

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

**May 12, 2021**

**To:** LAFCo Commissioners

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

**Subject:** Adoption of Revised LAFCo Schedule of Processing Fees

## Summary

The Cortese-Knox-Hertzberg (CKH) Act governing LAFCo operations authorizes the Commission to establish a schedule of fees for processing applications and provides that the fees shall not exceed the estimated reasonable cost of providing the service. Processing fees must be adopted by resolution following a noticed public hearing as part of a regularly scheduled meeting. Fees were last revised in 2019 and as part of the FY 19-20 Budget, a recommendation was made by the Commission to review fees every two years.

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

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

The update to the annexation/detachment fees takes into account an increase in salary and benefits, the addition of a full time Management Analyst and shared secretarial position, and the additional complexity and requirements related to processing applications. These fees were calculated based on an estimate of time to process the application by staff and the hourly rate for each portion of the application. On average, the fees for minor and major annexations are proposed to be increased by 25%.

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

**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

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

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

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

State law requires the Commission to adopt processing fees by resolution. If approved, the new fee schedule would be applicable to proposals on July 19, 2021, 60 days after adoption by LAFCo.

#### **Committee Review**

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

#### **Commission Review**

The Proposed Revised Schedule of Processing Fees was unanimously recommended for approval by the Commission at the March 17, 2021 meeting. Public notices were circulated in the San Mateo County Times and to affected agencies. No comments have been received as of the publication of this report.

#### **Recommended Commission Action**

1. Open the public hearing and accept public comment
2. By resolution, adopt the attached 2021 LAFCo Processing Fee Schedule

#### **Attachments**

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

**SAN MATEO LAFCo FEE SCHEDULE**  
 Effective for Applications Accepted for Filing  
 On or After (60 from adoption)~~July 16, 2019~~

**PROCESSING FEES**

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

| Annexation or Detachment<br>(City, District, or County Service<br>Area) | Minor Applications<br>(100% consent of property owners<br>and exempt from CEQA) | Major Applications<br>(Less than 100% consent of<br>property owners or is not exempt<br>from CEQA) |
|---|---|--|
| Acres   |   |  |
| 1 or less   | <del>\$1,872</del> <del>\$1,480</del> -   | <del>\$2,754</del> <del>\$2,176</del> -  |
| 1.1 - 4.9   | <del>\$3,114</del> <del>\$2,474</del> -   | <del>\$4,580</del> <del>\$3,638</del> -  |
| 5 - 9.9   | <del>\$3,489</del> <del>\$2,724</del> -   | <del>\$5,131</del> <del>\$4,006</del> -  |
| 10 - 19.9   | <del>\$3,766</del> <del>\$3,053</del> -   | <del>\$5,538</del> <del>\$4,490</del> -  |
| 20 - 29.9   | <del>\$4,646</del> <del>\$3,724</del> -   | <del>\$6,833</del> <del>\$5,476</del> -  |
| 30 - 49.9   | <del>\$5,415</del> <del>\$4,305</del> -   | <del>\$7,962</del> <del>\$6,331</del> -  |
| 50 +  | <del>\$6,108</del> <del>\$4,930</del> -   | <del>\$8,983</del> <del>\$7,250</del> -  |

**OTHER ACTIONS**

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

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

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

**COUNTY AND STATE FEES**

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

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

**ADMINISTRATIVE FEES**

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

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

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Effective for Applications Accepted for Filing  
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| Application for Addition of Special District Powers  | Actual Cost Plus Environmental Fees          |
| Dissolution for Inactivity   | \$650  |
| Incorporation/Disincorporation   | Actual Cost                                  |
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| Publications                  | Will be set for each publication                 |
| Conforming Copy               | 10.00 check payable to San Mateo County Recorder |
| Duplication of Meeting Record | Actual Cost                                      |

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