo encourages the City to develop projections for the Sewer, Water, and Storm Drain enterprise funds to provide the City a more complete assessment of these funds. These projections can be used in conjunction with the Capital Improvement Program to help the City to allocate appropriate resources to infrastructure projects.
7. In future budget documents, the City should explore including a detailed breakdown of capital improvement costs versus operation and maintenance expenses for each enterprise fund. This would better illustrate what are ongoing versus one-time costs for each fund.

5) Shared Service and Facilities

| Status of, and opportunities for, shared facilities | Yes | Maybe | No |
|---|------------|--------------|-----------|
| a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts. | X | | |
| b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized? | | | X |
| c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources? | | X | |

a) Is the agency currently sharing services or facilities with other organizations?

Police protection services: The City contracts with the County Sheriff’s Office to operate the Millbrae Police Bureau.

Fire protection services: The City contracts with the Central County Fire Department to provide fire protection services.

Risk management: The City of Millbrae participates in a Joint Power Agreement (JPA) with other San Mateo County cities to provide excess insurance coverage. Excess coverage provided by the JPA covers claims in excess of \$300,000 for workers’ compensation claims and \$100,000 for general liability.

Solid waste: The City has a franchise agreement with South San Francisco Scavenger Company to provide solid waste removal services.

Animal control: Along with nineteen other cities in San Mateo County, the City of Millbrae contracts with the County to operate a countywide animal control program. The County contracts with the Peninsula Humane Society and SPCA to enforce all animal control laws, shelter homeless animals and to provide a variety of other related services.

Legal services: Legal services are provided by consultants.

b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?

LAFCo staff has not identified other opportunities that the City could engage in to share costs and/or reduce duplication of resources, facilities or infrastructure.

- c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?

As noted in the Community Risk Assessment/Standards of Cover & Deployment Analysis for the Central County Fire Department, the City of Millbrae is not a member agency of the JPA. LAFCo is not aware of efforts for the City to become a member agency, but the City may want to explore potential benefits of doing so.

Shared Services MSR Determination

The City of Millbrae partners with several agencies to share resources and reduce costs.

Recommendations:

- 8. LAFCo encourages the City to review potential options regarding fire service, including becoming a member of the Central County Fire Department JPA.

6) Accountability, Structure and Efficiencies

| Accountability for community service needs, including governmental structure and operational efficiencies | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|---|------------|--------------|-----------|
| a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act? | | | X |
| b) Are there any issues with staff turnover or operational efficiencies? | | | X |
| c) Is there a lack of regular audits, adopted budgets and public access to these documents? | | | X |
| d) Are there any recommended changes to the organization’s governance structure that will increase accountability and efficiency? | | | X |
| e) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies? | | | X |
| f) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices? | | | X |

Discussion:

The City Council is the elected body that oversees all municipal operations, provides policy leadership, and acts as the legislative arm of the City government. Until recently, councilmembers were elected at-large. However, in 2018, a change to the California Voting Rights Act required the City to switch to District elections. The first District elections were held on November 8, 2022 for Districts 2 and 4. District elections for Districts 1, 3 and 5 occurred in November 2024.

Each member of the City Council is provided a stipend in accordance with State law. In addition, Councilmembers and their dependents are eligible for benefits including PERS retirement, health, dental, and vision care coverage.

a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?

The Millbrae City Council meets in person at the Millbrae Council Chambers in City Hall at 621 Magnolia Avenue on the 2nd and 4th Tuesday of every month at 7pm. Regular meetings are also accessible to the public by Zoom and are broadcast live on the Millbrae Community Television Cable Channel 27 or on www.mctv.tv.

Agendas, agenda packets and meeting presentations for 2023 and 2024 are posted to the City website at least 72 hours prior to meeting dates. Video recordings of meetings are published on the City website.

There do not appear to be any issues with public meetings being accessible and well publicized, nor has LAFCo staff identified any issues regarding the City of Millbrae’s compliance with disclosure laws and the Brown Act.

b) Are there issues with staff turnover or operational efficiencies?

Staffing levels have been fairly consistent over the past several fiscal years. The City has implemented a hiring freeze except for critical positions for the FY 2023-24 period. This does not appear to have resulted in any operational deficiencies. The City has stated that they have not experienced extraordinary turnover issues.

c) Is there a lack of regular audits, adopted budgets, and public access to these documents?

The City of Millbrae regularly prepares an annual budget and contracts with an accounting firm to conduct an annual ACFR, both of which are presented to the City Council at a public hearing and are published on the City’s website.

d-f) Changes in governance structure:

LAFCo staff does not recommend any changes to or restructuring options of the City’s governance structure or service boundaries that would increase accountability and efficiencies, enhance services and/or eliminate deficiencies.

Accountability, Structure, and Efficiencies MSR Determination

The City of Millbrae ensures that public meetings are accessible and well-publicized. LAFCo staff is not aware of any failure to comply with disclosure laws or the Brown Act. The City prepares and adopts an annual budget, and annual independent audits are reviewed at City Council meetings. LAFCo staff does not recommend any changes to the City’s governmental structure or operations that will increase accountability and efficiency.

7) Other

| Any other matter related to effective or efficient service delivery, as required by commission policy. | <i>Yes</i> | <i>Maybe</i> | <i>No</i> |
|--|------------|--------------|-----------|
| a) Are there any other service delivery issues that can be resolved by the MSR/SOI process? | | | X |
| b) Water Resiliency and Climate Change | | | |
| i) Does the organization support a governance model that enhances and provides a more robust water supply capacity? | X | | |
| ii) Does the organization support multi-agency collaboration and a governance model that provide risk reduction solutions that address sea level rise and other measures to adapt to climate change? | X | | |
| c) Natural Hazards and Mitigation Planning | | | |
| i) Has the agency planned for how natural hazards may impact service delivery? | X | | |
| ii) Does the organization support multi-agency collaboration and a governance model that provides risk reduction for all natural hazards? | X | | |

a) Other service delivery issues that can be resolved by the MSR/SOI process.

LAFCo staff did not identify any other service delivery issues that can be resolved by the MSR/SOI Update process.

b) Water Resiliency and Climate Change

The City of Millbrae is a partner of One Shoreline, an independent government agency that secures and leverages public and private resources to plan for and build solutions to the climate change impacts of sea level rise, flooding and coastal erosion.

The City has initiatives including implementing the Climate Action Plan (CAP), which includes measures for water and energy conservation, sustainable landscaping, and encouraging sustainable transportation. In 2005, the City’s emissions estimate was at 150,643 metric tons of carbon dioxide. In 2021, Millbrae successfully reduced emissions by 42.7% to 73,815 metric tons of carbon dioxide. This reduction surpassed the 2025 emission reduction target which was to be 32% below the 2005 levels by over 10%. Millbrae has implemented a commercial and residential Green Building Ordinance as well as a Tree Ordinance, both of which will contribute positively to climate change impacts.

c) Natural Hazards and Mitigation Planning

Along with the County and other San Mateo County cities, Millbrae participated in the 2021 Local Hazard Mitigation Plan (LHMP) that assessed hazard vulnerabilities and identified opportunities for mitigation to reduce the level of injury, property damage and community disruption that could occur in manmade and natural disasters.

Other Issues MSR Determination

The City of Millbrae is engaged in activities to address hazard mitigation, wildfire prevention, and sea level rise for City residents and businesses.

Recommendation

- 9. LAFCo encourages the City of Millbrae to continue its work in the areas of natural hazard mitigation and sea level rise and continue to coordinate with partner agencies.

Section 6. Sphere of Influence Review and Update

Determinations

Government Code Section 56425 requires the Commission to make determinations concerning land use, present and probable need for public facilities and services in the area, capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, and existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency. These include the following determinations:

1. The present and planned land uses in the area, including agricultural and open space lands.

The City of Millbrae’s Sphere of Influence includes small portions of unincorporated San Francisco Airport Lands to the northeast of the City’s boundaries and west of Highway 101. Although Capuchino High School is entirely surrounded by the City of Millbrae, it is part of the City of San Bruno. The City’s land use is primarily residential with some open space, office, commercial, and industrial uses. There is no agricultural land within the City’s SOI.

2. The present and probable need for public facilities and services in the area.

The City of Millbrae’s facilities and services meet the needs of its residents and businesses, and the City anticipates that it will be able to provide adequate facilities and services for the anticipated growth within its service area.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The City currently provides adequate public services to its residents, including fire and police protection, water, sanitary sewer, and storm water services. In addition, the City routinely adopts a Capital Improvement Program to fund critical repairs, replacements and improvements to the City’s infrastructure and facilities.

4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

There are no disadvantaged unincorporated communities within the SOI for the City of Millbrae.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the SOI for the City of Millbrae is proposed at this time.

On the basis of the Municipal Service Review:

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency’s SOI is recommended and SOI determinations HAVE NOT been made.

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency’s SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.

Appendix A. City of Millbrae Fact Sheet

City Manager: Thomas C. Williams

Address: 621 Magnolia Avenue, Millbrae, CA 94030

Email Address: twilliams@ci.millbrae.ca.us

Phone Number: 650-259-2334

Date of Incorporation: January 14, 1948

City Councilmembers:

| Councilmember | Term Expiration Date |
|--------------------------------------|----------------------|
| <u>Stephen Rainaldi</u> , District 1 | December <u>2028</u> |
| Sissy Riley, District 2 | December 2026 |
| <u>Reuben Holder</u> , District 3 | December <u>2028</u> |
| Bob Nguyen, District 4 | December 2026 |
| Anders Fung (Mayor), District 5 | December <u>2028</u> |

Deleted: Gina Papan

Deleted: 2024

Deleted: Ann Schneider

Deleted: 2024

Deleted: 2024

Compensation: Councilmembers receive a stipend of \$345/month and are eligible for benefits including PERS retirement, health, dental and vision coverage for themselves and their dependents

Public Meetings: 2nd and 4th Tuesday of the month at 7:00m in the City Hall Council Chambers

Services Provided: Police, Water, Sanitary Sewer, Stormwater Control, Streets & Sidewalks, Lighting, Parks & Recreation

Agency staff: 97.75 Full time equivalent employees

Area Served: City of Millbrae (3.2 square miles)

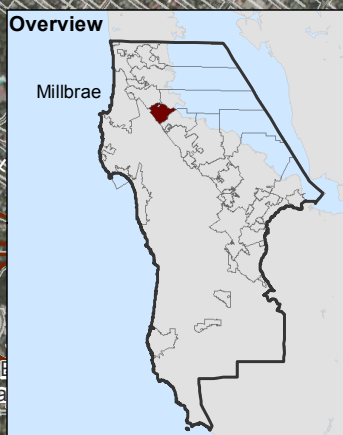
Population: 23, 216

Sphere of Influence: Boundaries of 1980 less than Capuchino High School plus San Francisco International Airport lands west of Highway 101.



City Boundary
 Unincorporated Area in City Sphere
LAFCo SPHERE RECOMMENDATION
Detach Capuchino High School from San Bruno and Annex to Millbrae

Source: Esri, DigitalGlobe, GeoEye, Earthstar (United States), CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, Swayze, Swisstopo, and the GIS User Community



MILLBRAE SPHERE OF INFLUENCE

RESOLUTION NO. 1330

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
MAKING DETERMINATIONS PURSUANT TO GOVERNMENT CODE
SECTION 56430 FOR THE CITY OF MILLBRAE**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California, that:

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, set forth in Government Code Section 56000 et seq., governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Section 56000 et seq.,

WHEREAS, Government Code Section 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

WHEREAS, the Commission conducted a Municipal Service Review pursuant to Government Code Section 56430 for the City of Millbrae;

WHEREAS, the Executive Officer prepared a written report of the Municipal Service Review that was provided to the Commission and affected agencies; and

WHEREAS, the Executive Officer set a public hearing date for January 15, 2025 for the consideration of the final Municipal Service Review and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on January 15, 2025; and

WHEREAS, a public hearing by this Commission was held on the report and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report; and

WHEREAS, the Commission is required pursuant to Government Code Section 56430 to make statement of written determinations with regards to certain factors; and

WHEREAS, the Commission is required pursuant to Government Code Section 56425 and local Commission policy to make statement of written determinations with regards to the following factors:

1. The present and planned land uses in the area, including agricultural and open-space lands.

The City of Millbrae's land use is primarily residential with some open space, office, commercial, and industrial uses. There is no agricultural land within the City's SOI.

2. The present and probable need for public facilities and services in the area.

The City of Millbrae's facilities and services meet the needs of its residents and businesses, and the City anticipates that it will be able to provide adequate facilities and services for the anticipated growth within its service area.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The City currently provides adequate public services to its residents, including fire and police protection, water, sanitary sewer and storm water services. In addition, the City routinely adopts a Capital Improvement Program to fund critical repairs, replacements and improvements to the City's infrastructure and facilities.

4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

There are no disadvantaged unincorporated communities within the SOI for the City of Millbrae.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the SOI for the City of Millbrae is proposed at this time.

WHEREAS, based on the results of the MSR, staff has determined that the SOI for the City of Millbrae does not need to be updated at this time; and

WHEREAS, the Municipal Service Review is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The Municipal Service Review collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The Municipal Service Review also is exempt from CEQA under the section 15061(b)(3), the common-sense provision, which states that CEQA applies only to projects which have the potential for

causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. By Resolution, the Commission accepts the Executive Officer’s Report dated January 15, 2025, Final Municipal Service Review for the City of Millbrae, and all written comments and attachments incorporated herein and contained in attached “Exhibit A.”

Section 2. By Motion, the Commission adopts the Municipal Service Review determinations set forth in “Exhibit B” which is attached and hereby incorporated by reference.

Regularly passed and adopted this ___day of__.

Ayes and in favor of said resolution:

Commissioners:

Noes and against said resolution:

Commissioners Absent and/or Abstentions:

Commissioners:

Chair
 Local Agency Formation Commission
 County of San Mateo
 State of California

ATTEST:

Executive Officer
 Local Agency Formation Commission

Date: _____

I certify that this is a true and correct copy of the resolution above set forth.

Date: _____

Clerk to the Commission
 Local Agency Formation Commission

Exhibit B

Municipal Service Review (MSR) Areas of Determination and Recommendations for
the City of Millbrae

Areas of Determinations and Recommendations

Growth and population projections for the affected area.

Determination

As of 2020, the City of Millbrae is home to 23,216 residents and 8,679 housing units. The City's adopted Housing Element proposes to increase its housing stock by 22% over the next eight years. The City's 2020 Urban Water Management Plan, which forecasts water demand and availability through 2045, projects that the City's population will increase to over 27,000 residents and that water demand in 2045 will exceed the available water supply.

Recommendation

1. LAFCo encourages the City to update the Urban Water Management Plan to align with the projected development in the City's adopted Housing Element.

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.

Determination

There are no disadvantaged unincorporated communities within the City's SOI.

Recommendation: None

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.

Determination

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet most service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

Recommendations

2. The City's UMWP was last updated in 2020. The City should align the growth projections in the UMWP with the RHNA growth projections and the 2023-2031 Housing Element in its next UMWP update.
3. LAFCo encourages the City to continue to review potential revenue increases or the creation of a dedicated revenue source for stormwater projects.
4. LAFCo encourages the City to continue to work with Central County Fire, the City of Burlingame and the Town of Hillsborough regarding the implementation of

recommendations from the Community Risk Assessment/Standards of Cover & Deployment Analysis.

Financial ability of agency to provide services.

Determination

LAFCo staff has not identified any issues with the City’s budgeting practices regarding process. The City of Millbrae prepares an annual operating and Capital Improvement Program (CIP) budget for the upcoming fiscal year that gets adopted by the City Council at a noticed public hearing before June 30th. The City also produces an Annual Comprehensive Financial Report (ACFR) that is reviewed by City Council.

The General Fund has been able to cover budgeted expenditures and the City has projected that the General Fund will continue to cover budgeted expenditures in upcoming years. However, the City has had to implement several cost saving measures including an ongoing hiring freeze for non-critical positions, and deferred maintenance for City facilities.

The City has three main enterprise funds, one each for Sewer, Water, and Storm Drain. Each one of these funds for FY 2024-25 is projected to use fund balance to support on-going capital projects. The Water and Sewer funds have sufficient revenue to fund operational and maintenance expenditures. Budget documents do not differentiate between expenses for capital projects and for ongoing operations and maintenance.

Recommendations

5. LAFCo encourages the City to continue to review potential revenue increases for stormwater projects.
6. LAFCo encourages the City to develop projections for the Sewer, Water, and Storm Drain enterprise funds to provide the City a more complete assessment of these funds. These projections can be used in conjunction with the Capital Improvement Program to help the City to allocate appropriate resources to infrastructure projects.
7. In future budget documents, the City should explore including a detailed breakdown of capital improvement costs versus operation and maintenance expenses for each enterprise fund. This would better illustrate what are ongoing versus one-time costs for each fund.

Status of, and opportunities for, shared facilities.

Determination

The City of Millbrae partners with several agencies to share resources and reduce costs.

Recommendation

8. LAFCo encourages the City to review potential options regarding fire service, including becoming a member of the Central County Fire Department Joint Powers Agreement.

Accountability for community service needs, including governmental structure and operational efficiencies.

Determination

The City of Millbrae ensures that public meetings are accessible and well-publicized. LAFCo staff is not aware of any failures to comply with disclosure laws or the Brown Act. The City prepares and adopts an annual budget, and annual independent audits are reviewed at a City Council meeting. LAFCo staff does not recommend any changes to the City's governmental structure or operations that will increase accountability and efficiency.

Recommendation: None

Any other matter related to effective or efficient service delivery, as required by LAFCo policy including the following:

i. Water Resiliency and Climate Change

ii. Impact of Natural Hazards and Mitigation Planning

Determination

The City of Millbrae is engaged in activities to address hazard mitigation, wildfire prevention, and sea level rise for City residents and businesses.

Recommendation

9. LAFCo encourages the City to continue its work in the areas of natural hazard mitigation and sea level rise, and continue to coordinate with partner agencies.

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

January 8, 2025

To: LAFCo Commissioners
 From: Rob Bartoli, Executive Officer
 Subject: Broadmoor Police Protection District Update – Information Only

Background

LAFCo Commissioners approved the Broadmoor Police Protection District (BPPD) Special Study on March 15, 2023 meeting and a Municipal Service Review for the District on May 15, 2024. At the November 20, 2024 meeting, the LAFCo Commission directed staff to continue to provide updates regarding BPPD.

Update

BPPD Meetings

BPPD will be holding their next public meeting on January 14, 2025. At this meeting, Commissioner Andrea Hall will be sworn in and will join Commissioners Ralph Hutchens and Commissioner John Aguerre on the BPPD Board. LAFCo staff will provide a summary of this meeting at the January 15, 2025 LAFCo meeting.

LAFCo staff has not received any additional updates from the District as of the publication of this report.

Recommendation

Receive informational report.

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT
 ▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪
 DIANE ESTIPONA, CLERK

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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January 10, 2025

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
Subject: Appointment of Budget and Legislative/Policy Committees for 2025

This staff report requests that the Commission appoint members to serve on the Budget and Legislative/Policy Committees. Both committees typically have three members representing a combination of the types of LAFCo membership: County, City, Special District, and Public.

The Budget Committee provides direction to staff in preparation of the Commission's budget for the 2025-26 fiscal year and will review the independent audit. This Committee meets once prior to the March meeting, once before the May meeting and occasionally prior to the September meeting for recommended budget revisions. The Committee will also be asked to review the Commission's independent audit. The current Committee is comprised of Commissioners Commissioner Chang-Kiraly, Draper and Bigstycck.

The Legislative/Policy Committee meets as needed to provide direction to staff on pending legislation affecting LAFCos, review existing Commission policies and advise staff on new policies as needed. At times, the Committee may meet to discuss pending legislation and provide direction on a bill that merits a position letter outside of the regular Commission meeting cycle. In these cases, the Committee takes positions based on the adopted San Mateo LAFCo legislative policies. The current Committee members are Commissioners Martin, Mueller and Rarback.

Recommended Commission Action:

By motion, appoint Commission members to serve on the Budget Committee and Legislative/Policy Committee for 2025.

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT
 ▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪
 DIANE ESTIPONA, CLERK

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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January 8, 2025

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer

Subject: FY24-25 Quarterly LAFCo Budget Update – Information Only

Summary

The intent of the year end and quarterly financial reports is to provide the Commission with an update on how LAFCo performed financially in the previous fiscal year and quarter as compared to the adopted budget and to discuss any issues as appropriate. The practice was recommended during a previous audit as an additional safeguard to ensure sound financial management. In accordance with LAFCo Fiscal Policies and Procedures, the Commission adopts the final budget and is authorized to make adjustments as appropriate.

Year to Date Report for FY 2024-25

Revenue

LAFCo has received 100% of the 1/3 apportionment from member agencies. Application revenue to date is \$4,706.

Expenditures

LAFCo is within budget for all expenditures accounts for FY 24-25. Direct communication expenses are greater than the budgeted amount as it was anticipated that these some of these charges would accrue against the ISD expense item, however sufficient funds will be available for these costs.

Recommended Commission Action

Receive the budget update.

Attachments

- A. LAFCo FY 24-25 Year to Date as of 12/31/24

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT ▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ DIANE ESTIPONA, CLERK

Attachment A

| LAFCo | FY 24-25 Budget Monitoring | Adopted FY 24-25 | Expenditures YTD | Percent Expended |
|-------------|---|------------------|------------------|------------------|
| | <i>Expenditures</i> | | | |
| 4111 | Salary & Benefits Executive Officer | 302,626 | 139,669 | 46% |
| 4111 | Salary & Benefits Management Analyst | 184,353 | 42,000 | 23% |
| 4141 | Admin. Leave Cash Out | 5,800 | 5,967 | 103% |
| 4161 | Commissioner Compensation | 5,000 | 1,900 | 38% |
| 4628 | Wellness Dividend | 500 | 0 | 0% |
| 4512 | Workers Compensation Experience | 435 | 217 | 50% |
| 4000 | SALARIES & BENEFITS SUBTOTAL | 498,714 | 189,753 | 38% |
| 5132 | Internet/Communications | 100 | 609 | 609% |
| 5184 | Refund for application | 0 | 0 | 0% |
| 5191 | Outside Printing (other special printing) | 1,000 | 0 | 0% |
| 5193 | General Office Supplies | 550 | 30 | 5% |
| 5196 | Photocopy - in-house copier | 550 | 0 | 0% |
| 5197 | Postage & Mailing Service | 1,000 | 370 | 37% |
| 5211 | Computer Supplies | 500 | 0 | 0% |
| 5212 | Computer Equipment under \$5,000 | 7,000 | 6,259 | 89% |
| 5215 | Software License | 1,000 | 435 | 44% |
| 5218 | Corovan Records Storage | 700 | 204 | 29% |
| 5234 | Office Furniture/Equipment | 7,500 | 0 | 0% |
| 5331 | Memberships (CALAFCo/CSDA) | 16,000 | 14,318 | 89% |
| 5341 | Legal Advertising | 2,500 | 218 | 9% |
| 5712 | Mileage Allowance | 1,000 | 277 | 28% |
| 5721 | Meetings & Conferences | 19,000 | 8,570 | 45% |
| 5733 | Training | 250 | 0 | 0% |
| 5443 | Signage | 200 | 192 | 96% |
| 5814 | Fiscal Office Specialist | 1,840 | 0 | 0% |
| 5838 | .5 FTE LAFCo Clerk | 61,881 | 0 | 0% |
| 5842 | Outside Auditing Services | 9,800 | 1,964 | 20% |
| 5848 | Graphics | 1,500 | 0 | 0% |
| 5856 | Consulting | 0 | 0 | 0% |
| 5858 | Other Professional Contract Services (Recording of Meetings) | 4,200 | 1,200 | 29% |
| 5861 | DPW/GIS Mapping | 4,000 | 0 | 0% |
| 5866 | Fingerprinting new employee | 50 | 0 | 0% |
| 5872 | Controller Admin | 8,500 | 7,293 | 86% |
| 5969 | Other special dept expense | 100 | 0 | 0% |
| 5000 | SERVICES & SUPPLIES SUBTOTAL | 150,721 | 41,939 | 28% |
| 6712 | Telephone | 0 | 0 | 0% |
| 6713 | ISD (Automation Services) | 12,000 | 3,542 | 30% |
| 6714 | Rent | 17,059 | 0 | 0% |
| 6717 | Motor Pool | 78 | 0 | 0% |
| 6725 | Gen'l Liability | 9,600 | 7,455 | 78% |
| 6727 | Bond Insurance | 72 | 35 | 49% |
| 6732 | County Attorney's Office | 80,000 | 35,218 | 44% |
| 6733 | Human Resources | 100 | 72 | 72% |
| 6738 | Countywide Security | 180 | 173 | 96% |
| 6739 | All Other Charges (Accounting Software) | 320 | 0 | 0% |

| LAFCo | FY 24-25 Budget Monitoring | Adopted FY 24-25 | Expenditures YTD | Percent Expended |
|-------------|---|------------------|------------------|------------------|
| | <i>Expenditures</i> | | | |
| 6751 | Card key services | 250 | 88 | 35% |
| 6821 | A 87 Charges/County Cost Allocation | 27,000 | 6,376 | 24% |
| 6000 | OTHER CHARGES SUBTOTAL | 146,659 | 52,959 | 36% |
| | Subtotal Appropriations | 796,094 | 284,651 | 36% |
| | | | | |
| 8612 | Reserve | 137,948 | 0 | 0% |
| | Special Reserve | 0 | 0 | 0% |
| | Total Appropriations Budget | 934,042 | 284,651 | 30% |
| | | | | |
| | Revenues | | | |
| 2421 | Application Fees | 35,000 | 2,028 | 6% |
| 2600 | Miscellaneous Revenue | 0 | 0 | 0% |
| 1521 | Interest | 8,000 | 0 | 0% |
| | Intergov. Rev. (County/City/Dist) | 756,118 | 702,988 | 93% |
| | Total Revenues | 934,042 | 750,121 | 80% |
| | Fund Balance Offset | 134,924 | | 0% |
| | City/District/County 1/3 Apportionment | 252,039 | 237,698 | 94% |
| | | | | |
| | Fund Balance | | | |
| 3333 | Fund Balance | 134,924 | 134,924 | 134,924 |

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

January 8, 2025

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
Subject: CALAFCO 2024 Annual Conference Update – Information Only

Summary

CALAFCO held its 2024 Annual Conference in Fish Camp, CA on October 16th through the 18th. Commissioners Kati Martin, Ray Mueller, Ann Draper, Virginia Chang Kiraly, Kathryn Slater-Carter, Legal Counsel Tim Fox, Clerk Diane Estipona and Executive Officer Rob Bartoli attended the Conference. There were several sessions on environmental justice, a presentation regarding district consolidations, an in-depth discussion on the state legislative process, and a mobile workshop through Yosemite National Park that highlighted intergovernmental efforts in the Park.

As part of the Conference, CALAFCO Board of Directors elections were held. For the Coastal Region, Virginia Chang Kiraly was elected as the Special District Member to the CALAFCO Board. Those elected/re-elected to the Board for a two-year term are:

Coastal Region (Includes San Mateo) – District Member representative is Virginia Chang Kiraly of San Mateo LAFCo and County Member representative is Wendy Root Askew of Monterey LAFCo

Central Region – District Member representative is Gay Jones of Sacramento LAFCo and County Member representative is Rich Desmond of Sacramento LAFCo

Northern Region – City Member representative is Paul Minchella of Modoc LAFCo and Public Member representative is Josh Susman of Nevada LAFCo

Southern Region – City Member representative is Steve Sanchez of Riverside LAFCo and Public Member representative is Derek McGregor of Orange LAFCo

Recommended Commission Action:

Receive report.

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT ▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪

DIANE ESTIPONA, CLERK

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California Association of Local Agency Formation Commissions

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2024

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Cover Photo by
Stephanie Pratt, Napa LAFCO

THE SPHERE

CALAFCO Journal

October, 2024

The Sphere is a publication of the California Association of Local Agency Formation Commissions.

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Articles, announcements, comments or other materials noteworthy to LAFCO commissioners and staff, may be submitted to the Editor at 916-442-6536 or info@calafco.org.

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CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION
COMMISSIONS

CALAFCO

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CALAFCO MISSION

The mission of CALAFCO is to promote efficient and sustainable government services based on local community values through legislative advocacy and education.

A Message From The Chair of **CALAFCO**



MARGIE MOHLER
Chair of the Board

As we approach the end of this year, many of us naturally look toward the future and anticipate what lies ahead. While the promise of tomorrow excites us, it's essential to recognize that growth springs from reflection. What did we execute well, and where did we encounter challenges? These insights will guide our path forward.

During my tenure as Chair of the Board of Directors, I heard concern from some LAFCO members: uncertainty about the organization's impact. Rather than viewing this as a fault, I see it as an opportunity. Our mission is to provide value to our members, and we achieve this through innovative ideas, active participation, and feedback. As a volunteer-driven organization, our strength lies in collaboration.

At our last strategic planning session, the Board of Directors acknowledged room for improvement in our political effectiveness.

The previous Legislative Committee encountered several challenges, including time constraints, unproductive meetings, and limited legislative influence. Over the years, CALAFCO has received numerous complaints from members about the committee's structure, composition, and inclusivity—ranging from concerns about it being too inclusive to not inclusive enough. After thoroughly considering these complaints, challenges, and our Strategic Plan goals, the Board of Directors approved the new Legislative Policy Committee.

Subsequently, the CALAFCO Board received numerous complaints regarding the establishment of the Legislative Policy Committee and held a Special Board Meeting on September 30th. At that time, they voted

to rescind the new Legislative Policy Committee and reestablish the previous Legislative Committee. However, the action was conditioned on the Board committing to again discuss the Legislative Committee structure at its strategic planning meeting in 2025,

In addition to addressing the concern about CALAFCO's political impact, we're considering discussing other challenges:

1. Membership Engagement:

Ensuring offerings for all levels of LAFCO staff. Enhancing communication channels, organizing engaging events, and fostering a robust statewide network for all LAFCO professionals.

2. Resource Allocation:

Efficiently allocating resources to maximize our impact. We've been exploring ways to streamline processes, reduce administrative overhead, and allocate funds strategically.

I extend my deepest gratitude to our CALAFCO Board of Directors. Your time, dedication, and ideas shape our organization to build a stronger future. On behalf of all members a heartfelt thank you to our staff, Rene LaRoche who does all the rest.

If you're passionate about promoting efficient government services, advocating for legislative change, or contributing your unique skills, consider becoming part of our CALAFCO Board of Directors. Your involvement can make a meaningful difference.



New Laws Affecting LAFCOs

SB 1209 (Cortese) - Indemnification

What started in the wake of a 2022 court case, concluded on September 28, 2024, when Governor Gavin Newsom signed into law SB 1209. A CALAFCO sponsored bill, SB 1209 authorizes LAFCOs to require indemnification provisions as a condition for processing a LAFCO action, which can then be triggered if a commission approval is challenged. The bill will be chaptered as Government Code Section 56383.5, and it will take effect on January 1, 2025.

The new law also requires LAFCOs to take certain actions to maintain the indemnification. These actions include promptly notifying an applicant of any claim or action against an approval, fully cooperating in the defense of the action, and getting approval from the applicant of any settlement. Since failure to do any of those three things will negate the indemnification provision, thereby leaving a commission solely responsible for costs, LAFCOs are strongly urged to update their procedures as soon as possible to incorporate those actions.

Background

In July, 2022, the Second District Court of Appeals determined that a LAFCO, despite prevailing in the underlying court case, could not require or rely upon indemnification because it is not expressly authorized to do so in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Within months of that decision, a legislative proposal was crafted to add such authorization into law.

Due to major legislative deadlines that occur at the beginning of each year, the proposal was ushered along swiftly, and it was approved by the CALAFCO

(Continued on page 10)

AB 3277 (Assembly Local Government Committee) Districts: property tax

A CALAFCO sponsored bill, AB 3277 adds language to Government Code Section 56810(a)(2) that limits the requirement to perform a financial analysis of ad valorem taxes during the formation of a district to only those times when a share of the taxes are actually being sought. Without this amendment, the financial analysis is required at all times - even when a share of the taxes is waived.

This bill takes effect on January 1, 2025.

BROWN ACT CHANGES:

The following changes to the Brown Act take effect on January 1, 2025:

◆ **AB 2302 (Addis D) Open meetings: local agencies: teleconferences.**

This bill removes language from Government Code Section 54953 (f)(3) regarding how much members of legislative bodies may attend regularly scheduled meetings via teleconferencing, and adds in new sections to redefine the limitations.

Existing law limits teleconference attendance by members of a legislative body to three consecutive months, or 20 percent, of regular meetings within a calendar year, or more than two meetings when the legislative body meets fewer than 10 times per year. However, this bill removes that provision and redefines them based on the frequency that regular meetings are held. The new limits are:

- Two meetings per year, if the legislative body conducts regular meetings once per month, or less;

(Continued on page 10)

Jerry Gladbach Water Treatment Plant Dedication

Submitted by Los Angeles LAFCo

On Thursday, June 27, 2024, the Santa Clarita Valley Water Agency (SCVWA) dedicated its on-site water treatment plant as the “E. G. ‘Jerry’ Gladbach Water Treatment Plant.” In addition to serving on the SCVWA, Jerry had been a commissioner on the Los Angeles LAFCo for twenty-one years, a CALAFCo Director from 2005 to 2013, and the 2012 CALAFCo Board Chair.

Speakers at the dedication included SCVWA Board Chair Gary Martin; City of Santa Clarita Mayor Laurene Weste; representatives of Congressman Mike Garcia, State Senator Scott Wilk, and State Assemblymember Pilar Schiavo; and Donna Gladbach (Jerry’s wife).

The speakers discussed Jerry’s decades-long service to SCVWA, LA LAFCo, CALAFCo, the Association of California Water Agencies (ACWA), and the National Water Resources Association.

While Jerry certainly had a positive impact on the water community, his wife noted that his true legacy was in the way that he lived, and she quoted Maya Angelou to describe Jerry’s life as not being measured by the breaths we take, but by the moments that take our breath away.

At the conclusion of the moving ceremony, a plaque



Above: Marsha McLean, Santa Clarita Councilmember (left), Donna Gladbach (center), and Laurene Weste, Santa Clarita Mayor (right)



recognizing Jerry was unveiled in front of the treatment building which will act as a permanent testament to his life of service.

Los Angeles Executive Officer Paul Novak and Deputy Executive Officer Adriana Romo attended the dedication.

WHY?

WHY?

WHY?

WHY?

WHY?

Problem Solving With the 5 Whys

By René La Roche, CALAFCO Executive Director

The old *time is money* adage has never been truer in the office and business world than now, as everyone is being asked to do more with less. Given the expense involved in developing and implementing working solutions, it is imperative to develop proficiency in first identifying core problems. Yet, that is not always as easy as it seems because we often mis-define the symptoms of a problem as the underlying issue. To illustrate, consider sunburn for a moment.

Sunburn has always been a problem for me. In fact, in my younger years I considered it my arch-nemesis because my skin would turn lobster red long before anyone else among my friends. One particularly bad instance ended with my shoulders covered in one-inch-long blisters, which I later learned was a sign of a second-degree burn. Yes, sunburn was a huge problem for me. Or was it?

Like most people, I defined the problem as the thing that was immediately impacting me - in this case a sunburn. Since sunburns hurt, they made outings unpleasant, ergo, sunburns were the problem. But as I matured, I realized that the problem was that I had chosen to spend too much time in the sun for my skin tone, and that I had compounded the negative effects of that choice by not using the proper strength of

sunscreen and by choosing not to wear a hat or any other kind of protective sun covering. Reframed in that way, it becomes easier to see that sunburn was not the problem but, rather, a consequence of some poor choices. Changing the choices created a different result.

However, it took many years and, unfortunately, many sunburns before I realized the mistake I was making. It is extremely difficult to identify core problems when in the midst of them. So, what can we do to help identify them? The best thing to do is to ask questions. But, as Elon Musk has noted, "...a lot of times the question is harder than the answer."ⁱ This is where the 5 Whys can help.

The 5 Whys

With roots in Lean Manufacturing, the 5 Whys is a simple method to peel open a problem like an onion to uncover its core issue.^{ii & iii} Its beauty is that it does not require special training, math, or any particular skill or tool other than being able to channel one's inner toddler to repeatedly ask why something is a problem.

So, what does that look like? Consider, for example, an oft-repeated example from Taiichi

(Continued on page 13)



Understanding AI for LAFCO Agencies: Navigating the Future of Technology

By Amanda Ross, CEO, South Fork Consulting LLC (with some help from an AI LLM)

What is AI and How Does it Work?

First, let's demystify what is meant by "AI." In simple terms, AI refers to computer systems designed to perform tasks that typically require human intelligence. Large Language Models, a type of AI, are systems trained on vast amounts of text data, allowing them to understand and generate human-like responses. You might be surprised to learn that you're likely already interacting with AI in your daily life, perhaps through your smartphone's voice assistant or your email's spam filter or predictive text appearing as you are typing in your word document or email. While I have not applied AI to work produced by South Fork Consulting, I have played around with its applications and found that, while it can introduce errors, there are opportunities for AI to help LAFCOs and their staff.

Possibilities of AI in LAFCO Work

In the context of LAFCO work, AI and LLMs could assist with tasks such as document review, data analysis, and report generation. For instance, these systems could help summarize lengthy municipal service reviews or sphere of influence studies, potentially saving time in the review process. They might also aid in analyzing historical data on population growth, service demands, and land use patterns to provide more accurate projections for boundary reviews and service planning. This can lead to more informed decisions about annexations, sphere of influence updates, and special district formations or dissolutions. The possibilities for AI as it continues to learn could potentially be endless.

As these LLMs advance, they can be trained to be better at producing documents that meet the needs of each LAFCO agency. They will likely allow LAFCOs to automate report generation, provide service demand forecasting for agencies, and project population growth more accurately through incorporation of multiple data sources (census data, local economic indicators, known and potential development projects, etc.) And while this is an exciting new chapter in humanity's quest for ever expanding technology, it's crucial to approach these possibilities with caution.

AI Challenges and Risks

While AI can process information quickly, it lacks the nuanced understanding and local knowledge that LAFCO officers, staff, and commissioners have within their agencies. The complexity of boundary reviews, service planning, and community dynamics requires human judgment that cannot be replicated by AI. Transparency and explainability pose additional challenges. Many AI systems, especially complex ones like LLMs, operate as "black

“While AI can process information quickly, it lacks the nuanced understanding and local knowledge that LAFCO officers, staff, and commissioners have within their agencies.”

(Continued on page 12)

CALAFCO Partners with Assura to Develop LAFCO Software Solution

By Assura Software

Navigating the complex twists and turns of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH) is a challenge all LAFCO practitioners are familiar with. Whether a LAFCO considers a few dozen or only a few applications per year, making sure the application is processed properly requires a focused effort to ensure the Commission's ultimate action can withstand any possible challenge.

For decades, LAFCO staff have devised methods to make sure they don't miss any subtle statutory requirements using sticky notes, whiteboards, spreadsheets, and home grown checklists to manage the process.

Yes, over the past 40 years, the software industry has developed tailored applications to meet the needs of virtually every other type of organization. The catchphrase "there's an app for that" has brought the power of information systems to bear for others, while LAFCOs were forced to improvise on their own, using administrative methods that would be familiar to our grandparents. Until now.

Specialized Software for LAFCOs

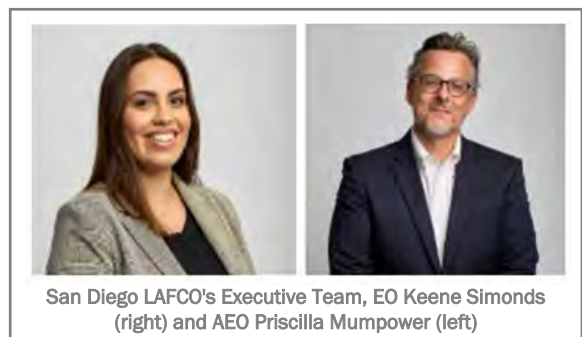
This year, CALAFCO partnered with Assura Software, a technology company from New Zealand and CALAFCO Associate member, and Kennedy Water Consulting, another CALAFCO Associate member based in California, to develop the first ever workflow software specifically designed to assist LAFCO staff when processing applications. The software, which is a secure cloud-based application that runs on ordinary web browsers and includes a mobile app, has been built to "understand"

some of the complex rules in CKH.

For instance, if a LAFCO is processing a landowner initiated application, the information collected and workflow process will be different than if it were initiated by the vote of a board of directors. As LAFCO practitioners know, CKH has a variety of deadlines for notifications and other processes and these have been built into the software. The software automatically calculates the dates for these notifications and prompts users as the deadline nears.

From Large to Small

The larger LAFCOs were eager to get started with San Diego LAFCO "going live" on the Assura platform in the summer of 2024. Since implementation, the new software has revolutionized their processes.



San Diego LAFCO's Executive Team, EO Keene Simonds (right) and AEO Priscilla Mumpower (left)

Assistant Executive Officer Priscilla Mumpower reports that "the Assura team has assisted LAFCO staff in creating a tailored platform that streamlines proposal management and keeps the executive team updated on all ongoing proposals." Now, all team members can see the

(Continued on page 11)



From Vision to Action: Crafting a Strategic Plan that Reflects your Unique Perspective

By CV Strategies

For many agencies, a strong foundation and individual talents aren't enough to ensure continued success. Leveraging strategic planning to align your organization on both short- and long-term goals not only encourages employee adoption but also helps to mitigate financial risk.

Every successful project should begin with an audit of the organization's strengths and weaknesses – both internal and external – as well as an analysis of opportunities and threats. It's important to take the time to listen to and truly understand your staff, the public agencies you support and your commissioners. Through a deep partnership, your team can capture the big picture while also exploring every angle for a successful, multifaceted strategic plan.

By examining these factors and building a criteria framework, your organization can strategically allocate resources that leverage employee strengths and build toward common goals. This process empowers individuals and fosters creativity, which allows for more meaningful inter-department collaboration. Success can be measured throughout the strategic planning process by clearly communicating and tracking key performance indicators.

However, these plans aren't set in stone. Organizations must monitor internal and external feedback closely and adjust accordingly. It's best to revisit your strategic plan regularly, adapting to current market conditions and anticipating new threats that may be on the horizon. By continuing to evolve, you can ensure long-term success for your county's LAFCO.



TRACKS AROUND THE STATE

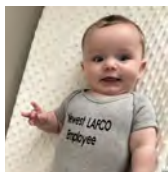


TYLER SALCIDO, Imperial LAFCO Executive Officer

On August 26, 2024, Tyler Salcido took the helm as the new Executive Officer for Imperial LAFCO. He comes to Imperial LAFCO after previously serving as the City Manager for the City of Brawley. Tyler is new to the LAFCO world but is excited for this new journey.

AIMEE DIAZ, Orange LAFCO Policy Analyst I

A recent graduate of UC Irvine's Master of Public Policy Program with a focus on Social Inequity Policy, Aimee is the new Policy Analyst I in the OC. She came to LAFCO from the City of Lake Forest, where she made significant contributions through her work with the Economic Development Division. Aimee is eager to advance her talent at OC LAFCO and is already managing her first district annexation!



Newest San Diego LAFCO Employee, Jack Sellen. "Hired" March 2024

NEW LAWS AFFECTING LAFCOs - SB 1209 (Cortese)

(Continued from page 4)

Board of Directors at a Special Meeting held on January 19, 2023. The bill was submitted to Legislative Counsel but immediately encountered resistance from a sister entity. That created concerns among potential authors and resulted in the bill not being introduced by the February 17, 2023, deadline. Not to be deterred, CALAFCO used the months that followed to prepare a Fact Sheet, and then to communicate extensively with stakeholders, including CSDA, CSAC, RCRC, and the League of Cities.

By the end of summer 2023, with the sister entities now comfortable with the proposal, CALAFCO's advocate, Jean Hurst, again began searching for an author. However, her efforts bumped into the holidays when key legislative staff were unavailable. On February, 2024, CALAFCO received confirmation that Senator Dave Cortese would be carrying the bill. The Senator introduced the bill on February 15, 2024, as SB 1209, and it was scheduled for hearing before the Senate Local Government Committee on March 20, 2024. However, soon after the bill's introduction, the California Building Industry Association (CBIA) notified the Senator of its intent to oppose the bill.

In a preliminary listening session, CBIA advised the Senator's staff and CALAFCO that its primary concern involved indemnification for applications that are denied. With the Author's office indicating a desire to resolve CBIA's concerns, CALAFCO committed to working towards compromise language. Based on that commitment, SB 1209 was heard before the Senate Local Government Committee as scheduled. During that hearing, the Author noted not only CBIA's concerns, but also his commitment to address them. With that contingency, the bill passed out of committee with a vote of 6-0 and no formal opposition on record.

Negotiations between the CALAFCO team and CBIA would extend over the next four months in search of language acceptable to both parties. Satisfactory language was finally crafted and SB 1209 was officially amended into its final form on June 11, 2024, and scheduled before the Assembly Local Government Committee (ALGC) on June 19, 2024. With a unanimous vote of 9 to 0, the ALGC approved the amended bill, with 32 LAFCOs, Los Angeles County, and CALAFCO in support, and the California Association of Resource Conservation Districts the only opposition.

With both local government policy committees approving, the bill passed quickly out of the Assembly with a 60 to 0 vote, and through Senate Concurrence with a 39-0 vote.

The Team

CALAFCO wishes to extend its sincere thanks to negotiating team members Paul Novak (Los Angeles LAFCO), René LaRoche (CALAFCO), David Ruderman (Colantuono Highsmith and Whatley, LLP), and Jean Hurst (Hurst Brooks and Espinosa); to Paul Novak, Steve Lucas (Butte LAFCO) and Scott Browne (P. Scott Browne, Attorney) for co-authoring the bill proposal and for reviewing amended language; and to all of the LAFCOs who sent in letters of support.

BROWN ACT CHANGES

(Continued from page 4)

- Five meetings per year, if the legislative body conducts regular meetings twice per month; or
- Seven meetings per year, if the legislative body conducts regular meetings three or more times per month.

For purposes of this provision, the bill also requires any meetings begun on the same calendar day to be counted as separate meetings.

- ◆ AB 2715 (Boerner) Ralph M. Brown Act: closed

sessions

Currently, Government Code Section 54957 allows closed session discussions regarding threats to the security of public buildings, essential public services, and the public's right of access to public services or public facilities.

This bill expands the list of permissible closed session topics to cybersecurity threats by adding threats to critical infrastructure controls (defined as networks and systems controlling assets that are so vital to the local agency that their incapacity or destruction would have a debilitating impact on public health, safety, or economic security.), and threats to critical infrastructure information.

LAFCO SOFTWARE SOLUTION

(Continued from page 8)

The screenshot displays the Assura software interface for a proposal. At the top, it shows 'K Proposal No. 2024-01 - Anytown Annexation of Development A' and an 'ACTION' dropdown menu. Below this is a progress bar with four stages: 0. PRE-ADMINISTRATIVE REVIEW, 1. ADMINISTRATIVE REVIEW, 2. PRE-COMMISSION MEETING, 3. APPROVED - PENDING, and 4. PROTEST HEARING. The 'Overview' section contains a table with the following data:

| | | | |
|-----------------|---------------------------|--------------|----------------------|
| State | 5. Post Commission Action | ID | 14 |
| Lodged By | Kennedy, Tom | Date Lodged | 16-Feb-2024 11:55 AM |
| Last Changed By | Whitelock, Samantha | Date Changed | 13-Aug-2024 5:25 PM |
| Start Date | 16-Feb-2024 11:51 AM | Category | Planning |

The 'Proposal Details' section includes the following information:

- Date Received: 16-Feb-2024
- Proposal Type: Reorganization
- Proposal Number: 2024-01
- Proposal Source: Board Resolution
- Proposal Name: Anytown Annexation of Development A
- OPR Title: [Empty field]
- State Clearing House Number: [Empty field]

exact status of any proposal from anywhere - including their phone - without having to track down the analyst or find their notes or checklist. Executive Officer Keene Simonds adds “the new norm out of the pandemic of regular teleworking practices means greater importance in technology to help bridge the

communication gaps that exist when employees are not in the same place; among other benefits, Assura is San Diego LAFCO’s investment in bridging the communication gap to help ensure proposals are proceeding as intended.”

Additionally, the Assura system automatically develops a detailed, complete administrative record that documents each step of the application process. While no LAFCO wants to experience a challenge to their process, using the Assura system will save time and legal costs should that happen. Assura can also incorporate local county policies into the workflows as the software is highly configurable to meet specific needs.

What About Smaller LAFCOs?

Understanding that smaller LAFCOs have limited budgets, Assura partnered with CALAFCO over the summer to develop a shared system tailored specifically to smaller LAFCOs. From a call seeking volunteers, four LAFCOs generously provided personnel to work on the project. The group, composed of Shiva Frentzen (El Dorado LAFCO), Krystle Heaney (Shasta LAFCO), JD Hightower (San Joaquin LAFCO), Mitzi Stites (San Joaquin LAFCO), and Jeren Seibel (Marin LAFCO), brought diverse experience and great insight to the effort. They met several times to review software capabilities and were able to develop a basic version that will bring the benefits of a customized installation to a shared system - at an affordable cost.

“
Assura
partnered with
CALAFCO over the
summer to develop
a shared system
tailored specifically
to smaller LAFCOs.”

This shared system features user level account security, which means that a LAFCO’s staff members can only see the data of their LAFCO - and no other LAFCOs. Since it is a shared server, the CALAFCO workgroup also identified workflow processes that would be of use to all participants. Through this collaboration, the system that was developed features all the tools most LAFCOs will need. This system is expected to be a boon for part time EOs who process very few applications, as the Assura system will guide them through the process and make sure that nothing is missed.

Why Assura Software?

a. User Experience: Assura’s intuitive interface ensures that users of all skill levels can navigate and utilize Assura Software effectively. With a focus on user-centric design, users experience a smooth transition and immediate productivity gains because it looks like the normal process.

b. Flexibility and Accessibility: Available on both web and mobile platforms, Assura Software provides the flexibility to manage tasks from anywhere. This cross-platform compatibility is ideal for teams and individuals who need consistent access and functionality across devices.

c. Security and Scalability: Assura Software invests in the security of their platform to ensure it is as robust as possible. The Assura Software solution also scales as user needs evolve, ensuring long-term value and adaptability.



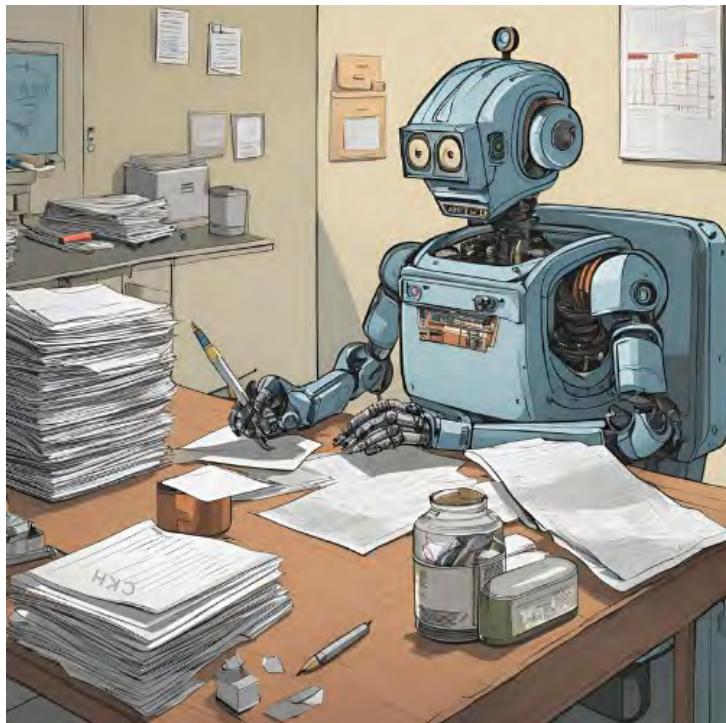
More information on the Assura solution can be found online at <https://www.assurasoftware.com/LAFCO>.

AI FOR LAFCO AGENCIES

(Continued from page 7)

boxes," making it difficult to understand how they arrive at their conclusions. This lack of transparency can be particularly problematic for government agencies like LAFCOs, which are required to provide clear justifications for their decisions to the public and stakeholders.

It is also crucial to understand that AI can sound intelligent or correct without actually being accurate. These systems are designed to generate plausible-sounding text based on patterns in their training data, but they don't truly understand the content in the way humans do. They can make mistakes, present outdated information, or even generate entirely fictitious "facts" that sound convincing. As an example, consider the case of a lawyer who



recently used an LLM to generate an argument for court and submitted the brief without a review. Several of the cases used for the legal precedents in the argument weren't real, the LLM misidentified judges, and it included companies that didn't exist. The incident made headlines and the law firm was fined. This phenomenon, sometimes called "AI delusion," underscores the need for rigorous human oversight and verification of any AI-generated content.

If LAFCOs do consider integrating AI into their operations, it should be done with caution and through a carefully planned approach. This might include starting with small, low-risk projects, ensuring full transparency about AI use, maintaining strong human oversight, and investing in comprehensive training for staff. For example, a LAFCO agency could start with tasking an LLM to summarize long documents or review an application for completeness. Any use of AI would need to be checked for biases, errors, or incorrect information.

The Future is Already Here

Today, right now, consultants can use AI for summarization, data processing, document creation, and idea generation. Even if LAFCOs themselves don't directly implement AI systems, they may interact with AI through their consultants' work. LAFCOs should consider adding clauses to consultant contracts requiring disclosure of any AI use in their work for LAFCOs. Just as subcontractors are required to be listed in contracts, AI should too. This transparency can help ensure that LAFCOs are fully aware of how AI might be influencing the information and recommendations.

No one knows what the future will hold. Major advancements in technology are always met with concern and skepticism. While it's important to embrace the future, the use of AI in LAFCO operations requires careful consideration and a cautious approach for now. Collaboration will be key in navigating this new technology. Engaging with other LAFCOs and government agencies to share experiences, best practices, and lessons learned in AI implementation can help us all navigate this complex and somewhat exciting new chapter of the human experience.

UPCOMING CALAFCO EVENTS

2025 Staff Workshop

April 30 – May 2

Temecula Creek Inn, Temecula, California
Hosted by Riverside LAFCO

2025 Annual Conference

October 22 – 24

Wyndham Bayside Hotel, San Diego, California

2026 Staff Workshop

Spring, 2026

Location: TBD

THE 5 WHYS

(Continued from page 6)

Ohno's 1988 analysis of Toyota's Production in which a machine stops. Using the 5 Whys method, questions and answers might look something like:

1. *Why did the machine stop?*
There was an overload and the fuse blew.
2. *Why was there an overload?*
The bearing was not sufficiently lubricated.
3. *Why was it not lubricated sufficiently?*
The lubrication pump was not pumping sufficiently.
4. *Why was it not pumping sufficiently?*
The shaft of the pump was worn and rattling.
5. *Why was the shaft worn out?*
There was no strainer attached and metal scrap got in.^{iv}

As you can see, the underlying problem was much more serious than a fuse. Without engaging in this exercise, the machine operator would have been doomed to making repeated, and increasingly more serious, repairs in the future.

While the above is a simplistic example, Toyota applied this method to larger scale questions that compared their operations to those of other companies. Some of their greatest transformations came from asking questions like: "Why can one person at Toyota Motor Company operate only one machine, while at the Toyoda textile plant one young woman oversees 40 to 50 automatic looms?" Starting with this inquiry and engaging in the iterative questioning process, Toyota found that Toyoda's looms stopped when weaving was complete. Based on that discovery, Toyota changed its machines so that they stopped when machining was finished. That led to broad-scale manufacturing innovations through the development and application of automation.^v

Engaging in the 5 Whys recognizes that problem solving is complicated and provides a way to differentiate between what is cause and what is effect. In fact, the technique is so effective that it is now a core exercise in the Analyze phase of Lean Six Sigma - a method taught and used extensively to improve an organization's operations through the elimination of waste and unnecessary steps.

So, the next time a problem comes your way, pause, take a breath, and go through the 5 Whys exercise. You may find that hats and SPF 100 sunscreen are your solution.

REFERENCES:

- i. Margaret Ward. "Elon Musk says reading this science-fiction classic changed his life". CNBC. June 6, 2017. <https://www.cnbc.com/2017/06/06/elon-musk-says-this-science-fiction-classic-changed-his-life.html>
- ii. "5 Whys". Lean Enterprise Institute. <https://www.lean.org/lexicon-terms/5-whys/>
- iii. "Determine the Root Cause: 5 Whys". iSixSigma. <https://www.isixsigma.com/cause-effect/determine-root-cause-5-whys/>
- iv. Taiichi Ohno. *Toyota Production System: Beyond Large-Scale Production*. CRC Press, Taylor and Francis Group. Boca Raton, Florida. 1988. Page 42.
- v. Ibid. Page 43.

California Association of
Local Agency Formation Commissions

CALAFCO

SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

ANNUAL REPORT

FISCAL YEAR 2023-2024



Photo By
Crystal Craig, Riverside LAFCO
2nd Place Winner, 2024 Staff Photo Contest

CALAFCO

1451 River Park Drive, Suite 185, Sacramento, California 95815
(916) 442-6536

CALAFCO LEADERSHIP

June 30, 2024



Photo By
José Henriquez, Sacramento LAFCO
3rd Place Winner, 2024 Staff Photo Contest

BOARD OF DIRECTORS

Margie Mohler (*Napa - City*), *Chair*
Acquanetta Warren (*San Bernardino - City*), *Vice-Chair*
Gay Jones (*Sacramento - District*), *Treasurer*
Blake Inscore (*Del Norte - City*), *Secretary*

Bill Connelly (*Butte - County*)
Kimberly Cox (*San Bernardino - District*)
Rodrigo Espinosa (*Merced - County*)
Yxstian Guitierrez (*Riverside - County*)
Kenneth Leary (*Napa - Public*)
Gordon Mangel (*Nevada - District*)

Michael McGill (*Contra Costa - District*)
Derek McGregor (*Orange - Public*)
Anita Paque (*Calaveras - Public*)
Wendy Root Askew (*Monterey - County*)
Josh Susman (*Nevada - Public*)
Tamara Wallace (*El Dorado - City*)

STAFF

René LaRoche, *Executive Director*
Clark Alsop, *Legal Counsel*
Brandon Dante, *Accountant*
Jeni Tickler, *Administrator*

Steve Lucas, *Executive Officer*
José Henriquez, *Deputy Executive Officer*
Dawn Mittleman Longoria, *Deputy Executive Officer*
Gary Thompson, *Deputy Executive Officer*

CALAFCO

1451 River Park Drive, Suite 185, Sacramento, California 95815
(916) 442-6536



Photo By
Stephanie Pratt, Napa LAFCO
1st Place Winner, 2024 Staff Photo Contest

ASSOCIATION MANAGEMENT

The past year has been a banner year of change for CALAFCO. Guided by the 2023-2026 Strategic Plan, concerted effort has been focused on modernizing the Association. Included among those efforts was a move to a new office space, transitioning our bookkeeping system to a cloud system, building a new website on an association management platform to provide a one-stop shop format for members, and more. Together, the changes helped to create a more sustainable organization by creating new efficiencies and reducing costs.

While efficiency and sustainability are worthy goals unto themselves, the changes are expected to also help position CALAFCO for future growth, new offerings, and increased political effectiveness and relevance. Of more importance for this report, however, is that the changes, combined with higher revenues, also resulted in FY 23-24 enjoying record-breaking Net Revenues and our highest ever Net Asset Balance.

Of course, every success stands on the back of another and so, too, with this. Kudos must be extended to previous Boards and staff who did the hard work to get us to where CALAFCO has structurally balanced budgets that fully fund operations from member dues. By making that shift previously, the Association is now seeing the benefits as event returns translate directly into the Association's Net Revenue, with that net amount being further amplified through placement in interest-bearing accounts and certificates of

(Continued on page 17)

deposit.

Correction

While the transition to the new cloud bookkeeping system in July, 2023, has provided many new financial tools and reports, it was not a smooth process because of the age of our former system. While we were finally able to transfer over all of our data, we had not immediately noticed that the salary that was paid on July 5, 2024, and which was attributable to the last quarter of FY 23-24 under accrual accounting rules, had not posted correctly. The mis-posting was discovered later in the year and the journal adjusted accordingly; however, that correction results in a change from last year's reported data. Specifically, the FY 23-24 Net Assets that were reported as \$235,066 on previous year end Balance Sheets, were actually \$227,053 as shown in the Statement of Financial Position comparison in this year's report.

Member Dues

△ 3.1%

Event Revenues

△ 26%

Other Revenues

△ 261%

Total Expenses

△ 1.2%

Total Revenues

▲ 18%

Financial Picture

Overall, CALAFCO finished Fiscal Year 2023-2024 in a strong financial position. Revenues increased and expenses were relatively flat, which resulted in healthy returns.

Total revenues increased by 18% due to:

- A 26.3% increase in event revenues due to significantly higher attendance;
- A 3.1% CPI increase of member dues, and
- Other Revenues posting a 261% increase due to higher interest rates on financial accounts.

With the pandemic behind us, we are again offering our full calendar of events and, as evidenced by the attendance at the 2023 annual conference, they seem to be enjoying a great deal of energy and interest. Unfortunately, the smaller size of the 2024 conference facility prevents a determination of whether significantly higher attendance is the new trend.

Taken together, the increased revenues along with total expenses that were held to a mere 1.2% increase, had a synergistic effect that returned an Annual Net

Revenue of \$131,281, which is nearly three times the FY 22-23 Net Revenues of \$44,473.

Higher Net Revenues, in turn, boosted the Association's Net Assets, which posted a 57.8% increase over the prior year (\$358,334 compared to \$227,053.)

Net Revenues (Return)

3X ▲

Net Assets

▲ 57.8%

(Continued on page 18)

More impressively, however, is that a full 79% of revenues was spent on the delivery of CALAFCO's mission-driven programs, while only 17% went to operational administrative expenses, and 4% went to Board support and regional officer stipends.

Conclusion

As can be seen in the financial statements that follow, adhering to the actions defined in the 2023-2024 Strategic Plan have brought CALAFCO a successful year with increased revenues and nearly flat expenses. The cumulative effect for the Association is that Net Assets at fiscal year-end are higher than the Association has ever enjoyed. However, given that most of the cost cutting actions have now occurred, repeating this performance will rely heavily on the attendance numbers of future events.



Gay Jones
Board Treasurer



René LaRoche
Executive Director

The Data

The financial data that follows draws from the Association's year-end financial statements, which were prepared in accordance with Generally Accepted Accounting Principles (GAAP). This report, which incorporates data from those year-end statements, was prepared without audit from the books and records of the corporation.

CALAFCO employs multiple safeguards to guarantee that the Association's assets are safeguarded from unauthorized use, and that all transactions are scrutinized to ensure that they are authorized, executed, and recorded properly. Association bookkeeping and reconciliations are performed by Books in Balance of San Rafael, California, with the Board presented with financial reports on a quarterly basis. Annual tax filings are prepared by the Association's accountant, Brandon Dante, and reviewed and approved by the Board prior to filing.

Unabridged copies of all financial statements can be found in the Board's July 19, 2024, agenda packet or may be obtained by sending an email request to info@calafco.org.



AT A GLANCE

What We Did:

- 26% Increase in Event Revenue
- 195% Increase in Net Revenue
- 56% Increase in Net Assets
- Maintained Operational Costs through Cost Reductions and New Efficiencies
 - ⇒ New Lower Cost Office Space
 - ⇒ New Accountant
 - ⇒ Association Management System with event registration and online payment processing
 - ⇒ Transitioned from Desktop to Cloud accounting software which provides better data reporting
 - ⇒ Offsite bookkeeper
- Advocacy
 - ⇒ 2,532 Bills Reviewed
 - ⇒ 2 Bills Sponsored

How We Did It:

Staffing:

- 1.3 Full Time Equivalent Employees
- 4 Regional Officers
- 50-60 Volunteers Assisting with Event Planning and Staffing



PROGRAMS vs OPERATIONS SPENDING

- \$372,301 spent for programs
- \$20,070 spent for Board support & Regional Officer Stipends
- \$80,987 spent for operations

While Personnel expenses totaled \$205,214, only 10% of that time/expense went to operational administration. The remaining 90% was used to provide the Association's exempt-purpose programs.

That means that in Fiscal Year 2023-2024, 79% of CALAFCO'S expenses went to the delivery of our mission-driven programming, 4% went to Board support and Regional Officer Stipends, and 17% went to our operating expenses and other Professional Services.

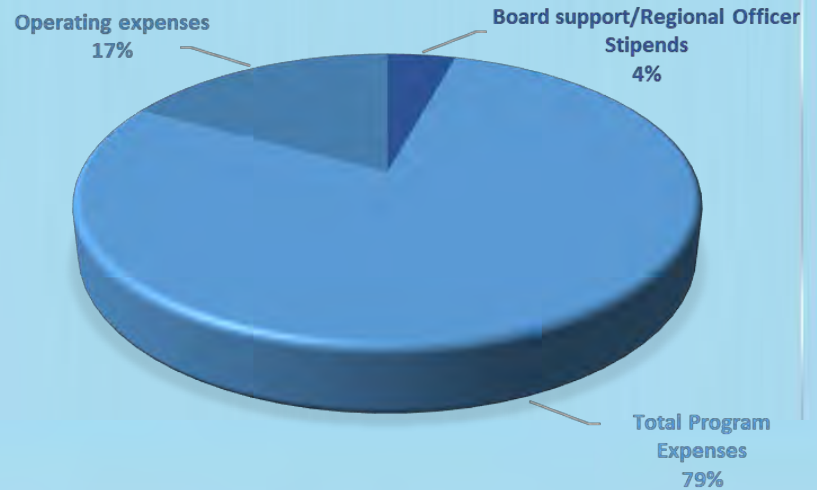
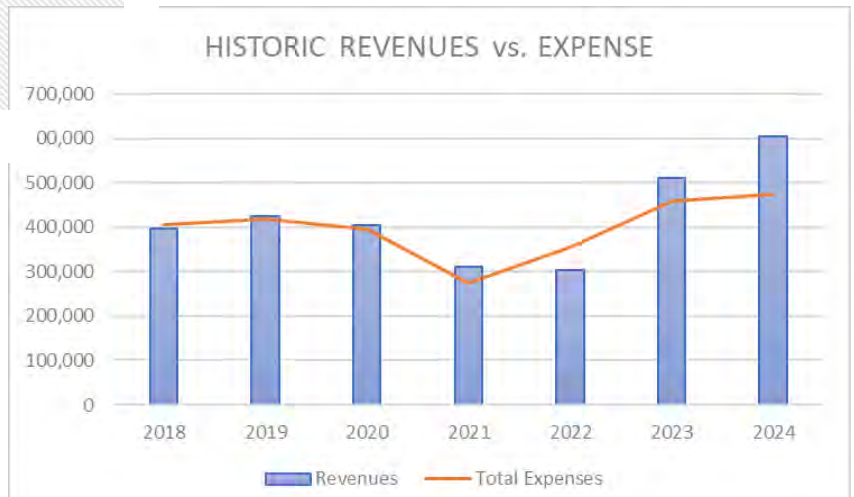
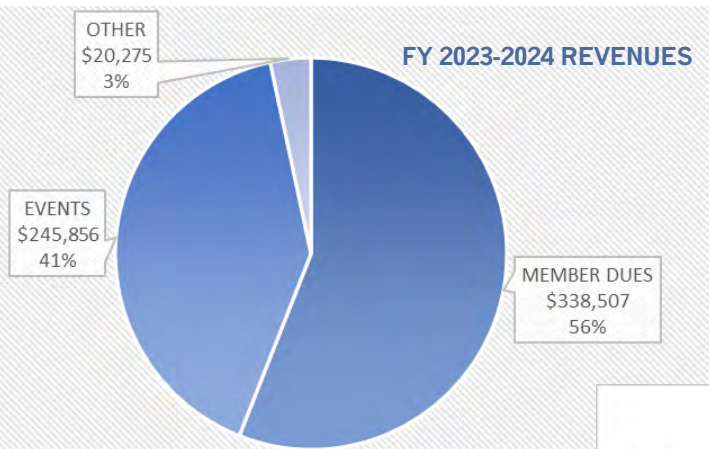


Photo By
Kristina Grabow, Sacramento LAFCO
2024 Staff Photo Contest Entry

STATEMENT OF ACTIVITY

YEAR ENDED JUNE 30, 2024

| REVENUES | 2024 | 2023 |
|--|-------------------|-------------------|
| Dues | \$ 338,507 | \$ 312,011 |
| Contributions | \$ 325 | \$ 0 |
| Conferences | \$ 182,096 | \$ 148,388 |
| Workshops | \$ 63,760 | \$ 42,055 |
| CALAFCO U Trainings | \$ 0 | \$ 4,250 |
| Other Revenues | \$ 19,950 | \$ 5,520 |
| Total Revenues | \$ 604,639 | \$ 512,224 |
| EXPENSES | | |
| Personnel | \$ 205,214 | \$ 197,116 |
| Board Meeting Expenses and EO/DEO Stipends | \$ 20,070 | \$ 23,763 |
| Professional Services | \$ 28,606 | \$ 25,768 |
| Operating Expenses | \$ 31,860 | \$ 31,844 |
| Conference Expenses | \$ 125,325 | \$ 144,866 |
| Workshop Expenses | \$ 57,207 | \$ 36,198 |
| Legislative Services | \$ 5,076 | \$ 5,196 |
| Research & White Papers | \$ 0 | \$ 3,000 |
| Total Expenses | \$ 473,357 | \$ 467,751 |
| NET | | |
| Net Revenue | \$ 131,281 | \$ 44,473 |

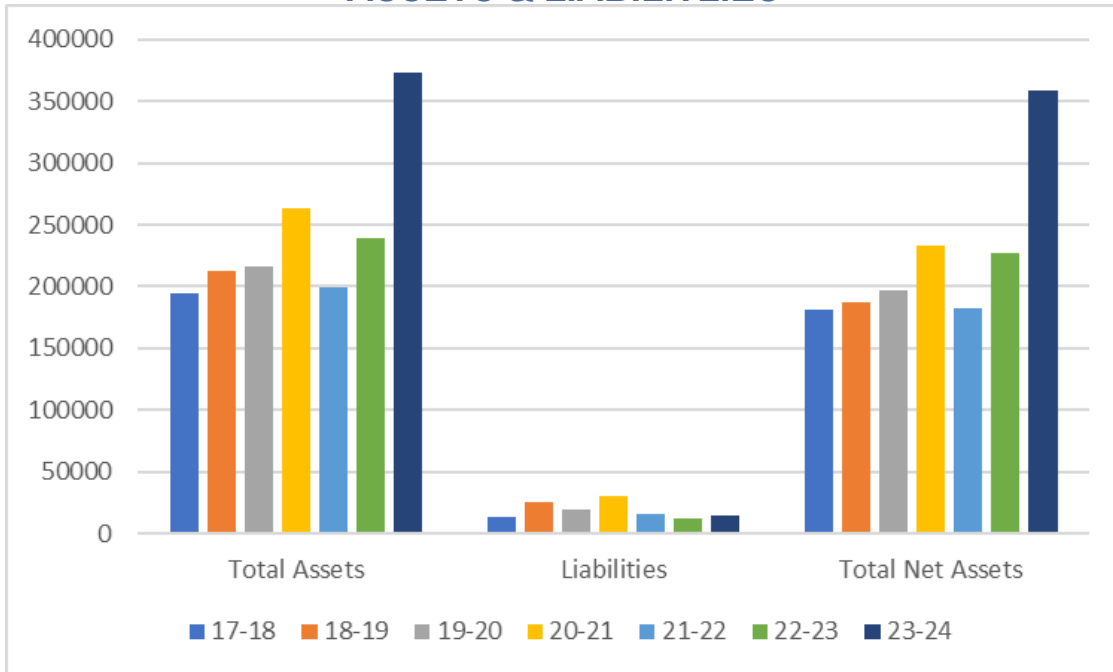


STATEMENT OF FINANCIAL POSITION

YEAR ENDED JUNE 30, 2024

| ASSETS | 2024 | 2023 |
|---|-------------------|-------------------|
| Cash and Cash Equivalents | \$ 365,055 | \$ 265,119 |
| Accounts and Other Receivables | -\$ 8,316 | -\$ 28,931 |
| Prepaid and Deferred Expenses | \$ 16,169 | \$ 2,700 |
| Total Assets | \$ 372,907 | \$238,888 |
| LIABILITIES | | |
| Accounts and Other Payables | \$ 2,051 | \$ 3,825 |
| Deferred Income | \$ 2,400 | \$ 0 |
| Accrued Expenses | \$ 10,122 | \$ 8,010 |
| Total Liabilities | \$ 14,573 | \$ 11,835 |
| NET ASSETS | | |
| Unrestricted | \$ 64,299 | \$ 19,826 |
| Fund Reserve | \$ 162,754 | \$ 162,754 |
| Net Surplus/Deficit | \$ 131,281 | \$ 44,473 |
| Net Assets | \$ 358,334 | \$ 227,053 |
| Total Liabilities & Net Assets | \$ 372,907 | \$ 238,888 |

ASSETS & LIABILITIES



Thank You to Our Associate Members

GOLD ASSOCIATE MEMBERS



SILVER ASSOCIATE MEMBERS

- Assura Software
- Berkson Associates
- Chase Design, Inc.
- City of Rancho Mirage
- County Sanitation Districts of L.A. County
- Cucamonga Valley Water District
- David Scheurich
- DTA
- E Mulberg & Associates
- Economic & Planning Systems (EPS)
- Goleta West Sanitary District
- Griffith, Masuda & Hobbs, a Professional Law Corp
- HdL Coren & Cone
- Hinman & Associates Consulting
- Holly Owen, AICP
- Kennedy Water Consulting, LLC
- LACO Associates
- Policy Consulting Associates
- P. Scott Browne
- QK
- Rancho Mission Viejo
- Sloan Sakai Yeung & Wong, LLP
- South Fork Consulting, LLC
- SWALE Inc.
- Terranomics Consulting

California Association of
Local Agency Formation Commissions

CALAFCO

SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

1451 River Park Drive , Suite 185
Sacramento, California 95815
916. 442.6536
www.calafco.org

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

January 8, 2025

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
Subject: CALAFCO January 2025 Board Meeting Update – Information Only

Summary

The first CALAFCO Board meeting of the year will be held on January 10, 2025, at CALAFCO's offices in Sacramento. One topic on the agenda for the meeting will be a discussion regarding concerns that several LAFCos have with the current direction of CALAFCO. These issues include topics such as membership representation at CALAFCO, the status of the Legislative Committee and legislative process, and transparency and communication and requests actions seen as providing a larger role for local Executive Officers. San Diego and Orange LAFCos sent letters to CALAFCO stating that they would be revisiting their membership with CALAFCO in the next fiscal year. San Bernardino sent a notice stating that their LAFCo would not be continuing with CALAFCO starting the next fiscal year. There will also be a discussion regarding CALAFCO's role and responsibility of Board members, the Executive Director, and staff.

Commission Chang Kiraly, who is a CALAFCO Board member, and Executive Officer Rob Bartoli plan on attending the CALAFCO board meeting and will provide an update at the January 15, 2025, LAFCo Commission meeting regarding the CALAFCO meeting.

Recommended Commission Action:

Receive report.

Attachments

- A. Correspondence from LAFCos to CALAFCO

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT ▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ DIANE ESTIPONA, CLERK



San Diego County
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

October 22, 2024

Delivered by Electronic Mail

René LaRoche, Executive Director
California Association of LAFCOs
rlaroch@calafco.org

SUBJECT: FY26 CALAFCO Dues and Related Concerns

Dear René:

This letter serves as a courtesy to advise San Diego LAFCO will revisit its membership status with CALAFCO as part of the upcoming 2025-2026 budget process. San Diego remains committed to CALAFCO’s mission “to promote efficient and sustainable government services based on local community values through legislative advocacy and education.” San Diego – however – is respectfully concerned with CALAFCO’s direction and recent decisions that seemingly deprioritize – directly and indirectly – these core mission values. Examples include the unknown scale and influence of outside parties (consultants and attorneys) in CALAFCO decision-making as well as the insulated process leading to the elimination of the Legislative Committee. The deemphasis of the CALAFCO Executive Officer position and the related dismissal of the practitioner perspective in the Board’s decision-making process is equally concerning. It is our understanding the CALAFCO Board will hold a strategic planning retreat in early 2025. We hope the retreat is scheduled (location and time) and noticed to maximize all 58 LAFCOs’ ability to participate – including allowance for video attendance – and the above concerns are discussed in some meaningful way.

Sincerely,

Keene Simonds
Executive Officer

cc: Commissioners
Priscilla Mumpower, Assistant Executive Officer
Steve Lucas, CALAFCO Executive Officer

| | | | | | |
|--|---|--|---|--|--|
| Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 E lafco@sdcounty.ca.gov www.sdlafco.org | Joel Anderson County of San Diego | Kristi Becker City of Solana Beach | Chair Stephen Whitburn City of San Diego | Vice Chair Barry Willis Alpine Fire Protection | Harry Mathis General Public |
| | Jim Desmond County of San Diego | Dane White City of Escondido | Marni von Wilpert, Alt. City of San Diego | Jo MacKenzie Vista Irrigation | Brigitte Browning, Alt. General Public |
| | Nora Vargas, Alt. County of San Diego | John McCann Alt. City of Chula Vista | | David Drake, Alt. Rincon del Diablo | |

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County Member

VICE CHAIR

Wendy Bucknum
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IMMEDIATE PAST CHAIR

Douglass Davert
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James Fisler

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Bruce Whitaker

City Member

VACANT

County Member

ALTERNATES

Kathryn Freshley

Special District Member

Carol Moore

City Member

Lou Penrose

Public Member

VACANT

County Member

STAFF

Carolyn Emery

Executive Officer

Scott Smith

General Counsel

November 1, 2024

Rene LaRoche, Executive Director

California Association of LAFCOs

Sent by email to: rlaroche@calafco.org

SUBJECT: Review of CALAFCO Membership Status for FY 25/26

Dear Rene:

This letter serves as a courtesy to inform that Orange County LAFCO will revisit its membership status with CALAFCO in part to our 2025-2026 budget process that begins mid-January 2025 and upcoming workshop and conference participation. As a CALAFCO member for several decades, OC LAFCO acknowledges the importance of CALAFCO's mission, particularly the value the association brings to the membership through legislative advocacy and education. As these areas are central to our Commission's interests and benefits as a member, OC LAFCO is respectfully concerned with the recent decision-making of the Board, along with the perceived organizational direction of CALAFCO. Specific examples of our concern include the lack of transparency and membership engagement involving restructuring of the legislative platform, inconsistent and potentially disadvantageous actions relative to a legislative proposal vetted and approved through the process established by CALAFCO, and the seemingly prioritization of external group interests over LAFCO practitioners. Additionally, and of equal concern for OC LAFCO, are the absence of collaboration amongst the Executive Officers and the CALAFCO Executive Director and the lack of responsiveness from the Executive Director to inquiries from OC LAFCO staff and Board Director McGregor.

It is our hope that CALAFCO receives the concerns expressed herein with deliberate attention, and we further encourage the Board to have a meaningful discussion of these concerns at your next regular board meeting, followed by actions to address the current state of affairs.

Sincerely,



Carolyn Emery
Executive Officer

cc: Commissioners
CALAFCO Southern Region Board Members
Steve Lucas, CALAFCO Executive Officer



LAFCO

**Local Agency
Formation Commission**
for San Bernardino County

1601 East 3rd Street, Suite 102
San Bernardino, CA 92415-0490
909.388.0480 | Fax 909.388.0481
lafco@lafco.sbcounty.gov
www.sbolafco.org

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Board of Supervisors

JIM BAGLEY
Public Member

DR. KIMBERLY COX
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PHILL DUPPER
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CURT HAGMAN
Board of Supervisors

ACQUANETTA WARREN, Chair
City Member

ALTERNATES

JESSE ARMENDAREZ
Board of Supervisors

RICK DENISON
City Member

JIM HARVEY
Public Member

KEVIN KENLEY
Special Districts

EXECUTIVE OFFICER

SAMUEL MARTINEZ

LEGAL COUNSEL

PAULA DE SOUSA

November 22, 2024

René LaRoche, Executive Director
CALAFCO
1451 River Park Drive, Suite 185
Sacramento, CA 95815-4520

Dear Ms. LaRoche:

This letter is to inform you that the Local Agency Formation Commission for San Bernardino County (San Bernardino LAFCO) is giving notice to CALAFCO that it will not be renewing its membership starting July 1, 2025.

On November 20, 2024, San Bernardino LAFCO—by unanimous vote—decided not to renew its membership to CALAFCO starting Fiscal Year 2025-26. This notice is being provided now in order to inform CALAFCO of San Bernardino LAFCO’s future non-payment of its required dues.

Prior to July 1, 2025, as a current CALAFCO member in good standing, San Bernardino LAFCO intends to fully participate in CALAFCO Board of Directors meetings, its Legislative Committee meetings (if said Committee meetings will convene this fiscal year), and its upcoming 2025 Staff Workshop in Temecula.

If you have any questions concerning the information outlined above, please do not hesitate to contact me at (909) 388-0480.

Sincerely,

SAMUEL MARTINEZ
Executive Officer

cc: Gay Jones, Chair, CALAFCO Board
Southern Region LAFCOs

December 23, 2024

CALAFCO Board of Directors

Subject: Concerns with the Direction of CALAFCO

Dear Members of the Board:

As you are aware, recent actions by the CALAFCO Board of Directors and the Executive Director have significantly undermined the decades of trust amongst CALAFCO and its membership. These actions have prompted multiple LAFcos to consider terminating their CALAFCO memberships if substantive changes to CALAFCO are not made (see letters attached from San Diego, Orange, and San Bernardino LAFcos). Although they have yet to do so in writing, several signatories to this letter are also considering recommending that their commissions terminate their CALAFCO memberships.

We are concerned that CALAFCO leadership has lost focus on its core mission. CALAFCO does not exist to serve the interests of the Board or individual board members. It does not exist to serve the interests of associate members or other outside entities. It certainly does not exist to serve the interests of the Executive Director or Legal Counsel. Until recently, CALAFCO's focus has always been on furthering the interests of the membership. The membership is the Association – the association of LAFcos. CALAFCO's focus on the interests of the membership must be restored in order to rebuild lost trust and to ensure the Association's survival.

The dissolution of the CALAFCO Legislative Committee and the secretive way it was undertaken clearly demonstrates this disregard of the opinions and desires of the membership. As stated in the September 27, 2024 letter to the CALAFCO Board from the Executive Officers of the majority of LAFcos (attached), the dissolution process lacked any meaningful outreach to the membership, and it was championed by a Board committee that intentionally withheld its recommendations from the membership and the Legislative Committee itself. It appears that Board members were misled as to the repercussions of their votes in July on this matter. Though the Board corrected this mistake during its September 30th special meeting when it reinstated the Legislative Committee, the damage to our trust was already done. The lack of outreach and transparency associated with the abolition of the Legislative Committee is not a one-off; rather, it exemplifies how CALAFCO currently operates. Discussion is limited to a small group; decisions are announced rather than formulated in a collaborative and iterative process; and members learn about actions only after they happen. This is not acceptable.

The deemphasis of LAFco practitioners in the CALAFCO decision-making process is both striking and troubling. The Executive Director is not a LAFco practitioner, and she is not qualified to advise the Board on matters related to the implementation of LAFco work without input from actual practitioners (who have consistently volunteered their time and expertise to support the Executive Director). The Executive Director's distancing of the CALAFCO Executive Officer (who serves as the membership's primary contact with CALAFCO) from the process is but one example. The dissolution of the Legislative Committee is another example of a systematic and deliberate attempt to deemphasize the role that LAFco practitioners play. The fact that the Executive Director has full

discretion to appoint regional executive officers and members of the Legislative Committee further undermines the membership's ability to appoint and empower LAFCo practitioners it feels will best represent its interests, as opposed to the interests of the Executive Director or individual board members.

Of further concern is CALAFCO's failure to adequately communicate with and build relationships with the membership. Little attempt has been made in recent years to introduce CALAFCO to our commissions or to personalize and "put a face" to CALAFCO. In addition, there are many examples of CALAFCO staff not responding to inquiries from Executive Officers, commissioners, and even CALAFCO Board members in a timely manner, if at all. This is unacceptable, and it further demonstrates a blatant disregard for the concerns of the membership.

In order to begin to rebuild the trust that has been lost, and hopefully to keep the Association intact, we insist that the Board implement the following items, *at a minimum*. Most of our requests can be addressed through changes to the by-laws or through adopted policies.

Membership Representation at CALAFCO

- *Selection of the CALAFCO Deputy Executive Officers:* Currently, the Executive Director chooses who serves as each region's Deputy Executive Officer (DEO). This arrangement may not necessarily best serve the interests of the membership. Regional DEOs should be chosen by the membership of each region. The LAFCos of each region should nominate candidates for their regional DEO and then vote.
- *Selection of the CALAFCO Executive Officer:* Currently, the Executive Director chooses who serves as the CALAFCO Executive Officer. This arrangement may not necessarily best serve the interests of the membership. The Executive Officer, who is one of the four regional DEOs, should be selected by and among the four regional DEOs.
- *Role of the CALAFCO Executive Officer:* The position of the CALAFCO Executive Officer should be clarified so that the Executive Officer plays an integral role in the operation of CALAFCO, as was previously the practice. The Executive Director should be required to consult with the Executive Officer on all items/issues of importance to the membership. The Executive Officer should play an active role in the development of meeting agendas, and should be invited to and included in all meetings of the Board, the Executive Committee, the Legislative Committee, any standing committee, any ad hoc committees, and others as needed. In the Executive Officer's absence, the other regional DEOs should be consulted. No action on items/issues important to the membership should be taken without such consultation.
- *Advisory Committee:* An Advisory Committee composed of the Executive Officer and the three regional DEOs should be established. The Executive Director must convene the Committee on an agreed upon schedule, to discuss items/issues of importance to the membership. Consideration should also be given to the formation of an advisory committee made up of LAFCo Executive Officers from the four regions.

Legislative Committee

- *Selection of the members of Legislative Committee:* Currently, the Executive Director selects the LAFCo staff members who serve on the Legislative Committee. This arrangement fails to advance the interests of the membership. The members of the newly established Advisory Committee (the Executive Officer and three regional DEOs) should appoint LAFCo staff members to the Legislative Committee, or at the very least, approve appointments made by the Executive Director.
- *Remove Associate Members from the Legislative Committee:* Currently, three associate members (e.g., private consultants that do not staff LAFCos) sit on a committee that advises the Legislative Committee, and they are privy to all the confidential documentation, discussions, and strategizing that occurs during Committee meetings. Associate members do not necessarily share the goals of the Legislative Committee and may even represent clients who may be opposed to the Committee's recommendations, resulting in conflicts of interest. Associate members should not be permitted to attend meetings and/or participate in Legislative Committee business, unless their input is sought on an item and they are invited by the Chair.

Transparency and Communication:

- *Transparency:* CALAFCO must operate in a manner that is not only transparent to the Board, but to the membership. Policies affecting the membership, the advancements of LAFCos, and the operations of the organization should be developed to ensure that member LAFCos are fully informed of matters important to them and input sought on such matters.
- *Communication:* The Executive Director should be encouraged to develop relationships with the membership and not focus solely on the members of the Board. Policies should also be developed to ensure that all inquiries from the membership and Board members are responded to in a timely manner.

When the San Bernadino LAFCo was considering whether to continue as a member of CALAFCO at its November 13th meeting, the staff report prepared for the item concluded with the following:

“Recently, there has been some concern about the recent decisions made by the CALAFCO Board, including the perceived lack of transparency and membership engagement. There has also been some disagreement and disunity among the new Board. It should also be noted that, in the past, there used to be a close collaboration between the CALAFCO Executive Director, its regional officers, and LAFCO executive officers in general, which resulted in more agreement and coming up with better solutions to issues and/or concerns. Lately, there hasn't been a congenial relationship between the CALAFCO Executive Director and many of the regional officers/executive officers resulting in dissatisfaction and frustration among the membership.”

As you know, the San Bernardino LAFCo chose to not renew its membership for next year. We see the January 10th Board meeting as the last opportunity for the Board to “right the ship” before

additional LAFCoS consider terminating their membership. Absent substantive changes, such as those suggested herein, CALAFCO is at risk of fracturing, or even dissolving, as an association. We hope the Board takes our concerns seriously and embraces these suggestions, or other meaningful suggestions, in order to preserve CALAFCO and all the value that it has historically provided.

Sincerely,



Kai Luoma
Ventura LAFCo



Keene Simonds
San Diego LAFCo

Steve Lucas

Steve Lucas
Butte LAFCo



Paul Novak
LAFCo for LA County



Bill Nicholson
Merced LAFCo



Rob Fitzroy
San Luis Obispo LAFCo



Jennifer Stephenson
Lassen, Modoc, Plumas, and
San Benito LAFCos



Tyler Salcido
Imperial LAFCo



Neelima Palacherla
LAFCo of Santa Clara
County



Uma Hinman
Mendocino LAFCo



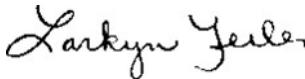
J.D. Hightower
San Joaquin LAFCo



Sara Lytle-Pinhey
Stanislaus LAFCo



Michelle McIntyre
Placer LAFCo



Larkyn Fielor
Colusa and Lake LAFCos

Jason Fried

Jason Fried
Marin LAFCo



Chuck Kinney
Kings LAFCo



SR Jones
Nevada LAFCo

CC: Rene LaRoche, CALAFCO Executive Director

Attachments - Letter to CALAFCO from San Diego LAFCo dated 10-22-24
Letter to CALAFCO from Orange LAFCo dated 11-1-24
Letter to CALAFCO from San Bernardino LAFCo dated 11-22-24
Letter to CALAFCO regarding dissolution of the Legislative Committee dated 9-27-24

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

January 8, 2025

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
Subject: Legislative Report – Information Only

Summary

Legislative tracker

CALAFCO is not tracking any new bills as of January 7, 2025

Also attached are the 2023-2024 legislative summary from the California State Assembly – Local Government Committee

Outreach to Legislators

Over the first few months of the year, LAFCo staff will be meeting with the staff of the state legislators that represent San Mateo County. The meetings will focus on providing an overview of LAFCo, current and future items before San Mateo LAFCo, and discuss any statewide issues related to LAFCos.

Recommended Committee Action:

Receive the report.

Attachments

- A. California State Assembly – Local Government Committee 2023-2024 Legislative Summary

COMMISSIONERS: RAY MUELLER, CHAIR, COUNTY ▪ VIRGINIA CHANG KIRALY, SPECIAL DISTRICT, VICE CHAIR ▪ KATI MARTIN, SPECIAL DISTRICT ▪ VACANT, CITY ▪ VACANT, CITY ▪ VACANT, COUNTY ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ VACANT, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ DIANE ESTIPONA, CLERK

***LEGISLATIVE SUMMARY
2023-2024***

JUAN CARRILLO, CHAIR



Assembly Committee on Local Government

MEMBERS:

Marie Waldron, Vice Chair
Bill Essayli
Matt Haney
Ash Kalra
Blanca Pacheco
James Ramos
Christopher Ward
Lori Wilson

STAFF:

Angela Mapp, Chief Consultant
Jimmy MacDonald, Principal Consultant
Linda Rios, Senior Consultant
Marisa Lanchester, Committee Secretary

MINORITY CONSULTANT:

William Weber

Vice-Chair
Marie Waldron

California State Assembly

Chief Consultant
Angela Mapp

Members

Bill Essayli
Matt Haney
Ash Kalra
Blanca Pacheco
James C. Ramos
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Lori D. Wilson

LOCAL GOVERNMENT

Principal Consultant
Jimmy MacDonald



Senior Consultant
Linda Rios

Consultant
Claire Norton

JUAN CARRILLO
CHAIR

Committee Secretary
Marisa Lanchester

P.O. Box 942849
(916) 319-3958

October 29, 2024

TO ALL INTERESTED PARTIES:

This summary includes a brief description and final status of all bills that were referred to the Assembly Committee on Local Government during the 2023-24 legislative session. The Committee's jurisdiction includes: land use and planning, including housing development; local government finance and governance; powers and duties of cities, counties, special districts and other local agencies; local agency formation commissions (LAFCOs); open meeting requirements under the Ralph M. Brown Act; redevelopment and post-redevelopment, including infrastructure financing; joint powers authorities; the Williamson Act; local government contracting; and, state mandates, among other issues.

This summary has been organized into the following categories: Contracting and Procurement; Elections; Energy and Telecommunications; Finance; Governance; Housing; Land Use; Local Agency Formation Commissions; Powers and Duties; Public Health and Safety; Transparency and Accountability; Transportation; and, Water. For quick and easy reference, please see the table of contents in the beginning of this document.

If you need additional information regarding this summary, please contact Committee staff at (916) 319-3958.

Sincerely,

A handwritten signature in black ink, appearing to be "J. Carrillo", written over a horizontal line.

CALIFORNIA LEGISLATURE

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CONTRACTING AND PROCURMENT

AB-400 (Blanca Rubio) - Local agency design-build projects: authorization.

Extends the sunset date, from January 1, 2025, to January 1, 2031, on provisions of law authorizing local agencies to use the design-build contracting method, and expands the types of JPAs that may use design-build.

Status: Chapter 201, Statutes of 2023

AB-440 (Wicks) - Density Bonus Law: maximum allowable residential density.

Would have clarified in Density Bonus Law that the base density for a development requesting a density bonus is the greatest allowable density in the zoning ordinance, specific plan, or the land use element of the general plan.

Status: Chapter 82, Statutes of 2024

AB-499 (Luz Rivas) - Los Angeles County Metropolitan Transportation Authority: job order contracting: pilot program.

Authorizes the Los Angeles County Metropolitan Transportation Authority to enter into job order contracts.

Status: Chapter 87, Statutes of 2023

AB-1649 (Kalra) - Local Agency Public Construction Act: change orders: County of Santa Clara.

Temporarily increases the limits that apply to change orders that can be approved pursuant to a delegated authority for specified contracts entered into by the County of Santa Clara.

Status: Chapter 281, Statutes of 2023

AB-1694 (Bonta) - Regional park and open-space districts: general manager: powers.

Would have authorized, in a regional park and open space district with a population of 200,000 or more, with the approval of the board, the general manager to bind the district for the payment for supplies, materials, labor, or other valuable consideration for any purpose, including new construction of a building, structure, or improvement, in amounts not exceeding two hundred thousand dollars (\$200,000).

Status: Assembly-Died - Local Government

AB-1736 (Juan Carrillo) - Water replenishment districts: competitive bidding.

Authorizes a water replenishment district to negotiate a contract for work if no bids are received.

Status: Chapter 592, Statutes of 2023

AB-1957 (Wilson) - Public contracts: best value construction contracting for counties.

Expands a pilot program for specified counties to use best value contracting to include all counties, and extends the sunset date on the authorization to January 1, 2030.

Status: Chapter 58, Statutes of 2024

AB-2192 (Juan Carrillo) - Public agencies: cost accounting standards.

Increases project cost limits specified in the Uniform Public Construction Cost Accounting Act and refines the oversight authority of the California Uniform Construction Cost Accounting Commission.

Status: Chapter 953, Statutes of 2024

AB-2235 (Lowenthal) - Public contracts: local agencies: wind infrastructure.

Authorizes the City of Long Beach and its Board of Harbor Commissioners to procure contracts relating to the terminal development project at the Port of Long Beach, known as Pier Wind, and to use alternative project delivery methods for that purpose.

Status: Chapter 707, Statutes of 2024

AB-2502 (Luz Rivas) - Public contracts: emergencies.

Would have authorized a county board of supervisors, in cases of significant emergency, to take any directly related and immediate action required by an emergency without giving notice for bids to let contracts.

Status: Assembly-In Committee Process - Local Government

AB-2590 (Reves) - San Bernardino County Transportation Authority: contracting.

Increases the bid threshold for the purchase of supplies, equipment, and materials for the San Bernardino County Transportation Authority, from \$25,000 to \$150,000.

Status: Chapter 724, Statutes of 2024

AB-2634 (McCarty) - Sacramento Regional Transit District.

Allows the Sacramento Regional Transit District (SacRT) to offer reduced fares for senior citizens at different rates than reduced fares for disabled persons or disabled veterans, and makes changes to SacRT's procurement powers.

Status: Chapter 111, Statutes of 2024

AB-2812 (Kalra) - Santa Clara Valley Transportation Authority.

Increases the bid thresholds for contracts related to supplies, equipment, and materials for the Santa Clara Valley Transportation Authority.

Status: Chapter 17, Statutes of 2024

SB-304 (Laird) - Monterey-Salinas Transit District: public contracting.

Changes requirements for the purchase of services, supplies, equipment and materials by the Monterey-Salinas Transit District.

Status: Chapter 107, Statutes of 2023

SB-617 (Newman) - Public contracts: progressive design-build: local and regional agencies.

Authorizes, until January 1, 2029, a transit district or transportation agency to use the progressive design-build process of project delivery for up to 10 public works projects in excess of \$5

million, and requires an agency that uses the progressive design-build process to submit a report on its use of the process to the Legislature by January 1, 2028.

Status: Chapter 310, Statutes of 2023

SB-706 (Caballero) - Public contracts: progressive design-build: local agencies.

Authorizes, until January 1, 2030, a city, county, or special district to use the progressive design-build process for up to 10 public works projects, not limited to water-related projects, in excess of \$5 million, and requires a local agency that uses the progressive design-build process to submit a report on its use of the process to the Legislature by December 31, 2028.

Status: Chapter 500, Statutes of 2023

SB-739 (Ashby) - Construction manager at-risk construction contracts: City of Elk Grove: zoo project.

Allows the City of Elk Grove (city) to utilize construction manager at-risk construction contracts for the city's zoo project.

Status: Chapter 593, Statutes of 2024

SB-1111 (Min) - Public officers: contracts: financial interest.

Requires, beginning in 2026, a public officer to recuse themselves from voting on a contract made by the officer's governmental entity if the officer's child is an officer or director of, or has substantial ownership in, a contracting party to a contract entered into by the body or board of which the officer is a member, if the child's interest is known to the public officer.

Status: Chapter 324, Statutes of 2024

SB-1325 (Durazo) - Public contracts: best value procurement: goods.

Would have authorized a public entity to use the best-value procurement method to award contracts for goods over \$250,000 and for the purchase of municipal fleets, subject to certain bid evaluation procedures and guidelines, including the adoption of a high road jobs plan policy

Status: Assembly-In Committee Process - Appropriations

ELECTIONS

AB-34 (Valencia) - Elections: County of Orange Citizens Redistricting Commission.

Creates a Citizens Redistricting Commission in Orange County.

Status: Chapter 315, Statutes of 2023

AB-453 (Cervantes) - District-based elections.

Requires a political subdivision that changes from at-large to district-based elections to set a fixed time for public hearings that are required before the governing body of the political subdivision votes to establish district-based elections.

Status: Chapter 195, Statutes of 2024

AB-764 (Bryan) - Local redistricting.

Makes special districts, school districts, community college districts, and county boards of education subject to similar criteria and process requirements that apply to counties and cities that are adjusting the boundaries of the districts used to elect members of their governing bodies, and increases the public hearing and outreach requirements that apply to all local jurisdictions as part of the process for adopting or adjusting boundaries.

Status: Chapter 343, Statutes of 2023

AB-910 (Wilson) - County officers: auditors: qualifications.

Revises the qualifications for the office of county auditor, and makes changes to elections law regarding the documents that are required for a person to become a legally qualified candidate for specified offices and to have their name printed on the ballot for a direct primary.

Status: Chapter 669, Statutes of 2023

AB-1248 (Bryan) - Local redistricting: independent redistricting commissions.

Would have required a county or city with more than 300,000 residents, or a school district or community college district with more than 500,000 residents, to establish an independent redistricting commission to adopt district boundaries after each federal decennial census.

Status: Assembly-Vetoed

AB-1807 (Cervantes) - County of Riverside Citizens Redistricting Commission.

Makes various modifications to state law governing the conduct and activities of the Riverside County Citizens Redistricting Commission.

Status: Chapter 809, Statutes of 2024

SB-52 (Durazo) - Redistricting: large charter cities.

Would have required a charter city with a population of at least 2.5 million people, which has a city charter that does not establish an independent redistricting commission, to establish an independent redistricting commission to adjust the district boundaries for the city council.

Status: Senate-Vetoed

SB-314 (Ashby) - County of Sacramento Redistricting Commission.

Creates a Citizens Redistricting Commission in Sacramento County.

Status: Chapter 389, Statutes of 2023

SB-977 (Laird) - County of San Luis Obispo Redistricting Commission.

Creates a Citizens Redistricting Commission in San Luis Obispo County.

Status: Chapter 450, Statutes of 2024

SB-1174 (Min) - Elections: voter identification.

Prohibits a local government from enacting or enforcing any local requirement that a person must present identification when voting or submitting a ballot at a polling location.

Status: Chapter 990, Statutes of 2024

ENERGY AND TELECOMMUNICATIONS

AB-965 (Juan Carrillo) - Local government: broadband permit applications.

Requires local agencies to undertake batched processing for broadband permits.

Status: Chapter 553, Statutes of 2023

AB-1132 (Friedman) - Solar energy systems: permit fees.

Extends the sunset date on provisions of law that limit the permit fees a city or county can charge for solar energy systems, from January 1, 2025, to January 1, 2034.

Status: Chapter 357, Statutes of 2023

AB-1176 (Zbur) - General plans: Local Electrification Planning Act.

Would have enacted the Local Electrification Planning Act and required cities and counties to prepare and adopt an electrification plan, decarbonization plan, community energy plan, or other similar plan, or integrate a plan into the general plan to identify various goals, objectives, policies, and feasible implementation measures regarding electrification and decarbonization of transportation and buildings.

Status: Senate-In Committee Process - Energy, Utilities and Communications

AB-1504 (McCarty) - Planning and zoning: electric vehicle charging infrastructure: public right-of-way.

Would have required cities and counties to complete a plan for the installation of electric vehicle (EV) charging stations in the public right-of-way, and updated the requirements of the statewide assessment of necessary EV charging infrastructure the California Energy Commission prepares pursuant to existing law.

Status: Assembly-Died - Appropriations

AB-2427 (McCarty) - Electric vehicle charging stations: permitting: curbside charging.

Requires local agencies to undertake specified actions regarding the permitting of electric vehicle charging stations in the public right-of-way, and adds specified information to the Electric Vehicle Charging Station Permitting Guidebook developed by the Governor's Office of Business and Economic Development.

Status: Chapter 567, Statutes of 2024

AB-3198 (Garcia) - Joint powers agreements: retail electric services.

Authorizes public agencies within the Coachella Valley Service area to enter into a joint powers agreement to provide retail electric service, as specified.

Status: Chapter 585, Statutes of 2024

SB-825 (Limón) - Local government: public broadband services.

Alters a definition of "local agency" in existing law to help metropolitan planning organizations and regional transportation planning authorities qualify for broadband infrastructure grant funding from the California Public Utilities Commission.

Status: Chapter 186, Statutes of 2023

FINANCE

AB-562 (Wendy Carrillo) - Local government finance: the County of Los Angeles.

Repeals financial reporting requirements and associated fiscal oversight for the County of Los Angeles.

Status: Chapter 90, Statutes of 2023

AB-759 (Grayson) - Sanitary districts.

Makes changes to the requirements dictating how sanitary districts expend funds.

Status: Chapter 19, Statutes of 2023

AB-761 (Friedman) - Local finance: enhanced infrastructure financing districts.

Allows an enhanced infrastructure financing district enacted primarily to develop and construct passenger rail projects in Los Angeles County to last 75 years instead of 45 years if it receives specified federal transportation loans.

Status: Chapter 344, Statutes of 2024

AB-901 (Ting) - Affordable housing financing districts.

Would have authorized the creation of affordable housing financing districts.

Status: Assembly-Died - Appropriations

AB-930 (Friedman) - Local government: Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts.

Would have authorized the establishment of Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts.

Status: Senate-In Committee Process - Appropriations

AB-939 (Pellerin) - Santa Clara Valley Water District.

Makes numerous changes to the Santa Clara Valley Water District Act.

Status: Chapter 170, Statutes of 2023

AB-961 (Dixon) - State mandates: claims.

Would have changed the minimum claim amount for state mandate reimbursement to \$800.

Status: Assembly-Died - Local Government

AB-972 (Maienschein) - Local Assistance and Grant Program Streamlining Workgroup.

Would have required the Governor's Office of Planning and Research to convene a specified statewide, cross-agency Local Assistance and Grant Program Streamlining Workgroup.

Status: Senate-In Committee Process - Appropriations

AB-1052 (McCarty) - Sacramento Regional Transit District: taxes.

Makes changes to the taxing authority for the Sacramento Regional Transit District.

Status: Chapter 674, Statutes of 2023

AB-1256 (Wood) - Transactions and use taxes: County of Humboldt.

Authorizes Humboldt County to impose a transaction and use tax that exceeds the 2% statutory limitation.

Status: Chapter 572, Statutes of 2023

AB-1259 (Soria) - Dissolution of redevelopment agencies: enhanced infrastructure financing districts: City of Merced.

Allows the City of Merced to initiate, participate in, finance, or govern an enhanced infrastructure financing district if it meets specified conditions.

Status: Chapter 678, Statutes of 2023

AB-1270 (Dixon) - Redevelopment: successor agency: City of Lake Forest.

Requires the Orange County Auditor Controller to allocate property tax revenues attributable to the El Toro Project Area to the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency.

Status: Chapter 301, Statutes of 2023

AB-1385 (Garcia) - Riverside County Transportation Commission: transaction and use tax.

Authorizes the Riverside County Transportation Commission to impose a maximum transportation and use tax of 1.5%.

Status: Chapter 578, Statutes of 2023

AB-1476 (Alvarez) - Community Redevelopment Law of 2023.

Would have created the Community Redevelopment Law of 2023.

Status: Assembly-Died - Appropriations

AB-1679 (Santiago) - Transactions and use taxes: County of Los Angeles: homelessness.

Authorizes Los Angeles County to impose a transaction and use tax that exceeds the 2% statutory limitation.

Status: Chapter 731, Statutes of 2023

AB-1781 (Waldron) - State mandates: claims.

Would have reduced the minimum state mandate claim amount to \$800.

Status: Assembly-In Committee Process - Local Government

AB-1782 (Ta) - Redevelopment: successor agencies: Low and Moderate Income Housing Asset Fund.

Makes changes to how a housing successor to a redevelopment agency may expend funds from its Low and Moderate Income Housing Asset Fund.

Status: Chapter 85, Statutes of 2024

AB-1819 (Waldron) - Enhanced infrastructure financing districts: public capital facilities: wildfires.

Provides that certain enhanced infrastructure financing districts are allowed to finance specified fire related projects and equipment.

Status: Chapter 357, Statutes of 2024

AB-1827 (Papan) - Local government: fees and charges: water: higher consumptive water parcels.

Provides that fees or charges for property-related water service may include the incrementally higher costs of water service.

Status: Chapter 359, Statutes of 2024

AB-1853 (Villapudua) - San Joaquin Regional Transit District: meetings: surplus money investments.

Makes changes to the San Joaquin Regional Transit District (RTD) board member compensation limits and RTD's authority to invest surplus money.

Status: Chapter 216, Statutes of 2024

AB-2157 (Bonta) - City of Alameda Health Care District: certificates of participation: lien.

Enacts a statutory lien to secure certificates of participation issued by the City of Alameda Health Care District.

Status: Chapter 148, Statutes of 2024

AB-2213 (Blanca Rubio) - Redevelopment: oversight boards.

Provides for updates to the boundaries of specified redevelopment agency oversight boards.

Status: Chapter 63, Statutes of 2024

AB-2257 (Wilson) - Local government: property-related water and sewer fees and assessments: remedies.

Establishes a procedure whereby a ratepayer for water or sewer services must exhaust specified administrative remedies to contest a new or increased fee or assessment in order for that ratepayer to be eligible to bring a lawsuit contesting the fee or assessment.

Status: Chapter 561, Statutes of 2024

AB-2403 (Bonta) - Community colleges: student equity plan.

Would have included, in the list of facilities and projects that an enhanced infrastructure financing district may fund, community food and climate resilience projects that increase local food production in and for disadvantaged communities and are powered by renewable energy, including community gardens. (Subsequently amended to address a subject matter outside of Local Government Committee jurisdiction.)

Status: Chapter 715, Statutes of 2024

AB-2431 (Mathis) - Taxation: Transactions and Use Tax Law: limit increase.

Would have authorized a city, county, or city and county to impose a transactions and use tax at an unspecified rate that exceeds the 2% statutory limitation if certain conditions are met.

Status: Assembly-In Committee Process - Local Government

AB-2443 (Juan Carrillo) - Transactions and use taxes: Cities of Lancaster, Palmdale, and Victorville.

Authorizes the cities of Lancaster, Palmdale, and Victorville to impose a transaction and use tax that exceeds the 2% statutory limitation.

Status: Chapter 961, Statutes of 2024

AB-2457 (McCarty) - Sacramento Municipal Utility District: nonstock security.

Extends the sunset date of the Sacramento Municipal Utility District's (SMUD) existing nonstock security program by ten years and doubles the number of acquisitions SMUD can make under this program from three to six.

Status: Chapter 400, Statutes of 2024

AB-2482 (Papan) - County treasurer: settlement of accounts.

Would have required that, upon the request of the county auditor, the county treasurer shall provide a settlement of cash receipts and disbursements of the prior calendar month to the auditor on or before 12 business days, instead of 10, after the treasurer receives the auditor's request.

Status: Senate-In Committee Process - Local Government

AB-2488 (Ting) - Downtown revitalization and economic recovery financing districts.

Allows the City and County of San Francisco to establish one downtown revitalization and economic recovery financing district.

Status: Chapter 274, Statutes of 2024

AB-2579 (Quirk-Silva) - Inspections: exterior elevated elements.

Would have, for the 2025–26 fiscal year and each fiscal year thereafter, required the auditor of Orange County to increase the total amount of ad valorem property tax revenue that is otherwise required to be allocated to the County and to commensurately decrease the amount of ad valorem property tax revenue that is otherwise required to be allocated to the county Educational Revenue Augmentation Fund and, if necessary, the amount of those revenues otherwise required to be allocated to school districts. (Subsequently amended to address a subject matter outside of Local Government Committee jurisdiction.)

Status: Chapter 835, Statutes of 2024

AB-2618 (Chen) - Surplus funds: investment.

Extends, until January 1, 2031, the authority for a local agency to invest up to 50% (rather than 30%) of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union under specified conditions.

Status: Chapter 239, Statutes of 2024

[AB-2682 \(Kalra\) - Santa Clara Valley Open-Space Authority.](#)

Makes a number of changes to laws governing the Santa Clara Valley Open-Space Authority.

Status: Chapter 733, Statutes of 2024

[AB-2783 \(Alvarez\) - San Diego Unified Port District.](#)

Would have made numerous changes to the San Diego Unified Port District Act.

Status: Assembly-In Floor Process

[AB-2813 \(Aguiar-Curry\) - Government Investment Act.](#)

Enacts provisions to implement Assembly Constitutional Amendment 1 (Aguiar-Curry), Chapter 173, Statutes of 2023.

Status: Chapter 155, Statutes of 2024

[AB-2922 \(Garcia\) - Economic development: capital investment incentive programs.](#)

Reinstates the Capital Investment Incentive Program until January 1, 2035, and expands the program to cover lower initial investment amounts if a project proponent meets additional job creation requirements.

Status: Chapter 581, Statutes of 2024

[AB-2945 \(Alvarez\) - Reconnecting Communities Redevelopment Act.](#)

Would have authorized the formation of reconnecting communities investment agencies.

Status: Assembly-In Committee Process - Appropriations

[AB-2946 \(Valencia\) - Discretionary funds: County of Orange.](#)

Provides that a member of the Orange County Board of Supervisors shall not award district discretionary funds to a community organization or a nonprofit unless the board approves, by majority vote, that award, as specified, and prohibits members of the board from taking certain actions related to district discretionary funds within 90 days before an election.

Status: Chapter 249, Statutes of 2024

[AB-2962 \(Papan\) - Wholesale Regional Water System Security and Reliability Act.](#)

Extends the sunset date of the Wholesale Regional Water System Security and Reliability Act from January 1, 2026 to January 1, 2036.

Status: Chapter 203, Statutes of 2024

[AB-3259 \(Wilson\) - Transactions and use taxes: City of Campbell: City of Pinole: County of Solano.](#)

Authorizes the cities of Campbell and Pinole, Solano County, and any city in Solano County, to impose a transaction and use tax for general or specific purposes that exceeds the 2% cap.

Status: Chapter 852, Statutes of 2024

AB-3268 (Low) - Property taxation: low-value exemption: possessory interests in publicly owned streets and sidewalks.

Would have extended the authorization to issue securitized limited obligation notes from December 31, 2024, to December 31, 2025. (Subsequently amended to address a subject matter outside of Local Government Committee jurisdiction.)

Status: Senate-In Committee Process - Revenue and Taxation

ACA-1 (Aguiar-Curry) - Local government financing: affordable housing and public infrastructure: voter approval.

Proposes amendments to the California Constitution to allow a city, county, or special district, with 55% voter approval, to incur bonded indebtedness or impose specified special taxes to fund projects for affordable housing, permanent supportive housing, or public infrastructure.

Status: Chapter 173, Statutes of 2023

ACA-10 (Aguiar-Curry) - Local government financing: affordable housing and public infrastructure: voter approval.

Directs the Secretary of State to make specified amendments to Assembly Constitutional Amendment 1 (Aguiar-Curry), Chapter 173, Statutes of 2023.

Status: Chapter 134, Statutes of 2024

SB-329 (Dodd) - Cities: city council members: compensation.

Makes changes to the amount of compensation certain city council members may receive.

Status: Chapter 27, Statutes of 2023

SB-335 (Cortese) - Transactions and use taxes: County of Santa Clara.

Authorizes Santa Clara County to impose a transactions and use tax (TUT) that exceeds the 2% statutory limitation, and authorizes the County of Ventura to impose a specified TUT instead of the Ventura County Transportation Commission.

Status: Chapter 391, Statutes of 2023

SB-440 (Skinner) - Regional Housing Finance Authorities.

Authorizes two or more local governments to establish a regional housing finance authority to raise, administer, and allocate funding for affordable housing and provide technical assistance at a regional level for affordable housing development.

Status: Chapter 767, Statutes of 2024

SB-593 (Wiener) - Redevelopment: successor agency debt: City and County of San Francisco.

Allows the successor agency of the Redevelopment Agency of the City and County of San Francisco to finance certain affordable housing projects.

Status: Chapter 782, Statutes of 2023

SB-769 (Gonzalez) - Local government: fiscal and financial training.

Would have required specified local officials to receive two hours of fiscal and financial training at least once every two years.

Status: Assembly-In Committee Process - Appropriations

SB-862 (Laird) - Santa Cruz Metropolitan Transit District: transaction and use tax rates.

Authorizes the board of directors of the Santa Cruz Metropolitan Transit District to impose a retail transactions and use tax after January 1, 2024, that is excluded from the 2% combined rate limit, if certain conditions are met.

Status: Chapter 296, Statutes of 2023

SB-882 (Committee on Governance and Finance) - Local Government Omnibus Act of 2023.

Enacts the Local Government Omnibus Act of 2023, which proposes a number of non-controversial changes to existing laws governing the powers and duties of local agencies.

Status: Chapter 187, Statutes of 2023

SB-994 (Roth) - Local government: joint powers authority: transfer of authority.

Allows the March Joint Powers Authority to transfer jurisdiction over its community facilities districts and landscaping and lighting maintenance districts to Riverside County.

Status: Chapter 28, Statutes of 2024

SB-1070 (Padilla) - Health care district: County of Imperial.

Authorizes the Imperial Valley Healthcare District to place a permanent funding source mechanism on the ballot on or before the November 2026 election instead of the March 2024 or November 2024 election as specified in existing law.

Status: Chapter 1013, Statutes of 2024

SB-1072 (Padilla) - Local government: Proposition 218: remedies.

Provides that, if a court determines that a fee or charge for a property-related service violates Proposition 218, then the local agency must credit that amount against the cost of providing the property related service.

Status: Chapter 323, Statutes of 2024

SB-1140 (Caballero) - Enhanced infrastructure financing district.

Makes numerous changes to enhanced infrastructure financing district law and specifies that an eligible project for climate resilience districts includes a project that intends to improve air quality.

Status: Chapter 599, Statutes of 2024

SB-1169 (Stern) - Los Angeles County Flood Control District: finances.

Makes changes to the Los Angeles County Flood Control District's authority to borrow money from the federal government.

Status: Chapter 77, Statutes of 2024

GOVERNANCE

AB-354 (Stephanie Nguyen) - Sacramento Regional Transit District: board of directors: membership.

Authorizes the City of Elk Grove to appoint two members to the Sacramento Regional Transit District board instead of one.

Status: Chapter 35, Statutes of 2023

AB-558 (Arambula) - Fresno County Transportation Authority.

Would have made numerous changes to law governing the Fresno County Transportation Authority.

Status: Assembly-Died - Local Government

AB-588 (Robert Rivas) - Pajaro Valley Water Management Agency Act: board members.

Requires the City of Watsonville appointee to the Pajaro Valley Water Management Agency to have a primary income that involves or, if the appointee is retired, did involve, a close and continuing relationship with the Pajaro Valley agricultural industry instead of deriving at least 51% of their net income from the production of agricultural products.

Status: Chapter 37, Statutes of 2023

AB-650 (Arambula) - San Joaquin Valley Unified Air Pollution Control District: board.

Would have made changes to the governing board of the San Joaquin Valley Unified Air Pollution Control District.

Status: Assembly-Died - Local Government

AB-722 (Bonta) - Alameda Health System Hospital Authority.

Prohibits, until January 1, 2035, the Alameda Health System Hospital Authority (AHS) from entering into a contract with any other person or entity, including, but not limited to, a subsidiary or other entity established by AHS, to replace services being provided by physicians and surgeons who are employed by AHS and in a recognized collective bargaining unit without clear and convincing evidence that the needed medical care can only be delivered cost effectively by another person or entity.

Status: Chapter 269, Statutes of 2023

AB-918 (Garcia) - Health care district: County of Imperial.

Creates the Imperial Valley Healthcare District to provide healthcare services across Imperial County, gives the district various powers and responsibilities, and dissolves Pioneers Memorial Healthcare District and Heffernan Memorial Healthcare District.

Status: Chapter 549, Statutes of 2023

AB-1924 (Stephanie Nguyen) - Sacramento Regional Transit District.

Allows the Sacramento Regional Transit District to expand its service area to any city within Sacramento County and any other portion of the unincorporated territory within the boundaries of Sacramento County where the county has declared a need for the district to operate, and reduces the number of board members that may be appointed by the City of Sacramento from four to three.

Status: Chapter 92, Statutes of 2024

AB-1958 (Berman) - Santa Clara Valley Transportation Authority: board of directors.

Would have required appointing powers for members of the board of directors of the Santa Clara Valley Transportation Authority to make public their reasons for appointing a board member and increased the term of office for each director to four years.

Status: Senate-In Committee Process - Transportation

AB-2213 (Blanca Rubio) - Redevelopment: oversight boards.

Provides for updates to the boundaries of specified redevelopment agency oversight boards.

Status: Chapter 63, Statutes of 2024

AB-2325 (Lee) - San Francisco Bay Area Rapid Transit District: officers: designation and appointment.

Eliminates the treasurer and controller as specifically designated officers of the Bay Area Rapid Transit District and as positions subject to appointment and removal by the District Board, and creates the position of the chief financial officer (CFO), subject to appointment and removal by the general manager and transfers all duties from the eliminated positions to the CFO.

Status: Chapter 106, Statutes of 2024

AB-2591 (Quirk-Silva) - Local government: youth commissions.

Would have required counties and cities to establish a youth commission in response to petitions from youth residing in their jurisdictions.

Status: Assembly-In Committee Process - Appropriations

AB-2682 (Kalra) - Santa Clara Valley Open-Space Authority.

Makes a number of changes to laws governing the Santa Clara Valley Open-Space Authority.

Status: Chapter 733, Statutes of 2024

AB-2783 (Alvarez) - San Diego Unified Port District.

Would have made numerous changes to the San Diego Unified Port District Act.

Status: Assembly-In Floor Process

AB-2946 (Valencia) - Discretionary funds: County of Orange.

Provides that a member of the Orange County Board of Supervisors shall not award district discretionary funds to a community organization or a nonprofit unless the board approves, by

majority vote, that award, as specified, and prohibits members of the board from taking certain actions related to district discretionary funds within 90 days before an election.

Status: Chapter 249, Statutes of 2024

AB-3018 (Mathis) - Counties: chambers of commerce: government affairs committees.

Would have required, if a county board of supervisors established a body for the purpose of advising and assisting it in the matter of advertising, exploiting, and making known the resources of the county, and that body established a government affairs committee or other committee whose purpose is to follow and discuss legislative, infrastructure, and regulatory issues affecting the county's business community, that committee to have at least one member who is a member of a federally recognized Indian tribe.

Status: Assembly-In Committee Process - Local Government

AB-3198 (Garcia) - Joint powers agreements: retail electric services.

Authorizes public agencies within the Coachella Valley Service area to enter into a joint powers agreement to provide retail electric service, as specified.

Status: Chapter 585, Statutes of 2024

SB-692 (Dahle) - South Fork Irrigation District.

Makes certain non-residents eligible to serve on the South Fork Irrigation District Board of Directors.

Status: Chapter 628, Statutes of 2023

SB-994 (Roth) - Local government: joint powers authority: transfer of authority.

Allows the March Joint Powers Authority to transfer jurisdiction over its community facilities districts and landscaping and lighting maintenance districts to Riverside County.

Status: Chapter 28, Statutes of 2024

SJR-3 (Roth) - The City of Eastvale: ZIP Code.

Urges the United States Congress to work with President Joseph R. Biden to authorize assigning the City of Eastvale an independent Zone Improvement Plan (ZIP) Code.

Status: Chapter 105, Statutes of 2023

HOUSING

AB-42 (Ramos) - Tiny homes: fire sprinkler requirements.

Prohibits, until January 1, 2027, a local agency from imposing or enforcing a requirement to provide fire sprinklers in temporary sleeping cabins, as defined, for people experiencing or at risk of homelessness if certain conditions are met.

Status: Chapter 725, Statutes of 2023

AB-68 (Ward) - Land use: streamlined housing approvals: density, subdivision, and utility approvals.

Would have required a streamlined, ministerial approval process for specified multi-unit housing developments on climate-smart parcels or in priority development areas; and, would have prohibited a county from increasing the planned density on climate resilient lands, authorizing the subdivision of property within climate risk lands or climate refugia lands, or authorizing the extension of water or sewer services on climate resilient lands, unless specified requirements and conditions were met.

Status: Assembly-Died - Housing and Community Development

AB-281 (Grayson) - Planning and zoning: housing: postentitlement phase permits.

Requires special districts to comply with specified timeframes, similar to those for cities and counties, when reviewing and approving postentitlement phase permit applications from housing developers.

Status: Chapter 735, Statutes of 2023

AB-434 (Grayson) - Housing element: notice of violation.

Adds specified housing laws to the list of laws that the Department of Housing and Community Development is required to enforce.

Status: Chapter 740, Statutes of 2023

AB-440 (Wicks) - Density Bonus Law: maximum allowable residential density.

Would have clarified in Density Bonus Law that the base density for a development requesting a density bonus is the greatest allowable density in the zoning ordinance, specific plan, or the land use element of the general plan.

Status: Chapter 82, Statutes of 2024

AB-516 (Ramos) - Mitigation Fee Act: fees for improvements: expenditure reports and audits.

Requires local agencies to provide more information in their Mitigation Fee Act reports.

Status: Chapter 741, Statutes of 2023

AB-529 (Gabriel) - Adaptive reuse projects.

Requires the Department of Housing and Community Development to convene a working group regarding adaptive reuse residential projects, including identifying and recommending amendments to state building standards, and makes other changes to state law related to adaptive reuse projects.

Status: Chapter 743, Statutes of 2023

AB-901 (Ting) - Affordable housing financing districts.

Would have authorized the creation of affordable housing financing districts.

Status: Assembly-Died - Appropriations

AB-930 (Friedman) - Local government: Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts.

Would have authorized the establishment of Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts.

Status: Senate-In Committee Process - Appropriations

AB-976 (Ting) - Accessory dwelling units: owner-occupancy requirements.

Prohibits, permanently, local agencies from imposing an owner-occupant requirement on an Accessory Dwelling Unit (ADU) or a primary dwelling on a parcel that contains an ADU.

Status: Chapter 751, Statutes of 2023

AB-1033 (Ting) - Accessory dwelling units: local ordinances: separate sale or conveyance.

Allows cities and counties that have a local accessory dwelling unit (ADU) ordinance to allow ADUs to be sold separately or conveyed from the primary residence as condominiums.

Status: Chapter 752, Statutes of 2023

AB-1086 (McCarty) - Joint Exercise of Powers Act: Sacramento County Partnership on Homelessness.

Would have authorized the County of Sacramento and the Cities of Sacramento, Rancho Cordova, Elk Grove, Citrus Heights, and Folsom to enter into a joint powers agreement to create and operate a joint powers agency to assist the homeless population, coordinate homelessness response, and develop and manage a comprehensive strategic plan to address homelessness within the jurisdiction of its members.

Status: Assembly-Died - Local Government

AB-1114 (Haney) - Planning and zoning: housing development projects: postentitlement phase permits.

Expands the postentitlement permits subject to expedited review process and timelines to include all building permits and other permits issued under the California Building Standards Code, or any applicable local building code for the construction, demolition, or alteration of buildings, whether discretionary or nondiscretionary.

Status: Chapter 753, Statutes of 2023

AB-1183 (Holden) - Streamlined housing projects: construction permits: notice.

Would have required a city or county that approves a construction project permit through the expedited, streamlined process established via SB 35 (Weiner), Chapter 366, Statutes of 2017, to require the developer to place a sign with specified information on the parcel in plain view of the public at least 30 days before construction starts and until the project is complete.

Status: Assembly-Died - Local Government

AB-1218 (Lowenthal) - Development projects: demolition of residential dwelling units.

Amends the demolition protections for existing housing applicable to development projects.

Status: Chapter 754, Statutes of 2023

[AB-1308 \(Quirk-Silva\) - Planning and Zoning Law: single-family residences: parking requirements.](#)

Prohibits a public agency from increasing the minimum parking requirement that applies to a single-family residence as a condition of approval of a project to remodel, renovate, or add to a single-family residence.

Status: Chapter 756, Statutes of 2023

[AB-1318 \(Luz Rivas\) - California Environmental Quality Act: exemption: residential projects.](#)

Would have increased the size limit, from four acres to five acres, for purposes of an existing California Environmental Quality Act exemption for certain urban infill housing projects, and required the lead agency to file a notice of exemption with the Office of Planning and Research.

Status: Senate-In Committee Process - Environmental Quality

[AB-1332 \(Juan Carrillo\) - Accessory dwelling units: preapproved plans.](#)

Requires local governments to create a program for the pre-approval of Accessory Dwelling Units.

Status: Chapter 759, Statutes of 2023

[AB-1476 \(Alvarez\) - Community Redevelopment Law of 2023.](#)

Would have created the Community Redevelopment Law of 2023.

Status: Assembly-Died - Appropriations

[AB-1490 \(Lee\) - Affordable housing development projects: adaptive reuse.](#)

Makes an affordable housing project that adaptively reuses an existing building an allowable use under specified conditions, and limits the local government from imposing specified requirements, notwithstanding any inconsistencies between the project and any local plans, zoning, or regulations.

Status: Chapter 764, Statutes of 2023

[AB-1607 \(Wendy Carrillo\) - Los Angeles County Affordable Housing Solutions Agency.](#)

Allows the Los Angeles County Affordable Housing Solutions Agency to transfer a portion of revenue raised by a tax measure to the County of Los Angeles for programs that provide supports and services to prevent and combat homelessness.

Status: Chapter 730, Statutes of 2023

[AB-1630 \(Garcia\) - Planning and zoning: housing development approvals: student housing projects.](#)

Would have required cities and counties to classify student or faculty and staff housing as a permitted use on real property within 1,000 feet of a university campus for zoning purposes, and required a proposed student or faculty and staff housing project to be considered ministerially if the proposed housing project met certain requirements, as specified.

Status: Assembly-Died - Housing and Community Development

AB-1679 (Santiago) - Transactions and use taxes: County of Los Angeles: homelessness.

Authorizes Los Angeles County to impose a transaction and use tax that exceeds the 2% statutory limitation.

Status: Chapter 731, Statutes of 2023

AB-1734 (Jones-Sawyer) - Local Government: Surplus Land Act: exemptions.

Creates, until January 1, 2034, a specific process under the Surplus Land Act for the disposition of land in the City of Los Angeles for affordable housing and low barrier navigation centers.

Status: Chapter 769, Statutes of 2023

AB-1782 (Ta) - Redevelopment: successor agencies: Low and Moderate Income Housing Asset Fund.

Makes changes to how a housing successor to a redevelopment agency may expend funds from its Low and Moderate Income Housing Asset Fund.

Status: Chapter 85, Statutes of 2024

AB-1801 (Jackson) - Supportive housing: administrative office space.

Allows a supportive housing development utilizing the by-right process in current law to include administrative office space in the nonresidential floor area of the development, up to certain limits.

Status: Chapter 683, Statutes of 2024

AB-1820 (Schiavo) - Housing development projects: applications: fees and exactions.

Establishes a process through which development proponents can request preliminary project fee and exaction estimates when submitting a preliminary application, and receive a final good faith estimate of all fees and exactions related to the project after final approval, within a specified timeframe.

Status: Chapter 358, Statutes of 2024

AB-1835 (Muratsuchi) - Local educational agencies: housing development projects: lower income households.

Would have made several changes to existing law governing certain housing development projects located on land owned by a local educational agency.

Status: Assembly-In Committee Process - Housing and Community Development

AB-1886 (Alvarez) - Housing Element Law: substantial compliance: Housing Accountability Act.

Clarifies that a housing element or amendment is not considered substantially compliant with housing element law until the local agency has adopted a housing element that the Department of Housing and Community Development has determined is in substantial compliance with housing element law.

Status: Chapter 267, Statutes of 2024

AB-1893 (Wicks) - Housing Accountability Act: housing disapprovals: required local findings.

Revises the “builder’s remedy” to reduce the affordability required to qualify, sets parameters around the density and objective standards that apply to a housing development project, and expands the scope of actions that constitute disapproval of a housing development project by a local government for the purposes of the Housing Accountability Act.

Status: Chapter 268, Statutes of 2024

AB-2023 (Quirk-Silva) - Housing element: inventory of land: rebuttable presumptions.

Creates a rebuttable presumption of invalidity in any legal action challenging a local government's action or failure to act if the Department of Housing and Community Development finds that the action or failure to act does not substantially comply with the local government's adopted housing element or housing element obligations, among other changes.

Status: Chapter 269, Statutes of 2024

AB-2117 (Joe Patterson) - Development permit expirations: actions or proceedings.

Excludes time spent in litigation from the timeframe in which a housing permit or other project approval can expire.

Status: Chapter 270, Statutes of 2024

AB-2144 (Grayson) - General plan: annual report.

Would have required local governments to include in their Annual Progress Reports to the Department of Housing and Community Development and the Office of Planning and Research certain information related to their compliance with existing law that requires them to post specified fee and permit information on their websites.

Status: Senate-In Committee Process - Appropriations

AB-2243 (Wicks) - Affordable Housing and High Road Jobs Act of 2022: objective standards and affordability and site criteria.

Makes changes to the Affordable Housing and High Road Jobs Act of 2022 (AB 2011), including expanding where it applies.

Status: Chapter 272, Statutes of 2024

AB-2314 (Lee) - Tribal housing developments: use by right: density.

Would have provided unlimited density and a streamlined, ministerial approval process for tribal housing development projects.

Status: Assembly-In Committee Process - Housing and Community Development

AB-2361 (Davies) - Planning and zoning: regional housing needs: exchange of allocation: Counties of Orange and San Diego.

Would have allowed a city or county in the counties of Orange and San Diego to transfer all or a portion of its regional housing needs allocation to another city or county in the counties of Orange and San Diego.

Status: Assembly-In Committee Process - Housing and Community Development

AB-2430 (Alvarez) - Planning and zoning: density bonuses: monitoring fees.

Prohibits a city, county, or city and county from charging local monitoring fees on 100% affordable housing developments using Density Bonus Law (DBL) to ensure the continued affordability required under DBL and any applicable local inclusionary housing ordinance if the units in the development are subject to a regulatory monitoring agreement with certain state agencies.

Status: Chapter 273, Statutes of 2024

AB-2485 (Juan Carrillo) - Regional housing need: determination.

Would have required the Department of Housing and Community Development to convene and engage specified stakeholders to consider improvements to the process of determining the housing needs for each region, and to publish specified data and information on its website regarding the decision-making process used to determine regional housing needs.

Status: Senate-In Committee Process - Appropriations

AB-2488 (Ting) - Downtown revitalization and economic recovery financing districts.

Allows the City and County of San Francisco to establish one downtown revitalization and economic recovery financing district.

Status: Chapter 274, Statutes of 2024

AB-2533 (Juan Carrillo) - Accessory dwelling units: junior accessory dwelling units: unpermitted developments.

Extends the Accessory Dwelling Unit (ADU) amnesty law to unpermitted ADUs and junior accessory dwelling units (JADUs) built before 2020; provides a process for homeowners to permit their unpermitted ADUs; and provides financial assistance to lower- and moderate-income households seeking to permit their unpermitted ADUs and JADUs.

Status: Chapter 834, Statutes of 2024

AB-2553 (Friedman) - Housing development: major transit stops: vehicular traffic impact fees.

Requires cities and counties to set lower traffic impact mitigation fees for transit-oriented housing developments near major transit stops, instead of just at transit stations, and changed the definition of a major transit stop.

Status: Chapter 275, Statutes of 2024

AB-2580 (Wicks) - Historical resources.

Requires a local government to include information about a local government's historic preservation practice and policies to the constraint analysis required by housing element law.

Status: Chapter 723, Statutes of 2024

AB-2593 (McCarty) - Joint Exercise of Powers Act: Sacramento County Partnership on Homelessness.

Would have authorized specified local agencies within Sacramento County to enter into a joint powers agreement with any other local agency to create and operate a joint powers agency to assist the homeless population.

Status: Senate-In Floor Process

AB-2597 (Ward) - Planning and zoning: revision of housing element: Southern California Association of Governments.

Amends the timeline for local governments to appeal proposed regional housing needs allocation plans and revises the statutory housing element adoption deadline for jurisdictions within the Southern California Association of Governments by providing an additional six months to Los Angeles and Imperial Counties and jurisdictions within those counties.

Status: Chapter 572, Statutes of 2024

AB-2663 (Grayson) - Affordable housing fees: reports.

Requires local agencies that collect inclusionary housing in-lieu fees and have a website to post information about the fees collected and spent on their internet website.

Status: Chapter 276, Statutes of 2024

AB-2667 (Santiago) - Affirmatively furthering fair housing: housing element: reporting.

Makes changes to the housing element and Annual Progress Report related to the requirement to affirmatively further fair housing.

Status: Chapter 277, Statutes of 2024

AB-2717 (Alvarez) - Planning and zoning: housing element: annual progress report.

Would have required the planning agency of a city or county, in its annual regional housing needs report, to include the number of rental housing units and for-sale units that have been completed, as evidenced by the project's certificate of occupancy.

Status: Assembly-In Committee Process - Housing and Community Development

AB-2728 (Gabriel) - Planning and zoning: housing development: independent institutions of higher education and religious institutions.

Would have required the Department of Housing and Community Development to develop and publish, by July 1, 2025, model partnership agreements that may be used by higher education and religious institutions when they partner with affordable housing developers and would have required local agencies to include additional information on their annual progress reports regarding affordable housing projects on those lands.

Status: Senate-In Committee Process - Appropriations

AB-2729 (Joe Patterson) - Residential fees and charges.

Extends residential development entitlements for specified residential projects by 18 months.

Status: Chapter 737, Statutes of 2024

AB-2825 (Boerner) - Accessory dwelling units: inspections: housing purposes.

Would have authorized a local agency to adopt an ordinance that allows the local agency to inspect an accessory dwelling unit (ADU) or a junior ADU to ensure that the unit is used for dwelling purposes.

Status: Assembly-In Committee Process - Housing and Community Development

AB-2909 (Santiago) - Historical property contracts: qualified historical property: adaptive reuse.

Would have allowed, until January 1, 2036, certain historic properties located within the City of Los Angeles to be eligible for the property tax benefits provided by the Mills Act for purposes of adaptive reuse of the property, provided certain conditions are met.

Status: Senate-In Committee Process - Local Government

AB-2910 (Santiago) - State Housing Law: local regulations: conversion of commercial or industrial buildings.

Would have allowed the City of Los Angeles to adopt alternative building regulations for the conversion of nonresidential buildings and structures to residential uses, subject to approval by the California Building Standards Commission.

Status: Assembly-Vetoed

AB-2945 (Alvarez) - Reconnecting Communities Redevelopment Act.

Would have authorized the formation of reconnecting communities investment agencies.

Status: Assembly-In Committee Process - Appropriations

AB-3012 (Grayson) - Development fees: fee schedule template: fee estimate tool.

Requires cities and counties to make available on their internet websites a fee estimate tool that the public can use to calculate an estimate of fees and exactions for a proposed housing development, and requires the Department of Housing and Community Development to create a fee schedule template and a list of best practices.

Status: Chapter 752, Statutes of 2024

AB-3068 (Haney) - Adaptive reuse: streamlining: incentives.

Would have established the Office to Housing Conversion Act, which would have created a streamlined, ministerial approval process for adaptive reuse projects and provided certain financial incentives for the adaptive reuse of existing buildings.

Status: Assembly-Vetoed

AB-3086 (Santiago) - General plan: annual report: housing units.

Would have required the planning agency of a city or county, in its annual regional housing needs report, to include the number of units with long-term affordable covenants and restrictions that expired in the prior year, and the number of units subject to a local rent control ordinance or any form of rent or price control that were withdrawn from rent or lease.

Status: Assembly-In Committee Process - Housing and Community Development

AB-3116 (Garcia) - Housing development: density bonuses: student housing developments.

Makes changes to Density Bonus Law as it applies to student housing developments.

Status: Chapter 432, Statutes of 2024

AB-3122 (Kalra) - Streamlined housing approvals: objective planning standards.

Revises certain aspects of the streamlined ministerial process established by SB 423 (Wiener), Chapter 778, Statutes of 2023, including the threshold at which a local government can apply recently adopted objective planning standards when a development approved pursuant to SB 423 is modified post-entitlement.

Status: Chapter 754, Statutes of 2024

AB-3177 (Wendy Carrillo) - Mitigation Fee Act: land dedications: mitigating vehicular traffic impacts.

Prohibits a local agency from imposing a land dedication requirement on a housing development for purposes of mitigating the impacts of vehicular traffic, except under specific circumstances.

Status: Chapter 436, Statutes of 2024

AB-3210 (Bonta) - Affordable Housing on K–12 Lands Act of 2024.

Would have established the Affordable Housing on K–12 Lands Act of 2024, which would have deemed a housing development project located on land owned by a local educational agency a use by right if certain criteria were met.

Status: Assembly-In Committee Process - Housing and Community Development

AB-3276 (Ramos) - Mitigation Fee Act: reports.

Would have required local agencies to post on their internet websites specified information they must already provide to the public pursuant to the Mitigation Fee Act. (Subsequently amended to address a subject matter outside of Local Government Committee jurisdiction.)

Status: Chapter 319, Statutes of 2024

SB-7 (Blakespear) - Regional housing need: determination.

Makes a number of technical changes to the regional housing needs determination process conducted by the Department of Housing and Community Development (HCD) and the regional housing needs allocation process conducted by HCD or Councils of Governments.

Status: Chapter 283, Statutes of 2024

SB-20 (Rubio) - Joint powers agreements: regional housing trusts.

Allows local agencies to create regional housing trusts.

Status: Chapter 147, Statutes of 2023

SB-440 (Skinner) - Regional Housing Finance Authorities.

Authorizes two or more local governments to establish a regional housing finance authority to raise, administer, and allocate funding for affordable housing and provide technical assistance at a regional level for affordable housing development.

Status: Chapter 767, Statutes of 2024

SB-450 (Atkins) - Housing development: approvals.

Amends the process established by SB 9 (Atkins), Chapter 162, Statutes of 2021, for the ministerial approval by a local agency of a duplex in a single-family zone and the lot split of a parcel zoned for residential use into two parcels.

Status: Chapter 286, Statutes of 2024

SB-593 (Wiener) - Redevelopment: successor agency debt: City and County of San Francisco.

Allows the successor agency of the Redevelopment Agency of the City and County of San Francisco to finance certain affordable housing projects.

Status: Chapter 782, Statutes of 2023

SB-713 (Padilla) - Planning and zoning: density bonuses: development standard.

Planning and zoning: density bonuses: development standards.

Status: Chapter 784, Statutes of 2023

SB-721 (Becker) - General plan: annual report: suite-style student housing quarters.

Would have required a local jurisdiction to include in its annual progress report to the Department of Housing and Community Development the number of new and demolished “suite-style student housing quarters,” and would have allowed a local jurisdiction to count these units towards meeting its share of the regional housing need.

Status: Assembly-In Committee Process - Appropriations

SB-937 (Wiener) - Development projects: permits and other entitlements: fees and charges.

Prohibits local governments from requiring payment of fees or charges for public improvements or facilities on a designated residential development project before the development receives a certificate of occupancy, except under certain conditions, and authorizes local governments to collect certain unpaid fees or charges in accordance with a specified procedure if the housing developer does not post a performance bond or letter of credit.

Status: Chapter 290, Statutes of 2024

SB-1123 (Caballero) - Planning and zoning: subdivisions: ministerial review.

Requires local agencies to ministerially approve the subdivision of vacant, single-family lots to allow for up to 10 parcels and 10 units, as specified, and makes other changes to SB 684 (Caballero), Chapter 783, Statutes of 2023.

Status: Chapter 294, Statutes of 2024

SB-1211 (Skinner) - Land use: accessory dwelling units: ministerial approval.

Increases the allowable number of detached accessory dwelling units (ADUs) on a lot with an existing multifamily dwelling from no more than two detached ADUs, to no more than eight detached ADUs.

Status: Chapter 296, Statutes of 2024

LAND USE

AB-98 (Juan Carrillo) - Planning and zoning: logistics use: truck routes.

Establishes warehouse standards, requires local agencies to update their circulation elements to include truck routes, and requires the South Coast Air Quality Management District to collect air pollution data near operational logistic use developments in the Counties of San Bernardino and Riverside.

Status: Chapter 931, Statutes of 2024

AB-457 (Joe Patterson) - Surplus Land Act: exempt surplus land: leases.

Would have created an exemption from the Surplus Land Act for parcels abutting a state highway right-of-way that a local agency identified in its circulation element or capital improvement plan for future roadway development.

Status: Assembly-Vetoed

AB-480 (Ting) - Surplus land.

Makes numerous changes to the Surplus Land Act, including the disposal process, the authority of the Department of Housing and Community Development, and penalties for violations.

Status: Chapter 788, Statutes of 2023

AB-821 (Grayson) - Planning and zoning: general plan: zoning ordinance: conflicts.

Requires a local agency to approve developments that are consistent with its general plan but not the applicable zoning ordinance, or to make the zoning ordinance consistent with the general plan within 180 days, and provides a legal remedy to ensure compliance.

Status: Chapter 748, Statutes of 2023

AB-837 (Alvarez) - Surplus land: exempt surplus land: SPA plans.

Would have specified that the Surplus Land Act does not apply to the disposition of land subject to an existing section planning area document that meets specified conditions related to the development of affordable housing.

Status: Senate-In Committee Process - Local Government

AB-894 (Friedman) - Parking requirements: shared parking.

Requires local agencies to allow developments to count underutilized and shared parking spaces toward a parking requirement imposed by the agency, under specified conditions.

Status: Chapter 749, Statutes of 2023

AB-983 (Cervantes) - Surplus land.

Would have altered the definition of "exempt surplus land" to include specified land designated in an adopted downtown revitalization plan.

Status: Assembly-Died - Local Government

AB-1000 (Reves) - Qualifying logistics use projects.

Would have prohibited specified public agencies within the Counties of San Bernardino and Riverside from approving the development or expansion of a “qualifying logistics use” (generally, a warehouse of 100,000 square feet or more) within 1,000 feet of a sensitive receptor, but would have allowed a public agency to approve a qualifying logistics use between 500 and 1,000 feet from a sensitive receptor if the qualifying logistics use imposed specified mitigation measures.

Status: Assembly-Died - Local Government

AB-1046 (Lowenthal) - Alquist-Priolo Earthquake Fault Zoning Act: exemptions.

Makes a number of changes to the Alquist-Priolo Earthquake Fault Zoning Act.

Status: Chapter 825, Statutes of 2023

AB-1152 (Joe Patterson) - Public agencies: causes of action: local planning and zoning: California Environmental Quality Act.

Would have stayed timing requirements associated with conditions of approval in a local zoning and planning decision during a lawsuit challenging a city's or county's zoning and planning decision, and would have required the time period for expiration of, and any timing requirements associated with conditions of approval identified in, a permit, agreement, or other entitlement for a project approved by a public agency to be stayed during the pendency of a legal action or proceeding challenging the approval of the project brought pursuant to the California Environmental Quality Act.

Status: Assembly-Died - Local Government

AB-1176 (Zbur) - General plans: Local Electrification Planning Act.

Would have enacted the Local Electrification Planning Act and required cities and counties to prepare and adopt an electrification plan, decarbonization plan, community energy plan, or other similar plan, or integrate a plan into the general plan to identify various goals, objectives, policies, and feasible implementation measures regarding electrification and decarbonization of transportation and buildings.

Status: Senate-In Committee Process - Energy, Utilities and Communications

AB-1504 (McCarty) - Planning and zoning: electric vehicle charging infrastructure: public right-of-way.

Would have required cities and counties to complete a plan for the installation of electric vehicle (EV) charging stations in the public right-of-way, and updated the requirements of the statewide assessment of necessary EV charging infrastructure the California Energy Commission prepares pursuant to existing law.

Status: Assembly-Died - Appropriations

AB-1531 (Flora) - Electrified security fences: local ordinances.

Would have modified provisions of law allowing a local ordinance to prohibit the installation and operation of electrified security fences, and would have prohibited a city or county ordinance, regulation, or code from requiring a permit or approval for an electrified security fence on commercial, manufacturing, or industrial property, or property zoned under another designation, but legally authorized to be used for a commercial, manufacturing, or industrial purpose, that is in addition to an alarm system permit issued by the city or county.

Status: Assembly-Died - Local Government

AB-1737 (Bauer-Kahan) - Local government: zoning and planning.

Would have made specified licensed health facilities a use by right and subject to streamlined ministerial review.

Status: Assembly-Died - Local Government

AB-1748 (Ramos) - Qualifying logistics use projects.

Would have prohibited specified public agencies within the Counties of San Bernardino and Riverside from approving the development or expansion of a logistics use adjacent to a sensitive receptor, unless the local agency imposed a 300-foot setback on a logistics use that consists of 400,000 or more square feet of building space, and additional specified requirements based on the logistic use's square footage of building space.

Status: Assembly-Died - Appropriations

AB-1889 (Friedman) - conservation element: wildlife and habitat connectivity.

Requires a city or county, upon the next revision of one or more general plan elements on or after January 1, 2028, to update the conservation element to, among other things, identify and analyze wildlife passage features to ensure that planned development does not undermine the effectiveness of those features.

Status: Chapter 686, Statutes of 2024

AB-2085 (Bauer-Kahan) - Planning and zoning: permitted use: community clinic.

Requires ministerial approval of a permit for development of a community clinic that provides reproductive health services in a zone where office, retail, parking, or health care is a permitted use.

Status: Chapter 820, Statutes of 2024

AB-2117 (Joe Patterson) - Development permit expirations: actions or proceedings.

Excludes time spent in litigation from the timeframe in which a housing permit or other project approval can expire.

Status: Chapter 270, Statutes of 2024

AB-2371 (Juan Carrillo) - Electrified security fences.

Generally prohibits, until January 1, 2028, cities and counties from prohibiting the installation and operation of an electrified security fence on specified industrial, manufacturing, or specified

commercial property, or from requiring a permit or approval for such fences when the fence is compliant with specified requirements for electrified security fences, except that a city or county may require an administrative permit confirming that the electrified security fence meets statutory standards when the fence is on a property that abuts a property in residential use, or is within 300 feet of a public park, childcare facility, recreation center, community center, or school facility.

Status: Chapter 235, Statutes of 2024

[AB-2427 \(McCarty\) - Electric vehicle charging stations: permitting: curbside charging.](#)

Requires local agencies to undertake specified actions regarding the permitting of electric vehicle charging stations in the public right-of-way, and adds specified information to the Electric Vehicle Charging Station Permitting Guidebook developed by the Governor's Office of Business and Economic Development.

Status: Chapter 567, Statutes of 2024

[AB-2554 \(Calderon\) - Aviation: vertiports.](#)

Would have prohibited the governing body of a local government from granting the exclusive right to one operator to develop vertiports or control vertiport operations within the local government's jurisdiction.

Status: Assembly-In Committee Process - Transportation

[AB-2559 \(Petrie-Norris\) - Local planning: electric vehicle service equipment: permitting delays.](#)

Would have required the Governor's Office of Business and Economic Development to create and maintain a publicly accessible internet website to collect information and report delays and denials regarding permitting for zero-emission vehicle infrastructure.

Status: Senate-In Committee Process - Appropriations

[AB-2632 \(Wilson\) - Planning and zoning: thrift retail stores.](#)

Prohibits a local agency from treating a thrift store differently from a retail store that sells similar new items.

Status: Chapter 728, Statutes of 2024

[AB-2684 \(Bryan\) - Safety element: extreme heat.](#)

Requires a city or county to update the safety element of its general plan to address the hazard of extreme heat upon the next revision of one or more elements of the general plan on or after January 1, 2028.

Status: Chapter 1009, Statutes of 2024

[AB-2712 \(Friedman\) - Preferential parking privileges: transit-oriented development.](#)

Prohibits the City of Los Angeles from granting preferential parking permits to residents of new developments that are exempt from minimum parking requirements under existing law.

Status: Chapter 415, Statutes of 2024

AB-2904 (Quirk-Silva) - Zoning ordinances: notice.

Requires local governments to provide at least 20 days notice before the required public hearing on a proposed zoning ordinance or amendment to the zoning ordinance, if the proposed ordinance or amendment affects the permitted uses of real property.

Status: Chapter 747, Statutes of 2024

AB-2939 (Rendon) - Parks: counties and cities: interpretive services.

Makes use of a local park by a qualified nonprofit or Native American Tribe to provide interpretive services to a maximum of 30 participating park visitors at once an allowable public use of a local park.

Status: Chapter 423, Statutes of 2024

SB-34 (Umberg) - Surplus land disposal: violations: Orange County.

Prohibits Orange County, or any city located therein, from proceeding with a planned disposal of surplus land if it receives a notice of violation from the Department of Housing and Community Development and the violation is not corrected within 60 days.

Status: Chapter 772, Statutes of 2023

SB-229 (Umberg) - Surplus land: disposal of property: violations: public meeting.

Requires a local agency that has been notified by the Department of Housing and Community Development that its planned disposal of a parcel is in violation of the Surplus Land Act to hold an open and public meeting to review and consider the substance of the notice of violation.

Status: Chapter 774, Statutes of 2023

SB-347 (Newman) - Subdivision Map Act: exemption: hydrogen fueling stations and electrical charging stations.

Adds an exemption to the Subdivision Map Act for a hydrogen fueling station or an electric vehicle charging station.

Status: Chapter 591, Statutes of 2024

SB-475 (Min) - Park property: City of Laguna Woods: City Centre Park.

Allows the City of Laguna Woods to use a portion of its City Centre Park property for the purpose of constructing a new fire station, if specified conditions are met.

Status: Chapter 287, Statutes of 2023

SB-684 (Caballero) - Land use: streamlined approval processes: development projects of 10 or fewer residential units on urban lots under 5 acres.

Land use: streamlined approval processes: development projects of 10 or fewer residential units on urban lots under 5 acres.

Status: Chapter 783, Statutes of 2023

SB-747 (Caballero) - Land use: economic development: surplus land.

Land use: economic development: surplus land.

Status: Chapter 786, Statutes of 2023

[SB-1045 \(Blakespear\) - Composting facilities: zoning.](#)

Would have required the Office of Planning and Research to develop and post on its website a technical advisory on best practices to facilitate the siting of compost facilities, and required cities and counties to consider updating their land use element to identify areas where it may be appropriate for compost facilities to be an allowable use.

Status: Assembly-In Committee Process - Appropriations

[SB-1134 \(Caballero\) - Surplus land.](#)

Would have required, for purposes of the Surplus Land Act (SLA), each parcel of land to be treated as a distinct unit of surplus land, unless the parcels are contiguous and disposed of simultaneously to the same receiving entity; would have deleted the Department of Housing and Community Development (HCD) exemption from the Administrative Procedures Act (APA) when reviewing or adopting SLA guidelines; and would have subjected any rule or policy issued by HCD in implementing the SLA to the APA.

Status: Assembly-In Floor Process

[SB-1418 \(Archuleta\) - Hydrogen-fueling stations: expedited review.](#)

Requires cities and counties to create an expedited, streamlined permitting process for specified hydrogen-fueling stations.

Status: Chapter 607, Statutes of 2024

[SB-1439 \(Ashby\) - Surplus Land Act: exempt surplus land: health facilities: City of Sacramento.](#)

Would have created a new exemption under the Surplus Land Act for specified parcels in the City of Sacramento, if the parcels are being or will be developed for specified health facilities.

Status: Assembly-Failed Passage in Committee - Housing and Community Development

LOCAL AGENCY FORMATION COMMISSIONS

[AB-918 \(Garcia\) - Health care district: County of Imperial.](#)

Creates the Imperial Valley Healthcare District to provide healthcare services across Imperial County, gives the district various powers and responsibilities, and dissolves Pioneers Memorial Healthcare District and Heffernan Memorial Healthcare District.

Status: Chapter 549, Statutes of 2023

[AB-1753 \(Committee on Local Government\) - Local government: reorganization.](#)

Makes technical, non-controversial changes to the local agency formation commission statutes which govern local government organization and reorganization.

Status: Chapter 25, Statutes of 2023

AB-2986 (Wendy Carrillo) - County of Los Angeles: East Los Angeles: report

Would have required the County of Los Angeles to complete and submit a report to the Legislature by March 1, 2025, regarding services and investments in each unincorporated community with a population over 10,000, and the feasibility of forming a municipal advisory council, or a coordinating council representing the comprehensive interests of the East Los Angeles Community.

Status: Senate-In Floor Process

AB-3277 (Committee on Local Government) - Local agency formation commission: districts: property tax.

Specifies that, if a proposal includes the formation of a district, a Local Agency Formation Commission shall only determine the amount of property tax revenue to be exchanged by an affected local agency if the applicant is seeking a share of the 1% ad valorem property taxes.

Status: Chapter 70, Statutes of 2024

SB-1209 (Cortese) - Local agency formation commission: indemnification.

Authorizes a Local Agency Formation Commission (LAFCO) to require an applicant to indemnify the LAFCO, its agents, officers, and employees from and against any claim, action, or proceeding that may stem from a LAFCO decision to approve an application.

Status: Chapter 886, Statutes of 2024

POWERS AND DUTIES

AB-233 (Wilson) - Local government: streets and sidewalks: disposal of horse excrement.

Would have allowed a local agency to adopt an ordinance requiring the owner of, or person otherwise responsible for, an animal to collect and dispose of any animal excrement deposited by that animal on public or private property.

Status: Senate-In Floor Process

AB-436 (Alvarez) - Vehicles.

Repeals the authorization for a local agency to regulate cruising and removes a prohibition on the operation of certain modified vehicles.

Status: Chapter 803, Statutes of 2023

AB-592 (Wilson) - Vehicles: nonfranchise solid waste haulers.

Allows the Counties of Alameda, Contra Costa, and Solano to adopt an ordinance as part of a three-year pilot program to regulate commercial nonfranchise solid waste haulers that haul solid waste on public roads in unincorporated areas of each county.

Status: Chapter 202, Statutes of 2023

AB-722 (Bonta) - Alameda Health System Hospital Authority.

Prohibits, until January 1, 2035, the Alameda Health System Hospital Authority (AHS) from entering into a contract with any other person or entity, including, but not limited to, a subsidiary or other entity established by AHS, to replace services being provided by physicians and surgeons who are employed by AHS and in a recognized collective bargaining unit without clear and convincing evidence that the needed medical care can only be delivered cost effectively by another person or entity.

Status: Chapter 269, Statutes of 2023

AB-1025 (Dixon) - County government: contract legal counsel: elected treasurer-tax collector.

Requires county boards of supervisors to obtain legal counsel to assist an elected treasurer-tax collector who requests such assistance, if a county counsel or district attorney would have a conflict of interest in representing the elected treasurer-tax collector.

Status: Chapter 823, Statutes of 2023

AB-1297 (Quirk-Silva) - Public restrooms.

Would have required cities, counties, and specified special districts to complete an inventory of public restrooms that they own and maintain, and provide the inventory to the California Department of Public Health (CDPH) by July 1, 2024, and would have required CDPH to compile the information and report the availability of local agency public restrooms, by county, to the Legislature by March 1, 2025.

Status: Senate-In Committee Process - Appropriations

AB-1637 (Irwin) - Local government: internet websites and email addresses.

Requires cities and counties that maintain websites to utilize a ".gov" or ".ca.gov" domain.

Status: Chapter 586, Statutes of 2023

AB-2293 (Mathis) - Joint powers agreements: health care services.

Allows nonprofits formed to provide health care services to join a joint powers authority or enter into a joint powers agreement with one or more public agencies.

Status: Chapter 710, Statutes of 2024

AB-2433 (Quirk-Silva) - California Private Permitting Review and Inspection Act: fees: building permits.

Would have required a local agency that has not completed plan-checking services within 30 business days of receiving a completed application for a building permit to complete plan-checking services and issue or deny a building permit within specified time frames, upon request by the applicant for the building permit.

Status: Senate-In Committee Process - Local Government

AB-2735 (Blanca Rubio) - Joint powers agreements: water corporations.

Would have allowed a private water corporation to enter into a joint powers agreement with a public agency for the purpose of insurance risk pooling.

Status: Assembly-Vetoed

AB-2791 (Wilson) - Sidewalk vendors.

Would have allowed cities and counties to prohibit sidewalk vendors from operating within 250 feet of an annual fair.

Status: Senate-In Committee Process - Local Government

AB-2986 (Wendy Carrillo) - County of Los Angeles: East Los Angeles: report

Would have required the County of Los Angeles to complete and submit a report to the Legislature by March 1, 2025, regarding services and investments in each unincorporated community with a population over 10,000, and the feasibility of forming a municipal advisory council, or a coordinating council representing the comprehensive interests of the East Los Angeles Community.

Status: Senate-In Floor Process

SB-566 (Jones) - Geodetic datums and spatial reference network.

Authorizes the use of additional geographical measurement systems for the purposes of surveying and mapping.

Status: Chapter 111, Statutes of 2023

SB-654 (Jones) - Local agencies: public property: airport leases.

Clarifies existing law that limits aviation-related leases between a local agency and a leaseholder to 50 years.

Status: Chapter 155, Statutes of 2023

SB-676 (Allen) - Local ordinances and regulations: drought-tolerant landscaping.

Specifies that cities or counties may not prohibit the installation of drought-tolerant landscaping using living plant material on residential property, and repeals existing provisions regarding the ability of cities or counties to prohibit or restrict the installation of synthetic grass or artificial turf on residential property.

Status: Chapter 498, Statutes of 2023

SB-878 (Committee on Governance and Finance) - Validations.

Validates the organization, boundaries, acts, proceedings, and bonds of the state government, counties, cities, special districts, and school districts, among other public bodies.

Status: Chapter 30, Statutes of 2023

SB-879 (Committee on Governance and Finance) - Validations.

Validates the organization, boundaries, acts, proceedings, and bonds of the state government, counties, cities, special districts, and school districts, among other public bodies.

Status: Chapter 31, Statutes of 2023

SB-880 (Committee on Governance and Finance) - Validations.

Validates the organization, boundaries, acts, proceedings, and bonds of the state government, counties, cities, special districts, and school districts, among other public bodies.

Status: Chapter 32, Statutes of 2023

SB-882 (Committee on Governance and Finance) - Local Government Omnibus Act of 2023.

Enacts the Local Government Omnibus Act of 2023, which proposes a number of non-controversial changes to existing laws governing the powers and duties of local agencies.

Status: Chapter 187, Statutes of 2023

SB-1048 (Jones) - Planning and zoning: local planning: site plans.

Deletes topographic lines, drainage, lighting, distance between buildings, and ground sign location from the list of items that must be included in a “site plan,” as that term is defined in provisions of law that require local agency planning departments to protect architectural drawings that are protected by the federal Copyright Act of 1976.

Status: Chapter 29, Statutes of 2024

SB-1070 (Padilla) - Health care district: County of Imperial.

Authorizes the Imperial Valley Healthcare District to place a permanent funding source mechanism on the ballot on or before the November 2026 election instead of the March 2024 or November 2024 election as specified in existing law.

Status: Chapter 1013, Statutes of 2024

SB-1140 (Caballero) - Enhanced infrastructure financing district.

Makes numerous changes to enhanced infrastructure financing district law and specifies that an eligible project for climate resilience districts includes a project that intends to improve air quality.

Status: Chapter 599, Statutes of 2024

SB-1210 (Skinner) - New housing construction: electrical, gas, sewer, and water service: service connection information.

Requires electrical, gas, sewer, and water service utilities, with exceptions, to post estimated fees and timeframes for new service connections needed to connect new housing construction projects.

Status: Chapter 787, Statutes of 2024

SB-1405 (Ochoa Bogh) - Community service districts: Lake Arrowhead Community Services District: covenants, conditions, and restrictions.

Repeals the authority for the Lake Arrowhead Community Services District to enforce covenants, conditions, and restrictions on behalf of the Arrowhead Woods Architectural Committee.

Status: Chapter 78, Statutes of 2024

SB-1514 (Committee on Local Government) - Local Government Omnibus Act of 2024.

Enacts the Local Government Omnibus Act of 2024, which proposes a number of non-controversial changes to existing laws governing the powers and duties of local agencies.

Status: Chapter 494, Statutes of 2024

SB-1515 (Committee on Local Government) - Validations.

Validates the organization, boundaries, acts, proceedings, and bonds of the state government, counties, cities, special districts, and school districts, among other public bodies.

Status: Chapter 31, Statutes of 2024

SB-1516 (Committee on Local Government) - Validations.

Validates the organization, boundaries, acts, proceedings, and bonds of the state government, counties, cities, special districts, and school districts, among other public bodies.

Status: Chapter 32, Statutes of 2024

SB-1517 (Committee on Local Government) - Validations.

Validates the organization, boundaries, acts, proceedings, and bonds of the state government, counties, cities, special districts, and school districts, among other public bodies.

Status: Chapter 33, Statutes of 2024

PUBLIC HEALTH AND SAFETY

AB-436 (Alvarez) - Vehicles.

Repeals the authorization for a local agency to regulate cruising and removes a prohibition on the operation of certain modified vehicles.

Status: Chapter 803, Statutes of 2023

AB-1046 (Lowenthal) - Alquist-Priolo Earthquake Fault Zoning Act: exemptions.

Makes a number of changes to the Alquist-Priolo Earthquake Fault Zoning Act.

Status: Chapter 825, Statutes of 2023

AB-1090 (Jones-Sawyer) - County officers: sheriffs.

Would have authorized the board of supervisors of any county to remove a sheriff from office for cause.

Status: Assembly-Died - Local Government

AB-1297 (Quirk-Silva) - Public restrooms.

Would have required cities, counties, and specified special districts to complete an inventory of public restrooms that they own and maintain, and provide the inventory to the California Department of Public Health (CDPH) by July 1, 2024, and would have required CDPH to compile the information and report the availability of local agency public restrooms, by county, to the Legislature by March 1, 2025.

Status: Senate-In Committee Process - Appropriations

AB-1531 (Flora) - Electrified security fences: local ordinances.

Would have modified provisions of law allowing a local ordinance to prohibit the installation and operation of electrified security fences, and would have prohibited a city or county ordinance, regulation, or code from requiring a permit or approval for an electrified security fence on commercial, manufacturing, or industrial property, or property zoned under another designation, but legally authorized to be used for a commercial, manufacturing, or industrial purpose, that is in addition to an alarm system permit issued by the city or county.

Status: Assembly-Died - Local Government

AB-1684 (Maienschein) - Local ordinances: fines and penalties: cannabis.

Expands existing law that allows local agencies to immediately impose administrative fines or penalties for specified violations that exist as a result of the unlicensed cultivation of cannabis to also include the unlicensed manufacturing, processing, distribution, or retail sale of cannabis.

Status: Chapter 477, Statutes of 2023

AB-2293 (Mathis) - Joint powers agreements: health care services.

Allows nonprofits formed to provide health care services to join a joint powers authority or enter into a joint powers agreement with one or more public agencies.

Status: Chapter 710, Statutes of 2024

AB-2371 (Juan Carrillo) - Electrified security fences.

Generally prohibits, until January 1, 2028, cities and counties from prohibiting the installation and operation of an electrified security fence on specified industrial, manufacturing, or specified commercial property, or from requiring a permit or approval for such fences when the fence is compliant with specified requirements for electrified security fences, except that a city or county may require an administrative permit confirming that the electrified security fence meets statutory standards when the fence is on a property that abuts a property in residential use, or is within 300 feet of a public park, childcare facility, recreation center, community center, or school facility.

Status: Chapter 235, Statutes of 2024

AB-2583 (Berman) - School zones and walk zones.

Would have reduced the prima facie speed limit in a school zone to 20 miles per hour, subject to specified conditions, beginning on January 1, 2028, and revised the definitions of a “school

zone,” when “children are present,” and “speed trap” for purposes of the applicability of school zone speed limits.

Status: Senate-In Committee Process - Appropriations

[SB-925 \(Wiener\) - City and County of San Francisco: merchandising sales.](#)

Would have allowed the City and County of San Francisco to require a permit for the sale on public property of merchandise that is a common target of retail theft, and to impose infractions and misdemeanors for violations.

Status: Assembly-In Committee Process - Appropriations

[SB-1251 \(Stern\) - Mosquito abatement inspections.](#)

Requires an electrical utility to enter into a vector management agreement with a mosquito abatement district, vector control district, or city or county health department within 180 days of receiving a request from the district or department.

Status: Chapter 464, Statutes of 2024

TRANSPARENCY AND ACCOUNTABILITY

[AB-516 \(Ramos\) - Mitigation Fee Act: fees for improvements: expenditure reports and audits.](#)

Requires local agencies to provide more information in their Mitigation Fee Act reports.

Status: Chapter 741, Statutes of 2023

[AB-557 \(Hart\) - Open meetings: local agencies: teleconferences.](#)

Eliminates the sunset date on provisions of law allowing local agencies to use teleconferencing without complying with specified Ralph. M Brown Act requirements during a proclaimed state of emergency.

Status: Chapter 534, Statutes of 2023

[AB-759 \(Grayson\) - Sanitary districts.](#)

Makes changes to the requirements dictating how sanitary districts expend funds.

Status: Chapter 19, Statutes of 2023

[AB-817 \(Pacheco\) - Open meetings: teleconferencing: subsidiary body.](#)

Would have allowed subsidiary bodies of a local agency to teleconference meetings without having to notice and make publicly accessible each teleconference location, or have at least a quorum participate from locations within the boundaries of the agency.

Status: Senate-In Committee Process - Local Government

[AB-892 \(Bains\) - Kern County Hospital Authority.](#)

Subjects the Kern County Hospital Authority and the Kern Medical Center Foundation (Foundation) to certain record keeping requirements, imposes an annual audit requirement, and requires the Foundation to comply with the California Public Records Act.

Status: Chapter 676, Statutes of 2024

AB-910 (Wilson) - County officers: auditors: qualifications.

Revises the qualifications for the office of county auditor, and makes changes to elections law regarding the documents that are required for a person to become a legally qualified candidate for specified offices and to have their name printed on the ballot for a direct primary.

Status: Chapter 669, Statutes of 2023

AB-1183 (Holden) - Streamlined housing projects: construction permits: notice.

Would have required a city or county that approves a construction project permit through the expedited, streamlined process established via SB 35 (Weiner), Chapter 366, Statutes of 2017, to require the developer to place a sign with specified information on the parcel in plain view of the public at least 30 days before construction starts and until the project is complete.

Status: Assembly-Died - Local Government

AB-1275 (Arambula) - Community colleges: student-run community college organizations: open meetings: teleconferences.

Would have expanded teleconferencing flexibility under the Ralph. M. Brown Act for community college student organizations. (Subsequently amended to address a different subject matter.)

Status: Senate-In Committee Process - Rules

AB-1379 (Papan) - Open meetings: local agencies: teleconferences.

Would have deleted teleconferencing provisions of the Ralph M. Brown Act that require a local agency's legislative body to post agendas at each teleconference location, identify each teleconference location in the notice and agenda, make each teleconference location accessible to the public, and require at least a quorum of the legislative body to participate from within the local agency's jurisdiction, replaced these requirements with a requirement that a legislative body must have at least two meetings per calendar year in which the legislative body's members are in person at a singular designated physical meeting location, and made changes to provisions of law enacted via AB 2449 (Blanca Rubio), Chapter 285, Statutes of 2022.

Status: Assembly-Died - Local Government

AB-1852 (Pacheco) - Joint powers agencies: Clean Power Alliance of Southern California: meetings.

Extends, until January 1, 2030, the existing sunset date on provisions of law authorizing the Clean Power Alliance of Southern California to allow specified alternate members of its legislative body to attend closed sessions of the agency.

Status: Chapter 24, Statutes of 2024

AB-1855 (Arambula) - Open meetings: teleconferences: community college student body associations.

Allows a community college student body association or any other student-run community college organization to teleconference without meeting all of the teleconferencing requirements of the Ralph M. Brown Act, until January 1, 2026.

Status: Chapter 232, Statutes of 2024

AB-1950 (Wendy Carrillo) - City of Los Angeles: former Chavez Ravine property: eminent domain: compensation.

Would have established within the state government a task force to make recommendations for compensation of displaced residents, business owners and landowners, and their descendants, from the Chavez Ravine area in Los Angeles between 1950 and 1961, and required the City of Los Angeles to construct a memorial in recognition of the displaced residents and landowners of the Chavez Ravine community.

Status: Assembly-Vetoed

AB-2302 (Addis) - Open meetings: local agencies: teleconferences.

Clarifies the number of meetings that a member of a legislative body may attend remotely pursuant to the Ralph M. Brown Act's teleconferencing requirements, as modified by AB 2449 (Blanca Rubio), Chapter 285, Statutes of 2022.

Status: Chapter 389, Statutes of 2024

AB-2350 (Hoover) - Open meetings: school boards: emergencies: notifications by email.

Allows notifications for emergency meetings required by the Ralph M. Brown Act to be sent via email, instead of given by telephone, for an emergency meeting held by a school board.

Status: Chapter 565, Statutes of 2024

AB-2485 (Juan Carrillo) - Regional housing need: determination.

Would have required the Department of Housing and Community Development to convene and engage specified stakeholders to consider improvements to the process of determining the housing needs for each region, and to publish specified data and information on its website regarding the decision-making process used to determine regional housing needs.

Status: Senate-In Committee Process - Appropriations

AB-2502 (Luz Rivas) - Public contracts: emergencies.

Would have authorized a county board of supervisors, in cases of significant emergency, to take any directly related and immediate action required by an emergency without giving notice for bids to let contracts.

Status: Assembly-In Committee Process - Local Government

AB-2715 (Boerner) - Ralph M. Brown Act: closed sessions.

Allows the legislative body of a local agency to hold closed sessions pursuant to the Ralph M. Brown Act on matters pertaining to a threat to cybersecurity.

Status: Chapter 243, Statutes of 2024

AB-2748 (Flora) - Tri-Dam Project: board of directors: meetings.

Allows the Board of Directors of the Tri-Dam Project to hold no more than four regular meetings annually at a Tri-Dam Project office that is located in Sonora, California, or Strawberry, California, or within 30 miles of either city.

Status: Chapter 26, Statutes of 2024

AB-3130 (Quirk-Silva) - County board of supervisors: disclosure.

Requires a member of the board of supervisors for a county to disclose a known family relationship with an officer or employee of a nonprofit entity in an open and public meeting before the board appropriates money to that nonprofit entity.

Status: Chapter 251, Statutes of 2024

SB-411 (Portantino) - Open meetings: teleconferences: neighborhood councils.

Allows a neighborhood council in the City of Los Angeles to teleconference without meeting all of the teleconferencing requirements of the Ralph M. Brown Act.

Status: Chapter 605, Statutes of 2023

SB-537 (Becker) - Open meetings: multijurisdictional, cross-county agencies: teleconferences.

Would have allowed multi-jurisdictional, cross-county local agencies with appointed members to teleconference without meeting all of the teleconferencing requirements of the Ralph M. Brown Act. (Subsequently amended to address a subject matter outside of Local Government Committee jurisdiction.)

Status: Chapter 859, Statutes of 2024

SB-769 (Gonzalez) - Local government: fiscal and financial training.

Would have required specified local officials to receive two hours of fiscal and financial training at least once every two years.

Status: Assembly-In Committee Process - Appropriations

SB-1111 (Min) - Public officers: contracts: financial interest.

Requires, beginning in 2026, a public officer to recuse themselves from voting on a contract made by the officer's governmental entity if the officer's child is an officer or director of, or has substantial ownership in, a contracting party to a contract entered into by the body or board of which the officer is a member, if the child's interest is known to the public officer.

Status: Chapter 324, Statutes of 2024

TRANSPORTATION

AB-354 (Stephanie Nguyen) - Sacramento Regional Transit District: board of directors: membership.

Authorizes the City of Elk Grove to appoint two members to the Sacramento Regional Transit District board instead of one.

Status: Chapter 35, Statutes of 2023

AB-457 (Joe Patterson) - Surplus Land Act: exempt surplus land: leases.

Would have created an exemption from the Surplus Land Act for parcels abutting a state highway right-of-way that a local agency identified in its circulation element or capital improvement plan for future roadway development.

Status: Assembly-Vetoed

AB-499 (Luz Rivas) - Los Angeles County Metropolitan Transportation Authority: job order contracting: pilot program.

Authorizes the Los Angeles County Metropolitan Transportation Authority to enter into job order contracts.

Status: Chapter 87, Statutes of 2023

AB-761 (Friedman) - Local finance: enhanced infrastructure financing districts.

Allows an enhanced infrastructure financing district enacted primarily to develop and construct passenger rail projects in Los Angeles County to last 75 years instead of 45 years if it receives specified federal transportation loans.

Status: Chapter 344, Statutes of 2024

AB-1052 (McCarty) - Sacramento Regional Transit District: taxes.

Makes changes to the taxing authority for the Sacramento Regional Transit District.

Status: Chapter 674, Statutes of 2023

AB-1176 (Zbur) - General plans: Local Electrification Planning Act.

Would have enacted the Local Electrification Planning Act and required cities and counties to prepare and adopt an electrification plan, decarbonization plan, community energy plan, or other similar plan, or integrate a plan into the general plan to identify various goals, objectives, policies, and feasible implementation measures regarding electrification and decarbonization of transportation and buildings.

Status: Senate-In Committee Process - Energy, Utilities and Communications

AB-1385 (Garcia) - Riverside County Transportation Commission: transaction and use tax.

Authorizes the Riverside County Transportation Commission to impose a maximum transportation and use tax of 1.5%.

Status: Chapter 578, Statutes of 2023

AB-1504 (McCarty) - Planning and zoning: electric vehicle charging infrastructure: public right-of-way.

Would have required cities and counties to complete a plan for the installation of electric vehicle (EV) charging stations in the public right-of-way, and updated the requirements of the statewide assessment of necessary EV charging infrastructure the California Energy Commission prepares pursuant to existing law.

Status: Assembly-Died - Appropriations

AB-1853 (Villapudua) - San Joaquin Regional Transit District: meetings: surplus money investments.

Makes changes to the San Joaquin Regional Transit District (RTD) board member compensation limits and RTD's authority to invest surplus money.

Status: Chapter 216, Statutes of 2024

AB-1924 (Stephanie Nguyen) - Sacramento Regional Transit District.

Allows the Sacramento Regional Transit District to expand its service area to any city within Sacramento County and any other portion of the unincorporated territory within the boundaries of Sacramento County where the county has declared a need for the district to operate, and reduces the number of board members that may be appointed by the City of Sacramento from four to three.

Status: Chapter 92, Statutes of 2024

AB-1958 (Berman) - Santa Clara Valley Transportation Authority: board of directors.

Would have required appointing powers for members of the board of directors of the Santa Clara Valley Transportation Authority to make public their reasons for appointing a board member and increased the term of office for each director to four years.

Status: Senate-In Committee Process - Transportation

AB-2325 (Lee) - San Francisco Bay Area Rapid Transit District: officers: designation and appointment.

Eliminates the treasurer and controller as specifically designated officers of the Bay Area Rapid Transit District and as positions subject to appointment and removal by the District Board, and creates the position of the chief financial officer (CFO), subject to appointment and removal by the general manager and transfers all duties from the eliminated positions to the CFO.

Status: Chapter 106, Statutes of 2024

AB-2427 (McCarty) - Electric vehicle charging stations: permitting: curbside charging.

Requires local agencies to undertake specified actions regarding the permitting of electric vehicle charging stations in the public right-of-way, and adds specified information to the Electric Vehicle Charging Station Permitting Guidebook developed by the Governor's Office of Business and Economic Development.

Status: Chapter 567, Statutes of 2024

AB-2554 (Calderon) - Aviation: vertiports.

Would have prohibited the governing body of a local government from granting the exclusive right to one operator to develop vertiports or control vertiport operations within the local government's jurisdiction.

Status: Assembly-In Committee Process - Transportation

AB-2559 (Petrie-Norris) - Local planning: electric vehicle service equipment: permitting delays.

Would have required the Governor's Office of Business and Economic Development to create and maintain a publicly accessible internet website to collect information and report delays and denials regarding permitting for zero-emission vehicle infrastructure.

Status: Senate-In Committee Process - Appropriations

AB-2583 (Berman) - School zones and walk zones.

Would have reduced the prima facie speed limit in a school zone to 20 miles per hour, subject to specified conditions, beginning on January 1, 2028, and revised the definitions of a "school zone," when "children are present," and "speed trap" for purposes of the applicability of school zone speed limits.

Status: Senate-In Committee Process - Appropriations

AB-2590 (Reves) - San Bernardino County Transportation Authority: contracting.

Increases the bid threshold for the purchase of supplies, equipment, and materials for the San Bernardino County Transportation Authority, from \$25,000 to \$150,000.

Status: Chapter 724, Statutes of 2024

AB-2634 (McCarty) - Sacramento Regional Transit District.

Allows the Sacramento Regional Transit District (SacRT) to offer reduced fares for senior citizens at different rates than reduced fares for disabled persons or disabled veterans, and makes changes to SacRT's procurement powers.

Status: Chapter 111, Statutes of 2024

SB-347 (Newman) - Subdivision Map Act: exemption: hydrogen fueling stations and electrical charging stations.

Adds an exemption to the Subdivision Map Act for a hydrogen fueling station or an electric vehicle charging station.

Status: Chapter 591, Statutes of 2024

SB-862 (Laird) - Santa Cruz Metropolitan Transit District: transaction and use tax rates.

Authorizes the board of directors of the Santa Cruz Metropolitan Transit District to impose a retail transactions and use tax after January 1, 2024, that is excluded from the 2% combined rate limit, if certain conditions are met.

Status: Chapter 296, Statutes of 2023

[SB-1193 \(Menjivar\) - Airports: leaded aviation gasoline.](#)

Prohibits an airport operator or aviation retail establishment from selling, distributing, or making available leaded aviation gasoline (avgas) on or after January 1, 2031 and provides that if there are conflicts with federal grant assurances on or before December 31, 2030, the provisions of this bill shall only apply upon the expiration of those grant assurances.

Status: Chapter 460, Statutes of 2024

[SB-1418 \(Archuleta\) - Hydrogen-fueling stations: expedited review.](#)

Requires cities and counties to create an expedited, streamlined permitting process for specified hydrogen-fueling stations.

Status: Chapter 607, Statutes of 2024

WATER

[AB-588 \(Robert Rivas\) - Pajaro Valley Water Management Agency Act: board members.](#)

Requires the City of Watsonville appointee to the Pajaro Valley Water Management Agency to have a primary income that involves or, if the appointee is retired, did involve, a close and continuing relationship with the Pajaro Valley agricultural industry instead of deriving at least 51% of their net income from the production of agricultural products.

Status: Chapter 37, Statutes of 2023

[AB-939 \(Pellerin\) - Santa Clara Valley Water District.](#)

Makes numerous changes to the Santa Clara Valley Water District Act.

Status: Chapter 170, Statutes of 2023

[AB-1827 \(Papan\) - Local government: fees and charges: water: higher consumptive water parcels.](#)

Provides that fees or charges for property-related water service may include the incrementally higher costs of water service.

Status: Chapter 359, Statutes of 2024

[AB-2257 \(Wilson\) - Local government: property-related water and sewer fees and assessments: remedies.](#)

Establishes a procedure whereby a ratepayer for water or sewer services must exhaust specified administrative remedies to contest a new or increased fee or assessment in order for that ratepayer to be eligible to bring a lawsuit contesting the fee or assessment.

Status: Chapter 561, Statutes of 2024

[AB-2962 \(Papan\) - Wholesale Regional Water System Security and Reliability Act.](#)

Extends the sunset date of the Wholesale Regional Water System Security and Reliability Act from January 1, 2026 to January 1, 2036.

Status: Chapter 203, Statutes of 2024

SB-1072 (Padilla) - Local government: Proposition 218: remedies.

Provides that, if a court determines that a fee or charge for a property-related service violates Proposition 218, then the local agency must credit that amount against the cost of providing the property related service.

Status: Chapter 323, Statutes of 2024

SB-1169 (Stern) - Los Angeles County Flood Control District: finances.

Makes changes to the Los Angeles County Flood Control District's authority to borrow money from the federal government.

Status: Chapter 77, Statutes of 2024