



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 21, 2026

2:30 pm

San Mateo County 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 500 County Center Redwood City, CA 94063. Members of the public may participate in the meeting remotely via the Zoom platform or in person. For information regarding how to participate in the meeting, please refer to the instructions at the end of the agenda.

Hybrid Public Participation

The January 21, 2026, 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 reference the specific agenda item on which you are commenting.

* Spoken public comments will be accepted during the meeting in person or remotely through Zoom. 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 meeting will enable Staff to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

(OVER)

COMMISSIONERS: VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT
▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

ALTERNATES: NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

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

*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 and Oath of Office
2. Public Comment for Items Not on the Agenda and on the Consent Agenda
3. Presentation by the City of East Palo Alto on the status of the East Palo Alto Sanitary District – Information Only
4. Consent Agenda*
 - a. Approval of Action Minutes: November 19, 2025
 - 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
 - c. Consideration of LAFCo File No. 25-12 - Proposed Outside Service Agreement for water by the City of Redwood City to 3699 Oak Knoll Dr. (APN: 068-063-020), Unincorporated Redwood City

Public Hearings

5. Consideration of Final Municipal Service Reviews for the Town of Woodside and the Town of Portola Valley

Regular Agenda

6. Appointment of Budget and Legislative/Policy Committees for 2026
7. CALAFCO -
 - a. Review of Draft Regional Map Revision & Proposed New CALAFCO Board Structure
 - b. Designation of voting member for CALAFCO 2026 Special Corporate Business Meeting
8. Quarterly LAFCo Budget Update – Information Only
9. Legislative and Policy Committee
 - a. Legislative Report – Information Only
10. Commissioner/Staff Reports – Information Only
11. Adjournment

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

During the LAFCo hybrid meeting, members of the public may address the Commission via

a) Written Comment: Written public comment may be emailed in advance of the meeting.

1. Written comment should be emailed to lafco@smcgov.org.
2. Email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is on the consent agenda, or is not on the 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 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. Regardless of whether such emailed comments are forwarded and posted or are read during the meeting, they will still be included in the administrative record.

b) Spoken Comment:

In-Person Participation: 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, hand it to the Clerk who will distribute the information to the Commission members and staff.

Via Teleconference (Zoom):

1. Access the Commission meeting through Zoom online <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 #.
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

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 14, 2026

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer

Subject: Presentation by the City of East Palo Alto on the status of the East Palo Alto Sanitary District – Information Only

Summary

On November 15, 2023 the LAFCo Commission voted unanimously, 6-0, to adopt Resolution No. 1312 approving the City of East Palo Alto’s (City) proposal to establish the East Palo Alto Sanitary District (EPASD) as a subsidiary district of the City. After completion of the protest process and litigation, the City of East Palo Alto became the governing body of EPASD on October 1, 2024.

East Palo Alto City Manager/EPASD District Manager Melvin Gaines will be providing an update to the LAFCo Commission on the first year of EPASD operating as a subsidiary of the City.

Recommended Commission Action

Receive the report.

COMMISSIONERS: VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT
▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

ALTERNATES: NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

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



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Action Minutes

San Mateo Local Agency Formation Commission Meeting

November 19, 2025

The regular meeting of the San Mateo Local Agency Formation Commission (LAFCo) was held on Wednesday, November 19, 2025, at 2:30 pm in the San Mateo Board of Supervisors Chambers, 500 County Center, Redwood City, CA 94063. 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 Chair Mueller.

1. Roll Call

Members Present: Commissioners Ray Mueller, Virginia Chang Kiraly, Kati Martin, Ann Draper, Stephen Rainaldi, Jackie Speier and Greg Wright

Members Absent: Commissioner Debbie Ruddock

Alternate Members Present: Colleen You

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

2. Public Comment

None

3. Consent Agenda

- a) Approval of Action Minutes: September 17, 2025
- b) Consideration of LAFCo File No. 25-10 – Proposed Outside Service Agreement for a water connection by the City of Redwood City to 3923 Lakemead Way, Unincorporated Redwood City (APN 057-264-160)
- c) Consideration of LAFCo File No. 25-11 – Proposed Sphere of Influence Amendment and Annexation of 1210 Cañada Road, Woodside (APN 072-130-440) to Fair Oaks Sewer Maintenance District

Commission Action

The Commission approved the Consent Agenda with no further comments.

Public Speakers: None.

Motion: Commissioner Speier/ Second: Vice Chair Chang Kiraly

Ayes: Commissioners Chang Kiraly, Draper, Rainaldi, Martin, Speier, Wright, and Mueller

Motion passed 7-0 by roll call vote.

Public Hearing

4. Consideration of Circulation Draft Municipal Service Review for the Town of Portola Valley and the Town of Woodside

The Commission received the draft Municipal Service Review (MSR) for the Towns of Portola Valley and Woodside, presented in two parts. Key issues for the Town of Woodside included a balanced General Fund. However, projected Sheriff contract cost increases will require the use of reserves, increased revenues, or service level reductions to address an estimated \$1 million shortfall by Fiscal Year 2030–2031. The MSR noted that most of the Town of Woodside is served by on-site septic systems, with limited sewer service in certain areas, and that future development may require evaluation of sewer service expansion. LAFCo staff recommended regular coordination with Fair Oaks Sewer Maintenance District and the County regarding sewer capacity, as well as continued discussions with the Town of Portola Valley on a potential joint Sheriff services contract and other shared service opportunities.

In reviewing the Town of Woodside’s Sphere of Influence (SOI), LAFCo staff noted that three parcels along West Maple Way near the Town’s northern boundary—425, 445, and 465 West Maple Way (APNs 068-100-240, 068-100-260, and 068-100-250)—were identified for inclusion in the Town of Woodside’s SOI. The parcels are located in unincorporated County but are adjacent to the Town of Woodside’s boundaries, and West Maple Way and the homes across the street are already within the Town of Woodside. LAFCo staff recommended inclusion of parcels within the Town’s SOI.

Key issues for the Town of Portola Valley included an ongoing structural deficit since FY 2021–22. In order to balance the budget and not impact the Town’s general fund reserve, the Town will need an additional \$1M in expenditure cuts in FY2026-27 through FY2029-30. The Town’s reserve fund is on pace for a deficit by FY2029-30 without a new revenue source. The Town is currently exploring potential revenue measures to address this structural deficit.

There were also delays in completing financial audits, with the most recent Annual Comprehensive Financial Report for FY 2021–22 completed in September 2025. While the Town

of Portola Valley has adopted a work program to address outstanding audits, the lack of audited financial data has limited long-term fiscal forecasting. It was noted that the primary driver of rising costs is the Sheriff's Office contract, which increased by approximately 59 percent for FY 2023–25.

LAFCo encouraged the Town to develop a comprehensive Capital Improvement Program and to evaluate it in relation to proposed housing development projects. Town staff indicated that an expanded five-year CIP is anticipated to be developed and adopted as part of the FY 2026–27 budget cycle. LAFCo also encouraged continued coordination with the West Bay Sanitary District and LAFCo regarding future sewer service annexations, noting that the Town of Portola Valley does not face the same sewer service challenges as the Town of Woodside.

Public Speakers:

Jason Ledbetter, Town of Woodside

Darcy Smith, Town of Portola Valley

Cid Young, Member of the public

Summary of Commission Comments

The Commission inquired about potential sewer impacts related to the Town of Woodside's Housing Element, including whether the identified housing sites are adequately served by the sewer system and whether any significant septic system failures have occurred. Town Manager Jason Ledbetter confirmed that a sewer capacity and master plan study has been approved to monitor usage and noted that the General Plan includes provisions for emergency sewer connections. LAFCo staff explained that growth projections from Plan Bay Area and the Regional Housing Needs Allocation (RHNA) assume development of up to 323 units, though this number is not guaranteed.

The Commission also asked whether the Town of Woodside has considered merging with the Town of Portola Valley. Mr. Ledbetter responded that while administrative staff could be open to the idea, community members generally view it as controversial.

Regarding the Town of Portola Valley's budget shortfall, the Commission asked whether a parcel tax or sales tax could be implemented. Town Manager Darcy Smith responded that the current sales tax rate is too low to meaningfully offset costs and that a parcel tax would require a supermajority vote. She noted that an initial revenue analysis indicated it would be unlikely to achieve the required 66.6 percent voter approval, as the necessary revenue would be too high. Ms. Smith added that the analysis also includes a community survey on a real estate transfer

tax upon the sale of property, which showed a favorable outcome if placed on the ballot under the Town's charter authority.

Ms. Smith further stated that the Town is optimistic about pursuing shared law enforcement services with the County Sheriff's Office and looks forward to meeting with the newly appointed County Sheriff, along with the Town of Woodside, to explore a joint multi-year contract with set annual increases. She explained that current law enforcement administrative costs are high due to staffing, equipment, vehicles, deputy fees, and overtime.

Finally, the Commission expressed concern about how the Town of Portola Valley will meet future Housing Element requirements and provide the necessary supporting infrastructure, given the lack of major commercial employers.

Commission Action

The Commission approved the Draft Municipal Service Review and directed the Executive Officer to schedule a public hearing for the Town of Woodside and the Town of Portola Valley Final Municipal Service Reviews and Sphere of Influence updates at the January 21, 2026, Commission meeting, and to circulate the draft documents to the County, cities, and independent special districts. The Commission also directed the Executive Officer to schedule a virtual public workshop for the MSRs or to coordinate with the two Towns regarding presentations to their respective Town Councils.

Motion: Commissioner Rainaldi/ Second: Commissioner Chang Kiraly

Ayes: Commissioners Chang-Kiraly, Draper, Rainaldi, Martin, Speier, Wright, and Mueller

Motion passed 7-0 by roll call vote.

5. Consideration of Final Municipal Service Review for County Service Area 7, Los Trancos County Maintenance District (LTCMD) and La Honda Lighting Maintenance District (LHLMD)

The Commission received an update to the Municipal Service Review for CSA 7, LTCMD, and LHLMD, which was revised in response to comments received from County Public Works, the CSA 7 Customer Advisory Committee, and a member of the public regarding LTCMD. LAFCo staff reported that a virtual community workshop was held on October 7, 2025, at 6:30 p.m. to receive more public input on the MSR, however, no members of the public attended. Key updates to the final draft included confirmation that the LTCMD fund balance was \$1,751,797 as of September 2025, the Blue Oaks loan term is 69 years, the Department of Public Works does not maintain a webpage for LTCMD, and the LTCMD FY 2025–26 adopted budget totals \$534,000.

Public Speakers: None.

Commission Action

The Commission accepted the Final Municipal Service Review and Sphere of Influence update and adopted the report's determinations and recommendations.

Motion: Commissioner Chang-Kiraly / Second: Commissioner Speier

Ayes: Commissioners Chang-Kiraly, Draper, Rainaldi, Martin, Speier, Wright, and Mueller

Motion passed unanimously 7-0 by roll call vote.

Regular Agenda

6. Appointment of LAFCo Chair and Vice Chair for 2026

The Commission appointed Commissioner Chang Kiraly as the 2026 LAFCo Chair and Commissioner Draper as Vice Chair.

Motion: Commissioner Martin / Second: Commissioner Rainaldi

Ayes: Commissioners Chang Kiraly, Draper, Rainaldi, Martin, Speier, Wright, and Mueller

Motion passed unanimously 7-0 by roll call vote.

7. CALAFCO Conference Update – Information Only

The Commission received an update on the 2025 CALAFCO Conference held in San Diego, California from October 22–24. Commissioners Virginia Chang-Kiraly, Katheryn Slater-Carter, Stephen Rainaldi, and Greg Wright, along with Management Analyst Sarah Flamm and Executive Officer Rob Bartoli, attended the Conference. The staff report also noted the newly elected and appointed CALAFCO Board members. Additionally, a copy of The Sphere, the annual CALAFCO journal, was included in the LAFCo agenda packet

Vice Chair Chang-Kiraly commented on the more positive atmosphere of this year's CALAFCO conference compared to previous years and expressed hope that it will continue to improve. She thanked Rob Bartoli, LAFCo Executive Officer, for serving as an excellent liaison between the Commission and CALAFCO, noting that CALAFCO can be a valuable and important organization. She also congratulated Coastal Region city member Rosemary Kamei of San Jose and public member Roger Anderson of Santa Cruz LAFCo on joining the council.

Commissioner Rainaldi thanked LAFCo staff for the opportunity to attend the conference and encouraged the Commission to participate in future events, noting the value of learning from other regions in California. Commissioner Wright echoed this sentiment, highlighting that the conference provides not only professional and informational benefits but also personal connections that can improve future communication among members.

8. Legislative Report – Information Only

The Commission received a report on three bills tracked by LAFCo that were submitted to Governor Newsom in October 2025. SB 777 (Richardson), “Abandoned Cemeteries Report,” was approved and requires the Cemetery and Funeral Bureau to convene a workgroup with CALAFCO, county, city, and state representatives by March 1, 2026, to explore options for the care and maintenance of abandoned cemeteries, with a report to the Legislature due by January 1, 2026. SB 707 (Durazo), “Open Meetings: Meeting and Teleconference Requirements,” also approved, mandates that eligible legislative bodies provide two-way telephonic or audiovisual public participation and adopt policies to address service disruptions; it applies to certain city councils, county boards, and special district boards. SB 5 (Cabaldon), concerning tax allocation for EIFDs and CRIs on agricultural land, was vetoed by the Governor, who cited concerns about limiting local agency discretion; the bill had been related to the California Forever project in Solano County. Staff recommended the Commission receive and file the report.

9. Commissioner/Staff Reports – Information Only

LAFCo staff highlighted the 2024 Agriculture Report from the San Mateo County Agricultural Commissioner’s Office, noting that the report aligns with LAFCo’s mission to protect agricultural resources and provides an overview of the performance of the agricultural sector within the County’s economy.

10. Adjournment

The Commission adjourned at 3:36 PM.

Approved on January 21, 2025

Virginia Chang Kiraly, 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 14, 2026

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 three one-year extensions so that the owner can complete the conditions of approval. The owner is requesting a fourth 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 21, 2027.

Attachments

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

COMMISSIONERS: VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT
▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

ALTERNATES: NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

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

DIANE ESTIPONA, CLERK

LAFCo Meeting Packet Page 12

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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LOCAL AGENCY FORMATION COMMISSION

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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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LOCAL AGENCY FORMATION COMMISSION

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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



LOCAL AGENCY FORMATION COMMISSION

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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?

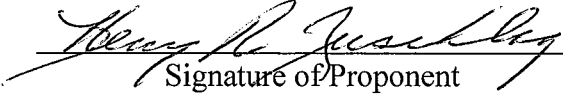
The property does not contain agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction.

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:

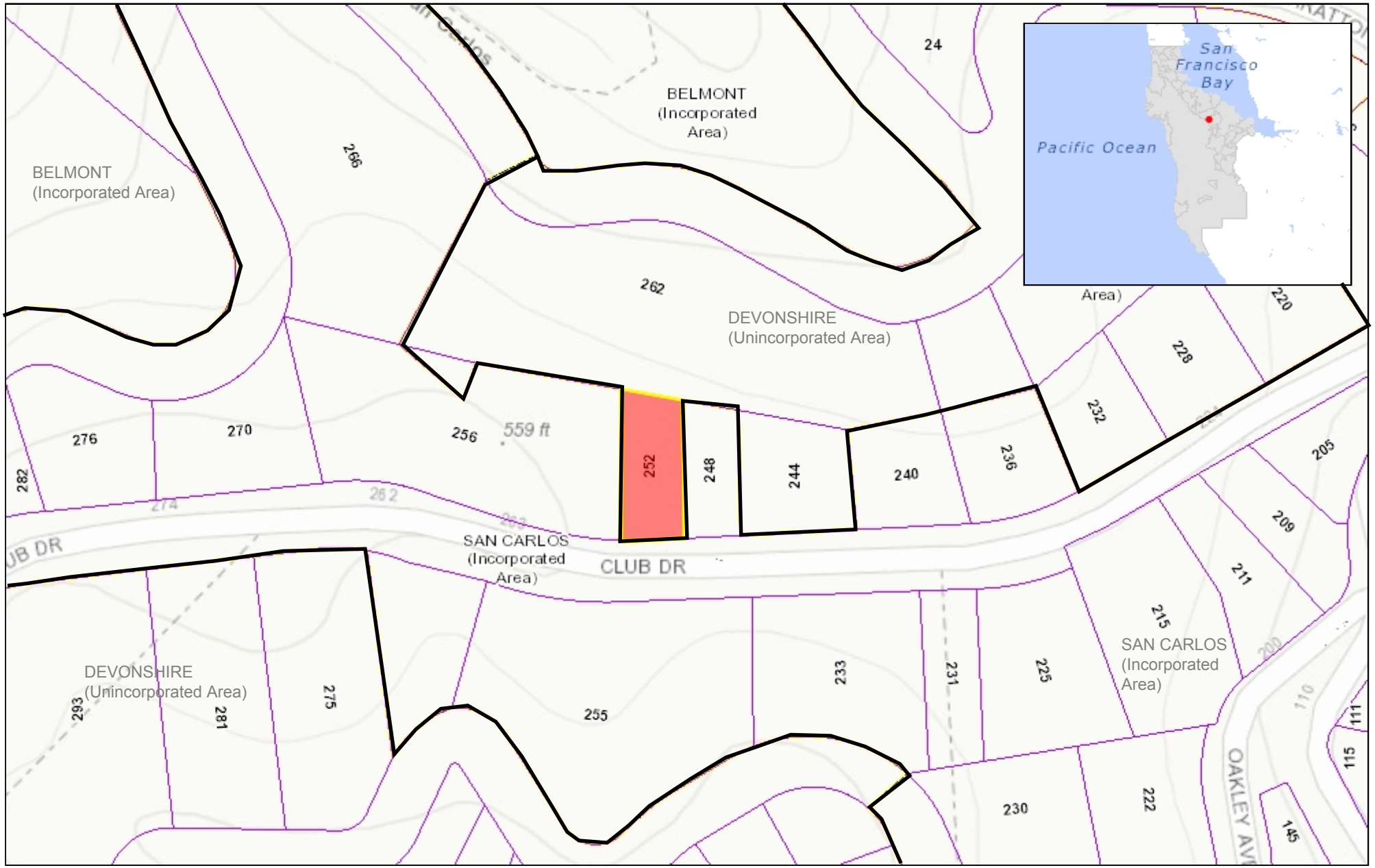
1. This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with Section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
2. The specific change(s) of organization proposed (i.e., annexation, detachment, reorganization, etc. 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.



WGS_1984_Web_Mercator_Auxiliary_Sphere
 © Latitude Geographics Group Ltd.

1:1,781

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

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


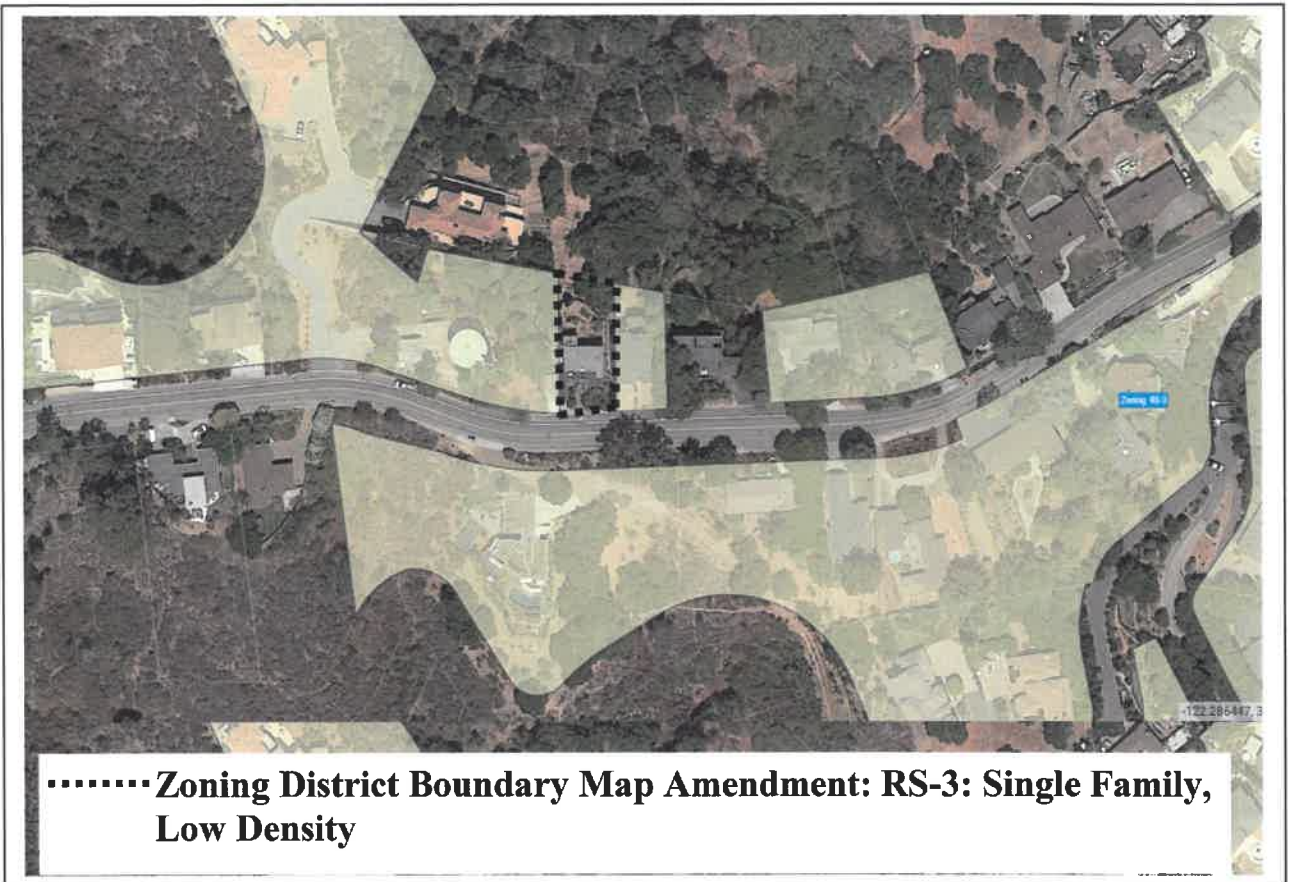
APPROVED: 
MAYOR of the City of San Carlos

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 14, 2026

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
 Sarah Flamm, Management Analyst

Subject: Consideration of LAFCo File No. 25-12 - Proposed Outside Service Agreement for water by the City of Redwood City to 3699 Oak Knoll Drive (APN: 068-063-020), Unincorporated Redwood City

Summary

Pursuant to Government Code Section 56133, Commission approval is required for the extension of service by local agencies to territory outside the agency's boundaries. This section requires that the public agency apply to LAFCo by resolution on behalf of the landowner. In this case, the property owner of 3699 Oak Knoll Dr. (APN: 068-063-020) is seeking a new water connection for a proposed single-family home and a detached ADU. The parcel is currently vacant except for a shed that is planned to be demolished. The County has issued the property owner a planning permit (PLN2024-00002) and County building permits (BLD2025-02896 residential permit, BLD2025-02954 demo permit, BLD2025-02897 landscape permit) for the new single-family residence are under review.

The parcel is within the Sphere of Influence and water service area of the City of Redwood City. However, the property is not contiguous to a City boundary, and annexation of the parcel at this time would not create a logical boundary or improve the delivery of services. LAFCo staff supports an Outside Service Agreement (OSA) in lieu of annexation.

Departmental Reports

County Assessor: The total net assessed land valuation for the parcel (APN: 068-063-020) shown in the County Assessor records is \$889,542. The boundaries of the OSA will conform to the lines of assessment and ownership of the subdivided parcel.

County Clerk: The territory has no registered voters as it is currently vacant land. The proposed OSA would not change or conflict with any political subdivision boundaries. If the parcel is

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ALTERNATES: NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

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

annexed by the City of Redwood City, it would then need to be changed from an unincorporated area precinct to a precinct within the City of Redwood City.

County Environmental Health: Recommends approval. The City of Redwood City and Emerald Lake Heights Sewer District provide the available water and sewer service in the area. The proposal appears appropriate and will not create any unusual health hazards or problems.

City of Redwood City: The City recommends approval of the OSA. The City's General Plan designation is Residential-Low Density. The City staff report that the proposed OSA is compatible with the City's General and Specific Plans. The OSA for a water connection requires an authorization letter from the City of Redwood City, which was transmitted to LAFCo on December 4, 2025.

County Public Works: This property is in the Emerald Lake Heights Sewer Maintenance District and the Emerald Lake Heights Highway Lighting District. The proposed new water line and associated appurtenances to be constructed shall not conflict with or impact the existing sanitary sewer and streetlight facilities of the District. Specific comments will be provided during future reviews.

County Planning: Recommends approval. The County's land use designation is low density residential. The proposal is consistent with the County's General Plan and zoning. Considering the proposal of two total units on this property (single family residence and an ADU), there will be a minimal impact of this proposal on regional resources. The parcel underwent a SB-9 urban lot split (PLN2024-00002) recorded with the County of Department of Public Works on May 20, 2025 (DPW2024-01742).

Executive Officer's Report

This proposal submitted by the City of Redwood City is to connect a new single-family residence parcel to City water. The subject property is within the Sphere of Influence of the City but is not contiguous to a City boundary. Therefore, annexation of the parcel at this time would not create a logical boundary or improve the delivery of services. If annexed now, the property (APN: 068-063-020) would become an incorporated island. In these circumstances, LAFCo's adopted Outside Service Agreement policy permits the extension of services when annexation is infeasible. As a condition of approval for this project, the property owners will need to execute a deferred annexation agreement for the parcel, as required by the City and LAFCo.

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).

Recommended Commission Action

By motion, approve LAFCo File No. 25-12 - Proposed Outside Service Agreement for water by the City of Redwood City to 3699 Oak Knoll Dr. (APN: 068-063-020), Unincorporated Redwood City pursuant to Government Code Section 56133 with the following condition of approval:

- 1) The applicant shall record the deferred annexation agreement with the San Mateo County Recorder's Office and provide a copy of the recorded document to LAFCo, prior

to the issuance of the approval letter for the Outside Service Agreement for 3699 Oak Knoll Drive (APN: 068-063-020), Unincorporated Redwood City.

Attachments

- A. OSA application for File No. 25-12- Proposed Outside Service Agreement for water by the City of Redwood City to 3699 Oak Knoll Dr. (APN: 068-063-020), Unincorporated Redwood City
- B. Vicinity Map
- C. Authorization Letter from the City of Redwood City

cc: Christian Craig, City of Redwood City
Ed Diaz, San Mateo County Environmental Health
Chephren Goree, San Mateo County Clerk
Andrew Smith, San Mateo County Assessor
Tiffany Gee, San Mateo County Planning & Building
Behnaz Bakhshi, Property Owner

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.

"Outside Water Service Agreement to obtain water service from Redwood City for a new SFR and ADU for

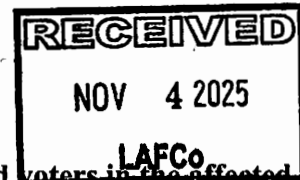
3699 Oak Knoll Dr, Redwood City, CA 94062

APN 068-063-020

- 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):

Landowners or registered voters, by petition

[checked] 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?

"Water service required to build and occupy a new home. No other water provider is available."

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

[checked] Yes No

- 5. Estimated acreage: .8208 sq ft

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 redwood city

- 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>
water	none	city of redwoodcity	property owner	usage 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.

"Unincorporated Emerald Hills near Oak Knoll Dr & Hwy 84 (La Honda Rd)."

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

"Vacant residential lot — existing shed to be demolished."

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?

"Yes — new 2-story SFR 2460.29 sq ft + detached ADU. 707.24 Sq ft"

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

"Single-Family Residential"

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

"RH / DR — San Mateo County"

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

"SB-9 lot split approved. Parcel Map No. 1200 recorded." PLN2024-00002

8. What additional approvals will be required to proceed?

"County building permits." BLD 2025-02896 residential permit

BLD2025-02954 demo permit

BLD 2025-02897 landscape

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?

"No."

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?

"N/A — specific development is proposed."

* * * * *

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: Behnaz Bakhshi, Trustee EMAIL: behnaz.ba2106@gmail.com

PDMH Revocable living Trust

ADDRESS: PO Box 7813, Menlo Park, CA 94026

TELEPHONE: 650-521-3442

ATTN: _____

B. Bakhshi

SAN MATEO LAFCO INDEMNIFICATION AGREEMENT

Proposed: Outside Water Service Agreement for Residential Development
Address: 3699 Oak Knoll Drive, Redwood City, CA 94062 (Unincorporated San Mateo County)
APN: 068-063-020

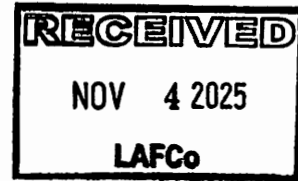
As part of the above-noted application submitted by petition, the Chief Applicant, PDMH Revocable Living Trust, by Behnaz Bakhshi, Trustee, as applicant and subject landowner, real party in interest, agrees to defend, indemnify, hold harmless, and release the San Mateo LAFCO, its agents, Commissioners, Executive Officer, attorneys, and employees from any claim, action, or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees.

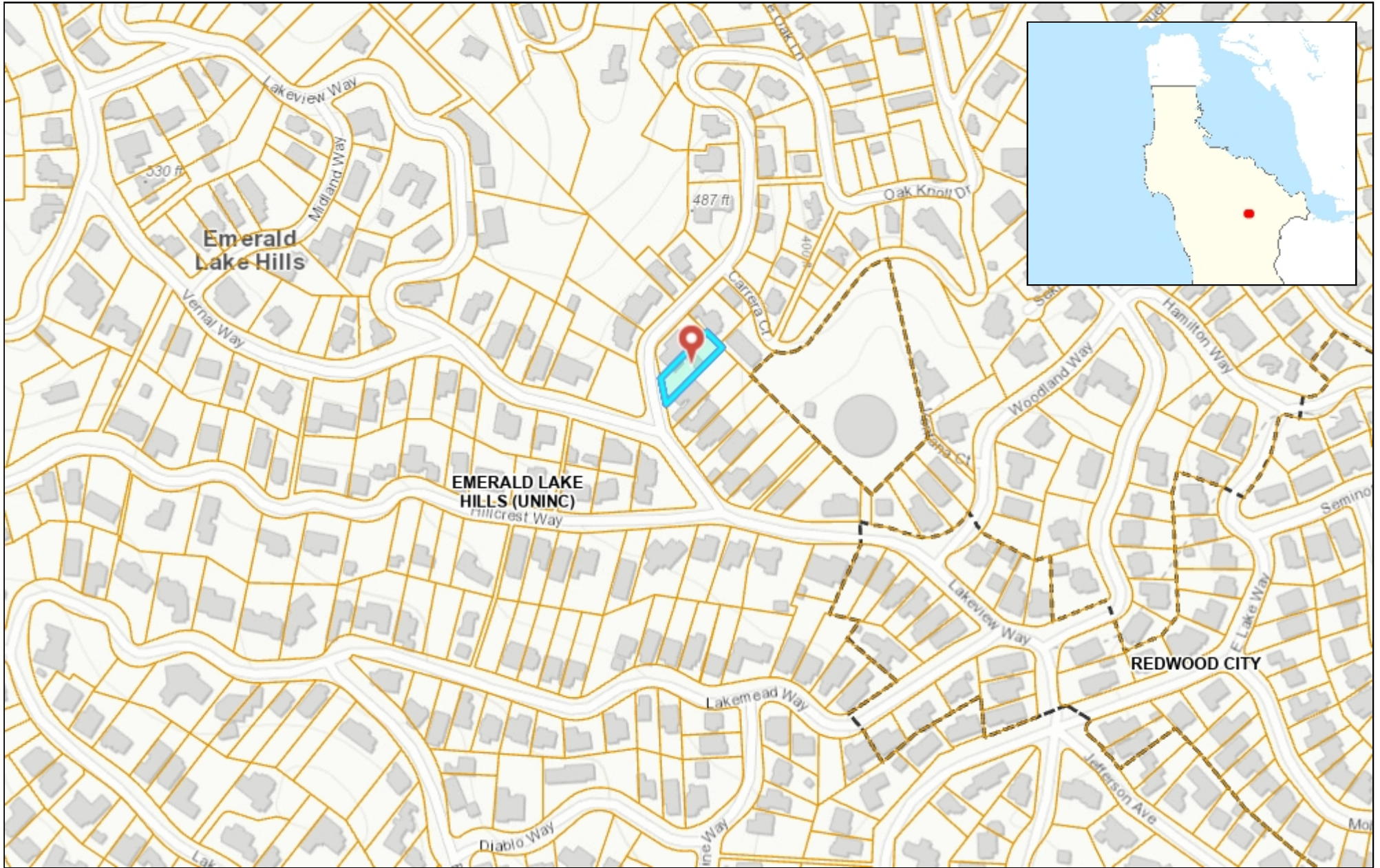
The person signing this addendum to the above-noted application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications.

PDMH Revocable Living Trust

By: B. Bakhshi
Behnaz Bakhshi, Trustee

Date: 10-30-2025





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© Latitude Geographics Group Ltd.

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This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

**Office of the City Manager
Melissa Stevenson Diaz, City Manager**

**1017 Middlefield Road
Redwood City, CA 94063
(650) 780-7301
Fax (650) 364-3539**



December 4, 2025

Rob Bartoli, Executive Officer
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 94063

Re: Letter Authorizing Application to the San Mateo Local Agency Formation Commission Requesting Approval for Extension of Water Service to 3699 Oak Knoll Drive, APN: 068-063-020 Outside of Jurisdictional Boundaries Pursuant to Government Code Section 56133

The City of Redwood City has received a request to authorize water service to the property located at 3699 Oak Knoll Drive, APN: 068-063-020 ("Property"). The Property is located in Unincorporated San Mateo County, California, and is outside the jurisdictional boundaries of the City of Redwood City ("City"), but inside the City's sphere of influence and water service area. The County of San Mateo has approved the demolition of an existing shed for the construction of a new two-story single-family home and ADU. County of San Mateo's approval of building permits is conditioned upon the property owner obtaining authorization for water service on the Property.

On April 28, 2025, Redwood City Council Resolution No. 16293 approved a master resolution for all future applications to the San Mateo Local Agency Formation Commission ("LAFCo") upon request from individual property owners located within a defined Affected Territory. The proposed service extension to the Property is within the Affected Territory and meets the requirements of Resolution No. 16293. The City Engineer is hereby authorized to submit an application to LAFCo requesting approval of the water service outside the City's jurisdictional boundaries but within the City's sphere of influence and water service area to the Property, pursuant to California Government Code Section 56133 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This approval is subject to the conditions in Attachment B.

LAFCo is requested to take proceedings in the manner provided by California Government Code Section 56133 for this application for extension of water service.

Sincerely,

A handwritten signature in blue ink that reads "Melissa Stevenson Diaz".

Melissa Stevenson Diaz
City Manager, City of Redwood City

ATTACHMENTS

Attachment A – Project Vicinity Map
Attachment B – Conditions of Approval

cc: Tanisha Werner, Director of Engineering and Transportation
Naomi Kaw, Assistant Engineer

ATTACHMENT A – PROJECT VICINITY MAP



ATTACHMENT B – CONDITIONS OF APPROVAL

- a. Individual property owner shall obtain LAFCo approval of the application for the proposed water and/or sewer service connection;
- b. Individual property owner shall pay LAFCo fees;
- c. After approval of the construction drawings by the San Mateo County Building Department and upon application for new or extended water and/or sewer service, individual property owner shall pay all applicable City fees, including connection fees associated with proposed water and/or sewer service;
- d. Individual property owner shall pay the City's water and/or sewer service annexation fees;
- e. Individual property owner shall install new water and/or sewer service lines;
- f. Individual property owner shall be responsible for the design, construction, and connection of any water and/or sewer main modifications or extensions necessary to provide adequate flow for domestic use and fire suppression, in accordance with City Code Chapter 38 (Water System Regulations) for water and City Code Chapter 27 (Sanitary Sewerage Facilities) for sewer and as determined by the City and the Fire Marshal within the local jurisdiction;
- g. Individual property owner shall pay the fees for any construction permit in connection with improvements for new water and/or sewer service and shall pay associated costs for plan review and inspections;
- h. Individual property owner shall obtain a City encroachment permit prior to commencement of construction work within the public right of way for work relating to the water and/or sewer line connection and pay deposit/fees in accordance with the City's master fee schedule along with the service connection request;
- i. Individual property owner shall adhere to all the review comments and conditions of service stated by the City;
- j. Individual property owner shall execute a Declaration of Restriction and record it with the County of San Mateo;
- k. Individual property owner shall execute other agreements with the City, including but not limited to maintenance agreements for the new infrastructure installed, as may be necessary and determined by the City Engineer; and
- l. Individual property owner shall obtain any additional permits from other agencies that may be required for the construction work relating to the new service connection.

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LOCAL AGENCY FORMATION COMMISSION

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

January 14, 2026

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
 Sarah Flamm, Management Analyst

Subject: Consideration of Final Municipal Service Reviews for the Town of Woodside and the Town of Portola Valley

Summary & 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 report reviews the following agencies in San Mateo County:

Town of Woodside: The Town of Woodside was incorporated on November 16, 1956 as a general law municipality. As of January 2025, the estimated population is 5,206. The Town covers approximately 12 square miles of rural and suburban San Mateo County. As of November 2025, the Town employs 24.75 Full Time Equivalent staff. The FY2025-26 adopted General Fund budget is \$12,662,540.

Town of Portola Valley: The Town of Portola Valley was incorporated in 1964 as a general law municipality. As of January 2025, the estimated population is 4,286. The Town covers approximately 9 square miles of rural and suburban San Mateo County. As of November 2025, the Town budget includes 15.5 Full Time Equivalent staff. The FY2025-26 adopted General Fund budget is \$8,167,859.

Updates to the Circulation Draft Municipal Service Reviews

San Mateo LAFCo received comments on the Town of Woodside MSR from the San Mateo County Department of Public Works. LAFCo received comments on the Town of Portola Valley MSR from Rebecca Flynn (Town of Portola Valley Council Member), Betsy Morgenthaler (Portola Valley

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 DIANE ESTIPONA, CLERK

resident and Chair of the Open Space Committee), and Emily Rubin (Intern to Vice Mayor Hufty). Responses to these comments are provided in Attachment C.

The final MSR for the Town of Woodside includes edits to and additional detail regarding the Fair Oaks Sewer Maintenance District and sewer service within the Town of Woodside.

The final MSR for the Town of Portola Valley includes revised data related to the number of parcels served by the West Bay Sanitary District, additional maps showing sewer service areas, and details regarding the allocation of the 1% property tax for parcels within the Town. Also, further detail was added to the discussion regarding the annexation options of the whole Ladera community or portions of Ladera, highlighting areas that the Town should evaluate before undertaking any annexation.

Current Key Issues

The Town of Woodside is a Tax Equity Allocation City, meaning the amount of property tax the Town receives is lower than its neighbors. Property tax is the Town's main source of revenue (51% of proposed revenue in FY2025-26). The adopted FY2025-26 general fund budget is \$12,662,540. In FY2025-26, the Town will pay \$3,120,703 to the County Sheriff for its policing contract. Based on Town projections, costs for the Sheriff contract will continue to grow faster than overall Town revenue. By the end of the current contract term in FY2030-31, the Town estimates that there will be a \$1M gap between the contract cost and general fund revenue. This gap would need to be resolved through use of reserves/fund balance, enhanced Town revenue, or the reduction of service levels provided in the contract.

The Town's 2023-2031 Housing Element addresses how the Town plans to meet its state-mandated Regional Housing Needs Allocation allotment of 323 units by year 2031, including rezoning certain housing sites and allowing a variety of housing types. Currently, the majority of the Town is served by on-site septic systems, however, there are some portions of the Town that receive sewer services from either the Town or from another sewer agency. As development occurs, the Town will need to consider whether expanding public sewer services will be required to support the Housing Element projects.

LAFCo last conducted an MSR and SOI update for the Town of Woodside in 2007. As part of the 2025 MSR, three parcels adjacent to the Town's boundaries in unincorporated County have been identified to be included in the Town's SOI. Each of these three parcels is currently developed with single-family homes utilizing onsite septic systems: 425 West Maple Way (APN 068-100-240), 445 West Maple Way (APN 068-100-260), and 465 West Maple Way (APN 068-100-250). In the future, if the property owners wanted to annex to a city for municipal services, the only city that they are adjacent to and hence would be eligible to annex to would be the Town of Woodside.

The Town of Portola Valley is a Tax Equity Allocation City, meaning the amount of property tax the Town receives is lower than its neighbors. Property tax is the Town's main source of revenue (53% of proposed revenue in FY2025-26). The Town has had a structural deficit for its General Fund since FY2021-22 necessitating the use of reserve funds to balance the budget. One of the largest drivers of rising costs has been the contract with the San Mateo County Sheriff's Office. From FY2018-23, the annual contract amount for Sheriff services was \$1.49M. Under the FY2023-25 two-year contract, the annual cost increased by 59% to \$2.38M. It is anticipated that the cost

of the contract with the Sheriff's Office will continue to outpace Town revenue. The Town Managers of Portola Valley and Woodside are conducting preliminary discussions regarding sharing a contract with the Sheriff's Office.

In order to balance the budget and not impact the Town's general fund reserve, the Town will need an additional \$1M in expenditure cuts in FY2026-27 through FY2029-30. The Town's reserve fund is on pace for a deficit by FY2029-30 without a new revenue source. The Town is currently exploring potential revenue measures to address this structural deficit.

The Town is behind on its financial audits, having only in September 2025 completed the FY2021-22 Annual Comprehensive Financial Report (ACFR). The Town has adopted a work program to catch up on outstanding audits, however, the lack of audited budget numbers has hindered fiscal forecasting.

Currently, due to budget constraints, the Town has adopted a one-year Capital Improvement Program (CIP) for FY2025-26 related to roads, storm drains, trails and IT enhancements. This CIP only identifies projects that will have expenditures in the upcoming fiscal year. According to Town staff, an expanded and compressive five-year CIP is currently being drafted and will be adopted as part of the budget cycle for FY2026-27.

The Town has a compliant 2023-31 Housing Element, but there were challenges in having the plan approved by the State. The Town is required to plan for 253 units, which is four times the amount required in the previous Housing Element. The formation and approval of the Housing Element plan required over \$1M for staff, consultants, and legal services. The Town has budgeted additional funds for the current fiscal year to implement the programs and policies associated with the newly adopted Housing Element.

MSR Determinations and Recommendations for the Town of Woodside

I. Growth and Population Determination: Over the next five years, the population of the Town of Woodside (5,206) is projected to grow between 2-4%. The Town's 2023-2031 Housing Element addresses how the Town plans to meet its state-mandated Regional Housing Needs Allocation allotment of 323 units by year 2031, including rezoning certain housing sites and allowing a variety of housing types. Ultimately, the Town will need to consider whether expanding public sewer services is required for the planned housing sites.

Recommendation:

1. The Town should continue to evaluate potential options for providing sewer services within the Town, particularly if these services are required to support the development of properties identified in the Town's adopted Housing Element.

II. Disadvantaged Unincorporated Communities Determination: The Town's sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities.

Recommendation: None

III. Capacity and Adequacy of Public Facilities and Services Determination: Based on Town projections, costs for the Sheriff contract will continue to grow faster than overall Town revenue. By the end of the current contract term in FY2030-31, the Town estimates that there will be a \$1M gap between the contract cost and Town General Fund revenue. This gap would

need to be resolved through use of reserves/fund balance, enhanced Town revenue, or the reduction of service levels provided in the contract.

The Town is currently exploring options for increased access to sewer services. In general, existing sewer services within the Town are in the areas around Cañada Rd. and Woodside Rd., meaning that most areas in the Town are not in the vicinity of sewer services. With no sewer treatment facility within Town boundaries, sewer service is reliant on treatment allocation from the City of Redwood and the Fair Oaks Sewer Maintenance District (FOSMD), and physical transport capacity from FOSMD and further downstream from the City of Redwood City, which have their own development pressures to address.

Recommendations:

2. The Town should have regular meetings with the FOSMD/County to align policies and processes on sewer allocations to parcels within the Town, especially in the Redwood Creek Sewer Assessment (RCS) area.
3. The Town and FOSMD/County should evaluate ways of streamlining the process for executing of a Town-FOSMD transport supplement agreement for when parcels are annexed to FOSMD that are outside of RCS. The boundaries and service area of FOSMD should be reviewed so that the current and future geographical boundaries of the District are clearly delineated for all parties involved (i.e. the Town, FOSMD, LAFCo, and residents). The agencies should seek alignment on the topic of what happens to district boundaries when reallocating unused RCS sewer connections to parcels outside of RCS and outside of FOSMD. Area plans depicting the probable extent of sewer service boundaries should be developed.
4. An audit of parcels in the Redwood Creek Sewer Assessment area should be conducted to identify which parcels have been connected to the FOSMD system, determine which connections are still outstanding, and to confirm which parcels have paid assessment fees. The audit should also review information about the sewer system flow and treatment capacity for FOSMD and the Town including verification that sufficient sewer assessments remain available for parcels within the original service area after any are granted to parcels outside of RCS.
5. In addition to the ongoing “Sanitary Sewer Master Plan” study by Freyer and Laureta, Inc., the Town should conduct a sewer feasibility study for areas in the Town that are outside, and contiguous to, existing sewer service boundaries. In areas where topography or parcel size could limit septic system replacement, a sewer system would be required for new development or to replace a failed septic system. The study should evaluate sewer service priority areas in Town that are outside of the current assessment districts and determine, how services could be provided, and how these services would be financed. This study would also provide neighboring and/or partner agencies visibility into Town priorities and objectives related to sewer services, and help evaluate potential impacts to their infrastructure.

IV. Financial Ability Determination: LAFCo staff has not identified any issues with the Town’s budgeting practices. The Town’s adopted general fund operating budget for FY2025-26 totals \$12,662,540. The estimated operating reserve amount is \$3,666,254. The Town of Woodside has a five-year Capital Improvement Program for which funding has been identified for approximately 93% of anticipated costs. The Town of Woodside is classified as Tax Equity

Allocation jurisdiction, which limits the amount of property tax that the Town receives. The Town general fund primary revenue source is property tax (51% of proposed revenue in FY2025-26). The Town staff and Council has expressed concerned about the continued increase in the cost of the Sheriff's Office contract and will continue to monitor the impact of the contract on the Town's general fund.

Recommendation: None

- V. Shared Service and Facilities Determination:** The Town has agreements and partnerships with various organizations. Contracting for services has the benefit of enabling the Town to adjust service levels depending on budget and needs.

Recommendation:

6. The Town should continue discussions with the Town of Portola Valley regarding the possibility of a joint contract with the Sheriff's Office for police services, as well as explore other opportunities for shared services or contracts.

- VI. Accountability, Structure, and Efficiencies Determination:** The Town of Woodside is general law city and utilizes a Council-Manager form of government. The five city council members are elected by District. Town Council meetings are held in-person at 7pm at Independence Hall, 2955 Woodside Road on the 2nd and 4th Tuesday of every month. The public may attend meetings in-person or online via Zoom. Public comment is accepted via Zoom as well as in-person. LAFCo has no current concerns regarding the governance accountability, structure or efficiencies of the Town.

Recommendation: None

- VII. Other Issues Determination:** The Town participates in the Local Hazard Mitigation Plan. It has an Emergency and Preparedness Committee. The Town works with the Woodside Fire Protection District for hazard mitigation efforts, including a matching fund program for homeowner's to enhance their defensible space and home hardening.

Recommendation:

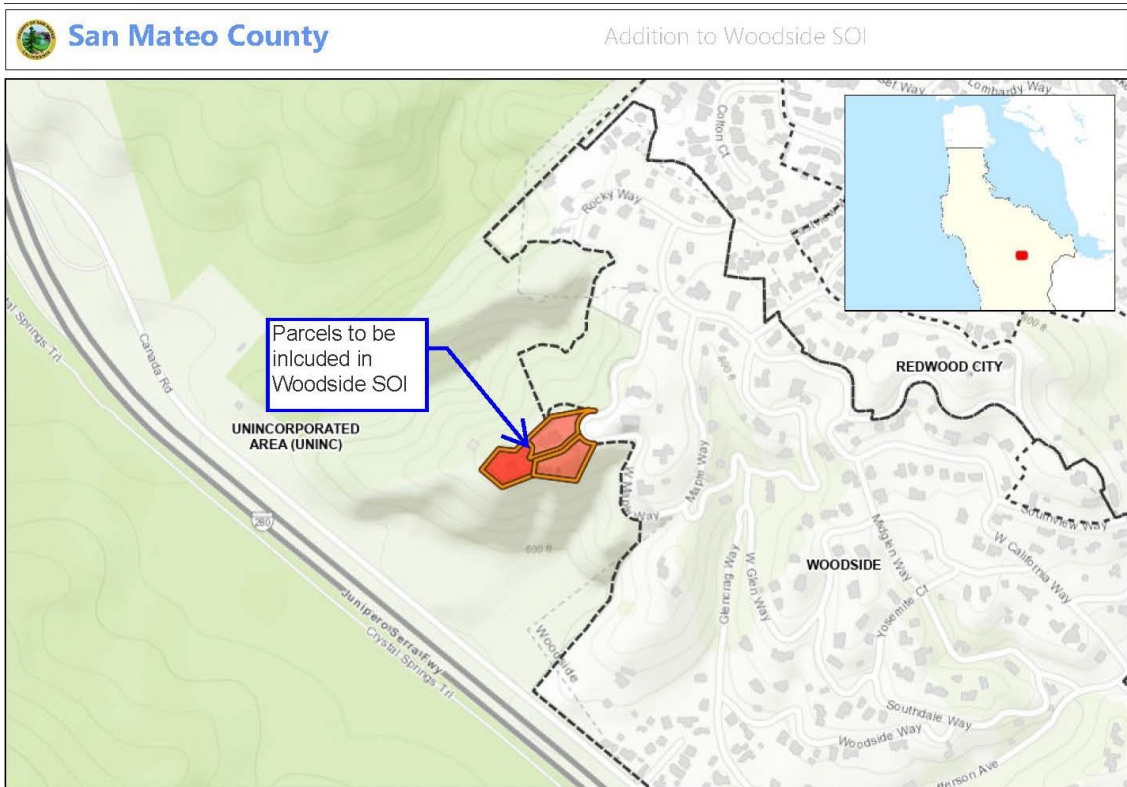
7. LAFCo encourages the Town of Woodside to continue its work in the areas of natural hazard mitigation and wildfire preparedness and to continue to coordinate with partner agencies.

Sphere of Influence Determinations for the Town of Woodside

- I. The present and planned land uses in the area, including agricultural and open space lands:** Land use designations within the Town of Woodside are Residential, Open Space, and some limited Community Commercial. Agricultural uses are permitted for those parcels designated as Open Space. The Town's General Plan emphasizes the preservation and protection of open space and environmentally sensitive areas.
- II. The present and probable need for public facilities and services in the area:** The Town of Woodside meets the municipal service needs of its residents and businesses. The Town anticipates that it will be able to provide adequate facilities and services for the anticipated growth within its service area. The current SOI for the Town includes the unincorporated communities of Guernsey Field, Jasper Ridge, and western hills along Skyline Blvd./Highway

35. In reviewing the Town’s SOI and surrounding parcels, three parcels along West Maple Way near the northern boundary of the Town have been identified to be included in the Town’s SOI. These three parcels, 425 West Maple Way (APN 068-100-240), 445 West Maple Way (APN 068-100-260), and 465 West Maple Way (APN 068-100-250) are located in unincorporated County but are adjacent to the Town’s boundaries; the roadway of West Maple Way is already in Town boundaries as are the houses across the street.

Figure 1. Proposed Additions to the Town of Woodside SOI



Each of the three parcels is currently developed with single-family homes utilizing onsite septic systems. The three parcels are bordered by SFPUC Watershed lands to the north, south, and west. To the east is the Town of Woodside. The three parcels to be included in the Town’s SOI share similar characteristics of parcels within the Town. In the future, if the property owners wanted to annex to a city for municipal services, the only city that they are adjacent to and hence would be eligible to annex to would be the Town of Woodside. For these reasons, LAFCo is recommending that these parcel be included in the Town’s SOI.

III. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide: The Town of Woodside currently provides adequate public services to its residents, including police protection (via contract), sanitary sewer, and storm water services. In addition, the Town routinely adopts a Capital Improvement Program to fund critical repairs, replacements and improvements to the Town’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 of the Town of Woodside.

- V. 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:** There are no disadvantaged unincorporated communities within the Town's boundaries, or in the Town's Sphere of Influence.

MSR Determinations and Recommendations for the Town of Portola Valley

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

- I. Growth and Population Determination:** Over the next five years, the population of the Town of Portola Valley (4,286) is projected to grow between 2-4%. The Town's 2023-2031 Housing Element addresses how the Town plans to meet its state-mandated Regional Housing Needs Allocation allotment of 253 units by year 2031. The Town hired a consultant to support the work associated with implementing the Town's Housing Element plans and programs.

Recommendation: None.

- II. Disadvantaged Unincorporated Communities Determination:** The Town's sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities nor does the Town provide sewer, municipal and industrial water, or structural fire protection services.

Recommendation: None

- III. Capacity and Adequacy of Public Facilities and Services Determination:** The Town meets the service needs of existing development within its sphere of influence and corporate boundaries. However, the cost of the present policing contract with the County Sheriff's office is anticipated to continue outpacing Town revenue, leading to a structural deficit and negatively impacting the finances of the Town.

Currently, due to budget constraints, the Town has adopted a one-year Capital Improvement Program (\$1.36M for FY2025-26). An expanded and compressive five-year CIP is anticipated to be created and adopted as part of the budget cycle for FY2026-27.

The Town does not provide sewer services, however the independent special district West Bay Sanitary District does. Developers and homeowners in Town may choose to switch from onsite septic systems to sewer services by first annexing their property into WBSD. Homeowners are responsible for applying for annexation and for paying the cost of extended sewer infrastructure.

Recommendations:

1. LAFCo encourages the Town to develop a comprehensive Capital Improvement Program and to review this plan against proposed housing development projects.
2. LAFCo encourages the Town to continue to coordinate with the West Bay Sanitary District and LAFCo in regards to future annexations of parcels to the Sanitary District for new sewer service

IV. Financial Ability Determination: The Town of Portola Valley is classified as Tax Equity Allocation (TEA) city. The primary source of general fund revenue is property tax and the accompanying TEA (53% of proposed revenue in FY2025-26). Town staff project that without additional revenue, expenses will exceed revenue by FY2027-28. In order to balance the budget and not impact the Town's general fund reserve, the Town will need an additional \$1M in expenditure cuts in FY2026-27 through FY2029-30. The Town's reserve fund would be in deficit by FY2029-30 without a new revenue source. The Town is aware of these issues and has presented reports and fiscal forecasts to the Town Council and the public. Currently, the Town is exploring potential revenue measures to address this structural deficit.

The Town is behind on its financial audits, having only recently completed the FY2021-22 Annual Comprehensive Financial Report (ACFR). The Town has adopted a work program to catch up on outstanding audits, however, the lack of audited budget numbers has hindered fiscal forecasting. The Town Council and management can benefit by making current financial data available as early as possible in the budgeting and planning process. According to a 2023 Krisch & Company report, there were several deficiencies related to internal controllers, accounting, and workflow in the Town's Finance Department. The Town has been working to implement these recommendations.

Recommendations:

3. LAFCo supports the Town's efforts to evaluate new potential revenue sources and encourages the Town to continue to explore revenue and expenditure options related to the Town's General Fund in order to adopt a balance annual budget.
4. LAFCo encourages the Town to adopt a long-term, comprehensive Capital Improvement Program for Town infrastructure projects.
5. LAFCo recommends that the signed resolutions for the adoption of the annual budgets and appropriation limits be uploaded to the Town's budget webpages.
6. The Town should continue to provide updates to the Town Council and the public regarding the finances of the Town and explore additional opportunities to enhance transparency related to finance documents and reports. This could include the creation of a webpage that provides a summary of the current and recent past financial information related to the Town's General Fund, reserve funds, and audits all in one location.
7. Budget documents and staff financial reports should explicitly show the amount of funds allocated to the Town's fund balance.

V. Shared Service and Facilities Determination: The Town of Portola Valley partners with several agencies to share resources and reduce costs. The Towns of Portola Valley and Woodside are currently reviewing police service options for future fiscal years.

Recommendations:

8. The Town should continue discussions with the Town of Woodside regarding the possibility of a joint contract with the Sheriff's Office for police services, as well as explore other opportunities for shared services or contracts.

9. LAFCo encourages the Town and the Los Trancos County Maintenance District to work together on stormwater management plans for areas that may be impacted by stormwater originating from the unincorporated area of Los Trancos Woods.

VI. Accountability, Structure, and Efficiencies Determination: There are no recommended actions to change the Town's governance structure in the MSR, however several options have been discussed by the Town Council and Town committees in the context of addressing the Town's budget and structural deficit. In recognition of these discussions, this report outlines several types of governance changes but makes no proposal to implement any option. There do not appear to be any issues with public meetings being accessible and well publicized. As highlighted in Section 4, the Town is behind on conducting audited financial statements, with the most recent audit completed for FY2021-22 in September 2025. The Town has a workplan to catch up on financial audits and is currently implementing the plan. The Town has experienced high levels of staff turnover in the past 3 years and is in the process of recruitment and evaluation of opportunities to hire staff on contract for certain positions. The Town has a culture of volunteerism, and there are approximately 125 volunteer members currently serving on Town standing committees and commissions.

Recommendation:

10. LAFCo recommends that the Town continue the process of implementing the audit workplan for past audits, and that a work program or policy be adopted to ensure that future audits are conducted in a timely manner.

VII. Other Issues Determination: The Town participates in the Local Hazard Mitigation Plan. It has several committees that work in cooperation with Town staff to address emergency preparedness.

Recommendation:

11. LAFCo encourages the Town of Portola Valley to continue its work in the areas of natural hazard mitigation and wildfire preparedness and to continue to coordinate with partner agencies.

Proposed Sphere of Influence Determinations for the Town of Portola Valley

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 Town of Portola Valley is comprised primarily of residential land use, with some commercial/office, open space, and institutional land use. The District boundaries contain land that is under the jurisdiction of the County of San Mateo, the Mid-Peninsula Open Space District, 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:** The Town meets the needs of its residents and businesses for municipal services, and the Town 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 Town currently provides adequate public services to its residents, including public works, planning, recreation, police protection (via contract) and storm water services. In addition, the Town routinely adopts a Capital Improvement Program to fund critical repairs, replacements and improvements to the Town'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 of the Town of Portola Valley.
- 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 Town of Portola Valley is proposed at this time.

Public/Agency Involvement: The primary source of information used in this report was collected from publicly available agency-adopted plans, budgets, reports, and policies. Information received by San Mateo LAFCo in response to requests for data from the Town of Portola Valley, the Town of Woodside, and West Bay Sanitary District has been incorporated into this report.

LAFCo staff presented the draft report to the Town of Woodside Town Council December 9, 2025. LAFCo staff also held a virtual community workshop for the Draft Portola Valley MSR on January 8, 2026 at 6:30pm to allow the public to ask questions and provide additional comments on the report. Seven members of the public attended the workshop.

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 Recommendations to Commission:

1. Open the public hearing and accept public comment.
2. Accept the Final Municipal Service Reviews and Sphere of Influence Updates for the Town of Woodside and Town of Portola Valley
3. Adopt the Determinations and Recommendations contained in this report.

Attachments

- A. Final Municipal Service Review for the Town of Woodside
- B. Final Municipal Service Review for the Town of Portola Valley
- C. Response to public comments received (To be provided under separate cover)
- D. Resolution 1346
- E. Resolution 1347



**Municipal Service Review and Sphere of Influence
Review for the Town of Woodside**

Final

Released January 14, 2026

Municipal Service Review and Sphere of Influence Review for the Town of Woodside

SUBJECT AGENCY:

Town of Woodside

2955 Woodside Rd.

Woodside, California 94062

Contact: Jason Ledbetter, Town Manager, 650-851-6790

CONDUCTED BY:

San Mateo Local Agency Formation Commission

455 County Center, 2nd Floor

Redwood City, CA 94063

(650) 363-4224

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Virginia Chang Kiraly, Vice Chair, Special District Member

Jackie Speier, County Member

Ann Draper, Public Member

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Colleen You, Public Member

Katheryn Slater-Carter, Special District Member

Greg Wright, City Member

Staff:

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Section I. Executive Summary

Purpose of Report

This report includes a Municipal Service Review (MSR) and Sphere of Influence (SOI) study for the Town of Woodside. California Government Code Section 56430 requires that Local Agency Formation Commissions (LAFCo's) complete MSR and SOI reviews on all cities and special districts. These state-mandated reports are studies of an agency's service provision and logical boundaries. The review process is intended to identify municipal service delivery challenges and opportunities, provide the public and affected agencies with a platform to comment on an agency's services and finances, and review opportunities to share governmental resources. Once the MSR determinations are adopted, the SOI—the plan for the boundaries of a city or special district— is reviewed, pursuant to Section 56425.

San Mateo Local Agency Formation Commission

San Mateo LAFCo is a State-mandated, independent entity with county-wide jurisdiction over the boundaries and organization of cities and special districts. LAFCo reviews 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 LAFCo 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 SOI's 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 Review.

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.

MSR and SOI Determinations

Per Government Code Section 56430, LAFCo is required to include MSR Determinations that address the following areas for any local agency:

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

MSR Determinations must be adopted before the Commission updates or amends a SOI per Government Code Section 56425, LAFCo is required to make the following five written SOI determinations when establishing, amending, or updating an SOI for any local agency:

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.

Report Review Process

This Circulation Draft Report is presented during a public hearing and afterwards circulated for comment to the agency under study, as well as interested individuals and groups. The Final Report will include the comments on the draft, as well as LAFCo staff's Determinations and Recommendations. This report has been written based on source documents that included Adopted Budgets, Capital Improvement Plans, Meeting Minutes, Staff Reports, Consultant Reports, and information provided by Town and County staff.

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. There are no disadvantaged unincorporated communities within the current boundaries or service area of the Town of Woodside.

Section II. Summary of Key Issues

The Town of Woodside is a Tax Equity Allocation City, meaning the amount of property tax the Town receives is lower than neighboring cities. Property tax is the Town's main source of revenue. The adopted FY2025-26 general fund budget is \$12,662,540. In FY2025-26, the Town will pay \$3,120,703 to the County Sheriff for its policing contract. Based on Town projections, costs for the Sheriff contract will continue to grow faster than overall Town revenue. By the end of the current contract term in FY2030-31, the Town estimates that there will be a \$1M gap between the contract cost and general fund revenue. This gap would need to be resolved through use of reserves/fund balance, enhanced Town revenue, or the reduction of service levels provided in the contract.

The Town's 2023-2031 Housing Element addresses how the Town plans to meet its state-mandated Regional Housing Needs Allocation allotment of 323 units by year 2031, including rezoning certain housing sites and allowing a variety of housing types. Currently, the majority of

the Town is served by on-site septic systems, however, there are some portions of the Town that receive sewer services from either the Town or from another sewer agency. As development occurs, the Town will need to consider whether expanding public sewer services will be required to support the Housing Element projects. There have also been inquiries to LAFCo and to FOSMD regarding sewer service in other areas outside of the existing sewer service areas.

LAFCo last conducted an MSR and SOI update for the Town of Woodside in 2007. As part of the 2025 MSR, three parcels adjacent to the Town's boundaries in unincorporated County have been identified to be included in the Town's SOI. Each of these three parcels is currently developed with single-family homes utilizing onsite septic systems: 425 West Maple Way (APN 068-100-240), 445 West Maple Way (APN 068-100-260), and 465 West Maple Way (APN 068-100-250). In the future, if the property owners wanted to annex to a city for municipal services, the only city that they are adjacent to and hence would be eligible to annex to would be the Town of Woodside.

Section III. Affected Agencies

Cities and County: San Mateo County

School Districts: Woodside School District, Redwood City School District, Las Lomas School District, Portola Valley School District, Cabrillo Unified School District

Independent Special Districts: Midpeninsula Regional Open Space District, Woodside Fire Protection District, West Bay Sanitation District

Dependent Special Districts: Fair Oaks Sewer Maintenance District

Section IV. Municipal Service Review for the Town of Woodside

Governance and Statutory Authority

The Town of Woodside was incorporated on November 16, 1956 as a general law municipality. As of January 2025, the estimated population is 5,206.¹ The Town covers approximately 12 square miles of rural and suburban San Mateo County. The Town's legislative body is the Town Council comprised of five members elected by district to serve four-year terms.² The Town Manager prepares two-year budgets, and the Town Council adopts the budget on or before June 30 every year. The Town Council also adopts ordinances, policies and regulations; establishes fee schedules; and has the power to declare an emergency. The Town Council annually appoints the positions of Mayor and Vice Mayor. The Town Council also appoints the Town Manager, Town Attorney, and all members of advisory committees and commissions. The Town employs 24.75 Full Time Equivalent (FTE) staff and the Town Council establishes salary ranges.

¹ State of California, Department of Finance, [E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2024 and 2025. Sacramento, California, May 2025.](#)

² Prior to the redistricting process in 2021, the Town Council had 7 members elected at-large.

Overview

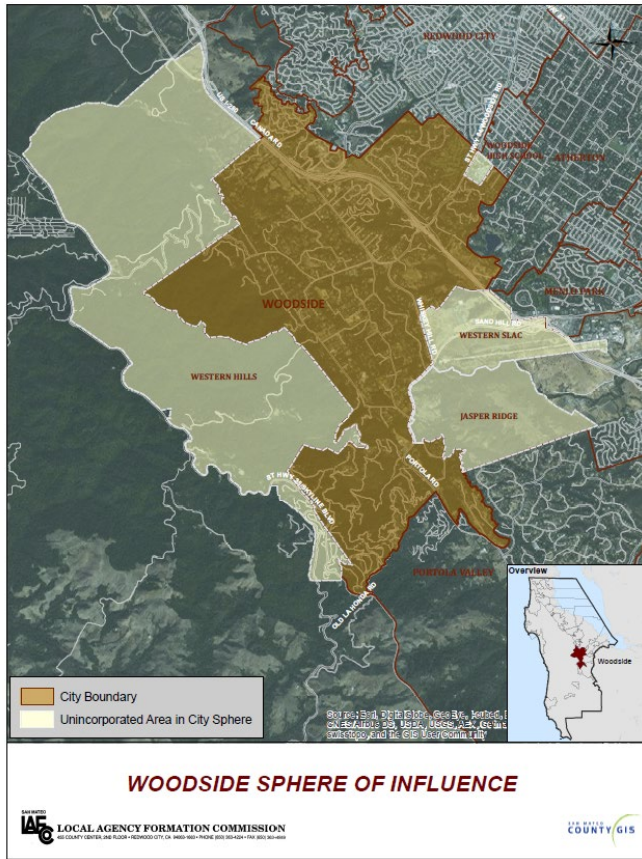
The Town of Woodside consists primarily of low-density single-family residential development, along with open space, institutional, and two small areas of commercial land in Town Center and Skylonda Center. The Town General Plan highlights that the Town is an urban/wildlife interface community that values maintaining the natural and scenic character of the land.

The Town of Woodside provides planning and zoning, public works, building regulation, and recreation services. The Town contracts for police services (via the San Mateo County Sheriff's Office); for sewer service within the Town Center Sewer Assessment Area (West Bay Sanitary District); and for solid waste (Greenwaste Recovery). Some portions of the Town also are within the boundaries of the Fair Oaks Sewer Maintenance District (governed by the County of San Mateo) for sewer service. Fire protection in the Town is provided by the Woodside Fire Protection District. Water service is provided by Cal Water and the City of Redwood City.

The Sphere of Influence (SOI) for the Town has remained unchanged since 1988.³ In order for a parcel to be eligible for annexation into a city/town, it must be within the agency's SOI. The most recent annexation into the Town was on February 20, 2003, annexing 33 acres of inhabited land called "Ward Way and Greenways". The Town does not anticipate additional annexations of new land into the Town in the near or medium term. As shown in Figure 1, unincorporated areas within the Town's SOI includes Wunderlich County Park and Huddart County Park (i.e. "Western Hills"), Skylonda, and Stanford lands (i.e. "Jasper Ridge" and "Western SLAC").

³ Latest SOI amendment was to include Woodside High School/Greenways Tract on Aug. 17, 1988, via LAFCo resolution No. 783.

Figure 1. Town of Woodside Sphere of Influence



The MSR determination checked below (i.e. “Capacity, Adequacy & Infrastructure to Provide Services”) is 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 of the determinations are not significant, as indicated by “no” answers, the Commission may find that an MSR update is not warranted.

Town of Woodside MSR Determination Summary

X	1) Growth and Population		2) Disadvantaged Unincorporated Communities
X	3) Capacity, Adequacy & Infrastructure to Provide Services	X	4) Financial Ability
X	5) Shared Services		6) Accountability, Structure, and Efficiencies
	7) Other		

1) Growth and Population MSR Determination

Growth and population projections for Town of Woodside	Yes	Maybe	No
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

a-c) As of January 2025, the estimated population for the Town of Woodside is 5,206.⁴ The Town’s population growth is estimated to be between 2-4% in the ten years between 2020 through 2030, which is less than the projected growth rates for the County of San Mateo (8%) and the State of California (9%).⁵ Population growth in the Town of Woodside is constrained by factors such as land use regulations, limited availability of sewer treatment capacity, and community opposition (i.e. “desire to maintain Town’s rural character”).

Housing Element

On July 23, 2024, the Town adopted the 2023-31 Housing Element which includes plans for how to meet the State-mandated Regional Housing Needs Allocation (RHNA). The Town’s “Cycle 6” RHNA is 328 units, which is more than 5 times the RHNA amount of 62 units identified in the Cycle 5 allocation (2015-23).⁶ Historically, the Town met its affordable housing allocations through the development of ADUs. The Town produced an average of 15 ADUs per year, between 2018 and 2022.⁷ The Town Housing Element includes strategies to increase the number of ADUs, including amending the Municipal Code to remove ADU construction barriers.⁸ The Housing Element also proposes sites that could be rezoned to allow increased density, and proposes amending local

⁴ State of California, Department of Finance.

⁵ Town General Plan 2013

⁶ State guidelines recommend including a buffer of additional units to adequately plan to meet the allocation. Woodside elected to include a 20% buffer (i.e. 65 units) in addition to the base allocation for a total of 393 planned units. For comparison, the neighboring Town of Portola Valley has a Cycle 6 RHNA base allocation of 253.

⁷ Town of Woodside 2023-2031 Housing Element

⁸ Town of Woodside ADU-related ordinances: Ordinance 2017-585 , Ordinance 2018-593, Ordinance 2018-597, and Ordinance 2020-610.

development regulations to allow for a variety housing unit types other than single family residences. One other barrier to development has been the lack of sewer services in the majority of the Town.

While the Housing Element represents the Town’s plan for development of the requisite Cycle 6 RHNA over the 8-year period from 2023-31, the actual development of the 328 units could occur within this same time frame or at a later date. Therefore no significant population change or development is expected within the Town of Woodside in the next 5-10 years.

MSR Determination No. 1: Over the next five years, the population of the Town of Woodside (5,206) is projected to grow between 2-4%. The Town’s 2023-2031 Housing Element addresses how the Town plans to meet its state-mandated Regional Housing Needs Allocation allotment of 323 units by year 2031, including rezoning certain housing sites and allowing a variety of housing types. Ultimately, the Town will need to consider whether expanding public sewer services is required for the planned housing sites. Any expansion of sewer service by the Town will require working with the downstream agencies for transport and treatment.

Recommendation:

1. The Town should continue to evaluate potential options for providing sewer services within the Town, particularly if these services are required to support the development of properties identified in the Town’s adopted Housing Element. Any expansion of sewer service by the Town will require working with the downstream agencies for transport and treatment, including FOSMD and the City of Redwood City. (More discussion on sewer in Section 3).

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
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a-c) The Town does provide sewer services within the Town Service Center, but does not provide municipal and industrial water or structural fire protection. While the SOI of the Town does include unincorporated territory, these unincorporated areas are not classified as disadvantaged.

MSR Determination No. 2: The Town’s sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities.

Recommendation: None.

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.	<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

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

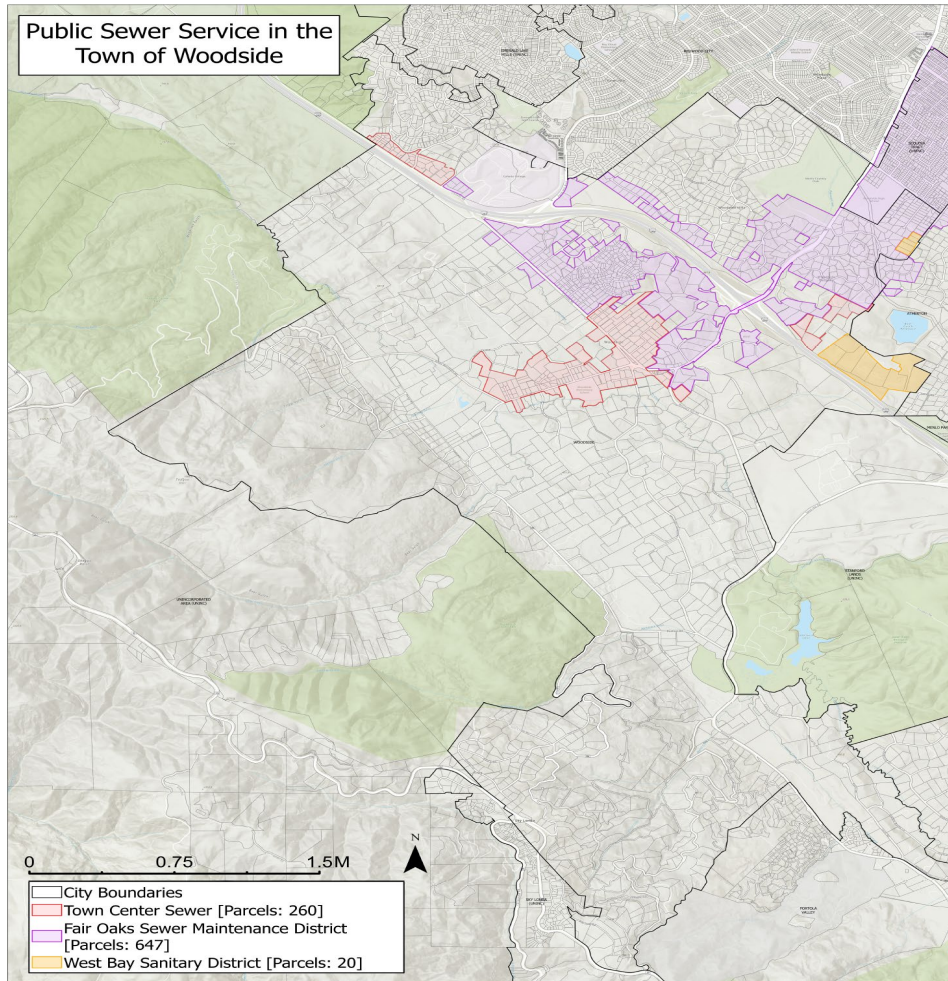
The Town meets the service needs of existing development within its SOI and corporate boundaries. The Town of Woodside provides planning and zoning, public works, building regulation, and recreation services. Police services are provided by a contract with the San Mateo County Sheriff's Office. Other municipal agencies provide structural fire protection (Woodside Fire Protection District), water (City of Redwood City), and sewer services (Fair Oaks Sewer Maintenance District and West Bay Sanitary District).

i. Sewer Services

Sewer services within the Town of Woodside are provided by three agencies: 1) the Town of Woodside through the Town Center Sewer Assessment area; 2) the Fair Oaks Sewer Maintenance District, a dependent special district governed by the County of San Mateo; and 3) the West Bay Sanitary District, an independent special district.

Between 30-40% of the 2,375 parcels in the Town of Woodside have access to public sewer service. Most parcels within the Town rely on private on-site septic systems to treat wastewater, as depicted by the uncolored areas in Figure 1 below.

Figure 1. Public Sewer Service Areas vs. Private Septic Systems in the Town of Woodside



Source: County GIS

Fair Oaks Sewer Maintenance District (FOSMD): As of October 2025, FOSMD serves 647 parcels in the Town of Woodside. The FOSMD is the largest of the ten County-governed sewer districts. FOSMD is unique among other County sewer districts as it includes both unincorporated and incorporated territory. Operated by the San Mateo County Department of Public Works, the District was formed in 1939 and includes territory located in portions of Woodside, Atherton, Redwood City, Menlo Park and unincorporated areas including North Fair Oaks. The district has 81 miles of pipelines and over 7,000 connections. Effluent flows to the Silicon Valley Clean Water wastewater treatment plant in Redwood City under an agreement between the District and the City of Redwood City for both sewer treatment capacity and for transmission of effluent through the City's sewer system. As an enterprise district, FOSMD's primary revenue source is sewer fees that are assessed on property tax bills. Silicon Valley Clean Water is a JPA between the cities of Belmont, San Carlos, and Redwood City and the West Bay Sanitary District. FOSMD and the County are not members of the JPA. FOSMD has an agreement with the City of Redwood City for

2.5 million gallons per day of wastewater generated by FOSMD to be treated at the Silicon Valley Clean Water wastewater treatment plant.

In 1968, the Town of Woodside formed an assessment district, the Redwood Creek Trunk Assessment District (RCAD). Per the Town's General Plan, the RCS was primarily formed because of health and safety concerns that existed within Woodside Glens, which had a history of failing septic systems dating back to 1959. RCAD is not an operational sewer district but instead is a funding mechanism for the construction of a sewer system within the Redwood Creek and Glens areas of the Town. To provide sewer services to parcels within the RCS, the Town of Woodside and FOSMD entered into an agreement in 1968 that would allocate 150,000 gallons per day of treatment and flow capacity to RCAD. The capacity was based upon an estimated 250 gallons per day per household use. About 573 assessments were originally levied, with 182 in the Glens and 391 outside of the Glens. The Town-constructed facilities are maintained and operated by the FOSMD, and parcels that are serviced by FOSMD within the RCAD area are annexed to FOSMD.

In recent years, parcels that were not within the original boundaries of the RCAD have been included in the service area and annexed to FOSMD. In order for these parcels to receive service, the Town transferred sewer capacity rights from parcels that are owned by the Town within the RCAD to privately owned parcels requesting service. These Town-owned parcels have multiple sewer connection assessments which allows for the transfer of these connections to other parcels seeking to connect to the FOSMD system. Currently, there are ongoing discussions between FOSMD and Woodside regarding sewer service to parcels in the Canada Rd. area.

Town Center Sewer Assessment District (TCSAD):

As of October 2025, the TCSAD serves 260 parcels in the Town of Woodside. The TCSAD was formed by the Town in 1987. This system is owned by the Town and operated and maintained by the West Bay Sanitary District under contract. It includes the Town's commercial, institutional, and residential properties generally located along Woodside Road, Martin Lane, Prospect Street, Audiffred Lane, Cedar Lane, and up Cañada Road to Bardet Road (the Cañada Corridor Area). TCSAD has an agreement with the Redwood City for sewer treatment allocation at the Silicon Valley Clean Water treatment plant for 100,000 gallons per day. The Town also has agreements with Redwood City and with FOSMD for the transmission of TCSAD wastewater through the City and District facilities.

West Bay Sanitary District (WBSD)

WBSD provides sewer services to approximately 20 parcels in the eastern portion of the Town of Woodside, located along Moore Rd. and Stockbridge Ave.. The SOI for WBSD includes the entire Town of Woodside. The WBSD is the regional sanitary sewer provider for the City of Menlo Park and portions of Woodside, Atherton, East Palo Alto, Portola Valley, Redwood City, south county unincorporated areas, and several parcels in Santa Clara County near Los Trancos Creek. The District was formed in 1902 and serves approximately 19,486 residential customers and 625

commercial customers with approximately 216 miles of sewer mains. WBSD is a member of Silicon Valley Clean Water JPA.

City of Redwood City

The City of Redwood City provides sewer service to one parcel at 115 Harcross Road in response to a failed septic system at the property. The sewer connection was permitted by LAFCo in 2019 via an Outside Service Agreement to address the on-going public and safety issue (LAFCo File 19-04). The 115 Harcross property is adjacent to Redwood City and the City's sanitary sewers were the only municipal wastewater sewer lines nearby and available to provide direct service.

ii. Police

The Town of Woodside contracts with the San Mateo County Sheriff's Office for law enforcement services. The contract includes a service level for two deputies during the day shift; two deputies during the night shift; two patrol deputies; a portion of a detective (50%); a portion of an administrative sergeant (25%); and a portion of a Captain (25%). In September 2025, the Town Council approved a new five-year contract for services for a total amount of \$3,320,703 for FY2025-26.⁹ This represents a 9% increase (\$276,191) from FY2024-25.

Prior to this contract, the previous five-year contract included a cap on annual increases. However, in the newly adopted contract, this cap was not included. The Town Council has an Ad Hoc Law Enforcement Subcommittee that has been working on the newly adopted contract. As part of this effort, the Town and Sheriff's Office will meet prior to the start of each fiscal year to review budget methodology and the breakdown of costs incurred by the Sheriff's Office to provide those services.

Based on a projected estimate by the Town, costs for the Sheriff contract will continue to grow faster than overall Town revenue. By the end of the current contract term in FY2030-31, the Town estimates that there will be a \$1 million gap between the contract cost and Town General Fund revenue. This gap would need to be resolved through use of reserves/fund balance, enhanced Town revenue, or the reduction of service levels provided in the contract.

iii. Fire

The Town of Woodside is located within the service area of the Woodside Fire Protection District (WFPD), an independent special district. WFPD was formed in 1939 and then reestablished in 1949. WFPD provides fire services to the towns of Woodside and Portola Valley, and to the unincorporated areas of Ladera, Los Trancos Woods, Skyline, Vista Verde, and portions of Emerald Lake Hills. The District has three fire stations, with Fire Station No. 7 located in Town at 3111 Woodside Road. WFPD provides emergency operations, a hazardous materials response program, training, community risk reduction and fire prevention, office of emergency services, and administrative support. As of 2025, WFPD has 68 FTEs, and a FY2025-26 budget of \$30M.

⁹ The Town will pay \$3,120,703 rather than \$3,320,703 in year one of this agreement due to an invoicing error in the previous year (Town of Woodside, Town Council Staff Report, September 9, 2025)

iv. Water

The Town of Woodside receives water service from Cal Water, a private company. In some portions of the town near the unincorporated area of Emerald Lake Hills, the City of Redwood City is the provider of domestic water services.

v. Library

The Town of Woodside Library is a branch of the San Mateo County Library located at 3140 Woodside Road.

vi. Other Contract Services

The Town of Woodside contracts with Green Waste Recovery Inc. to collect solid waste, recycling and compost from residences and business.

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

The Town of Woodside's recently adopted Housing Element identifies the need to plan for 323 new residential units within the Town. One constraint on building these units is the limited sewer treatment capacity. Town staff has recently inquired with LAFCo and FOSMD/County staff about new sewer services to parcels both within the existing Redwood Creek Assessment District area and to parcels currently outside of RCSD and FOSMD. While on-site septic systems may be able to address the service needs for some parcels that have been identified in the Housing Element, it is likely that sewer service will be needed for larger, more dense development projects or developments that occur on properties that are constrained by size or topography. Most parcels in the Town have already been developed, and the remaining undeveloped parcels are either on slopes that would be too steep for septic (Town Municipal Code does not permit septic systems in slopes greater than 35%) or are too small to fit both a home structure and an appropriately sized septic system. These constraints may make it infeasible to serve more residents or increase density on a given parcel.

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

LAFCo does not have any concerns regarding the adequacy of the public services currently being delivered by the Town of Woodside.

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

Outside of sewer services, LAFCo does not have any concerns regarding the Town's infrastructure needs or deficiencies. In the adopted Housing Element and in conversations between LAFCo, the Town, and FOSMD/County staff, the topic of sewer service and infrastructure has been identified as an issue that will soon need to be addressed. Approximately two-thirds of the parcels in the Town of Woodside have private septic and leach field systems. The Town's ability to provide public

sewer service is limited because it does not have its own sewer treatment facility, nor does it have direct access to a sewer treatment facility. The Town and FOSMD are not members of the Joint Powers Authority that comprises the Silicon Valley Clean Water JPA. The JPA owns and maintains the sewer treatment plant in Redwood City. Public sewer service in the Town is only available to the extent that one of the JPA partners (Redwood City, Belmont, San Carlos, and the WBSD) has excess capacity and is willing to formally sell or lease that capacity to the Town. Treatment capacity agreements enable the Town to provide sewer in three areas.

As mentioned previously in this section, the Town has sewer treatment plant capacity allocation agreements with 1) the City of Redwood City for sewer services to parcels in the Town Center Area and the Cañada Corridor Area, and 2) the County FOSMD for sewer services to parcels in the Redwood Creek Sewer Assessment District Area (RCS).¹⁰ FOSMD allocated the RCS a portion of its treatment capacity (150,000 gallons per day of wastewater) from its 1985 capacity agreement with the City of Redwood City.

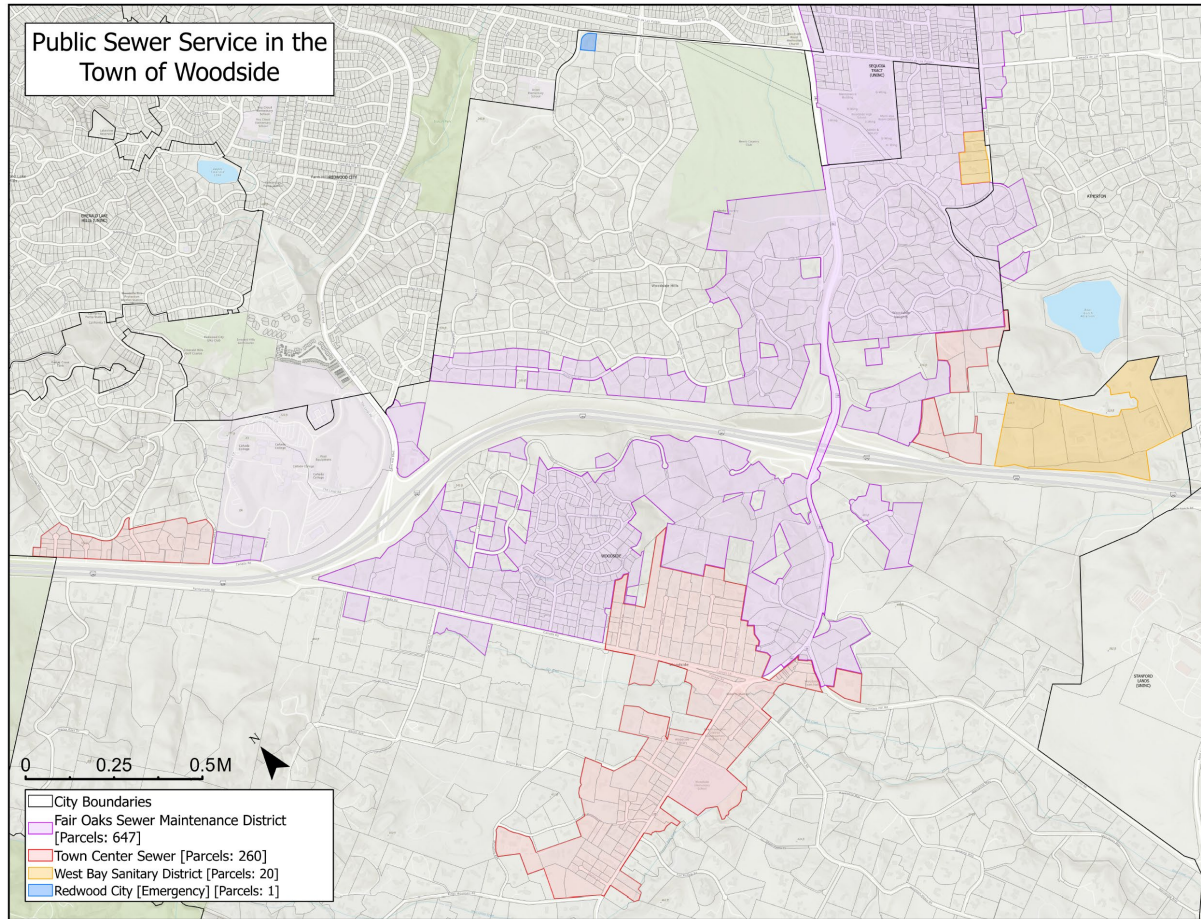
Further complicating the calculation of existing and available sewer treatment capacity is the fact that some properties in the RCS were not required to connect to the sewer system, and were provided the option to exercise their deferred “connection rights” later, upon request.¹¹ The Town Council occasionally approves the transfer of RCS unused capacity allocations to new “contiguous parcels” that “share at any point at least one property line with another parcel that is fully annexed as of the effective date of this section [May 24, 2007], into either the RCAD or the TCSAD or the FOSMD service Area”.¹² San Mateo LAFCo, FOSMD, and Woodside will continue to review and discuss the potential service area of FOSMD in the Town of Woodside.

¹⁰ The Redwood Creek Trunk Assessment District is a financing mechanism to support the infrastructure costs associated with connecting properties to FOMSD.

¹¹ There is no LAFCo process for annexation into FOMSD for these properties, since they were in the original sewer service area plan and guaranteed the option to connect at a later date.

¹² [Woodside Municipal Code Title V, Chapter 51, Article VIII.](#)

Figure 2. Public Sewer Service Providers in the Town of Woodside



Source: County GIS

Note: The number of parcels served by each system is approximate

Expansion of Current Public Sewer Service Areas is Limited

While Town municipal policy may allow expansion of sewer services beyond the existing sewer area boundaries for both RCS and TCSAD, the County’s FOSMD is constrained in its ability to serve more parcels due to the limited amount of treatment capacity that the City of Redwood City has granted FOSMD and the number of assessments allotted for RCS. Indeed, the County/FOSMD has the right to exercise its discretion as to whether it is able (given treatment capacity constraints, operating costs, infrastructure costs, etc.) and willing to expand sewer services. FOSMD must balance its limited treatment allocation between development occurring within the existing boundaries of the District and its existing customers, with any potential expansion of District boundaries to serve new customers.

As noted in the Town’s Housing Element, the Town is currently exploring options for increased access to sewer services. In general, existing sewer services within the Town are in the areas

around Cañada Rd. and Woodside Rd., meaning that most areas in the Town are not in vicinity of sewer services. While there are areas of the Town that can meet the requirements for septic systems, there are several other areas near Skyline Blvd. or the Emerald Lake Hills area that are constrained by topography and lot size. These areas do not have sewer services nearby, or if they do, the services are limited. With no sewer treatment facility within Town boundaries, sewer service is reliant on treatment allocation from the City of Redwood and FOSMD, and physical transport capacity from FOSMD, which have their own development pressures that they must address.

Occasionally, a property owner of a parcel in the Town on private septic system may apply to be annexed into one of the Town's sewer system areas. The application approval process is different for each sewer system area. For example, annexing into the Town Center Sewer Assessment District involves one application to the Town Council. However, annexing into the FOSMD requires two applications, one contract amendment (to the Town-FOSMD capacity agreement), and ultimately approvals from the Town Council, San Mateo LAFCo, and the County Board of Supervisors acting as the governing body for FOSMD. The Town is currently in discussions with the County, the City of Redwood City, and LAFCo to clarify the annexation process to FOSMD and sewer service within the Town.

According to the Town Municipal Code, "The Town Engineer shall, on a biannual basis, review water usage records for parcels in the RCS and TCSAD, and shall meter the sewer flow from the RCS and the TCSAD and report to the Town Council on the status of sewer service capacity."¹³ On Nov. 18, 2025, the Town Council authorized the Town Manager to execute an agreement with Freyer and Laureta, Inc. for the completion of the Town Sanitary Sewer Master Plan. The scope of the study, currently underway, is limited to existing sewer service areas. According to staff, 2012 was the last time that the Town performed a formal capacity analysis that included flow monitoring. At that time, the Town estimated that it had excess sewer capacity that would allow for the addition of 100-150 new residential units, Townwide.

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

There are no anticipated regulatory changes on the horizon, besides effective implementation of the programs included in the Town's 2023-31 Housing Element. As of January 29, 2025, the Town

¹³ Sec. 51.129 - Testing for sewer service capacity; report to Town Council.

is in substantial compliance with the Department of Housing Element law, however failure to make progress as monitored and reported annually to the State may revoke compliance status.¹⁴

- 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?

No, there are no disadvantaged unincorporated communities identified within or adjacent to the Town of Woodside.

MSR Determination No. 3: Based on Town projections, costs for the Sheriff contract will continue to grow faster than overall Town revenue. By the end of the current contract term in FY2030-31, the Town estimates that there will be a \$1M gap between the contract cost and Town General Fund revenue. This gap would need to be resolved through use of reserves/fund balance, enhanced Town revenue, or the reduction of service levels provided in the contract.

The Town is currently exploring options for increased access to sewer services. In general, existing sewer services within the Town are in the areas around Cañada Rd. and Woodside Rd., meaning that most areas in the Town are not in the vicinity of sewer services. With no sewer treatment facility within Town boundaries, sewer service is reliant on treatment allocation from the City of Redwood and FOSMD, and physical transport capacity from FOSMD and further downstream from the City of Redwood City, which have their own development pressures to address.

Recommendations:

2. The Town should have regular meetings with the FOSMD/County to align policies and processes on sewer allocations to parcels within the Town, especially in the Redwood Creek Sewer Assessment (RCS) area.
3. The Town and FOSMD/County should evaluate ways of streamlining the process for executing of a Town-FOSMD transport supplemental agreement for when parcels are annexed to FOSMD that are outside of RCS. The boundaries and service area of FOSMD should be reviewed so that the current and future geographical boundaries of the District are clearly delineated for all parties involved (i.e. the Town, FOSMD, LAFCo, and residents). The agencies should seek alignment on the topic of what happens to district boundaries when reallocating unused RCS sewer connections to parcels outside of RCS and outside of FOSMD. Area plans depicting the probable extent of sewer service boundaries should be developed.

¹⁴ Department of Housing and Community Development Division of Housing Policy Development letter to Sage S. Schaan, Director of Woodside Planning and Community Development Department, January 29, 2025 RE: Town of Woodside 6th Cycle Adopted Housing Element.

4. An audit of parcels in the Redwood Creek Sewer Assessment area should be conducted to identify which parcels have been connected to the FOSMD system, determine which connections are still outstanding, and to confirm which parcels have paid assessment fees. The audit should also review information about the sewer system flow and treatment capacity for FOSMD and the Town including verification that sufficient sewer assessments remain available for parcels within the original service area after any are granted to parcels outside of RCS.
5. In addition to the ongoing “Sanitary Sewer Master Plan” study by Freyer and Laureta, Inc., the Town should conduct a sewer service feasibility study for areas in Town that are outside— not contiguous to— existing sewer service boundaries. In areas where topography or parcel size could limit septic system replacement, a sewer system would be required for new development or to replace a failed septic system. The study should evaluate sewer service priority areas in the Town that are outside of the current assessment districts and determine how services could be provided, and how these services would be financed. This study would also provide neighboring and/or partner agencies visibility into Town priorities and objectives related to sewer services, and help evaluate potential impacts to their infrastructure.

4) Financial Ability

Financial ability of agencies to provide service	Yes	Maybe	No
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

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?

LAFCo staff has not identified any issues with the Town's budgeting practices. On an annual basis, the Town Manager prepares a two-year budget, and the Town Council consistently adopts the budget in a public meeting on or before June 30 every year. The Town Council hires independent auditor Maze & Associates to conduct annual financial audits. The most recent audit was conducted in January 2025 for the fiscal year ending June 30, 2024.¹⁵ This audit reported that the Town assets exceeded liabilities by \$27,024 for FY2023-24. An archive of the Town's audited financial statements for every year since 2006 is available on the Town's website.¹⁶ The Town's adopted budget for FY2025-26 totals \$15,110,473 in anticipated expenditures.

The Town general fund primary revenue sources are property tax (51% of proposed revenue in FY2025-26) and permit fees (18% of proposed revenue in FY2025-26). As the Town is largely residential, with only a small commercial base, sales tax equated to only 6% of total revenue to the general fund.

¹⁵ [Basic Financial Statements for FY end June 30, 2024](#)

¹⁶ [Archive Center, Financial Reports](#)

The Town of Woodside is classified as Tax Equity Allocation city¹⁷. When Proposition 13 passed in 1978, it froze property taxes at their current levels. Prop. 13 created significant problems for cities with low property tax rates at the time. These cities could not raise property tax rates to meet their community needs. Property tax share was frozen by the Legislature in the distribution formula from AB 8, passed in 1979. Tax Equity Allocation funding implemented through AB 709 and AB1197 is a mandated formula in which California’s no or low property tax cities receive a minimum of 7% of the property tax revenue available within their boundaries. Prior to the changes in AB 709 and AB1197, the Town was only receiving approximately 4.9% of the property tax revenue.

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

The Town Council Financial Management Policy establishes that the Town shall maintain a minimum reserve level of 30% of estimated operating revenues for the Town’s General Fund. The Town consistently meets this reserve target. In FY2025-26, the estimated operating reserve amount is \$3,666,254.

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?

Fees and permit charges comprise approximately 25% of the anticipated Town total revenue in FY2025-26. Revenue from town-administered charges for services totaled \$4,431,861 in FY2024-25, which was a 33% increase compared to FY2023-24. The Town annually posts an updated Schedule of Fees and Charges available on its website, detailing user and regulatory fees for services and permits. The schedule was last updated on July 1, 2025.¹⁸ The fees adjust automatically to increases in the San Francisco-Oakland-Hayward Consumer Price Index (CPI).

Table 1, below is a comparison of the Town’s total fees per unit (including entitlement, building permits, and impact fees) and those of the neighboring jurisdictions of the Town of Atherton, Town of Portola Valley and Unincorporated San Mateo County. There is no data for large multi-unit developments in Woodside since there are none, yet. The Town has waived permitting fees for ADU’s and JADU’s. In its Housing Element, the Town indicates it will “review fees by 2027 to determine if fees need to be further reduced if creating a barrier to the construction of multi-family housing.”¹⁹

Table 1. Total Town Fees Per New Unit Development

¹⁷ There are four TEA cities in San Mateo County: Colma, Half Moon Bay, Portola Valley, and Woodside.

¹⁸ Resolution No. 2025-7740, [4/8/2025](#)

¹⁹ Town of Woodside 2023-31 Housing Element, Policy H3.3- Incentivize Higher Density Housing.

Jurisdiction	Single-Family	Small Multi-Unit	Large Multi-Unit
Atherton	\$15,941	No Data	No Data
Portola Valley	\$52,923	No Data	No Data
Woodside	\$70,957	\$82,764	No Data
Unincorporated SMC	\$36,429	\$27,978	\$10,012

Source: 21 Elements Survey, Portola Valley 2023-31 Housing Element

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

The Town has a 5-year Capital Improvement Program (CIP), revised annually, for which funding has been identified for approximately 93% of anticipated costs. The budgeted CIP amount for FY2025-26 is \$3,969,550. The projected actual CIP expenditures in FY2024-25 are \$1,044,328 (see Table 2, below). The increase is due in part to the one-time cost of \$1M for the Hillside Drive Rehabilitation Project.

Projects scheduled for completion in FY2025-26 include: Woodside Road Median Island Beautification, Woodside Road Bike Safety Improvements East of I-280, Hillside Drive Rehabilitation Project, and Emergency Access Improvements. In FY 2025-26, the General Fund budget includes one-time contributions of \$1.7M from fund balance towards the Capital Improvement Program. Town Council Financial Management Policy states that “no phase of a capital project should be initiated until all the resources required for its completion are available to the Town”.²⁰

The Town Public Works Department oversees the construction and maintenance of the public infrastructure, provides building code enforcement, and issues construction permits. The adopted budget for FY2025-26 includes funding to support a Storm Drain Master Plan and Traffic Study. The Road Program funds the ongoing maintenance and capital projects of the Town’s public road system and has over \$1M in funding available for FY2025-26. The Road Program includes a five-year running list of capital projects, funded by five funds: Road Impact Fees which are

²⁰ Adopted Budget FY 2025-26, Town Council Financial Management Policy No. 18.

assessed against all building projects; the Gas Tax, Measure A,²¹ Measure W,²² and the Traffic Safety Fund²³.

The Town has three enterprise funds to support public sewer services. The net position for each fund is positive as of June 30, 2024: The Cañada Corridor Sewer has a net position of \$319,410; the Sewer Utility Fund which includes Town Center sits at \$1,762,600; and the Redwood Creek Sewer has a net position of \$246,501.²⁴ Properties in these areas are assessed a fee that appears on their property tax bill. Fees have increased steadily each year.

As mentioned previously, the Town is concerned about the continued increase in the cost of the Sheriff's Office contract and will continue to monitor the impact of the contract on the Town's general fund.

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

The Town has a financial management policy that is printed in the annual budget. The policy includes the following elements: one-time revenues and resources should not be used to support ongoing operation; debt should be issued only to support capital and not operating expenses; and the Town Council should conduct a comprehensive review of the fiscal status of the Town on a quarterly basis. The Town currently has a policy of a minimum reserve level of thirty percent of estimated operating revenues for the Town's General Fund.

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

No. The Town has no outstanding debt. However, the Town has unfunded pension liabilities in the amount of \$2,809,493, which it has addressed by setting up a Section 115 Public Agency Retirement Services (PARS) account.

²¹ San Mateo County voters first approved Measure A in 1988. Measure A is a half-cent sales tax for local transportation improvement purposes. In 2004, voters reauthorized Measure A to remain in effect from Jan. 1, 2009 through Dec. 31, 2033. [Measure A & W Programs | SMCTA](#)

²² Measure W was approved by San Mateo County voters in 2018 to generate additional funds from another half-cent sales tax authorized for July 2019 through June 30, 2038. The measure includes funds for highway projects, local street repair, grade separations for Caltrain tracks, expanded bicycle and pedestrian facilities, and improved transit connections.

²³ The Traffic Safety Fund is comprised of fines and forfeitures from violations of the California Vehicle Code

²⁴

Table 2. Town of Woodside General Fund Budget

	FY2023-24 Actual	FY2024-25 Projected	FY2025-26 Proposed
<i>GF Revenue</i>			
Property Tax- Secured	4,876,330	5,207,920	5,520,395
Property Tax- Unsecured	205,932	220,000	235,000
Property Tax- Other	1,027,512	762,000	775,000
Sales Tax	739,742	776,100	776,100
Property Transfer Tax	404,935	325,000	350,000
Francise fees	655,926	720,831	735,000
Business License	185,592	185,000	185,000
Fees & Permits	2,037,577	2,040,556	2,279,250
Interest (LAIF)	428,721	316,000	300,000
Other Agencies	613,345	657,321	639,000
Current Services	248,625	339,840	319,100
Overhead Charges	350,000	360,000	375,000
Other Revenue	386,864	892,976	179,400
Total GF Revenue	\$12,061,101	\$12,803,544	\$12,668,245
<i>GF Expenditures</i>			
Salaries & Benefits	3,135,618	3,702,070	3,667,315
PERS & Retiree Health Benefits	654,243	834,550	813,200
Services & Supplies	4,045,793	4,186,294	4,179,395
Police Services Contract	2,645,338	2,844,512	3,057,630
Housing Element/Town Center Plan	73,695	230,000	500,000
Emergency Response/Hazardous Tree Removal	560,323	661,560	350,000
Equipment & Building Maintenance	51,837	153,691	95,000
Capital Contributions	1,077,469	569,768	1,751,250
Total GF Expenditures	\$12,244,316	\$13,182,445	\$14,413,790
Net position	(183,215)	(378,901)	(1,745,545)
Beginning Balance	7,700,382	7,517,167	7,138,266
Ending Balance	7,517,167	7,138,266	5,392,721
Balance as % of Revenue	62%	56%	43%

Source: Town of Woodside Adopted Budget 2025-26

MSR Determination No. 4: LAFCo staff has not identified any issues with the Town’s budgeting practices. The Town’s adopted general fund operating budget for FY2025-26 totals \$12,662,540. The estimated operating reserve amount is \$3,666,254. The Town of Woodside has a five-year Capital Improvement Program for which funding has been identified for approximately 93% of anticipated costs. The Town of Woodside is classified as Tax Equity Allocation jurisdiction, which limits the amount of property tax that the Town receives. The Town general fund primary revenue source is property tax (51% of proposed revenue in FY2025-26). The Town staff and Council has

expressed concern about the continued increase in the cost of the Sheriff’s Office contract and will continue to monitor the impact of the contract on the Town’s general fund.

Recommendation: None

5) Shared Services 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 Town has agreements and partnerships with various organizations. Contracting for services has the benefit of enabling the Town to adjust service levels depending on budget and needs. The Town is a member of the San Mateo County Library Systems Joint Powers Agreement (JPA). The Town is also a member of the JPA for County emergency services dispatch. The Town contracts with the County Sheriff for policing (\$3,057,630 budgeted in FY2025-26). This contract provides for two deputies (day and night) and two dedicated motorcycle patrol units serving on a rotating 12-hour schedule from 7am to 7pm daily. The Town leases the Woodside equestrian facility to a non-profit 501(c)(3) organization called The Horse Park at Woodside. The Town governs the Town Center Sewer Maintenance District and has a contract for operation and maintenance of the sewer system with the West Bay Sanitary District.

The Town has a good working relationship with Woodside Fire Protection District, funding the annual Chipper program (\$70,000 in FY2025-26) to help encourage property owners to mitigate fire risk by clearing their property of potential fire fuel. The Town also appropriated \$500,000 in FY2025-26 to the Defensible Space and Home Hardening Matching Fund Program, reimbursing property owners up to \$3,000 to conduct fire fuel load reduction.

The Town is a member of various local agencies including the Association of Bay Area Governments, City/County Association of Governments, the Airport Roundtable and the League of California Cities.

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 encourages the Town to continue discussions with the neighboring Town of Portola Valley regarding opportunities for shared services and joint contracts, such as with the County Sherriff for policing services.

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

None at this time.

MSR Determination No. 5: The Town has agreements and partnerships with various organizations. Contracting for services has the benefit of enabling the Town to adjust service levels depending on budget and needs.

Recommendation:

6. The Town should continue discussions with the Town of Portola Valley regarding the possibility of a joint contract with the Sheriff's Office for police services, as well as explore other opportunities for shared services or contracts.

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

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

The Town of Woodside is general law city and utilizes a Council-Manager form of government. The five city council members are elected by District. Town Council meetings are held in-person at 7pm at Independence Hall, 2955 Woodside Road on the 2nd and 4th Tuesday of every month. The public may attend meetings in-person or online via Zoom. Public comment is accepted via Zoom as well as in-person. The link to the Zoom meeting is published in the agenda, which is posted on four physical bulletin boards in Town and published on the Town’s website.

Archived Town Council meeting agendas, minutes, and documents for each agenda item are available on the Town’s website. Recorded video and audio of meetings are also available on the website. Archives of other governing bodies, such as the Planning Commission, all 11 Citizen Advisory Committees, and architectural and Site Review Board are also available online. Neither

the Town of Woodside or LAFCo staff were able to identify any failures by the Town to comply with disclosure laws and the Brown Act.

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

LAFCo has no current concerns regarding the governance accountability, structure or efficiencies of the Town. The FTE count for FY2025-26 is 24.75, which is the same as the year prior.

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

The Town of Woodside regularly prepares an annual budget and contracts with the accounting firm Maze and Associates to conduct an annual ACFR, both of which are presented to the Town Council at a public hearing and are published on the Town’s website. The Town’s most recently accepted ACFR was for FY2023-24.

d-f) Changes in governance structure:

LAFCo staff does not recommend any changes to the Town’s governance structure that could increase accountability and efficiencies, enhance services and/or eliminate deficiencies.

MSR Determination No. 6: The Town of Woodside is a general law city and utilizes a Council-Manager form of government. The five city council members are elected by District. Town Council meetings are held in-person at 7pm at Independence Hall, 2955 Woodside Road on the 2nd and 4th Tuesday of every month. The public may attend meetings in-person or online via Zoom. Public comment is accepted via Zoom as well as in-person. LAFCo has no current concerns regarding the governance accountability, structure or efficiencies of the Town.

Recommendation: None

7) Other Issues:

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-c) In September 2015, the Town in collaboration with the City/County Association of Governments of San Mateo County adopted a Climate Action Plan (CAP).²⁵ The CAP presents a program to achieve greenhouse gas emission reductions. On an annual basis, the Planning Director provides the Town Council reports describing progress on implanting the CAP measures. Along with the County and other San Mateo County cities, Woodside 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. The Town has an Emergency Preparedness Committee that works with Town staff to develop and maintain appropriate plans and procedures for responding to disasters, including wildfires, earthquakes, floods and other emergencies.

The Town contracts with the Woodside Fire Protection District for hazard mitigation efforts and creating defensible space along the Right of Way and Town-owned property. The majority of the Town is within an identified fire hazard severity zone. The Town Council has established the Defensible Space and Home Hardening Matching Fund Program. For approved projects, the Town will reimburse property owners 50% of the cost of creating defensible space and/or home hardening, up to a maximum of \$3,000.

MSR Determination No. 7: The Town has adopted a Climate Action Plan and participates in the Local Hazard Mitigation Plan. It has an Emergency and Preparedness Committee. The Town works with the Woodside Fire Protection District for hazard mitigation efforts, including a matching fund program for homeowners to enhance their defensible space and home hardening.

²⁵ [Climate Action Plan | Woodside, CA](#)

Recommendation:

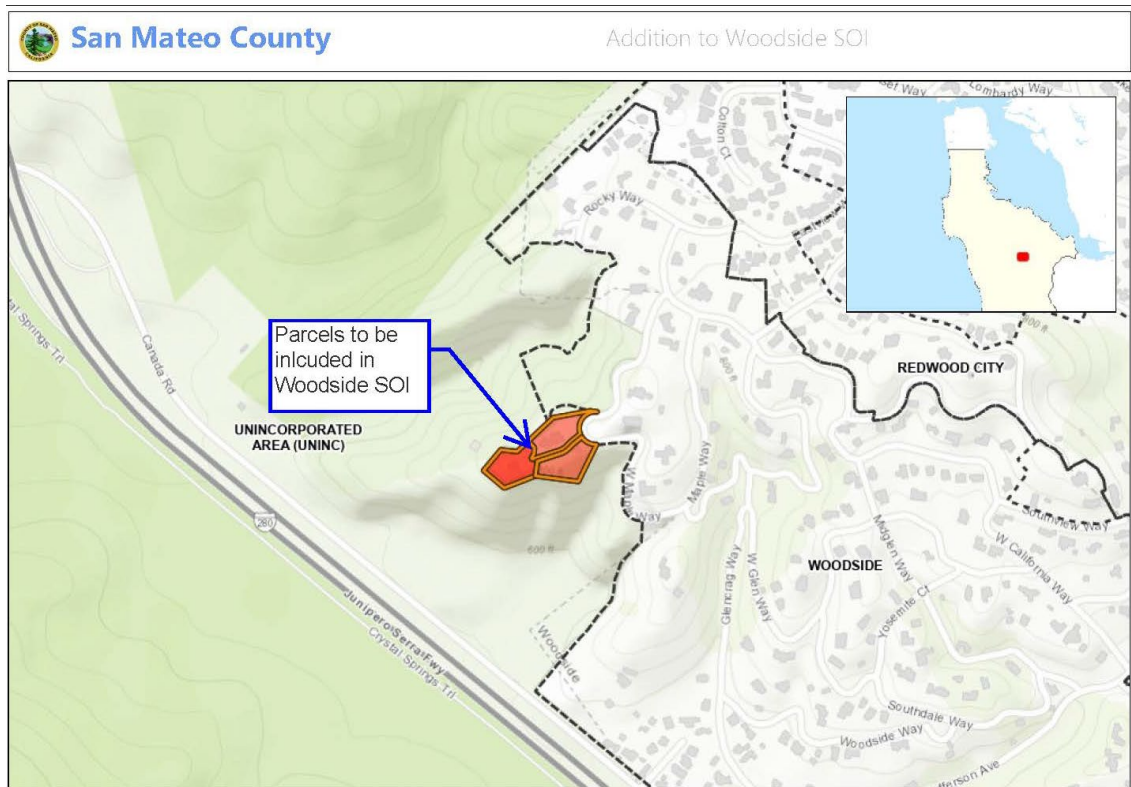
7. LAFCo encourages the Town of Woodside to continue its work in the areas of natural hazard mitigation and wildfire preparedness and to continue to coordinate with partner agencies.

Town of Woodside Sphere of Influence (SOI) Determinations

Section 56425 requires the Commission to make SOI 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:** Land use designations within the Town of Woodside are Residential, Open Space, and some limited Community Commercial. Agricultural uses are permitted for those parcels designated as Open Space. The Town's General Plan emphasizes the preservation and protection of open space and environmentally sensitive areas.
2. **The present and probable need for public facilities and services in the area:** The Town of Woodside meets the municipal service needs of its residents and businesses. The Town anticipates that it will be able to provide adequate facilities and services for the anticipated growth within its service area. The current SOI for the Town includes the unincorporated communities of Guernsey Field, Jasper Ridge, and western hills along Skyline Blvd./Highway 35. In reviewing the Town's SOI and surrounding parcels, three parcels along West Maple Way near the northern boundary of the Town have been identified to be included in the Town's SOI. These three parcels, 425 West Maple Way (APN 068-100-240), 445 West Maple Way (APN 068-100-260), and 465 West Maple Way (APN 068-100-250) are located in unincorporated County but are adjacent to the Town's boundaries; the roadway of West Maple Way is already in Town boundaries as are the houses across the street.

Figure 3. Proposed Additions to the Town of Woodside Sphere of Influence (SOI)



Each of the three parcels is currently developed with single-family homes utilizing onsite septic systems. The three parcels are bordered by SFPUC Watershed lands to the north, south, and west. To the east is the Town of Woodside. The three parcels to be included in the Town’s SOI share similar characteristics of parcels within the Town. In the future, if the property owners wanted to annex to a city for municipal services, the only city that they are adjacent to and hence would be eligible to annex to would be the Town of Woodside. For these reasons, LAFCo is recommending that these parcels be included in the Town’s SOI.

3. **The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:** The Town of Woodside currently provides adequate public services to its residents, including police protection (via contract), sanitary sewer, and storm water services. In addition, the Town routinely adopts a Capital Improvement Program to fund critical repairs, replacements and improvements to the Town’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 of the Town of Woodside.
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: There are no disadvantaged unincorporated communities within the Town's boundaries, or in the Town's Sphere of Influence.

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. Key Facts Town of Woodside

Town Manager: Jason Ledbetter

Address: 2955 Woodside Road, Woodside, CA 94062

Phone Number: 650-851-6790

Date of Incorporation: November 16, 1956

Town Councilmembers:

Mayor & Councilmembers	Term Expiration Date
Brian Dombkowski, Mayor	December 2026
Paul Goeld, Mayor Pro Tem	December 2028
Jon Froomin, Councilmember	December 2026
Hassan Aburish, Councilmember	December 2028
Jenn Wall, Councilmember	December 2028

Compensation: Each member of Town Council receives \$950 per month during their term (Ordinance No. 2024-641).

Public Meetings: Town Council meetings are held in-person at 7pm at Independence Hall, 2955 Woodside Road on the 2nd and 4th Tuesday of every month. The public may attend meetings in-person or online via Zoom. Public comment is accepted via Zoom as well as in-person. The link to the Zoom meeting is published in the Agenda, which is available for viewing on the Town’s website.

Services Provided: Planning and Building, Stormwater Control, Streets & Sidewalks, Lighting, Parks & Recreation

Agency staff: 24.75 Full time equivalent employees

Area Served: Town of Woodside

Population: 5,309

Sphere of Influence: Expansive – includes Wunderlich County Park, Huddart County Park (i.e. “Western Hills”), Skylonda, and Stanford lands (i.e. “Jasper Ridge” and “Western SLAC”).

FY2025-26 General Fund Budget: \$12,662,540



**Municipal Service Review and Sphere of Influence
Review for the Town of Portola Valley**

Final

Released January 14, 2026

Municipal Service Review and Sphere of Influence Review for the Town of Portola Valley

SUBJECT AGENCY:

Town of Portola Valley

765 Portola Rd.

Portola Valley, California 94028

Contact: Darcy Smith, Town Manager, (650) 851-1700

CONDUCTED BY:

San Mateo Local Agency Formation Commission

455 County Center, 2nd Floor

Redwood City, CA 94063

(650) 363-4224

Commissioners:

Ray Mueller, Chair, County Member

Virginia Chang Kiraly, Vice Chair, Special District Member

Jackie Speier, County Member

Ann Draper, Public Member

Kati Martin, Chair, Special District Member

Debbie Ruddock, City Member

Stephen Rainaldi, City Member

Commission Alternates:

Noelia Corzo, County Member

Colleen You, Public Member

Katheryn Slater-Carter, Special District Member

Greg Wright, City Member

Staff:

Rob Bartoli, Executive Officer

Sarah Flamm, Management Analyst

Diane Estipona, Commission Clerk

Tim Fox, Legal Counsel

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Section I. Executive Summary

Purpose of Report

This report includes a Municipal Service Review (MSR) and Sphere of Influence (SOI) study for the Town of Portola Valley. California Government Code Section 56430 requires that Local Agency Formation Commissions (LAFCo's) complete MSR and SOI reviews on all cities and special districts. These state-mandated reports are studies of an agency's service provision and logical boundaries. The review process is intended to identify municipal service delivery challenges and opportunities, provide the public and affected agencies with a platform to comment on an agency's services and finances, and review opportunities to share governmental resources. Once the MSR determinations are adopted, the SOI—the plan for the boundaries of a city or special district— is reviewed, pursuant to Section 56425.

San Mateo Local Agency Formation Commission

San Mateo LAFCo is a State-mandated, independent entity with county-wide jurisdiction over the boundaries and organization of cities and special districts. LAFCo reviews 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 LAFCo 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 SOI's 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 Review.

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.

MSR and SOI Determinations

Per Government Code Section 56430, LAFCo is required to include MSR Determinations that address the following areas for any local agency:

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

MSR Determinations must be adopted before the Commission updates or amends a SOI. Per Government Code Section 56425, LAFCo is required to make the following five written SOI determinations when establishing, amending, or updating an SOI for any local agency:

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.

Report Review Process

This Circulation Draft Report is presented during a public hearing and afterwards circulated for comment to the agency under study, as well as interested individuals and groups. The Final Report will include the comments on the draft, as well as LAFCo staff's Determinations and Recommendations. This report has been written based on source documents that included

Adopted Budgets, Capital Improvement Plans, Meeting Minutes, Staff Reports, Consultant Reports, and information provided by Town and County staff.

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. There are no disadvantaged unincorporated communities within the current boundaries or service area of the Town of Portola Valley.

Section II. Summary of Key Issues

The Town of Portola Valley is a Tax Equity Allocation city, meaning the amount of property tax it receives is lower than its neighbors. Property tax is the Town’s main source of revenue (53% of proposed revenue in FY2025-26). The Town has had a structural deficit for its General Fund since FY2021-22 necessitating the use of reserve funds to balance the budget. One of the largest drivers of rising costs has been the contract with the San Mateo County Sheriff’s Office. From FY2018-23, the annual contract amount for Sheriff services was \$1.49M. Under the FY2023-25 two-year contract, the annual cost increased by 59% to \$2.38M. It is anticipated that the cost of the contract with the Sheriff’s Office will continue to outpace Town revenue. The Town Managers of Portola Valley and Woodside are conducting preliminary discussions regarding sharing a contract with the Sheriff’s Office.

In order to balance the budget and not impact the Town’s general fund reserve, the Town will need an additional \$1M in expenditure cuts in FY2026-27 through FY2029-30. The Town’s reserve fund is on pace for a deficit by FY2029-30 without a new revenue source. The Town is currently exploring potential revenue measures to address this structural deficit.

The Town is behind on its financial audits, having only recently completed the FY2021-22 Annual Comprehensive Financial Report (ACFR). The Town has adopted a work program to catch up on outstanding audits, however, the lack of audited budget numbers has hindered fiscal forecasting.

Currently, due to budget constraints, the Town has adopted a one-year Capital Improvement Program (CIP) for FY2025-26 related to roads, storm drains, trails and IT enhancements. This CIP only identifies projects that will have expenditures in the upcoming fiscal year. According to Town staff, an expanded and compressive five-year CIP is anticipated to be created and adopted as part of the budget cycle for FY2026-27.

The Town has a compliant 2023-31 Housing Element, but there were challenges in having the plan approved by the State. The Town is required to plan for 253 units, which is four times the amount required in the previous Housing Element. The formation and approval of the Housing Element plan required over \$1M for staff, consultants, and legal services. The Town has budgeted additional funds for the current fiscal year to implement the programs and policies associated with the newly adopted Housing Element.

Section III: Affected Agencies

Cities/Towns and County: San Mateo County

School Districts: Sequoia Union High School District, Portola Valley Elementary School District

Independent Special Districts: Midpeninsula Regional Open Space District, Woodside Fire Protection District, West Bay Sanitation District

Dependent Special Districts: Los Trancos County Maintenance District

Section IV: Municipal Service Review for the Town of Portola Valley

Governance and Statutory Authority

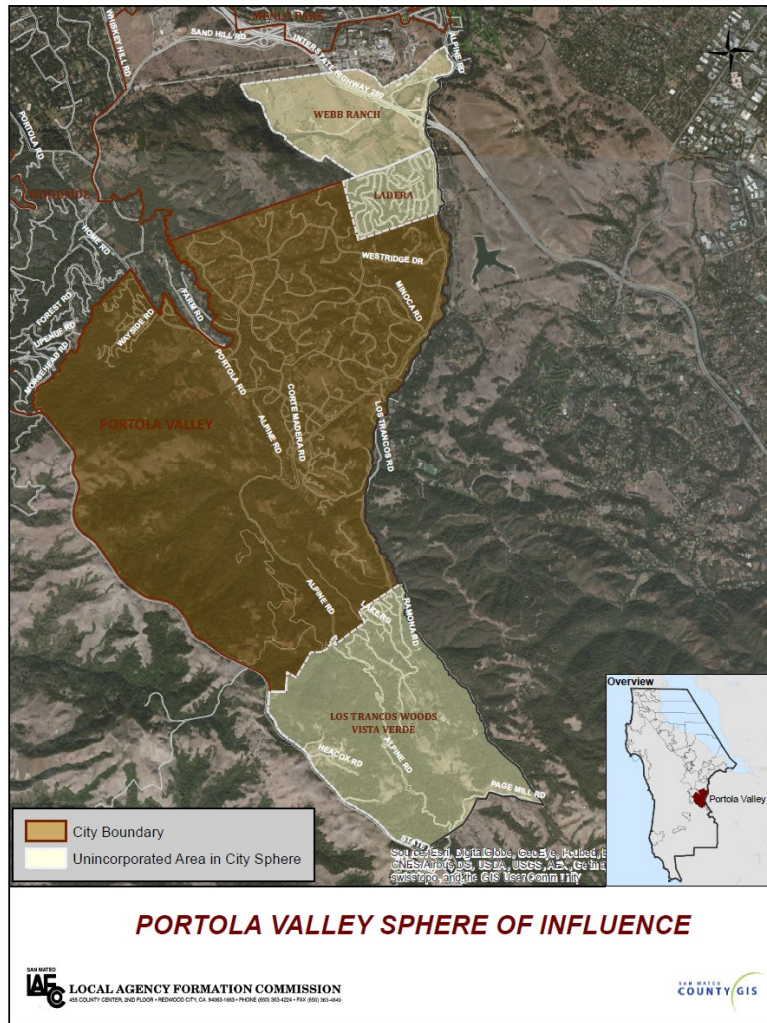
The Town of Portola Valley was incorporated in 1964 as a general law municipality. As of January 2025, the estimated population is 4,286.¹ The Town covers approximately 9 square miles of rural and suburban San Mateo County. The Town’s legislative body is the Portola Valley Town Council comprised of five members elected in at-large district elections to serve four-year terms. The Town Council annually appoints the positions of Mayor and Vice Mayor. The Town Council also appoints the Town Manager, Town Attorney, and all members of advisory committees and commissions. The Town Council budgets all revenues; adopts ordinances, policies and regulations; establishes fee schedules; and has the authority to declare an emergency. As of November 2025, the Town budget includes 15.5 Full Time Equivalent (FTE) staff. The Town Council establishes staff salary ranges.

Overview

The Town of Portola Valley provides finance, public works, engineering, building, planning, code enforcement and recreation services. Police services are provided through a contract with the San Mateo County Sheriff’s Office. Fire protection is provided by the Woodside Fire Protection District. Water service is provided by Cal Water. Portions of the Town receive sewer service from the West Bay Sanitary District. The Town’s sphere of influence is the 1984 Town limit boundary, plus the unincorporated communities of Ladera, Los Trancos Woods/Vista Verde, and Webb Ranch, see Figure 1.

¹ State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2024 and 2025. Sacramento, California, May 2025.

Figure 1. Town of Portola Valley Sphere of Influence Map



Source: San Mateo County Information Services Department

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.

Town of Portola Valley MSR Determination Summary

	1) Growth and Population		2) Disadvantaged Unincorporated Communities
X	3) Capacity, Adequacy & Infrastructure to Provide Services	X	4) Financial Ability
X	5) Shared Services	X	6) Accountability, Structure, and Efficiencies
	7) Other		

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

a-c) As of January 2025, the estimated population is 4,286.² The Town’s population is estimated to grow between 2-4% in the ten years between 2020 through 2030, which is less than the projected growth rates for the County of San Mateo (8%) and the State of California (9%).

The Town of Portola Valley is characterized by steep canyons and gullies with dense vegetation interspersed throughout low density residential neighborhoods. The Midpeninsula Regional Open Space District owns over 1,000 acres of protected public open space within the Town limits. The potential for further development in Town is limited by geological regulations, wildfire hazards, and very steep terrain. Most of the remaining vacant land in Town is in steep areas. The Town Land Use Element states that general objectives include to maintain the “rural atmosphere of Portola Valley,” “minimize the need for non-local traffic”, and to “encourage the use of renewable energy sources while preserving the scenic and aesthetic qualities of the area.”³

Housing Element

The Town’s 2023-31 Housing Element includes policies and programs designed to meet the Regional Housing Needs Allocation (RHNA) mandated by the State Department of Housing and Community Development (HCD). The Town’s “Cycle 6” RHNA is 253 units, which is 4 times the RHNA amount of 64 units identified in the “Cycle 5” (2015-2023) allocation.⁴ While the Housing Element represents the Town’s plan for development of the requisite Cycle 6 RHNA over the 8-year period from 2023-31, the actual development of the 253 units could occur within this same time frame or at a later date. Therefore, as identified by LAFCo, there is not proposed to be significant population change within the Town of Portola Valley in the next 5-10 years.

The 2023-31 Housing Element contains the following nine policies:

² State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2024 and 2025. Sacramento, California, May 2025.

³ Portola Valley Land Use Element, May 10, 2023

⁴ State guidelines recommend including a buffer of additional units to adequately plan to meet the allocation. The Town elected to include a 20% buffer in addition to the base allocation for a total of 304 planned units. For comparison, the neighboring Town of Woodside has a Cycle 6 RHNA base allocation of 328 units. See Section 7: “Goals, Policies and Programs,” 2023-2031 Housing Element Town of Portola Valley.

- Policy 1: Allow for new housing through new General Plan land use classifications for multi-family and mixed-use districts, an opt-in housing program, and other programs.
- Policy 2: Create a well-managed affordable housing program that preserves affordability in perpetuity.
- Policy 3: Develop housing on town or non-profit owned parcels where feasible.
- Policy 4: Revise standards and approval process to reduce cost and uncertainty for affordable housing and lower cost market rate housing
- Policy 5: Improve the development review process to reduce uncertainty and encourage development that fits with the Town’s objective standards while preserving rural character.
- Policy 6: Continue to refine fire resistant building standards and land use policies to ensure they utilize the most up to date science in preparation for wildfire resiliency
- Policy 7. Promote Accessory Dwelling Units (ADU) and Junior Accessory Dwelling construction and affordability and encourage programs that would increase the diversity of ADU occupants.
- Policy 8: Encourage and support the enforcement of laws and regulations prohibiting discrimination in lending practices and in the sale or rental of housing.
- Policy 9: Assist in the development of housing for persons with developmental disabilities

The process of adopting and certifying the Town’s 2023-31 Housing Element has been resource intensive, involving significant use of staff and consultant time, numerous public meetings, and the formation of four ad-hoc housing related subcommittees. When developing the budget, the Town had not anticipated the one-time expenditures involved in certifying the 2023-31 Housing Element. (More budget discussion in Section 4, Financial Ability.)

In January 2024, the Town’s Housing Element was initially certified by HCD. However, in March 2024, HCD revoked the Housing Element certification due to the lack of “timely and effective implementation” of the Housing Element programs, including the required rezoning of several parcels to allow for greater density (Policy 1). Jurisdictions face financial consequences, including ineligibility for certain state and federal grants, if their Housing Element is noncompliant. The Town was provided technical assistance from HCD to help return its Housing Element to a state of compliance, which involved working with Town staff and Town Council.

On April 23, 2025, the Town Council adopted an ordinance (Ordinance No. 2025-452), amending Zoning Code Table 18.15.04: Development Standards – Note 2: “Up to a 2.48 acre portion of the Dorothy Ford Park Site... which shall exclude the existing deed restricted little league baseball field... shall be permitted to be developed as high density housing and that owner-occupied and rental multifamily uses are allowed by-right for housing developments in which 20% or more of the units are affordable to lower-income households on the specified portion of the Dorothy Ford Park Site.”⁵ The Town’s Housing element only identifies parcels within the existing Town boundaries.

⁵ The Dorothy Ford Park Site is APN 077-272-010, included in Table 6-6 of the 2023-31 Housing Element.

In May 2025, following the rezoning, HCD found that the Town’s Housing Element was once again in compliance with state law, and the Housing Element is certified. The Town is required to monitor and provide annual progress reports to HCD on the implementation status of its housing policy programs. The Town has budgeted in the Town Affordable Housing Fund—separate from the General Fund—for a consultant support this work.

While the Housing Element identifies parcels where residential development may occur in the future, the Town’s current Capital Improvement Plan (CIP) only covers the current fiscal year. Town staff are working on presenting a long-term and comprehensive CIP during the review of the FY2026-27 budget. As this plan has not been presented and adopted, there may be capital projects that require increased levels of services and demands on the Town.

MSR Determination No. 1: Over the next five years, the population of the Town of Portola Valley (4,286) is projected to grow between 2-4%. The Town’s 2023-2031 Housing Element addresses how the Town plans to meet its state-mandated Regional Housing Needs Allocation allotment of 253 units by year 2031. The Town hired a consultant to support the work associated with implementing the Town’s Housing Element plans and programs.

Recommendation: None.

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), is it 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

a-c) The Town of Portola Valley does not provide sewer, municipal and industrial water, or structural fire protection services. While the SOI of the Town does include unincorporated territory, these unincorporated areas are not classified as disadvantaged.

MSR Determination No. 2: The Town’s sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities nor does the Town provide sewer, municipal and industrial water, or structural fire protection services.

Recommendation: None

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

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

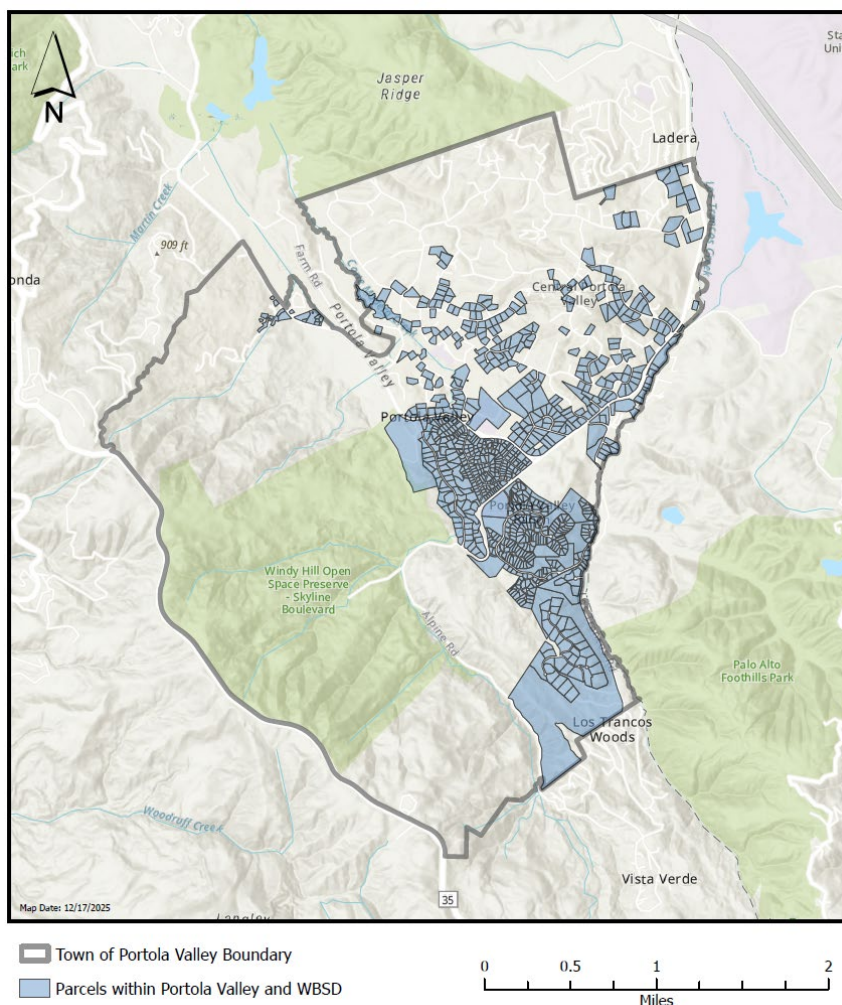
The Town meets the service needs of existing development within its sphere of influence and corporate boundaries. Town staff (15.5 FTE) provide the following services: public works, engineering, building, code enforcement, recreation, planning, and zoning. The Town offers the Portola Valley Library—a branch of the San Mateo County public library system. The Town hires

outside contractors for IT staffing, certain planning and building services, and legal services. The Town contracts for police services with the San Mateo County Sheriff’s Office. Fire protection is provided by the Woodside Fire Protection District. Water service is provided by Cal Water. Portions of the Town receive sewer service from the West Bay Sanitary District. These services are described in more detail below.

i. Sewer Services

The Town of Portola Valley does not have a municipal sewer system. Instead, most properties have private onsite septic systems. However, as of December 2025, West Bay Sanitary District (WBSD) provides sewer services to 889 parcels, or approximately 49% of the total 1,815 total parcels in Town. See Figure 2, below.

Figure 2. Parcels within Portola Valley and West Bay Sanitary District Service Area

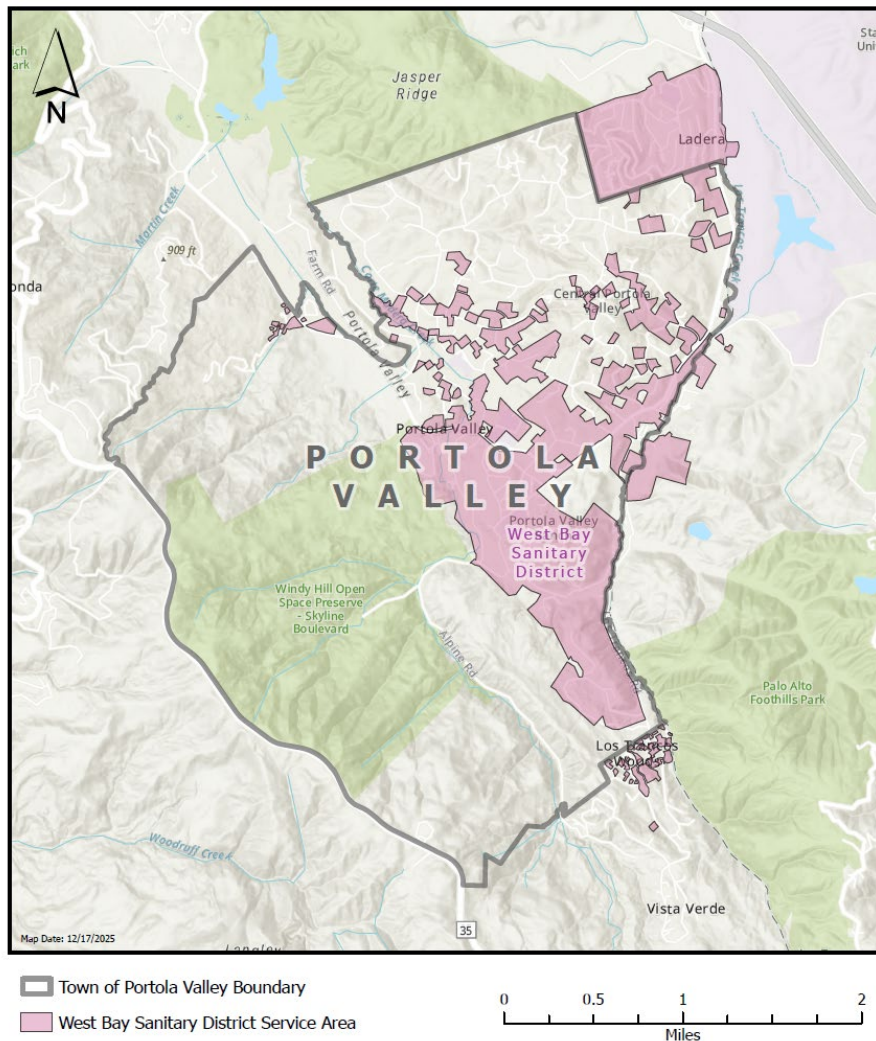


Source: San Mateo County Technology Services Department

WBSD is the regional sanitary sewer provider for the Town of Portola Valley, the City of Menlo Park and portions of Atherton, East Palo Alto, Redwood City, the Town of Woodside, south county unincorporated areas, and several parcels near Los Trancos Creek in Santa Clara County. Figure 3

shows areas in proximity to the Town of Portola Valley that are also served by WBSD. The WBSD was formed in 1902 and in total, serves approximately 19,486 residential customers and 625 commercial customers with approximately 216 miles of sewer mains. WBSD is a member of Silicon Valley Clean Water JPA. The current boundary of the District includes portions of the Westridge neighborhood, Brookside, Portola Valley Ranch, and Blue Oaks subdivisions, and parcels along Alpine Road.

Figure 3. West Bay Sanitary District Local Service Area



Source: San Mateo County Technology Services Department

Developers and homeowners in Town may choose to switch from onsite septic systems to sewer services by first annexing their property into WBSD. Homeowners are responsible for applying for annexation and for paying the cost of extended sewer infrastructure. The Town has not initiated or planned any comprehensive annexations of Town territory into WBSD, as the Town has not received any public requests or Town Council direction on this topic.

ii. Police Services

Since incorporation, the Town of Portola Valley has contracted with the San Mateo County Sheriff's Office for police services. The contract for FY 2023-25 included a service level for two deputies during the day shift; two deputies during the night shift; a portion of a detective (25%); a portion of an administrative sergeant (50%); and a portion of a Captain (25%). The FY2025-26 police services contract decreases the Administrative Sergeant allocation from 0.5 FTE to 0.25 FTE (similar to the Town of Woodside's contract) while maintaining the other staffing levels from the FY23-25 contract.

From FY2018-23, the annual contract amount for Sheriff services was \$1.49 million. Under the FY2023-25 two-year contract, the annual cost increased by 59% to \$2.38 million. In response to this increase, Town staff worked with the County Sheriff and the County Executive's Office for credits toward the current and future years in order to reduce the cost.⁶ The Town received a total of \$1.06M in credits/adjustments from both parties, with the last credit of \$211,000 effective this current fiscal year (FY2025-26). For FY2025-26, the one-year contract total is \$2.34 million, however, since the Town is receiving a credit of \$211,000, the new total amount is \$2.13M.

It is anticipated that the cost of the contract with the Sheriff's Office will continue to outpace Town revenue, leading to a continuation of the ongoing structural deficit. The Town Managers of Portola Valley and Woodside are conducting preliminary discussions regarding sharing a contract with the Sheriff's Office. Town staff report that they will involve the Sheriff's Office in these discussions in early 2026.

iii. Fire Protection Services

The Town of Portola Valley is located within the service area of the Woodside Fire Protection District (WFPD). WFPD is an independent special district formed in 1939 and then reformed in 1949. WFPD provides fire services to the towns of Portola Valley, Woodside, and to the unincorporated areas of Ladera, Los Trancos Woods, Skyline, Vista Verde, and portions of Emerald Lake Hills. WDPD has three fire stations, with Fire Station No. 8 located in the Town of Portola Valley at 135 Portola Road. The District's administrative offices are located at 808 Portola Road in Portola Valley.

The District also provides emergency operations, hazardous materials response, training, community risk reduction and fire prevention, office of emergency services, and administrative support. WFPD has 68 FTE's as of 2025 and a budget of \$30 million for FY 2025-26. The Town also contracts with WFPD for supplemental services including an annual wood chipping program, a fuel reduction engineer, and the Town right-of-way vegetation management program.

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

⁶ The credits were negotiated between the Town, County Sheriff, and County Executive to help address the increase in the contract in FY23/24 (57% increase).

The Town has adopted and certified its 2023-31 Housing Element. With assistance from a paid consultant as well as the Housing Element Post-Adoption Plan Town Council Subcommittee, the Housing Element policies and programs are being implemented.

Funding for Housing Element policy implementation and other long-range housing planning work is funded through the general fund. Work that relates specifically to affordable housing is sourced from the Affordable Housing Fund.⁷ The use of the funds from the Affordable Housing Fund is governed by the Affordable Housing Fund Policy which was adopted in December 2023. As of September 10, 2025, the Affordable Housing Fund has a balance of \$4,857,725. Of this balance, \$115,000 has been authorized to be used for the update of the Housing Element.⁸ On September 10, 2025, the Town Council approved an appropriation of \$1.35M from the Affordable Housing Fund as a grant and \$70,026 as a waiver of planning permit fees for the Willow Commons Housing Project.⁹

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

Currently, the Town is operating with reduced staff (15.5 FTEs). There are currently two vacant positions in the Planning and Building Department. According to Town staff, the main reason for the initial reduction in positions in FY2022-23 was to offset the increase in cost of the police services contract with the County Sheriff's Office. In lieu of full-time staff, the Town has hired consultants for work such as planning application review and building permit services. The Town reports that it has recovered the costs associated with hiring the consultants through the unused salaries of the vacant positions.

According to Town staff, the Town Hall public service counter is open in the mornings four days a week for walk-in and in-person customer service inquiries. Generally, service demand is very low for planning and building walk-in services, and the Town does not see a demand for more public service counter hours. Most service delivery is provided remotely through email or phone communication. The planning and building division accepts digital plan submittals and processes the applications digitally. The shift to digital plan submittals and processes is typical of many municipalities since the COVID-19 pandemic.

In order to inform Town public policy decisions and community engagement strategies, in October 2025, the Town Council had a community survey conducted to evaluate ballot and revenue measure feasibility, resident satisfaction with town services, and community priorities and needs. The Town Council will have additional meetings on revenue enhancement options in 2026.

⁷ Funds for the Affordable Housing Fund are from fees collected pursuant to inclusionary housing in-lieu fee regulations and other monies controlled by the town for affordable housing. Also, principal and interest from loan repayments, proceeds from grant repayments, forfeitures, reimbursements, and all other income from Fund activities shall be deposited into the Fund.

⁸ Town of Portola Valley Response to Request for Information from LAFCo.

⁹ The Willow Commons Housing Project provides permanent housing with supportive services for 16 intellectually and/or developmentally disabled adults, as well as common areas for building community among the residents. The Project was completed in June 2025.

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

Currently, due to budget constraints, the Town has adopted a one-year Capital Improvement Program (CIP). For FY2025-26, the CIP proposes \$1.36 million in capital expenditures related to roads, storm drains, trails and IT enhancements. This CIP only identifies projects that will have expenditures in the upcoming fiscal year. Indeed, there may be other capital projects that are needed, but for which funding has either not been identified or is not available. According to Town staff, an expanded and compressive five-year CIP is anticipated to be created and adopted as part of the budget cycle for FY2026-27.

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

Town staff is not aware of any State regulations on the horizon that will require significant facility and/or infrastructure upgrades that will impact the Town of Portola Valley.

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?

No, there are no disadvantaged unincorporated communities identified within or adjacent to the Town of Portola Valley.

MSR Determination No. 3: The Town meets the service needs of existing development within its sphere of influence and corporate boundaries. However, the cost of the present police contract with the County Sheriff’s office is anticipated to continue outpacing Town revenue, leading to a structural deficit and negatively impacting Town finances.

Currently, due to budget constraints, the Town has adopted a one-year Capital Improvement Program (\$1.36M for FY2025-26). An expanded and compressive five-year CIP is anticipated to be created and adopted as part of the budget cycle for FY2026-27.

The Town does not provide sewer services, however the independent special district West Bay Sanitary District does. Developers and homeowners in Town may choose to switch from onsite septic systems to sewer services by first annexing their property into WBSD. Homeowners are responsible for applying for annexation and for paying the cost of extended sewer infrastructure.

Recommendations:

1. LAFCo encourages the Town to develop a comprehensive Capital Improvement Program and to review this future plan against proposed development projects.
2. LAFCo encourages the Town to continue to coordinate with the West Bay Sanitary District and LAFCo in regards to future annexations of parcels to the Sanitary District for new sewer service.

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

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?

The primary source of revenue for the Town’s general fund is property tax (53% of proposed revenue in FY2025-26), followed by a Utility Users Tax (14%) and permit fees (11%). As the Town is largely residential, with only a small commercial base, sales tax equated to only 4% of total revenue to the general fund.

The Town of Portola Valley is classified as Tax Equity Allocation (TEA) city, because it had low or no property taxes in 1978, when Proposition 13 was passed and froze property taxes at their current levels in perpetuity.¹⁰ To help solve the problem of TEA cities lacking sufficient property tax revenue to support the growing costs of basic services, a series of bills were signed into law in 1980s. This legislation mandated a formula in which California’s no or low property tax cities receive a minimum of 7% of the property tax revenue available within their boundaries. [See Table](#)

¹⁰ When Proposition 13 passed in 1978, it froze property taxes at their current levels. Proposition 13 created significant problems for jurisdictions with no or low property tax rates at the time. These jurisdictions could not raise property tax rates to meet their community needs. Subsequent legislation, the first being AB 8 in 1979, established property tax distribution formulae to compensate. There are four TEA cities in San Mateo County: Colma, Half Moon Bay, Portola Valley, and Woodside.

4, below, showing the distribution of the 1% property tax in a sample tax rate area within the Town. While the Town receives 4.3% of the property tax, State law requires the percentage to be 7%, the difference of which is shifted from the County’s share. For cities in San Mateo County, the County Controller’s Office is charged with implementing the TEA formula. In 2005, Portola Valley discovered it was not being allocated property taxes in accordance with the TEA formula.¹¹ The County of San Mateo agreed that there were missed payments and five months later, paid Portola Valley the funds, \$2.5 million in total, that they had failed to allocate over the previous 15 years. Since that correction in 2005, LAFCo is not aware of any other issues related to the TEA funding formula for the Town.

Figure 4. 1% Property Tax Distribution – Sample Tax Rate Area

Agency	Share
County of San Mateo	23.67
Library	3.45
Town of Portola Valley	4.3
Portola Valley Elementary School Dist.	21.12
Sequoia High School District	15.6
San Mateo Community College District	6.77
Woodside Fire District	17.24
San Francisquito Creek Flood Zone 2	0.23
Midpeninsula Regional Open Space District	1.83
Bay Area Air Quality Management District	0.21
Harbor District	0.35
Mosquito Abatement District	0.19
Sequoia Health Care District	1.46
County Education Tax	3.52
Total	100*

Note: *Shares vary between tax rate areas. May not total 100.000 due to rounding of ten decimal shares.

Finance and Budget Audits

In November 2023, the Town hired Krisch & Company to provide a report related to the Town’s finances. The report highlighted several recommendations for the Finance Department regarding improvements in functions and operations.¹² The report noted that there were several

¹¹ 2006-07 San Mateo County Grand Jury Report, "Old Myths and New Realities Who's Responsible for Taking Care of Business?"

¹² Town of Portola Valley Fiscal Review, Krisch & Company November 2, 2023

deficiencies related to internal controls, accounting, and workflow in the Town’s Finance Department. According to staff, the Town has been working to implement these recommendations.

Separately, the Town reengaged Maze & Associates to complete Annual Comprehensive Financial Reports (ACFRs). These reports represent the Town’s financial position. While the ACFR was completed for FY2018-19 within one year of the end of the fiscal year, the ACFR for FY2019-20 was completed in 2022, the ACFR for FY2020-21 was completed in 2024, and the ACFR for FY 2021-22 was completed in September 2025. The gap in audited financial documents creates challenges for Town staff and the Town Council when drafting operating budgets, as the definitiveness of revenue and expenditures from past budget cycles is not certain. The Town has adopted a work program to catch up on outstanding ACFRs (see Figure 5 below).

Figure 5. Town of Portola Valley Audit Backlog Schedule

Audit Schedule	
Fiscal Year 2022-23	
Nov-25	Staff provides completed trial balance and schedules prepared by client to Maze
Dec-25	Maze provides a draft of the financial statements
Jan-26	Finance Committee and Town Council review and accept audited financial statements
Fiscal Year 2023-24	
Apr-26	Staff provides completed trial balance and schedules prepared by client to Maze
May-25	Maze provides a draft of the financial statements
Jun-26	Finance Committee and Town Council review and accept audited financial statements
Fiscal Year 2024-25	
Jul-26	Staff provides completed trial balance and schedules prepared by client to Maze
Aug-25	Maze provides a draft of the financial statements
Sep-26	Finance Committee and Town Council review and accept audited financial statements
Fiscal Year 2025-26	
Sep-26	Staff provides pro-forma financial statements

Source: Town of Portola Valley, Town Council Meeting Packet for Sept. 24, 2025

The most recent ACFR report (for FY2021-22) was completed and accepted by the Town Council in September 2025. The report found three significant deficiencies related to the Town’s segregation of duties, journal entry review and approval, and timely bank reconciliations related to internal controls. These findings were also highlighted by Krisch & Company in the 2023 report.

To address the ACFR findings, the Town has increased its finance team staffing levels, hired a consulting firm to review financial transactions and identify areas for improvement, and has taken steps to improve processes for more timely posting and financial information reporting. All audits that are accepted have been reviewed by the Finance Committee and Town Council and are posted on the Town’s website.

Town Budget

The Town budget has been consistently adopted prior to the start of the new fiscal year on July 1. The general fund is the Town’s operating fund. Since at least FY2021-22, the general fund has been running at a deficit, necessitating the use of reserve funds to balance the budget. In forming

its budget, the Town has historically relied on fund balance to close budget gaps. As shown in Table 1 below, the fund balance from the general fund is budgeted as revenue to be used to offset expenditures. In the FY2022-23 budget, the general fund deficit was estimated to be \$793,544, which subsequently grew to \$1,577,538 for just the next year. In FY2024-25 the use of fund balance in the proposed budget increased to 29% of anticipated revenue. However, in November 2024, the adopted revised budget included no use of fund balance reserve.

The Town is projected to continue to rely on fund balance in the future, which is not a sustainable practice for the fiscal health of the Town. In order to balance the budget, the Town is utilizing a variety of cost-saving measures. This includes pausing general fund capital project expenditures, leaving vacant positions unfilled, reducing discretionary spending like professional development, and reviewing existing contracts. While these have been able to address the current financial status of the Town, the Town has acknowledged that these are short-term solutions as deferred maintenance will increase capital project costs in the future and leaving positions vacant impacts the ability to provide services to residents and customers.

Table 1. Budgeted use of Fund Balance to cover deficit in General Fund Revenue (UNAUDITED), FY 2022/23-FY 2025/26

	FY 2025-26	FY 2024-25¹³	FY 2023-24	FY 2022-23
GF Fund Balance Appropriation	\$215,084	\$0	\$1,577,538	\$793,544
Total GF Revenue	\$7,952,775	\$7,479,875	\$8,802,813	\$8,146,487
Fund Balance as share of Total Revenue	3%	0%	18%	10%

Source: Town of Portola Valley Budget, Revenues & Expenditures by Government Fund

As of November 2025, the general fund reserve level is approximately \$2.5 million. Although the 2025 budget was balanced, general fund reserves have decreased over the past three fiscal years due to the increase in the Sheriff’s contract, additional use of consultants for the Housing Element, and loss of one-time, COVID-19 area Federal ARPA funds. During the course of 2025, Town staff held several community meetings and discussions at Town Council meetings regarding the fiscal health of the Town.

The Town is currently exploring revenue options to help stabilize the general fund and enable the allocation of funds back to the reserve fund, which is gradually being drained to balance the annual operating budget. Currently, with no new revenue sources, the Town projects that expenditures will continue to outpace revenues, meaning that the Town will need to rely on existing reserve funds. These reserve funds are projected to be near exhaustion by FY2031-32.

In addition to the Town’s general fund, the Town also has four road maintenance districts. Each district collects taxes for local road maintenance purposes: Crescent Road Maintenance District, Portola Valley Ranch Maintenance District, Wayside I and II Road Maintenance District, and the

¹³ Revised budget from November 2024 included no use of fund balance towards the General Fund. The originally adopted budget for FY24-25 anticipated the use of \$2.9 million

Woodside Highlands Road Maintenance District. The districts collect funds and expend them on local road related projects.

Table 2. Road Maintenance District Funds

	FY2025-26	FY2024-25	FY2023-24	FY2022-23
Total Revenue	142,644	141,664	128,012	137,470
Total Expenses	50,097	150,671	87,163	172,902
Net	\$92,547	\$(9,007)	\$40,849	\$(35,432)

Revenue Sources

For FY2025-26, the Town projects \$11.2M in total revenue. Of that, 39% is non-operating revenue from property taxes. In FY2024-25, an estimated 27% of revenue was from property taxes. The percentage of non-operating revenue to operating revenue has remained consistently below 50% over the past ten years. (See Table 3)

Table 3. Town of Portola Valley Total Revenue (UNAUDITED), FY 2022/23- FY 2025-26

	FY 2025-26 (Budget)	FY 2024-25 (Budget)	FY 2023-24 (Actual)	FY 2022-23 (Actual)
Property Tax Revenue	\$4,355,875	\$3,695,328	\$3,706,327	\$3,834,075
Other Revenue	\$7,446,858	\$7,333,273	\$8,217,014	\$8,247,357
Total Revenue	\$11,802,733	\$11,028,601	\$11,923,341	\$12,081,432

To address forecasted long-term revenue needs to fund Town operations and contract services like police, the Town is exploring revenue enhancement options with a focus on presenting a potential local revenue enhancement ballot measure on the November 2026 election ballot. In 2025, a nonprofit was established to collect donations in the form of cash and real or personal property from residents to supplement town finances and support capital projects.

At a study session on August 27, 2025, the Town Council reviewed several potential revenue enhancement options including a real estate transfer tax, parcel tax, or a new or modified utility user tax. The Town estimates that any new revenue measure should generate between \$1 to \$2 million dollars to backfill staffing, absorb ordinary cost increases, and maintain a 20% reserve level. At the direction of the Town Council, staff is currently conducting further analysis of a real estate transfer tax, and the hypothetical possibility of changing from a general law city to a charter city to facilitate the increase in the real estate transfer tax. One other potential revenue measure that the Town Finance Committee discussed is the annexation of Ladera and other governance changes. The feasibility of these LAFCo related options is discussed in Section 6.

Expenditures

The consistently largest expense for the Town is the contract with the San Mateo County Sheriff’s Office (see the “Services & Supplies” expenditure category in Table 4). The Sheriff’s contract is

funded through three police services funds: Public Safety Fund¹⁴, the COPS Fund¹⁵, and the majority (82% in FY 2023-24) of the contract is funded through the General Fund. The Sheriff’s contract comprises nearly 30% of the Town budget. Every year, the contract expense has exceeded Town revenue, and the Town has had to use reserves to pay for the contract. In FY2025-26, the credits for the contract expire, and the Town will be responsible for the full contract cost starting in FY2026-27.

Table 4. Town of Portola Valley Total Expenditures (UNAUDITED), FY 22/23- FY 25/26

	FY 2025-26 (Budget)	FY 2024-25 (Budget)	FY 2023-24 (Actual)	FY 2022-23 (Actual)
Services & Supplies	\$5,549,131	\$5,313,413	\$5,228,743	\$4,701,702
Employee Services	\$2,316,850	\$2,896,510	\$2,573,262	\$2,647,532
Employee Benefits	\$981,978	\$882,472	\$876,832	\$836,242
Fixed Assets	\$0	\$0	\$1,658,885	\$643,825
Reserves	\$497,626	\$0	\$525,330	\$621,453
Maintenance & Utilities	\$353,500	\$590,086	\$605,651	\$71,640
Operating Transfers Out	\$140,000	\$1,311,474	\$362,348	\$1,624,025
Education & Travel	\$63,700	\$80,900	\$92,290	\$935,014
Total Expenditures	\$10,780,694	\$11,078,455	\$11,923,341	\$12,081,433

The Town also had a larger than anticipated cost associated with certifying the Housing Element. In FY 2024-25, nearly \$1M was spent on consultants to assist the Town in securing state approval of the Housing Element. Additionally, the Town has hired a consultant to update its Safety Element (also on an 8-year update cycle).

Fire Services for the Town of Portola Valley are provided by Woodside Fire Protection District (WFPD). Structural fire protection and emergency medical services are funded through property taxes, as all properties in the Town are within the WFPD boundaries. Furthermore, the Town has a contract with WFPD for enhanced services, financed entirely by the general fund. In FY2023-24, actual contract costs totaled \$171,446.

Dispatch services are provided by San Mateo County’s Public Safety Communications Center.¹⁶ In FY 2024-25, the Town budgeted \$75,151 for these dispatch services related to police services.

The Town is currently developing a five-year capital improvement program that will be revised at least annually by the Town Council.

Fiscal Forecast

Town staff project that without additional revenue, expenses will exceed revenues by FY2027-28. In order to balance the budget and not impact the Town’s general fund reserve, the Town

¹⁴ A half-cent State sales tax revenue designated exclusively for local agency public safety services.

¹⁵ The Citizen’s Option for Public Safety (COPS) is a supplemental State Law enforcement fund for special law and traffic enforcement.

¹⁶ In accordance with the 1994 “Net Six Joint Powers Authority” agreement.

will need an additional \$1M in expenditure cuts in FY 2026-27 through FY 2029-30 . The Town’s reserve fund would be in deficit by FY 2029-30 without a new revenue source.

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

The Town has a policy of maintaining a reserve fund level that equals 20% of the general fund. According to Town staff, the practice of using reserve funds to support on-going Town operations is concerning since this precludes the availability of additional funds to set aside for capital improvements related to infrastructure, facilities and buildings, and vehicles, and no additional funds set aside to pay down pension liability. In the event of a natural catastrophe, the reserve fund may be fully depleted, and any potential repayment from federal funds could take years. Since FY 2020-21, the general fund reserve has decreased by \$3.07M, from \$5.47M to an estimated \$2.2M as of April 2025.¹⁷ Historically, the Town has been compelled to utilize reserve funds to balance the annual budget.

- 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?**

The Town’s Master Fee Schedule was most recently revised in May 2024. According to Town staff, the Town is currently undergoing a comprehensive fee study to determine if fees are sufficient to fund an adequate level of service. The Town is also undergoing an Impact Fee Nexus study to determine if impact fees can be assessed as well. This should be completed and scheduled for review and action by the Town Council in late winter/spring 2026.

Table 5, below is a comparison of the Town’s total fees per unit (including entitlement, building permits, and impact fees) and those of the neighboring jurisdictions of the Town of Atherton, Town of Woodside and Unincorporated San Mateo County. There is no data for multi-unit developments since Portola Valley and Atherton have none, as of yet. According to the Housing Element, the Town’s entitlement fees are likely higher than other communities due to the detailed engineering and geotechnical review that happens early in the process.

Table 5. Total Town Fees Per New Unit Development

Jurisdiction	Single-Family	Small Multi-Unit	Large Multi-Unit
Atherton	\$15,941	No Data	No Data
Portola Valley	\$52,923	No Data	No Data
Woodside	\$70,957	\$82,764	No Data
Unincorporated SMC	\$36,429	\$27,978	\$10,012

Source: 21 Elements Survey, Portola Valley 2023-31 Housing Element

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

¹⁷ Town of Portola Valley General Fund Minimum Fund Balance Policy, Adopted July 27, 2011, and revised June 11, 2025

The Town works in conjunction with the San Mateo County Department of Public Works on its Pavement Management Program. The Town currently has a stormwater assessment underway for FY2025-26. While the Town has adopted a Capital Improvement Plan (CIP), the CIP only covers projects that are proposed to be funded during the current fiscal year. The Town anticipates it will adopt a five-year CIP as part of the FY2026-27 budget cycle. As mentioned previously, if there was an emergency CIP project, that cost could deplete the Town’s reserve fund level.

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

The Town has adopted multiple financial policies including a General Fund Minimum Fund Balance Policy (Originally Adopted on July 27, 2011, and revised on June 11, 2025), an Investment Policy (Originally Adopted on Dec. 10, 2003 and revised on June 27, 2012), and a Donation and Gift Acceptance Policy (Adopted May 14, 2025).

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

The Town has no debt service, and the only long-term liabilities are related to pensions and Other Post-Employment Benefits (OPEB). The Town has made additional contributions to CalPERS in the past when reserve levels have permitted. Contribution rates are determined annually by CalPERS and the Town adjusts the employer and employee rates when applicable. The Town has set up a benefit trust through CalPERS and makes annual OPEB contributions towards employee semi-monthly deductions.

MSR Determination No. 4: The Town of Portola Valley is classified as Tax Equity Allocation (TEA) city. The primary source of general fund revenue is property tax and the accompanying TEA (comprised 53% of proposed general fund revenue in FY2025-26). Town staff project that without additional revenue, expenses will exceed revenue by FY2027-28. In order to balance the budget and not impact the Town’s general fund reserve, the Town will need an additional \$1M in expenditure cuts in FY2026-27 through FY2029-30. The Town’s reserve fund would be in deficit by FY2029-30 without a new revenue source. The Town is aware of these issues and has presented reports and fiscal forecasts to the Town Council and the public. Currently, the Town is exploring potential revenue measures to address this structural deficit.

The Town is behind on its financial audits, having only recently completed the FY2021-22 ACFR. The Town has adopted a work program to catch up on outstanding audits, however, the lack of audited budget numbers has hindered fiscal forecasting. The Town Council and management can benefit by making current financial data available as early as possible in the budgeting and planning process. According to a 2023 Krisch & Company report, there were several deficiencies related to internal controls, accounting, and workflow in the Town’s Finance Department. The Town has been working to implement these recommendations.

Recommendations:

- 3.** LAFCo supports the Town’s efforts to evaluate new potential revenue sources and encourages the Town to continue to explore revenue and expenditure options related to the Town’s General Fund in order to adopt a balanced annual budget.

4. LAFCo encourages the Town to adopt a long-term, comprehensive Capital Improvement Program for Town infrastructure projects.
5. LAFCo recommends that the signed resolutions for the adoption of the annual budgets and appropriation limits be uploaded to the Town’s budget webpages.
6. The Town should continue to provide updates to the Town Council and the public regarding the finances of the Town and explore additional opportunities to enhance transparency related to finance documents and reports. This could include the creation of a webpage that provides a summary of the current and recent past financial information related to the Town’s General Fund, reserve funds, and audits all in one location.
7. Budget documents and staff financial reports should explicitly show the amount of funds allocated to the Town’s fund balance and reserve 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-b) The Town Manager is actively reviewing other police service options, including contracting with adjacent cities in San Mateo County. To date, none of the cities that the Town Manager has contacted has any interest in providing contract police services to the Town.

Portions of the Town of Portola Valley along Oak Forest Court are within the Los Trancos County Maintenance District (LTCMD). The San Mateo County Department of Public Works administers enhanced storm drain services in LTCMD. The storm drain program is funded through enhanced funds that are intended to improve existing storm drainage systems and/or associated roadways that have reached the end of their useful service life. DPW awarded HDR Engineering, Inc. a contract for \$125,000 to study the feasibility of high priority storm drain system improvement projects in LTCMD. LAFCo encourages the Town and LTCMD to work together on stormwater management plans for areas that may be impacted by stormwater coming from Los Trancos Woods. LTCMD and the Town may also identify if there should be any projects that impact the

parcels at Oak Forest Court, as LTCMD has not conducted any work in the area since its formation in 2015.

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?

None at this time.

MSR Determination No. 5: The Town of Portola Valley partners with several agencies to share resources and reduce costs. The Towns of Portola Valley and Woodside are currently reviewing police service options for future fiscal years.

Recommendation:

8. The Town should continue discussions with the Town of Woodside regarding the possibility of a joint contract with the Sheriff's Office for police services, as well as explore other opportunities for shared services or contracts.
9. LAFCo encourages the Town and the Los Trancos County Maintenance District to work together on stormwater management plans for areas that may be impacted by stormwater originating from the unincorporated area of Los Trancos Woods.

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

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

The Portola Valley Town Council meets in person at the Historic Schoolhouse at Town Center, 765 Portola Road on the 2nd and 4th Wednesday of every month at 7pm. Regular meetings are also accessible to the public by Zoom and recordings are available on YouTube.

There do not appear to be any issues with public meetings being accessible and well publicized. The Town also utilizes its website to provide detailed information about the current fiscal status of the Town along with updates related to long range and current planning projects, such as the Housing Element and the Portola Terrace development. The Town hosts an online portal that enables the public to make record requests. Documents can be mailed, emailed, or picked up by the requester.

In June 2022, the Town was served with a complaint alleging a violation of the Brown Act arising from texts sent during a Wildfire Preparedness Committee meeting. The Town Attorney investigated the allegations and concluded that the texts did not involve a quorum of the Committee and therefore did not violate the Brown Act. Nevertheless, the Town decided to resolve the lawsuit by making a “statement of unconditional commitment” restricting legislative

body members from texting and emailing 1) one another and 2) third party consultants (other than legal counsel) during a public meeting.

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

Over the last three years, there has been significant staff turnover. In 2023, approximately over half of all Town positions turned over, including the Planning and Building Director and various staff. Over the past three years, there have been two interim Town Managers. In July 2025, the Town Council appointed a new permanent Town Manager.

The Town is aware of the issue of staff attrition and is in the process of recruitments and evaluation of opportunities to hire staff on contract for certain positions. Turnover and the Town's limited staffing has meant that the Town relies on consultants and contractors to continue to undertake projects. Another consequence of minimalist staffing is that when employees are absent, there is little staff redundancy.

As noted on the Town's website, when Portola Valley was incorporated in 1964, one of the founding goals was to keep costs low by having a government run as much as possible by volunteers. A collateral benefit of this model was that volunteer residents working together to build a town would foster a spirit of community and camaraderie. This spirit of volunteerism continues today with many thousands of hours being donated to town service every year. All members of the Town Council, commissions and committees serve without pay or benefits of any kind. There are approximately 125 members on the standing committees and commissions.

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

As discussed in Section 4, "Financial Ability," the Town is behind on its financial audits. The Town's most recent Annual Comprehensive Financial Report (ACFR) was conducted for FY 2021-22 and completed in September 2025. The Town has adopted a workplan to complete the remaining outstanding reports. It is anticipated that the FY2022-23 audited financial statements will be accepted by January 2026 and the FY2023-24 audited financial statements will be accepted by July 2026. As there is still a delay in the production of the ACFR reports, LAFCo is noting this as a concern. However, LAFCo also acknowledges that the Town and its auditor are actively working to address this issue.

The Town has increased staffing levels in its finance department and hired a consulting firm to review financial transactions and identify areas for improvement, such as how to improve processes for more timely posting and financial information reporting.

d-f) Changes in governance structure?

There are no proposed changes in governance structure. However, over the last two years, as the Town has contemplated how to address financial challenges, the Town Council and the Town Finance Committee have discussed potential forms of governance changes. In light of these public discussions, this MSR seeks to provide an overview of the governance changes that have been mentioned at Town meetings:

Option 1) Annexation of Ladera/Los Trancos: The Town could submit an annexation application by resolution. The application would need to include a plan for service (i.e. the range of services that would be provided to the annexed area and the financing of such services). Along with the

plan for service, the Town would need to go through a pre-zoning process to extend zoning to the area to be annexed. A general plan amendment may also be required if there is no general plan land use designation for the annexation area. Alternatively, the annexation application could also be submitted by petition from landowners or voters in the affected area.

It is important to consider the possibility that the annexation is protested. The only people that can protest an annexation proceeding or vote in an election are landowners and registered voters in the affected/annexation area. Under State law, an “inhabited annexation” occurs if there are 12 or more registered voters within the affected area. If the area qualifies as “inhabited”, and if the required protest threshold is met, then the annexation process could be subject to an election. If the area is uninhabited, then the protest threshold is based on assessed value and property owners.

Under state law, any annexation by a city or town would have to be contiguous to existing city/town boundaries. If the area of Ladera was proposed to be annexed to the Town, there is a review regarding whether the annexed area would be detached from the Ladera Recreational District. If the parcels were to be detached, there may need to be information about the financial impact on the District. Also, the County would be transferring service responsibility to the Town, including land use responsibility. There could also be additional costs to the Town if the Sheriff’s Office contract requires an amendment to include additional services to the annexed area as the population and geographic size of the Town would have been increased.

Additionally, the Town would receive sales tax from the commercial area in Ladera if the area was annexed, but the Town would still only receive 7% of the property tax within the annexation area (due to its status as a Tax Equity Allocation jurisdiction). Any taxes that the Town currently has in place, such as a Utility User Tax, would also be extended to the annexed territory. **Annexation could include a portion of the Ladera community, including the commercial area along Alpine Rd., or the whole Ladera unincorporated area. Before undertaking an annexation, LAFCo would recommend that the Town explore potential benefits and costs associated with an annexation as well as conduct community outreach to property owners and/or residents that could be affected by an annexation.**

Option 2) Consolidation with the Town of Woodside: Under state law, consolidation means the uniting or joining of two or more cities located in the same county into a single new successor city¹⁸. Both towns would need to be agreeable to this option. A proposal could be submitted via resolution from both town governing bodies, or by a petition from voters from both towns signed by not less the 5 percent of the registered voters of each affected town. An election is required for this action, with all registered voters in both towns eligible to vote in the election. Regarding the expenditures from the former separate towns, state law notes that the city (town) council of the successor city shall separately levy and collect the taxes necessary to pay the indebtedness or liability of each predecessor city within the territory of each predecessor city. This means that any liability from the Town of Portola Valley would still need to be paid for by the property owners in the Town’s former boundaries.

¹⁸ CA Government Code Section 56030

There are no examples of a consolidation between two cities or towns occurring in California. A similar action would be the disincorporation of the Town of Portola Valley in conjunction with the annexation of the area to the Town of Woodside. In this case, the Town of Woodside would remain in its current structure and would incorporate the area of the Town of Portola Valley.

Given the similar nature of the two towns' nature of revenue and expenditures, consolidation or disincorporation and annexation would be unlikely to enhance revenues or have a major reduction in costs to the municipalities.

Option 3) Disincorporation: This means the dissolution, extinguishment, or termination of the existence of a city and the cessation of its corporate powers, except for the purpose of winding up the affairs of the city¹⁹. A petition for the disincorporation of a city (town) may be in the form of a resolution from the affected city (town), or a petition signed by not less than 25 percent of the registered voters residing in the city that is proposed to be disincorporated (as shown on the county register of voters). The plan for services would identify the preferred provider for each service that the Town would no longer be providing. As part of the plan for service, a comprehensive fiscal analysis would be required²⁰. For disincorporation, any debt or contractual obligations and responsibilities of the city being disincorporated shall be the responsibility of that same territory for repayment.²¹

State law notes that the "Legislature finds and declares that a single multipurpose governmental agency (i.e. an incorporated city/town) is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas."²² Any disincorporation proposal would need to be reviewed against the intent of state law for the sustainable provision of local municipal services²³.

If ultimately approved by the LAFCo Commission, the Board of Supervisors must submit the disincorporation to the voters residing within the affected area for confirmation. There is no protest hearing for a disincorporation.

If the disincorporation is confirmed at election, either the Commission or the County must prepare a certified statement regarding the city's debt, the balance in the city's treasury, and the amount of any taxes and other payments due to the city that have not yet been paid. Upon the effective date of disincorporation, the successor (the County) is responsible for winding up the affairs of the disincorporated city, much like the executor of an estate. A special fund would be established by the County for this purpose. The successor must utilize the assets of the city to pay off debt and other obligations. If there are insufficient funds to pay indebtedness incurred by the city, the current statute calls for the levy of taxes on property within the former city. The County would become the land use authority for the newly unincorporated area, as well as the governing body. It is unknown what the impact would be to the Town's housing element and how it would integrate with the County's own adopted Housing Element. The Town would also no

¹⁹ CA Government Code Sections 56034

²⁰ CA Government Code Sections 56800-56804

²¹ CA Government Code Sections 56815 – 56816

²² CA Government Code Sections 56001

²³ CA Government Code Sections 56770

longer have a contract with the San Mateo County Sheriff’s Office and instead the level of service would be similar to any other unincorporated community in the County.

The last Disincorporation in the State of California was in the 1970s in Riverside County (City of Cabazon). This has been the only disincorporation that has gone through the LAFCo process, and there would be number issues that would need to be reviewed and addressed prior to the submittal of any proposal for disincorporation.

Option 4) Disincorporation with the formation of a new district to manage open space and trail areas: Typically, upon disincorporation, most or all municipal functions would be assumed by the County. In some circumstances, however, services could be assumed by a special district. That would require formation of a new district. This action could be proposed in parallel with the disincorporation proposal. The action would need to be accompanied by a proposed plan for service as well as an election. The plan for service for a new district would need to include financial information, a list of services to be provided, staffing information, and governance information. A special assessment or tax may be required to provide on-going funds to the district, which would also be subject to an election. It is unclear how or what assets could be transferred from the Town to the new District (i.e. facilities, funds, equipment). There would also need to be a review conducted to determine whether any property tax could be allocated to a newly formed district.²⁴

Another possibility could be instead of the creation of another district, that the Ladera Recreational District (a Community Services District) annex the former Town area and expand its services to include trail and open space powers. No example of a disincorporation and formation of a special district exists in California.

Of the actions mentioned above, LAFCo only has the power to initiate the formation of a new district. LAFCo cannot initiate a city annexation, consolidation of cities, or disincorporation of a city. Any proposal that was submitted to LAFCo would require public meetings and notice. Members of the public would be able to provide input, comments, and participate in this public process. To reiterate, none of the actions listed above are recommended by LAFCo. Instead, these types of actions are referenced in this report to provide additional information about the steps involved, the information that would be required for any action, the role of elected officials and the public during the process, and the effect of the actions.

Determination No 6: There are no recommended actions to change the Town’s governance structure in the MSR, however several options have been discussed by the Town Council and Town committees in the context of addressing the Town’s budget and structural deficit. In recognition of these discussions, this report outlines several types of governance changes, but makes no proposal to implement any option. There do not appear to be any issues with public meetings being accessible and well publicized. As highlighted in Section 4, the Town is behind on conducting audited financial statements, with the most recent audit completed for FY2021-22 in September 2025. The Town has a workplan to catch up on financial audits and is currently implementing the plan. The Town has experienced high levels of staff turnover in the past 3 years and is in the process of recruitment and evaluation of opportunities to hire staff on contract for

²⁴ CA Government Code Sections 56813

certain positions. The Town has a culture of volunteerism, and there are approximately 125 volunteer members currently serving on Town standing committees and commissions.

Recommendation:

9. LAFCo recommends that the Town continue the process of implementing the audit workplan for past audits and that a work program or policy be adopted to ensure that future audits are conducted in a timely manner.

7) Other Issues:

	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
Any other matter related to effective or efficient service delivery, as required by commission policy.			
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-c) 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. Along with the County and other San Mateo County cities, the Town of Portola Valley 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. An update to the 2021 LHMP is underway, and the Town is participating in this multi-jurisdictional effort led by the County.

The Town has an Emergency Preparedness Committee and Wildfire Preparedness Committee that works with Town staff to develop and maintain appropriate plans and procedures for responding to disasters, including wildfires, earthquakes, floods and other emergencies. The Emergency Preparedness Committee works in cooperation with the Woodside Fire Protection District and the San Mateo County Office of Emergency Services. The Wildfire Preparedness Committee advises the Town Council on ways to mitigate risks associated with wildfires while the Geologic Safety Committee provides the Town Council with expert advice regarding geologic matters as they might relate to Town issues including buildings, roads and infrastructure.

The majority of the Town is within an identified fire hazard severity zone. The Town contracts with the Woodside Fire Protection District for hazard mitigation efforts and defensible space creation along the Right of Way and Town-owned property.

MSR Determination No. 7: The Town ~~has adopted a Climate Action Plan and~~ participates in the Local Hazard Mitigation Plan. It has several committees that work in cooperation with Town staff to address emergency preparedness.

Recommendation:

10. LAFCo encourages the Town of Portola Valley to continue its work in the areas of natural hazard mitigation and wildfire preparedness and to continue to coordinate with partner agencies.

Section 6. Town of Portola Valley Sphere of Influence Determinations

Government Code Section 56425 requires 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 Town of Portola Valley is comprised primarily of residential land use, with some commercial/office, open space, and institutional land use. The District boundaries contain land that is under the jurisdiction of the County of San Mateo, the Mid-Peninsula Open Space District, 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:** The Town meets the needs of its residents and businesses for municipal services, and the Town 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 Town currently provides adequate public services to its residents, including public works, planning, recreation, police protection (via contract) and storm water services. In addition, the Town routinely adopts a Capital Improvement Program to fund critical repairs, replacements and improvements to the Town’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 of the Town of Portola Valley.
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:** There are no proposed changes to the Town Sphere of Influence.

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. Town of Portola Valley Fact Sheet

Town Manager: Darcy Smith

Physical Address: 765 Portola Rd, Portola Valley, CA 94028

Email Address: towncenter@portolavalley.net

Phone Number: (650) 851-1700

Date of Incorporation: July 14, 1964

Town Council:

Town Council	Term Expiration Date
Craig Taylor, Mayor	2026
Mary Hufty, Vice Mayor	2026
Judith Hasko	2026
Rebecca Flynn	2028
Helen Wolter	2028

Compensation: Town Council members are all volunteers (not paid)

Public Meetings: Town Council meetings are held in person at the Historic Schoolhouse, 765 Portola Rd. on the second and fourth Wednesdays of the month at 7PM. Regular meetings are livestreamed on Zoom, and the public has the opportunity to provide remote public comments, in addition to in-person comments at the designated time. An archive of Council meetings is available on the Town’s website.

Services Provided:

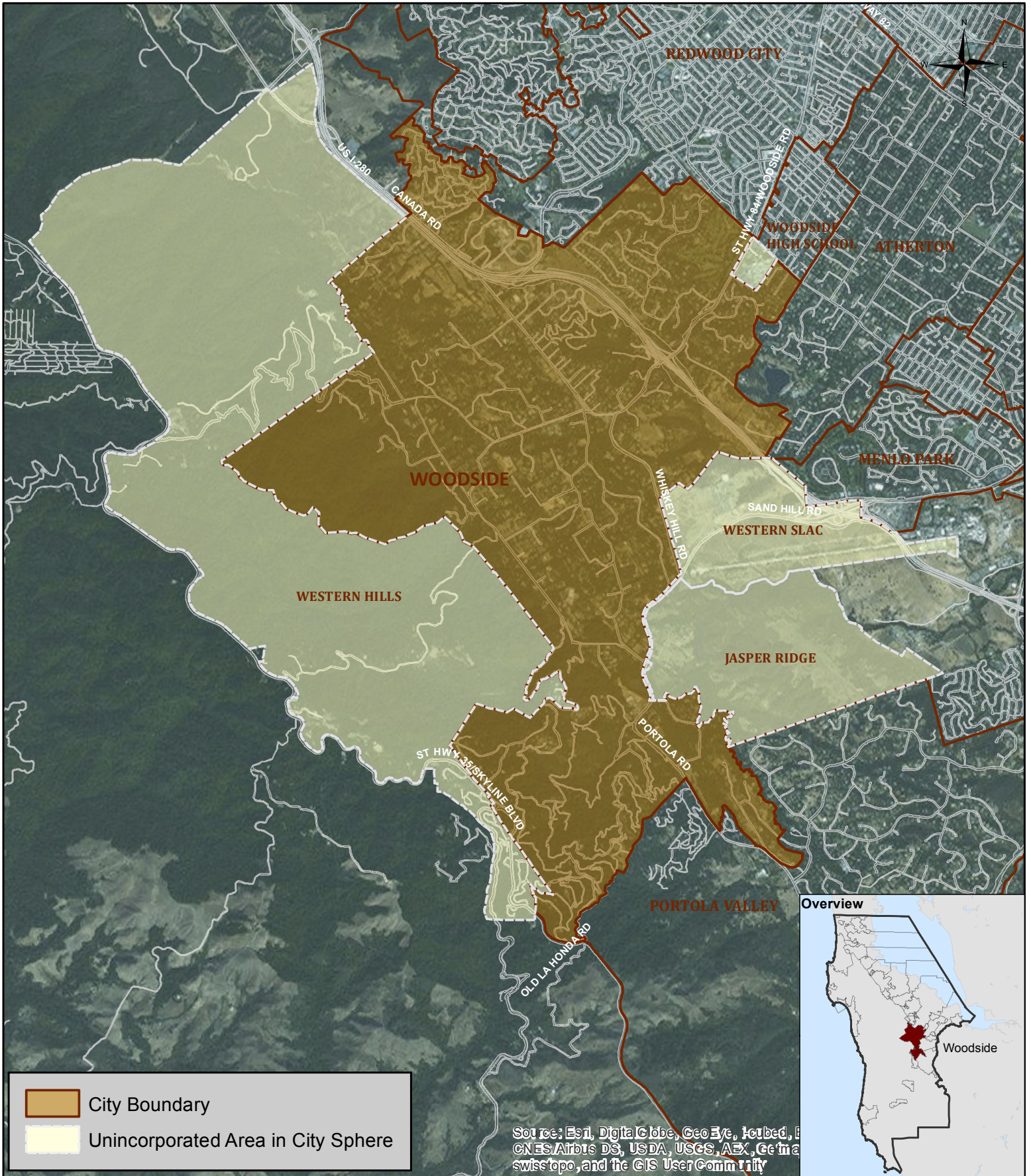
Agency staff: 15.5 FTE

Area Served: Approximately 9 square miles of land area

Population: 4,286 (as of Jan. 2025)

Sphere of Influence: unincorporated areas.

FY 2025-26 General Fund Budget: \$8,167,859



WOODSIDE SPHERE OF INFLUENCE

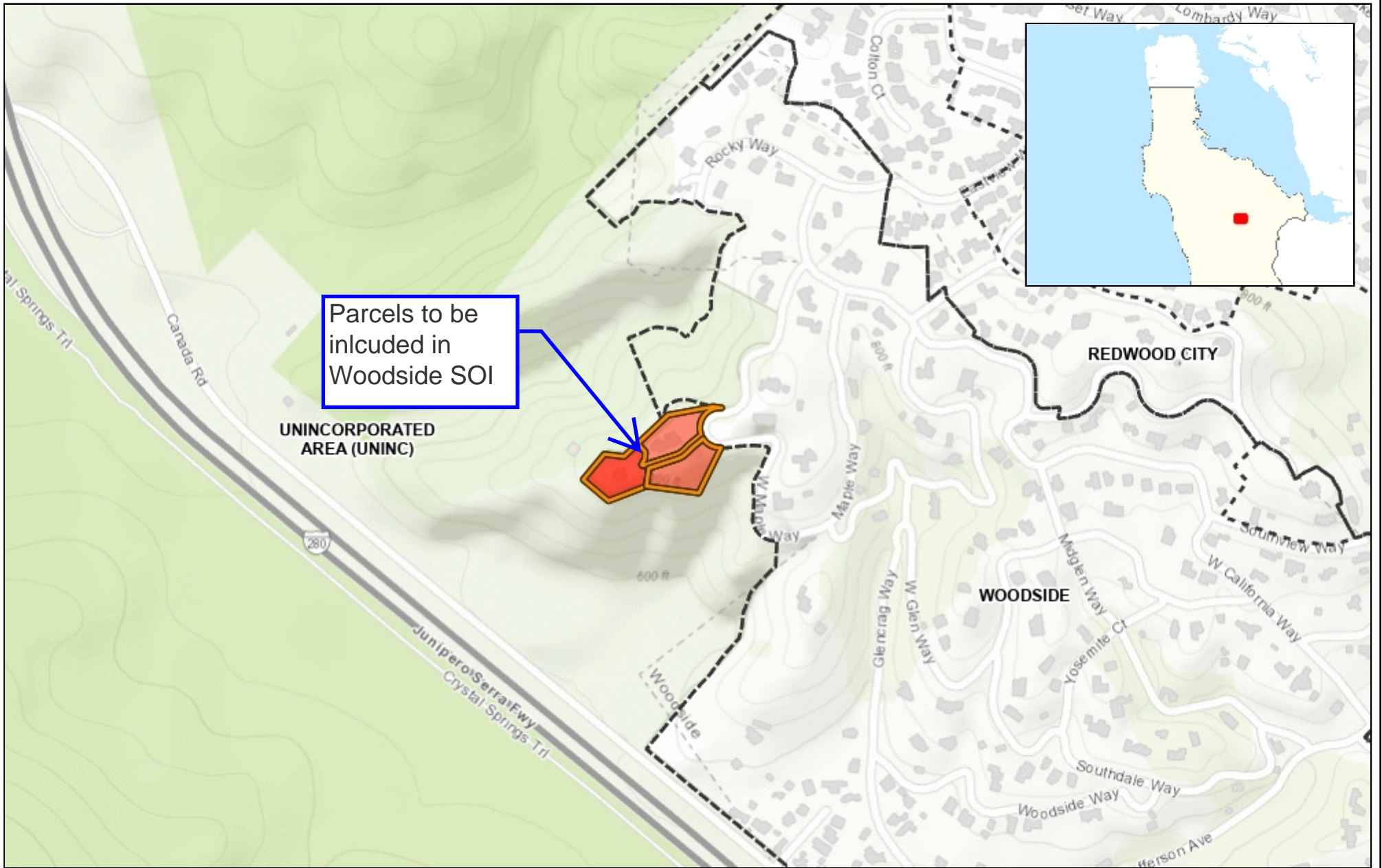


LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4225

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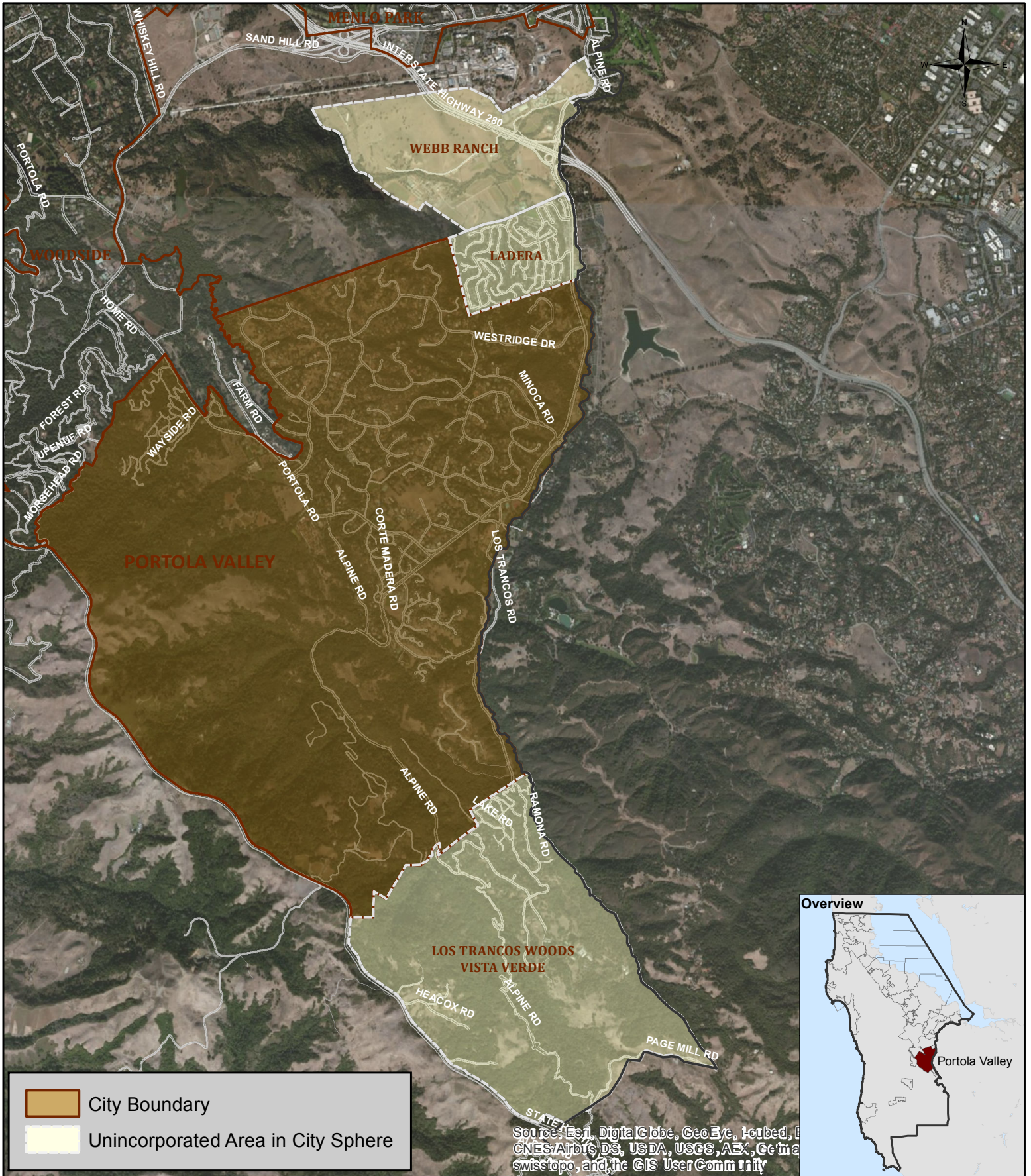
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© Latitude Geographics Group Ltd.

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This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION



PORTOLA VALLEY SPHERE OF INFLUENCE



LOCAL AGENCY FORMATION COMMISSION

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RESOLUTION NO. 1346

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
MAKING DETERMINATIONS PURSUANT TO GOVERNMENT CODE
SECTION 56430 FOR THE TOWN OF WOODSIDE**

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 Town of Woodside;

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 21, 2026 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 21, 2026; 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:** Land use designations within the Town of Woodside are Residential, Open Space, and some limited Community Commercial. Agricultural uses are permitted for those parcels designated as Open Space. The Town's General Plan emphasizes the preservation and protection of open space and environmentally sensitive areas.
2. **The present and probable need for public facilities and services in the area:** The Town of Woodside meets the municipal service needs of its residents and businesses. The Town anticipates that it will be able to provide adequate facilities and services for the anticipated growth within its service area. The current SOI for the Town includes the unincorporated communities of Guernsey Field, Jasper Ridge, and western hills along Skyline Blvd./Highway 35. In reviewing the Town's SOI and surrounding parcels, three parcels along West Maple Way near the northern boundary of the Town have been identified to be included in the Town's SOI. These three parcels, 425 West Maple Way (APN 068-100-240), 445 West Maple Way (APN 068-100-260), and 465 West Maple Way (APN 068-100-250) are located in unincorporated County but are adjacent to the Town's boundaries; the roadway of West Maple Way is already in Town boundaries as are the houses across the street.

Each of the three parcels is currently developed with single-family homes utilizing onsite septic systems. The three parcels are bordered by SFPUC Watershed lands to the north, south, and west. To the east is the Town of Woodside. The three parcels to be included in the Town's SOI share similar characteristics of parcels within the Town. In the future, if the property owners wanted to annex to a city for municipal services, the only city that they are adjacent to and hence would be eligible to annex to would be the Town of Woodside. For these reasons, LAFCo is recommending that these parcel be included in the Town's SOI.

3. **The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:** The Town of Woodside currently provides adequate public services to its residents, including police protection (via contract), sanitary sewer, and storm water services. In addition, the Town routinely adopts a Capital Improvement

Program to fund critical repairs, replacements and improvements to the Town'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 of the Town of Woodside.
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:** There are no disadvantaged unincorporated communities within the Town's boundaries, or in the Town's Sphere of Influence.

WHEREAS, based on the results of the Municipal Service Review, staff has determined that the SOI for the Town of Woodside does 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 14, 2026, Final Municipal Service Review for the Town of Woodside, 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 _____, 2026.

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:

Roberto 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: _____

Exhibit B

Municipal Service Review (MSR) Areas of Determination and Recommendations for
the Town of Woodside**Areas of Determinations and Recommendations****Growth and population projections for the affected area.***Determination*

Over the next five years, the population of the Town of Woodside (5,206) is projected to grow between 2-4%. The Town's 2023-2031 Housing Element addresses how the Town plans to meet its state-mandated Regional Housing Needs Allocation allotment of 323 units by year 2031, including rezoning certain housing sites and allowing a variety of housing types. Ultimately, the Town will need to consider whether expanding public sewer services is required for the planned housing sites.

Recommendation:

1. The Town should continue to evaluate potential options for providing sewer services within the Town, particularly if these services are required to support the development of properties identified in the Town's adopted Housing Element.

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.*Determination*

The Town's sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities.

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*

Based Town projections, costs for the Sheriff contract will continue to grow faster than overall Town revenue. By the end of the current contract term in FY2030-31, the Town estimates that there will be a \$1M gap between the contract cost and Town General Fund revenue. This gap would need to be resolved through use of reserves/fund balance, enhanced Town revenue, or the reduction of service levels provided in the contract.

The Town is currently exploring options for increased access to sewer services. In general, existing sewer services within the Town are in the areas around Cañada Rd. and Woodside Rd., meaning that most areas in the Town are not in the vicinity of sewer services. With no sewer treatment facility within Town boundaries, sewer service is reliant on treatment allocation from the City of Redwood and the Fair Oaks Sewer Maintenance District (FOSMD), and physical

transport capacity from FOSMD and further downstream from the City of Redwood City, which have their own development pressures to address.

Recommendations:

2. The Town should have regular meetings with the FOSMD/County to align policies and processes on sewer allocations to parcels within the Town, especially in the Redwood Creek Sewer Assessment (RCS) area.
3. The Town and FOSMD/County should evaluate ways of streamlining the process for executing of a Town-FOSMD transport supplement agreement for when parcels are annexed to FOSMD that are outside of RCS. The boundaries and service area of FOSMD should be reviewed so that the current and future geographical boundaries of the District are clearly delineated for all parties involved (i.e. the Town, FOSMD, LAFCo, and residents). The agencies should seek alignment on the topic of what happens to district boundaries when reallocating unused RCS sewer connections to parcels outside of RCS and outside of FOSMD. Area plans depicting the probable extent of sewer service boundaries should be developed.
4. An audit of parcels in the Redwood Creek Sewer Assessment area should be conducted to identify which parcels have been connected to the FOSMD system, determine which connections are still outstanding, and to confirm which parcels have paid assessment fees. The audit should also review information about the sewer system flow and treatment capacity for FOSMD and the Town including verification that sufficient sewer assessments remain available for parcels within the original service area after any are granted to parcels outside of RCS.
5. In addition to the ongoing "Sanitary Sewer Master Plan" study by Freyer and Laureta, Inc the Town should conduct a sewer feasibility study for areas in the Town that are outside, and contiguous to, existing sewer service boundaries. In areas where topography or parcel size could limit septic system replacement, a sewer system would be required for new development or to replace a failed septic system. The study should evaluate sewer service priority areas in Town that are outside of the current assessment districts and determine, how services could be provided, and how these services would be financed. This study would also provide neighboring and/or partner agencies visibility into Town priorities and objectives related to sewer services, and help evaluate potential impacts to their infrastructure.

Financial ability of agency to provide services.

Determination

LAFCo staff has not identified any issues with the Town's budgeting practices. The Town's adopted general fund operating budget for FY2025-26 totals \$12,662,540. The estimated operating reserve amount is \$3,666,254. The Town of Woodside has a five-year Capital Improvement Program for which funding has been identified for approximately 93% of anticipated costs. The Town of Woodside is classified as Tax Equity Allocation jurisdiction, which limits the amount of property tax that the Town receives. The Town general fund primary revenue source is property tax (51% of proposed revenue in FY2025-26). The Town staff and

Council has expressed concerned about the continued increase in the cost of the Sheriff's Office contract and will continue to monitor the impact of the contract on the Town's general fund.

Recommendation: None

Status of, and opportunities for, shared facilities.

Determination

The Town has agreements and partnerships with various organizations. Contracting for services has the benefit of enabling the Town to adjust service levels depending on budget and needs.

Recommendation:

6. The Town should continue discussions with the Town of Portola Valley regarding the possibility of a joint contract with the Sheriff's Office for police services, as well as explore other opportunities for shared services or contracts.

Accountability for community service needs, including governmental structure and operational efficiencies.

Determination

The Town of Woodside is general law city and utilizes a Council-Manager form of government. The five city council members are elected by District. Town Council meetings are held in-person at 7pm at Independence Hall, 2955 Woodside Road on the 2nd and 4th Tuesday of every month. The public may attend meetings in-person or online via Zoom. Public comment is accepted via Zoom as well as in-person. LAFCo has no current concerns regarding the governance accountability, structure or efficiencies of the Town.

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 Town has adopted a Climate Action Plan and participates in the Local Hazard Mitigation Plan. It has an Emergency and Preparedness Committee. The Town works with the Woodside Fire Protection District for hazard mitigation efforts, including a matching fund program for homeowner's to enhance their defensible space and home hardening.

Recommendation:

7. LAFCo encourages the Town of Woodside to continue its work in the areas of natural hazard mitigation and wildfire preparedness and to continue to coordinate with partner agencies.

RESOLUTION NO. 1347

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
MAKING DETERMINATIONS PURSUANT TO GOVERNMENT CODE
SECTION 56430 FOR THE TOWN OF PORTOLA VALLEY**

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 Town of Portola Valley;

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 21, 2026 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 21, 2026; 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 Town of Portola Valley is comprised primarily of residential land use, with some commercial/office, open space, and institutional land use. The District boundaries contain land that is under the jurisdiction of the County of San Mateo, the Mid-Peninsula Open Space District, 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:** The Town meets the needs of its residents and businesses for municipal services, and the Town 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 Town currently provides adequate public services to its residents, including public works, planning, recreation, police protection (via contract) and storm water services. In addition, the Town routinely adopts a Capital Improvement Program to fund critical repairs, replacements and improvements to the Town'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 of the Town of Portola Valley.
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 Town of Portola Valley is proposed at this time.

WHEREAS, based on the results of the Municipal Service Review, staff has determined that the SOI for Portola Valley 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 14, 2026, Final Municipal Service Review for Town of Portola Valley, 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 _____, 2026.

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:

Roberto 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: _____

Exhibit B

Municipal Service Review (MSR) Areas of Determination and Recommendations for
the Town of Portola Valley**Areas of Determinations and Recommendations****Growth and population projections for the affected area.***Determination*

Over the next five years, the population of the Town of Portola Valley (4,286) is projected to grow between 2-4%. The Town's 2023-2031 Housing Element addresses how the Town plans to meet its state-mandated Regional Housing Needs Allocation allotment of 253 units by year 2031. The Town hired a consultant to support the work associated with implementing the Town's Housing Element plans and programs.

Recommendation: None

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.*Determination*

The Town's sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities nor does the Town provide sewer, municipal and industrial water, or structural fire protection services.

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*

The Town meets the service needs of existing development within its sphere of influence and corporate boundaries. However, the cost of the present policing contract with the County Sheriff's office is anticipated to continue outpacing Town revenue, leading to a structural deficit and negatively impacting the finances of the Town.

Currently, due to budget constraints, the Town has adopted a one-year Capital Improvement Program (\$1.36M for FY2025-26). An expanded and compressive five-year CIP is anticipated to be created and adopted as part of the budget cycle for FY2026-27.

The Town does not provide sewer services, however the independent special district West Bay Sanitary District does. Developers and homeowners in Town may choose to switch from onsite septic systems to sewer services by first annexing their property into WBSD. Homeowners are responsible for applying for annexation and for paying the cost of extended sewer infrastructure.

Recommendations:

1. LAFCo encourages the Town to develop a comprehensive Capital Improvement Program and to review this plan against proposed housing development projects.
2. LAFCo encourages the Town to continue to coordinate with the West Bay Sanitary District and LAFCo in regards to future annexations of parcels to the Sanitary District for new sewer service

Financial ability of agency to provide services.*Determination*

The Town of Portola Valley is classified as Tax Equity Allocation (TEA) city. The primary source of general fund revenue is property tax and the accompanying TEA (53% of proposed revenue in FY2025-26). Town staff project that without additional revenue, expenses will exceed revenue by FY2027-28. In order to balance the budget and not impact the Town's general fund reserve, the Town will need an additional \$1M in expenditure cuts in FY2026-27 through FY2029-30. The Town's reserve fund would be in deficit by FY2029-30 without a new revenue source. The Town is aware of these issues and has presented reports and fiscal forecasts to the Town Council and the public. Currently, the Town is exploring potential revenue measures to address this structural deficit.

The Town is behind on its financial audits, having only recently completed the FY2021-22 Annual Comprehensive Financial Report (ACFR). The Town has adopted a work program to catch up on outstanding audits, however, the lack of audited budget numbers has hindered fiscal forecasting. The Town Council and management can benefit by making current financial data available as early as possible in the budgeting and planning process. According to a 2023 Krisch & Company report, there were several deficiencies related to internal controllers, accounting, and workflow in the Town's Finance Department. The Town has been working to implement these recommendations.

Recommendations:

3. LAFCo supports the Town's efforts to evaluate new potential revenue sources and encourages the Town to continue to explore revenue and expenditure options related to the Town's General Fund in order to adopt a balance annual budget.
4. LAFCo encourages the Town to adopt a long-term, comprehensive Capital Improvement Program for Town infrastructure projects.
5. LAFCo recommends that the signed resolutions for the adoption of the annual budgets and appropriation limits be uploaded to the Town's budget webpages.
6. The Town should continue to provide updates to the Town Council and the public regarding the finances of the Town and explore additional opportunities to enhance transparency related to finance documents and reports. This could include the creation of a webpage that provides a summary of the current and recent past financial information related to the Town's General Fund, reserve funds, and audits all in one location.

7. Budget documents and staff financial reports should explicitly show the amount of funds allocated to the Town's fund balance.

Status of, and opportunities for, shared facilities.

Determination

The Town of Portola Valley partners with several agencies to share resources and reduce costs. The Towns of Portola Valley and Woodside are currently reviewing police service options for future fiscal years.

Recommendations:

8. The Town should continue discussions with the Town of Woodside regarding the possibility of a joint contract with the Sheriff's Office for police services, as well as explore other opportunities for shared services or contracts.
9. LAFCo encourages the Town and the Los Trancos County Maintenance District to work together on stormwater management plans for areas that may be impacted by stormwater originating from the unincorporated area of Los Trancos Woods.

Accountability for community service needs, including governmental structure and operational efficiencies.

Determination

There are no recommended actions to change the Town's governance structure in the MSR, however several options have been discussed by the Town Council and Town committees in the context of addressing the Town's budget and structural deficit. In recognition of these discussions, this report outlines several types of governance changes but makes no proposal to implement any option. There do not appear to be any issues with public meetings being accessible and well publicized. As highlighted in Section 4, the Town is behind on conducting audited financial statements, with the most recent audit completed for FY2021-22 in September 2025. The Town has a workplan to catch up on financial audits and is currently implementing the plan. The Town has experienced high levels of staff turnover in the past 3 years and is in the process of recruitment and evaluation of opportunities to hire staff on contract for certain positions. The Town has a culture of volunteerism, and there are approximately 125 volunteer members currently serving on Town standing committees and commissions.

Recommendations

10. LAFCo recommends that the Town continue the process of implementing the audit workplan for past audits, and that a work program or policy be adopted to ensure that future audits are conducted in a timely manner.

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 Town participates in the Local Hazard Mitigation Plan. It has several committees that work in cooperation with Town staff to address emergency preparedness.

Recommendation:

11. LAFCo encourages the Town of Portola Valley to continue its work in the areas of natural hazard mitigation and wildfire preparedness and to 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 14, 2026

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
Subject: Appointment of Budget and Legislative/Policy Committees for 2026

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 Wright.

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 Ruddock, Rinaldi, and Martin

Recommended Commission Action:

By motion, appoint Commission members to serve on the Budget Committee and Legislative/Policy Committee for 2026.

COMMISSIONERS: VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT
 ▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

ALTERNATES: NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

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

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 14, 2026

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer

Subject: Review of Draft Regional Map Revision & Proposed New CALAFCO Board Structure

Summary

Over the last year, the CALAFCO Board of Directors has been working on a review of current CALAFCO Bylaws and the structure of the Board itself. A working group was formed to examine the Board structure and regional model and evaluate if there were opportunities for changes and improvements.

Out of this review, the working group is proposing several changes to the existing CALAFCO Bylaws and regional map. Currently, there are four CALAFCO regions: Coastal (includes San Mateo County), Northern, Southern, and Central. Each region elects five board members, one of each member type (city, county, special district, public, and Executive Officer) for a total of 20 CALAFCO Board members. The proposed changes to the regional map are to increase from four regions to nine. The Coastal region is proposed to be broken into South Bay (San Mateo, San Francisco, Alameda, and Santa Clara), North Bay (Contra Costa, Marin, Napa, Solano, and Sonoma), and Central Coast (Monterey, San Benito, San Luis Obispo, Santa Cruz, Santa Barbara, and Ventura). A full list of all the proposed new regions is shown in Attachment A.

Proposed bylaw changes would include the following:

- Executive Officers become eligible to be elected to the Board from their respective region
- Regional Officers will no longer be voting Board Members
- Remove commissioner “seat type” so that the most qualified commissioner candidates may be elected by their respective regions, regardless of the category of membership in their home LAFCo (i.e. county, city, special district, public)
- Limit Member LAFCo’s to one Board Member representative at any given time

Also, there would be a reduction in the size of the Board from twenty to sixteen members, with most regions, including the South Bay region, being allocated two Board seats.

COMMISSIONERS: VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT
▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

ALTERNATES: NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

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

DIANE ESTIPONA, CLERK

Staff Comments

CALAFCO requested comments from local LAFCo staff on the draft map and bylaws by January 9, 2026. San Mateo LAFCo provided the following comments:

- 1) Staff supports the change to remove commissioner “seat type”, especially if the number of voting members from each region is reduced.
- 2) Staff supports the change to allow Executive Officers to be elected to the Board from their respective region. If a region agrees upon electing an EO, that region should be able to have the ability. The removal of Regional Officers as voting members is also supported by staff.
- 3) The old Coastal Region is divided into three new regions, with the Bay Area being split into two. Staff is ok with the division and the split of the Bay Area region. There will likely still be collaboration between the Bay Area LAFCos. Hopefully there could be the creation of ad-hoc groups either focused on specific topics of interest or inclusive of multiple regions, such as the creation of the old Coastal Region, to allow for larger discussions at the CALAFCO Conference or other settings.
- 4) One concern is related to the limitation of one Board Member representative from a LAFCo at any given time. Staff agrees with the intent of the proposed policy, but in the regions with fewer LAFCos, there may be a potential issue. In the South Coast (3 LAFCos) and South Bay and Inland Desert (4 LAFCos each), there could be a situation where either a LAFCo has left CALAFCO, and hence reduced the pool of eligible LAFCos from that region to send members to the CALAFCO Board (such as the current case in South Coast and Inland), or a situation where LAFCos are not actively engaged with CALAFCO (such as San Francisco LAFCo in the South Bay). In these cases, staff suggests that language be added that allows for LAFCos from a region with two or fewer participating/eligible LAFCos to have more than one Board Member from a local LAFCo. If additional LAFCos rejoin CALAFCO and are in a region where this exemption was in place and now there are three or more LAFCos, this language would no longer be applicable.

The reason for two or more is that there could be a situation in the South Bay where two LAFCos leave CALAFCO (San Mateo, Santa Clara, and/or Alameda) and with one plus San Francisco remaining. If San Francisco doesn't actively participate in CALAFCO (which they historically have not), that would mean that voting members from other LAFCos would likely run for the two allocated seats. However, the current proposed language would restrict that LAFCo to only one seat, with the other having to remain vacant. This could be the case in the South Bay or the other two regions mentioned if there was just one LAFCo that was a member of CALAFCO.

The existing proposed language in the draft document could be edited to say: Limit Member LAFCos to one Board Member representative at any given time, *with the exception of LAFCos from a region with two or fewer CALAFCO participating/eligible LAFCos. At a time when a region has three or more CALAFCO participating/eligible LAFCos, member LAFCos shall be limited to one Board Member representative at any given time.*

Special CALAFCO Meeting

The Chair of the CALAFCO Board of Directors has called a Special Corporate Business Meeting for Monday, February 23, 2026 at 10am. At this meeting, the proposed changes to the CALAFCO Bylaws, including revisions to the CALAFCO regions and restructuring of the CALAFCO Board membership, are proposed to be reviewed and voted upon. The Interim Executive Director of CALAFCO is requesting that each LAFCo designate a voting member to attend the Special Business Meeting, which will be covered under the subsequent LAFCo agenda item.

Recommendation

Provide feedback and comments on the Draft Regional Map Revision and Proposed New CALAFCO Board Structure.

- A. CALAFCO Restructure Working Group Memo



Memo

To: Executive Officers of Member LAFCOs
From: CALAFCO Transition Team and Regional/Board Restructure Working Group
Date: December 9, 2025
Subject: **CALAFCO DRAFT Regional Map Revision & Proposed New Board Structure – FEEDBACK REQUESTED**

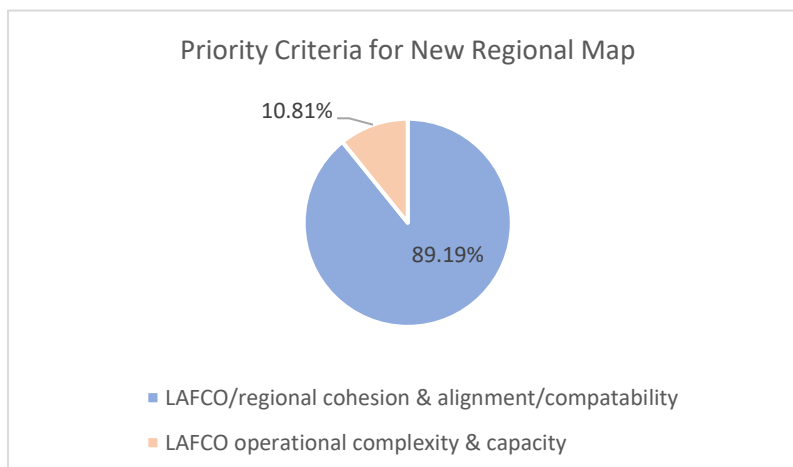
Dear Member LAFCO Executive Officers,

On February 23, 2026, Member LAFCOs will be asked to vote on several proposed amendments to CALAFCO’s Bylaws. These changes are part of the ongoing Association transformation effort and in direct response to feedback from Member LAFCOs. The first step in these Board structure changes was unanimously approved by the membership at the October 2025 annual business meeting when Regional Officers were added to the Board as voting members.

As CALAFCO reported, a comprehensive review of the current regional and Board structures was undertaken. Following five focus groups, a comprehensive online survey, and extensive statewide research conducted earlier this year, a working group was formed (after a statewide call for volunteers was issued) in September consisting of ten LAFCO Executive Officers throughout the state. Meeting bi-weekly since September, the working group’s focus has been to examine the data, consider opportunities to enhance and improve the regional model and Board structure, and make recommendations for consideration and feedback.

The working group reviewed versions of older regional maps and developed several newer versions for their consideration and deliberation.

In October, Executive Officers (EOs) across the state were asked to provide input on criteria for a new regional map. The working group used that input to develop the first draft of the regional revisions, which is attached. Here is what we heard from the 37 EOs who responded:



- 89.19% of respondents felt that the first priority to be considered should be: **LAFCO/regional cohesion and alignment/compatibility**. This includes geographic proximity; LAFCO identity and economic base of the area; regional identity (point of view, attitude, culture); and similarity of issues/challenges.
- 10.81% of respondents felt that the first priority to be considered should be: **LAFCO operational complexity and capacity**. This includes LAFCO level of capacity and resources (human and fiscal); and the complexity of the LAFCO and its work.

Beyond these two primary criteria, seeking some population balance was considered. Dues by region were discussed. However, it's important to note that revising the dues structure is outside the scope of this working group. CALAFCO intends to address this matter in the near future, separately from this work.

The working group is seeking your feedback on the proposed regional structure and the corresponding Board structure. In summary, the recommendations are:

- Move from four (4) to nine (9) regions as noted on the map
- Reduce the size of the Board from twenty (20) to sixteen (16) members as follows:
 - North Coast – 1
 - Cascade-Sierra – 1
 - Sacramento Valley – 2
 - San Joaquin Valley – 2
 - Inland Desert – 2
 - South Coast – 2
 - Central Coast – 2
 - South Bay – 2
 - North Bay – 2
- To support the changes above, several additional Bylaws changes are being recommended:
 - Executive Officers become eligible to be elected to the Board from their respective region
 - In exchange, the Regional Officers will no longer be voting Board Members
 - Remove commissioner “seat type” so that the most qualified commissioner candidates may be elected by their respective regions, regardless of the category of membership in their home LAFCO (county, city, special district, public)
 - Limit Member LAFCOs to one Board Member representative at any given time

THE ASK: *You are being asked to provide feedback on the proposed regional structure and corresponding Board structure, as noted above. Please email your feedback to Pamela Miller at pmiller@millermcg.com no later than January 9, 2026, to ensure it's considered by the working group.*

WHAT'S NEXT: The working group will meet in January and consider all feedback received. If necessary, revisions to the proposed map and Board structure will be made, and the final version will be sent to the membership for consideration at the February 23, 2026, business meeting.

For questions, please contact Transition Team member Pamela Miller at pmiller@millermcg.com, CALAFCO Interim Executive Director Michelle McIntyre at mmcintyre@calafco.org, Executive Officer, José Henríquez at HenriquezJ@saLAFCO.org, or any of the working group representatives listed on the next page.

Members of the CALAFCO Regional/Board Restructure Working Group

- Pamela Miller, Transition Team Consultant and Lead – pmiller@millermcg.com
- Michelle McIntyre, Interim Executive Director - mmcintyre@calafco.org
- José Henríquez, CALAFCO EO/Central Regional Officer - HenriquezJ@saclAFCO.org
- Joe Serrano, Coastal Regional Officer - Joe.Serrano@santacruzcountyca.gov
- Shannon Costa, Northern Regional Officer - scosta@buttecounty.net
- Tyler Salcido, Southern Regional Officer - tylers@iclafco.com
- Christine Crawford, Yolo LAFCO (Central Region) - Christine.Crawford@yolocounty.gov
- Brian Spaunhurst, Fresno LAFCO (Central Region) - bspaunhurst@fresnocountyca.gov
- Kai Luoma, Ventura LAFCO (Coastal Region) - Kai.Luoma@venturacounty.gov
- Jason Fried, Marin LAFCO (Coastal Region) - jfried@marinlafco.org
- Colette Santsche, Humboldt/Trinity LAFCOs (Northern Region) - colettes@planwestpartners.com

We truly appreciate your continued support and active input.

Sincerely,

CALAFCO Transition Team & Regional/Board Restructure Working Group

—

Attachments:

- A. DRAFT proposed new regional map as of November 2025
- B. Corresponding population data spreadsheet

**PROPOSED REGIONAL MAP REVISION
AS OF NOVEMBER 2025**



This map details which counties are within each of the nine regions, the total population within each of those proposed regions, and the current dues structure formula which notes the total population using the population threshold/cap of 700,000 per county as determined by the Board.

Population By County / Region
Total and with CALAFCO Population Cap of 700,000

DRAFT NOV 2025

North Bay			South Bay		
	pop w/ cap			pop w/ cap	
Contra Costa	1,172,607	700,000	Alameda	1,649,060	700,000
Marin	256,400	256,400	San Francisco	827,526	700,000
Napa	132,727	132,727	San Mateo	742,893	700,000
Solano	455,101	455,101	Santa Clara	1,926,325	700,000
Sonoma	485,375	485,375			
	2,502,210	2,029,603		5,145,804	2,800,000

North Coast			Cascade-Sierras		
	pop w/ cap			pop w/ cap	
Del Norte	26,544	26,544	Alpine	1,099	1,099
Humboldt	133,817	133,817	Amador	42,026	42,026
Lake	67,254	67,254	Calaveras	46,505	46,505
Mendocino	89,827	89,827	El Dorado	190,770	190,770
Shasta	181,121	181,121	Lassen	28,430	28,430
Siskiyou	42,498	42,498	Mariposa	17,048	17,048
Trinity	15,884	15,884	Modoc	8,491	8,491
			Mono	12,991	12,991
			Nevada	102,195	102,195
			Placer	421,446	421,446
			Plumas	18,885	18,885
			Sierra	3,113	3,113
			Tuolumne	54,357	54,357
	556,945	556,945		947,356	947,356

Sacramento Valley			San Joaquin Valley		
	pop w/ cap			pop w/ cap	
Butte	208,334	208,334	Fresno	1,024,125	700,000
Colusa	22,074	22,074	Kern	922,529	700,000
Sacramento	1,611,231	700,000	Kings	154,913	154,913
Sutter	98,545	98,545	Madera	165,432	165,432
Tehama	64,451	64,451	Merced	296,774	296,774
Yolo	225,251	225,251	San Joaquin	816,108	700,000
Yuba	87,469	87,469	Stanislaus	556,972	556,972
Glenn	29,369	29,369	Tulare	483,506	483,506
	2,346,724	1,435,493		4,420,359	3,757,597

Central Coast			Inland Desert		South Coast		
	pop w/ cap			pop w/ cap		pop w/ cap	
Monterey	436,251	436,251	Imperial	181,724	181,724	Los Angeles	9,757,179
San Benito	69,159	69,159	Inyo	18,485	18,485	Orange	3,170,435
San Luis Obispo	281,843	281,843	Riverside	2,529,933	700,000	San Diego	3,298,799
Santa Cruz	262,406	262,406	San Bernardino	2,214,281	700,000		
Santa Barbara	444,500	444,500					
Ventura	835,427	700,000					
	2,329,586	2,194,159		4,944,423	1,600,209	16,226,413	2,100,000

Data source:

[California Counties by Population \(2025\)](#) which cites United States Census Bureau. [Annual Estimates of the Resident Population](#): April 1, 2020 to July 1, 2024. Population Division. May 2025

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 14, 2026

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer

Subject: Designation of voting member for CALAFCO 2026 Special Corporate Business Meeting

Summary

The Chair of the CALAFCO Board of Directors has called a Special Corporate Business Meeting for Monday, February 23, 2026 at 10am. At this meeting, the several changes to the CALAFCO Bylaws, including revisions to the CALAFCO regions and restructuring of the CALAFCO Board membership, are proposed to be reviewed and voted upon. The Interim Executive Director of CALAFCO is requesting that each LAFCo designate a voting member to attend the Special Business Meeting.

The CALAFCO bylaws require that member LAFCos designate a voting delegate, prior to a Special Business Meeting. This action is similar to the voting delegate designation for the CALAFCO Board Election at the annual CALAFCO Conference. For the CALAFCO Conference, it is typical that the current LAFCo Chair is designated as the voting delegate and additional Commissioner is delegated as an alternate in the event that the designated Commissioner. LAFCo staff suggests that a similar process occur for the designation of a voting and alternate member from San Mateo LAFCo for the CALAFCO 2026 Special Corporate Business Meeting.

Also if there are any future special CALAFCO Corporate Business Meeting in 2026, it is recommended that the Commission appoint a voting delegate and alternate voting delegate for these potential meetings as well.

Recommendation

By motion, appoint a voting delegate and alternate voting delegate for CALAFCO 2026 Special Corporate Business Meeting occurring on February 23, 2026 and for any future special CALAFCO meetings occurring in 2026.

COMMISSIONERS: VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT
▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

ALTERNATES: NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

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

MEMORANDUM

DATE: December 9, 2025

TO: Member LAFCOs, Officers of Member LAFCOs, and Associate Members

CC: CALAFCO Board of Directors

FROM: Michelle McIntyre, Interim Executive Director

RE: **CALAFCO 2026 Special Corporate Business Meeting Notice and Agenda**

CALAFCO Bylaws (Section 3.4) require the Association to notify each Member LAFCO and Associate Member of the Corporation of meetings, not less than 30 days prior to that meeting.

NOTICE

A Special Meeting of the California Association of Local Agency Formation Commissions will be held:

DATE: Monday, February 23, 2026
TIME: 10:00 a.m. – 11:30 a.m.
LOCATION: Virtual via Zoom
Meeting Access:
<https://us02web.zoom.us/j/87609758294?pwd=NNdzOU0B9qrp2nVx6Ki0qVxZh2iWyl.1>
Meeting ID: 876 0975 8294
Passcode: 639868
Phone: 669-444-9171

Attached is the agenda for the special meeting, which is also posted in the Members section of the CALAFCO website.

CALAFCO Bylaws (Section 3.7.1) also require each Member LAFCO designate in writing their voting delegate prior to the meeting. Please e-mail the name, title, and email address of your voting delegate to Pamela Miller at pmiller@millermcg.com **by January 30, 2026 at 5:00 p.m.** *If your LAFCO is unable to provide your voting delegate information by this date due to your meeting schedule, please email Pamela with the date your LAFCO will provide that information in advance of the special meeting.* An updated list of voting delegates will be posted in the Members section of the website. The full meeting packet will be distributed in advance of the meeting.



2026 Special Corporate Business Meeting

**Monday, February 23, 2026
10:00 a.m. to 11:30 a.m.**

Meeting Access

<https://us02web.zoom.us/j/87609758294?pwd=NNdz0U0B9qrp2nVx6KiOqVxZh2iWyl.1>

Meeting ID: 876 0975 8294

Passcode: 639868

Phone: 669-444-9171

SPECIAL MEETING AGENDA

1. **Call to Order/Roll Call of Member LAFCOs**
Wendy Root Askew, Chair
José Henríquez, CALAFCO Executive Officer

2. **New Business**
2.1. Consider and Approve recommended changes to the Association Bylaws
Wendy Root Askew, Chair
Michelle McIntyre, Interim Executive Director
Pamela Miller, Transition Team Consultant

3. **Report on the Association's work ahead**
Wendy Root Askew, Chair
Michelle McIntyre, Interim Executive Director
Pamela Miller, Transition Team Consultant

4. **Announcements/Comments**

Adjourn to the 2026 Annual Business Meeting, to be held on Thursday, October 22, 2026, at 9:00 a.m. at the Sheraton Grand Sacramento Hotel, located at 1230 J Street, Sacramento, CA, 95814.

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 14, 2026

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer

Subject: FY25-26 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 2025-26

Revenue

LAFCo has received 100% of the 1/3 apportionment from member agencies. Application revenue to date is \$15,666.

Expenditure

LAFCo is within budget for all expenditures accounts for FY 25-26 with the exception of Wellness Dividend.

Recommended Commission Action

Receive the budget update.

Attachments

- A. LAFCo FY 25-26 Year to Date as of 12/31/25

COMMISSIONERS: VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT
 ▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

ALTERNATES: NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

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

LAFCo	Year to Date FY 25-26 Budget	Adopted FY 25-26	Expenditures YTD	Percent Expended
	Jan. 14, 2026			
	<i>Expenditures</i>			
4111	Salary & Benefits Executive Officer	332,004	139,442	42%
4111	Salary & Benefits Management Analyst	195,558	82,134	42%
4141	Admin. Leave Cash Out	13,500	13,252	98%
4161	Commissioner Compensation	5,000	2,000	40%
4628	Wellness Dividend	500	600	120%
4512	Workers Compensation Experience	500	225	45%
4000	SALARIES & BENEFITS SUBTOTAL	547,062	237,653	43%
5132	Internet/Communications	1,200	482	40%
5184	Refund for application	0	0	0%
5191	Outside Printing (other special printing)	1,000	0	0%
5193	General Office Supplies	700	15	2%
5196	Photocopy - in-house copier	600	0	0%
5197	Postage & Mailing Service	1,000	54	5%
5211	Computer Supplies	500	0	0%
5212	Computer Equipment under \$5,000	2,500	0	0%
5215	Software License	0	0	0%
5218	Corovan Records Storage	700	185	26%
5234	Office Furniture/Equipment	7,500	0	0%
5331	Memberships (CALAFCO/CSDA)	16,000	14,793	92%
5341	Legal Advertising	3,000	198	7%
5443	Signage	600	97	16%
5712	Mileage Allowance	1,000	0	0%
5721	Meetings & Conferences	20,000	8,694	43%
5733	Training	300	0	0%
5814	Fiscal Office Specialist	2,025	0	0%
5838	.5 FTE LAFCo Clerk	69,998	0	0%
5842	Outside Auditing Services	11,000	2,513	23%
5848	Graphics	1,500	0	0%
5856	Consulting	0	0	0%
5858	Other Professional Contract Services (Recording of Meetings)	4,800	1,259	26%
5861	DPW/GIS Mapping/Scanning	9,000	8,574	95%
5866	Fingerprinting new employee	0	0	0%
5872	Controller Admin	10,000	9,311	93%
5969	Other special dept expense	100	0	0%
5000	SERVICES & SUPPLIES SUBTOTAL	165,023	46,175	28%
6712	Telephone	900	421	47%
6713	ISD (Automation Services)	8,000	4,114	51%
6714	Rent	20,737	0	0%
6717	Motor Pool	0	0	0%
6725	Gen'l Liability	10,000	8,810	88%
6727	Bond Insurance	85	37	44%
6732	County Attorney's Office	70,000	2,015	3%
6733	Human Resources	100	75	75%
6738	Countywide Security	190	189	99%
6739	All Other Charges (Accounting Software)	650	0	0%
6751	Card key services	250	86	34%
6752	ISD Software Licenses	1,300	1,271	98%
6758	ISD Support Service	4,600	2,204	48%
6821	A 87 Charges/County Cost Allocation	0	0	0%
6000	OTHER CHARGES SUBTOTAL	116,812	19,222	16%
	Subtotal Appropriations	828,897	303,050	37%
8612	Reserve	94,924	0	0

LAFCo	Year to Date FY 25-26 Budget	Adopted FY 25-26	Expenditures YTD	Percent Expended
	Jan. 14, 2026			
	Expenditures			
	Special Reserve	0	0	0
	Total Appropriations Budget	923,821	303,050	
	Revenues			
2421	Application Fees	30,000	15,666	52%
2600	Miscellaneous Revenue	0	0	0%
1521	Interest	8,000	4,355	54%
	Intergov. Rev. (County/City/Dist)	720,897	720,897	100%
	Total Revenues	923,821	736,563	80%
	Fund Balance Offset	164,924		
	City/District/County 1/3 Apportionment	240,299		
	Fund Balance			
3333	Fund Balance	217,948	217,948	100%

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 9, 2026

Attached are the 2024-2025 legislative summary from the California Senate Committee on Local Government.

Recommended Committee Action:

Receive the report.

Attachments

- A. California Senate Committee on Local Government - Summary of significant legislation heard in 2025

COMMISSIONERS: VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT
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STAFF: ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪
DIANE ESTIPONA, CLERK

**Senate Committee on Local Government
Senator María Elena Durazo, Chair
State Capitol, Room 407
Sacramento, California 95814
(916) 651-4119**

<http://slcl.senate.ca.gov/>

TO: People Interested in Local Government Legislation
FROM: Senator María Elena Durazo, Chair
DATE: December 12, 2025
SUBJECT: Summary of significant legislation heard in 2025

Now that the legislative session has ended, I want you to know about some of the more interesting bills that the Senate Local Government Committee reviewed during 2025. The following summary identifies and briefly describes the significant bills that the Committee has worked on this year. At the end of each description, the bill's status is indicated in *italics*.

If you want to read the Committee's bill analyses or get a copy of a bill listed below, please go to the Legislature's official website leginfo.legislature.ca.gov. You can also use that website to retrieve other bill analyses, official histories, voting records, and any veto messages.

The Senate Committee on Local Government is responsible for hearing legislation pertaining to local government powers and duties, local governance, local revenue mechanisms, and land use and development. The summary below groups bills by subject.

Brown Act

SB 239 (Arreguin) allows subsidiary bodies of a local agency to teleconference meetings without having to notice and make publicly accessible each teleconference location. *Senate Floor.*

SB 707 (Durazo) makes various changes to the rules for public meetings pursuant to the Brown Act, including translation requirements, remote participation for the public, and teleconferencing flexibility. *Signed—Chapter 327, Statutes of 2025.*

AB 259 (Rubio) extends, until January 1, 2030, the sunset date of January 1, 2026, on provisions of law enacted by AB 2449 (Blanca Rubio, Chapter 285, Statutes of 2022), which allowed members of a legislative body of a local agency to use teleconferencing without identifying each teleconference location in the notice and agenda of the meeting, and without making each teleconference location accessible to the public, under specified conditions. *In Senate Local Government Committee.*

AB 409 (Arambula) extends, until January 1, 2030, the sunset date on the provisions of law enacted by AB 1855 (Arambula, Chapter 232, Statutes of 2024), which allowed 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 Brown Act. *In Senate Local Government Committee.*

AB 467 (Fong) extends, until January 1, 2030, the sunset date of January 1, 2026, on provisions of law enacted by SB 411 (Portantino, Chapter 605, Statutes of 2023), which allowed a neighborhood council in the City of Los Angeles to teleconference without meeting all of the teleconferencing requirements of the Brown Act. *In Senate Local Government Committee.*

Elections and Redistricting

AB 699 (Stefani) permits a local jurisdiction submitting a local ballot measure to choose how specific information will appear on the ballot label for specified tax or bond measures. *Vetoed.*

AB 1441 (Soria) creates the Citizens Redistricting Commission in the County of Merced (CRCCM) and tasks it with establishing supervisorial districts for Merced County following the federal decennial census. *Signed—Chapter 730, Statutes of 2025.*

Housing

SB 9 (Arreguin) specifies that a local ordinance implementing Accessory Dwelling Unit (ADU) Law is null and void if the local agency fails to submit a copy of the ordinance to the Department of Housing and Community Development (HCD) or if the local agency fails to respond to HCD's findings within specified timeframes. *Signed—Chapter 510, Statutes of 2025.*

SB 21 (Durazo) allows demolition of single-room occupancy units without full replacement of demolished units if the units are converted into affordable housing. *Signed—Chapter 511, Statutes of 2025.*

SB 79 (Wiener) requires a housing development project within a specified radius of existing or currently proposed major transit-oriented development (TOD) stop, as defined, be an allowable use on a site zoned for residential, mixed, or commercial development, if the housing development meets certain requirements. This bill also allows a transit agency to adopt TOD zoning standards for district-owned land located in a TOD zone. *Signed—Chapter 512, Statutes of 2025.*

SB 92 (Blakespear) limits the ability of development proponents to apply concessions, incentives, and development waivers under Density Bonus Law (DBL) to nonresidential uses, including hotel uses, as specified. *Signed—Chapter 484, Statutes of 2025.*

SB 543 (McNerney) makes numerous organizational, technical and clarifying changes to Accessory Dwelling Unit (ADU) Law and Junior ADU (JADU) Law. *Signed—Chapter 520, Statutes of 2025.*

SB 625 (Wahab) (1) creates a streamlined ministerial approval process for rebuilding residential structures damaged in a disaster; (2) establishes timelines for homeowners associations (HOAs) to review development proposals; (3) limits the scope of covenants and other instruments that would prohibit a property owner from rebuilding a residential structure destroyed in a declared disaster; and, (4) prohibits local agencies from preventing property owners from living in a mobile home on their property for up to three years following a disaster. *Signed—Chapter 548, Statutes of 2025.*

SB 677 (Wiener) makes a series of substantive and technical changes to SB 9 (Atkins, Chapter 162, Statutes of 2021) and SB 35 (Wiener, Chapter 366, Statutes of 2017) which streamlined ministerial approval for specific types of housing developments and parcel subdivisions. *In Senate Housing Committee.*

SB 838 (Durazo) revises the definition of housing development project in the Housing Accountability Act (HAA) to exclude projects that include any hotel or motel space in the commercial portion of a project. *Signed—Chapter 789, Statutes of 2025.*

AB 87 (Boerner) provides that a local government is not required to grant a concession or incentive under Density Bonus Law (DBL) to a hotel or motel as part of a housing development project, as specified. *Signed—Chapter 486, Statutes of 2025.*

AB 253 (Ward, Quirk Silva, Rivas) allows, until January 1, 2036, an applicant for specified residential building permits to contract with or employ a private professional provider to check plans and specifications if the county or city estimates a timeframe for this plan-checking function that exceeds 30 days, or does not complete this plan-checking function within 30 days. *Signed—Chapter 487, Statutes of 2025.*

AB 457 (Soria) expands an existing streamlined, ministerial approval process for farmworker housing established by AB 1783 (R. Rivas, Chapter 866, Statutes of 2019). *Signed—Chapter 490, Statutes of 2025.*

AB 507 (Haney) establishes the Office to Housing Conversion Act, creates a streamlined, ministerial approvals process for adaptive reuse projects, as defined, and provides certain financial incentives for the adaptive reuse of existing buildings. *Signed—Chapter 493, Statutes of 2025.*

AB 610 (Alvarez) requires a local government's housing element to include a potential and actual governmental constraints disclosure statement containing specified potential constraints that the local government can anticipate adopting during the first three years of the subsequent planning period, among other requirements. *Signed—Chapter 494, Statutes of 2025.*

AB 648 (Zbur) exempts community college districts (CCDs) from complying with local zoning ordinances for university housing development projects that are constructed on property owned or leased by the CCD, under certain conditions. This bill also stipulates that if the project includes housing units for faculty or staff, a portion of those units be made available at affordable rent levels to extremely low income and lower income faculty and staff. *Signed—Chapter 378, Statutes of 2025.*

AB 660 (Wilson) makes various changes to the time limits and procedures for local agency review and approval of post-entitlement permits, as specified. *Held in Senate Appropriations Committee.*

AB 818 (Avila Farias) requires a local agency to approve a permit for specified structures intended to be used by a person until the rebuilding or repairing of a property destroyed or damaged by a natural disaster is complete. *Signed—Chapter 534, Statutes of 2025.*

AB 893 (Fong) expands the Affordable Housing and High Road Jobs Act of 2022, established by AB 2011 (Wicks, Chapter 647, Statutes of 2022), to apply to campus development zones, as defined. *Signed—Chapter 500, Statutes of 2025.*

AB 920 (Caloza) requires a city or county with a population of 150,000 or more persons to, no later than January 1, 2028, establish a centralized application portal for housing development projects online. *Signed—Chapter 501, Statutes of 2025.*

AB 956 (Quirk-Silva) allows for the streamlined and ministerial approval of up to two detached accessory dwelling units (ADUs) on lots with an existing or proposed single-family dwelling. *In Senate Housing Committee.*

AB 1007 (Rubio) expedites timelines for approval or disapproval by a public agency acting as the “responsible agency” for residential and mixed-use development projects. *Signed—Chapter 502, Statutes of 2025.*

AB 1021 (Wicks, Muratsuchi) makes changes to AB 2295 (Bloom, Chapter 652, Statutes of 2022), which authorized a housing development project as an allowable use on any real property owned by a local educational agency (LEA), as specified, and adds housing on LEA property to an existing exemption in the California Environmental Quality Act (CEQA). *Signed—Chapter 503, Statutes of 2025.*

AB 1061 (Quirk-Silva) modifies historic resource designations that limit the single-family parcels eligible for ministerial approval of an urban-lot split or a duplex development under SB 9 (Atkins, Chapter 162, Statutes of 2021) by deleting the absolute exemption for historic districts in SB 9 and instead excluding SB 9 duplex developments and urban lot splits on parcels or properties individually listed as historic resources or landmarks, as specified. *Signed—Chapter 505, Statutes of 2025.*

AB 1154 (Carrillo) limits owner-occupancy requirements for junior accessory dwelling units (JADUs). *Signed—Chapter 507, Statutes of 2025.*

AB 1206 (Harabedian) requires local agencies to develop a program for the preapproval of single-family and multifamily residential housing plans, as specified, and include information on their annual progress reports (APRs) regarding the number of residential housing units that are approved using a preapproved housing plan. *Held in Senate Appropriations Committee.*

AB 1276 (Carrillo) extends the “vesting” rights that apply to local agency reviews of housing developments under the Housing Crisis Act (HCA) to also apply to the rules, regulations, and requirements imposed by other public agencies. The bill would also extend the “reasonable person” standard, as specified, to public agency determinations of whether a housing development project is consistent, compliant, and in conformity with applicable plans, policies, and ordinances for purposes of the Permit Streamlining Act (PSA). *Held in Senate Appropriations Committee.*

AB 1294 (Haney) requires cities and counties to deem an application for a housing development entitlement complete once the applicant submits specified information, and directs HCD to develop a standardized housing entitlement application that cities and counties must accept. *In Senate Local Government Committee.*

AB 1308 (Hoover) requires the building department of every city or county to conduct an inspection of permitted work within 10 business days of receiving notice of the completion of permitted work authorized by a building permit issued for specified housing projects. *Signed—Chapter 509, Statutes of 2025.*

Impact Fees

SB 358 (Becker) requires local agencies to reduce vehicle mitigation fees for housing developments near transit unless they make findings supported by substantial evidence in the record that projects are not expected to reduce automobile trips. *Signed—Chapter 515, Statutes of 2025.*

SB 499 (Stern) allows local agencies to collect impact fees for parks earlier than certificate of occupancy if they are identified in its safety element, or, for the next five years, its local hazard mitigation plan. *Signed—Chapter 543, Statutes of 2025.*

Land Use Planning and Development

SB 282 (Wiener) establishes limits and requirements for local agency permitting of residential heat pump HVAC systems and heat pump water heaters. *Held in Senate Appropriations Committee.*

SB 283 (Laird) requires a developer of a battery energy storage system to meet and confer with, and receive an inspection prior to operation from, the local fire suppression authority. *Signed—Chapter 407, Statutes of 2025.*

SB 322 (Menjivar) authorizes a city or county to establish an urban equestrian inclusion zone to enter into voluntary contracts with landowners to restrict the use of the land to equestrian activities. *Held in Assembly Appropriations Committee.*

SB 415 (Reyes) makes various changes to AB 98 (Carrillo and Reyes, Chapter 931, Statutes of 2024), which regulates warehouse development. *Signed—Chapter 316, Statutes of 2025.*

SB 611 (Richardson) reenacts, as an urgency measure, provisions of law that prohibit a court from invalidating a development approval that was granted based on a community plan that meets specified criteria, if the development was approved or had a complete application prior to the community plan being invalidated. *Signed—Chapter 228, Statutes of 2025.*

SB 629 (Durazo) establishes a new post-wildfire safety area designation; and requires the State Fire Marshal to designate post-wildfire safety areas which trigger state fire protection standards; and requires Fire Hazard Severity Zones to be based upon additional criteria, including post-wildfire safety areas, as specified. *Vetoed.*

SB 786 (Arreguin) makes various changes to existing procedures and remedies for judicial challenges of whether or not a local jurisdiction's general plan, or any element thereof, complies with existing law. *Signed—Chapter 526, Statutes of 2025.*

SB 815 (Allen) requires local agencies to update relevant general plan elements to incorporate wildfire preparedness and planning strategies, as specified. *Held in Senate Appropriations Committee.*

AB 39 (Zbur) requires each city and county, by January 1, 2030, to adopt a plan, or amend its general plan, to identify various goals, objectives, policies, and implementation measures regarding electrification of transportation and buildings. *Signed—Chapter 356, Statutes of 2025.*

AB 93 (Papan) requires a data center operator to provide its estimated or actual water use to its water supplier as a condition of obtaining or renewing a business license issued by a city or county. *Vetoed.*

AB 671 (Wicks, Gabriel) requires a local building department to allow an applicant to have a qualified professional certifier certify that the plans for a tenant improvement relating to a restaurant comply with applicable building, health, and safety codes. *Signed—Chapter 470,*

Statutes of 2025.

AB 735 (Carrillo) makes various changes to AB 98 (Carrillo and Reyes, Chapter 931, Statutes of 2024), which regulates warehouse development. *Senate Floor.*

AB 752 (Avila Farias) provides that a daycare center that is colocated with multifamily housing shall be considered a residential use of property and a use by right. *Signed—Chapter 164, Statutes of 2025.*

AB 782 (Quirk-Silva) prohibits the Real Estate Commissioner (Commissioner) of the Department of Real Estate from requiring a security in connection with a subdivision improvement if the Commissioner finds that sufficient security has been furnished to a local agency for the same improvement. *Senate Floor.*

AB 1156 (Wicks) makes a number of changes to law governing the conversion of Williamson Act contracts into a solar-use easement. *Assembly Floor.*

AB 1332 (Ahrens) authorizes, until January 1, 2029, a licensed cannabis microbusiness to ship medicinal cannabis directly to a medicinal cannabis patient, as specified. *Vetoed.*

Local Agency Formation Commissions (LAFCO) and Boundary Changes

SB 489 (Arreguin) requires local agency formation commissions (LAFCOs) to post their application packets for changes of organization on their websites and makes minor changes to the Permit Streamlining Act (PSA). *Signed—Chapter 518, Statutes of 2025.*

SB 777 (Richardson) revises the timeframe and stakeholder participants for the Cemetery and Funeral Bureau to convene a workgroup from July 1, 2027 to March 1, 2026, and provide a report to the Legislature no later than June 1, 2026, instead of January 1, 2028, summarizing the discussions of the workgroup. *Signed—Chapter 658, Statutes of 2025.*

Local Powers and Governance

SB 255 (Seyarto) requires every county, on or before January 1, 2027, to establish a program to notify the parties to a deed, quitclaim deed, mortgage, or deed of trust within 30 days of recordation of such a document. *Signed—Chapter 351, Statutes of 2025.*

SB 276 (Wiener) allows, until January 1, 2031, the City and County of San Francisco to adopt an ordinance requiring a permit for the sale on public property of merchandise that it has determined is a common target of retail theft. *Signed—Chapter 406, Statutes of 2025.*

SB 299 (Cabaldon) repeals the requirement that an ordinance be enacted at least five days after it is introduced and allows a local government to deem certain zoning ordinances to be subject to a streamlined, ministerial process. *Senate Floor.*

SB 394 (Allen) (1) allows local agencies to establish ordinances specific to water theft from hydrants, (2) modifies penalties for other water theft ordinances, and (3) adds theft from fire hydrants to provisions of existing law related to civil suits for water theft. *Signed—Chapter 540, Statutes of 2025.*

SB 445 (Wiener) directs the High-Speed Rail Authority (HSRA), in consultation with specified entities, to develop both internal rules governing HSRA's engagement of specified utilities to ensure coordination and cooperation in relocating utility infrastructure and regulations governing local agency permits and approvals. *Held in Assembly Appropriations Committee.*

SB 482 (Weber Pierson) requires city and county officials to electronically submit an updated list of local officials to the Secretary of State (SOS) within 120 days of each general election. *Signed—Chapter 762, Statutes of 2025.*

SB 485 (Reyes) the authority of the county board of supervisors to remove an appointed public defender at will, instead requiring a three-fifths vote of the board for neglect of duty, malfeasance or misconduct in office, or other good cause. *Vetoed.*

SB 515 (Richardson) requires cities and counties, when collecting demographic data on the ancestry and ethnic origins of newly hired employees, to include additional categories for African Americans relating to their status as descents of enslaved persons. *Signed—Chapter 768, Statutes of 2025.*

SB 580 requires the Attorney General, on or before July 1, 2026, to publish model policies for state and local agencies and the databases they operate relating to interaction with immigration authorities, and requires local and state agencies to implement these policies or an equivalent by January 1, 2027. *Signed—Chapter 670, Statutes of 2025.*

SB 634 (Perez) prohibits a local jurisdiction from adopting a local ordinance, or enforcing an existing ordinance, that prohibits a person or organization from providing support services to a person who is homeless or assisting with acts related to basic survival. *Signed—Chapter 521, Statutes of 2025.*

SB 635 (Durazo) prohibits an agency or department of a local authority that regulates street vendors or compact mobile food operations, or that enforces sidewalk vending regulations, from collecting citizenship or criminal background data. This bill also limits the activities that a local government can do related to immigration enforcement. *Signed—Chapter 463, Statutes of 2025.*

SB 753 (Cortese) expands the authority for cities and counties to recover costs for retrieving shopping carts and returning them to their owners. *Signed—Chapter 785, Statutes of 2025.*

SB 757 (Richardson) allows, until January 1, 2035, a city or county to collect fines for specified violations related to the nuisance abatement using a nuisance abatement lien or a special assessment. *Vetoed.*

SB 781 (Reyes) requires the Office of the Small Business Advocate (OSBA) to increase small

business participation in procurement opportunities by working with local agencies to facilitate the creation of Small Business Utilization Programs to support this goal. The bill also modifies applicant eligibility criteria for the California Small Business Technical Assistance Program (TAP) for grants OSBA administers. *Held in Assembly Appropriations Committee.*

SB 827 (Gonzalez) modifies existing ethics training requirements and adds a new ethical, fiscal, and financial training requirement for local officials. *Signed—Chapter 661, Statutes of 2025.*

AB 385 (Ramos) authorizes the County of San Bernardino to dispose of up to 4.2 acres of property at Glen Helen Regional Park, including property acquired or improved with state grant monies, subject to the acquisition of replacement park property. *Signed—Chapter 259, Statutes of 2025.*

AB 428 (Rubio) grants private water corporations the same authority as mutual water companies to enter into a risk-pooling joint powers authority or agreement. *Signed—Chapter 151, Statutes of 2025.*

AB 523 (Irwin) authorizations allows, until January 1, 2030, certain members of the Metropolitan Water District of Southern California board to assign a proxy to cast their vote under specified conditions. *Signed—Chapter 266, Statutes of 2025.*

AB 532 explicitly allows a public urban retail water supplier to provide water rate assistance to its ratepayers. *Held in Senate Appropriations Committee.*

AB 533 (Flora) allows a health care district that owns or operates a hospital or clinic to use the design-build contracting method for the construction of or improvements to a hospital or health facility building. *Signed—Chapter 35, Statutes of 2025.*

AB 632 (Hart) allows a local agency, upon the exhaustion of administrative and judicial appeals and specified noticing procedures, to obtain a final judgment and impose liens to enforce administrative fines and penalties for violations of specified cannabis laws, housing laws, and fire hazard laws. *Vetoed.*

AB 769 (Wilson) makes numerous changes to the laws governing regional park and open-space districts (RPOSDs). *Signed—Chapter 166, Statutes of 2025.*

AB 810 (Irwin) adds special districts, joint powers authorities (JPAs), and other political subdivisions to the list of local agencies required to use “.gov” or “.ca.gov” domain names for internet websites and email addresses accessible to the public. This bill allows a community college and community college district to satisfy these requirements with a “.edu” domain. *In Assembly Appropriations.*

AB 1108 (Hart) prohibits a sheriff-coroner from determining the circumstances, manner, and cause of death for any in-custody death in any county where the offices of the sheriff and the coroner are combined. The bill instead requires the sheriff-coroner to contract with another county or a private third party medical examination provider, as specified, to determine the

manner, circumstances, and cause of the in-custody death. *Signed—Chapter 389, Statutes of 2025.*

Local Tax and Fee Authority

SB 346 (Durazo) enacts the Short-Term Rental Facilitator Act of 2025, which permits local agencies to enact ordinances to require short-term rental facilitators to provide specified information on their platform’s rentals to the local agency. *Signed—Chapter 751, Statutes of 2025.*

SB 423 (Gonzalez) limits the authority of the City of Los Angeles to impose a documentary transfer tax and authorizes a local agency administering an affordable housing program to enter into a regulatory agreement containing a provision regarding curing an event of default or waive, modify, amend, or delete a provision of a regulatory agreement regarding curing an event of default, as specified. *In Assembly Local Government Committee.*

AB 698 (Wicks, Mark Gonzalez) requires, before a legislative body adopts any transfer tax on the sale of real property, the legislative body to provide an analysis that examines the effect of the proposed tax. *In Senate Rules Committee.*

AB 1112 (Wallis) repeals the requirement for Riverside County to reduce the amount of property taxes distributed to the City of Rancho Mirage due to the creation of a community services district. *Senate Floor.*

AB 1430 (Bennett) increases county recording fees and makes various changes to the allocation of these fees. *Vetoed.*

Public Contracting

SB 409 (Archuleta) increases the threshold for alteration or repair work on county buildings that must be completed by contract from \$50,000 to \$125,000 in counties with at least nine million residents. *Signed—Chapter 52, Statutes of 2025.*

SB 598 (Durazo) authorizes a local agency to use the construction manager/general contractor (CM/GC) project delivery method for specified water infrastructure projects until January 1, 2031. *Signed—Chapter 655, Statutes of 2025.*

Redevelopment and Infrastructure Financing

SB 5 (Cabaldon) prohibits enhanced infrastructure financing districts (EIFD)s and community revitalization and investment areas (CRIA)s from including taxes levied upon parcels enrolled in a Williamson Act or farmland security zone contract. *Vetoed.*

SB 74 (Seyarto) requires the Office of Land Use and Climate Innovation to establish the Infrastructure Gap-Fund Program. *Held in Assembly Appropriations Committee.*

SB 516 (Ashby) enacts the California Capital City Downtown Revitalization Act, which creates a new type of enhanced infrastructure financing district (EIFD) specific to Downtown Sacramento and specifies that any EIFD can receive state funds to support its activities. *Signed—Chapter 769, Statutes of 2025.*

SB 545 (Cortese) directs the Governor’s Office of Business and Economic Development (GoBiz) to commission a study, to be completed by January 1, 2028, and submitted to the Legislature, on economic opportunities along the corridor of the California high-speed rail project (CAHSR) and other high-speed rail projects in California that are planned to directly connect to CAHSR. *Held in Assembly Appropriations Committee.*

SB 549 (Allen) removes the authority for a subset of EIFDs to receive sales and use tax revenue and authorizes Los Angeles County to establish a Resilient Rebuilding Authority. *In Assembly Local Government Committee.*

SB 782 (Perez) creates a subcategory of climate resilience districts to finance disaster recovery efforts. *Signed—Chapter 552, Statutes of 2025.*

AB 417 (Carrillo) makes various changes to the laws for local agencies to create enhanced infrastructure financing districts (EIFDs) and community revitalization and investment authorities (CRIAs). *Signed—Chapter 260, Statutes of 2025.*

AB 1445 (Haney) expands Downtown Revitalization and Economic Recovery Financing Districts authorized by AB 2488 (Ting, Chapter 274, Statutes of 2024) statewide. *Signed—Chapter 642, Statutes of 2025.*

Surplus Land Act

AB 76 (Alvarez) modifies the affordability and density requirements of the Surplus Land Act (SLA) exemption that applies to land subject to a sectional planning document adopted prior to January 1, 2019. *Vetoed.*