



Lou Ann Teixeira
Executive Officer

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August 12, 2015
 Agenda Item 11

August 12, 2015 (Agenda)

Contra Costa Local Agency Formation Commission
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

LAFCO Fee Schedule Update

Dear Members of the Commission:

BACKGROUND

Government Code §56383 allows the Commission to adopt a fee schedule to recover “estimated reasonable costs” of LAFCO proceedings. A copy of the current Schedule of Processing Fees is attached (Attachment 1). The fee schedule was last comprehensively reviewed in January 2007, and previously in 2001 in conjunction with LAFCO’s new responsibilities enacted under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). Prior fee adjustments were modest to moderate.

LAFCO staff has embarked on a comprehensive review of the current fee schedule. In addition to reviewing the historical fee adjustments, and average staff time spent on various proposals and projects, we have also surveyed 13 other LAFCOs (Bay Area and urban) in order to analyze and compare fees. A summary of the survey is attached (Attachment 2).

There is considerable variation in fees, including flat fees, time and materials, and hybrid formulas. Some of the other fee schedules are complex. There are benefits and challenges associated with the various fee methodologies. For example, time and materials fees can result in greater cost recovery; however, they are more staff intensive. A number of LAFCOs use factors such as acreage, landowner consent (i.e., 100% versus less than 100%), applicant (local agency, landowner/voter), and level of environmental review (i.e., EIR, Negative Declaration) to determine fees.

The Commission’s current fee schedule applies flat fees for various types of applications (e.g., annexation, reorganization, SOI amendment, out of agency service, etc.), and actual cost for special services (e.g., municipal service reviews, special studies, preparing environmental documents). The application fees recover a portion of LAFCO’s expenses, and comprise a fraction of LAFCO’s total revenue, ranging from 5.4% in FY 2007-08, to 1.5% in FY 2014-15.

DISCUSSION

In June, LAFCO staff sought input and direction regarding the Commission's interest in increasing fees, and the extent of fee increases and/or any change methodology. The Commission expressed interest in enhancing cost recovery and requested information regarding the applicants.

Staff reviewed applications submitted over the last eight years in terms of who served as the applicant. From January 2007 through December 2014 LAFCO received a total of 125 applications, of which 65 were filed by a public agency (i.e., county, city, district), many on behalf of the property owner; and 16 were filed by a private party (e.g., developer, affected landowner/ voter). Included in the 125 applications were 28 annexations to County Service Area (CSA) L-100. These applications were typically submitted to County Public Works by the landowner, and Public Works would pass them through to LAFCO following a successful landowner election (assessment). These applications were unique, and the County has since replaced CSA L-100 with Community Facilities District 2010-01 which eliminates coming to LAFCO for approval. Also included in the 125 applications were 16 out of agency service requests, which, by law, can only be filed by the service provider (i.e., public agency). Thus, the majority of our applications are filed by a public agency. It should be noted that most public agency applicants (i.e., county, cities, special districts) recover some/all of their costs of filing LAFCO applications from their applicants (i.e., developer, landowner).

Staff is presenting proposed updates to the LAFCO Schedule of Processing Fees as part of a noticed hearing. The proposed fee adjustments focus on improving cost recovery (i.e., staff time associated with LAFCO application processing and LAFCO proceedings), and bringing Contra Costa LAFCO fees closer to the average of other Bay Area and urban LAFCOs.

A number of fee increases and amendments are proposed to the current Contra Costa LAFCO fee schedule as highlighted in yellow in Attachment 3. The LAFCO fees are not intended to provide full cost-recovery, but may result in an increase in revenues which will ultimately benefit the funding agencies (i.e., county, cities, independent special districts).

The fee schedule update includes the following proposed changes as highlighted in Attachment 3:

- **Fee increases** - annexation/detachment, district formation, other district actions, reorganization, addition/deletion of powers for districts, incorporation/disincorporation, SOI changes, review of lead agency's CEQA document, review of map/legal by County Surveyor
- **Additions** - distinguish between applications requiring a protest hearing and application not requiring a protest hearing, request for extension of time to complete proceedings, deposit for Municipal Service Review
- **Deletions** - annexation to CSA L-100 (as explained above)
- **Clarifications** - Out of agency service review (per LAFCO's new policy/procedures), environmental review

Most of the proposed increases are modest to moderate (i.e., 7-42%); however, several of the proposed increases are significant, notably, for changes of organization/reorganizations requiring a protest hearing, incorporations/disincorporations (136%), and review of the lead agency's environmental documents (100-200%) as explained below.

Staff's analysis of the current fee structure revealed that the fees charged by Contra Costa LAFCO for changes of organization/reorganizations, incorporations and disincorporations and CEQA review are low; and significant increases in these fees is warranted. Some changes of organization/reorganizations require a subsequent protest hearing. It takes considerable staff time to notice and conduct the protest hearing, verify protests, and prepare a final report and resolution for action by the Commission. Incorporations and disincorporations, although uncommon, typically involve hundreds of staff hours as witnessed with the proposed incorporation of the Town of Alamo in 2008. Finally, the current fees for CEQA review only account for LAFCO staff time, and do not cover the LAFCO Planner's time to review these documents.

Staff believes the proposed fee changes are fair and reasonable, provide additional clarification, will modestly enhance cost recovery, and will bring the Contra Costa LAFCO fees closer to the median fees adopted by Bay Area and other urban LAFCOs.

Pursuant to Government Code §66016, the proposed fee schedule will be adopted by resolution. The proposed fee schedule will be circulated to all local agencies and interested parties for review. It is recommended that a public hearing be set for October 14, 2015, to adopt the revised fee schedule.

RECOMMENDATION

Staff recommends that the Commission:

1. Review the proposed revisions to the LAFCO Schedule of Processing Fees and provide input;
2. Direct staff to circulate the proposed fee schedule to all local agencies and interested parties pursuant to Government Code §66016; and
3. Fix October 14, 2015, at 1:30 p.m. as the date and time for the public hearing to consider adoption of the revised Contra Costa LAFCO Schedule of Processing Fees.

Please contact the LAFCO office if you have any questions.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachments

- Attachment 1 – Current Contra Costa LAFCO Schedule of Processing Fees
- Attachment 2 – Survey Summary - Urban and Bay Area LAFCO Fees
- Attachment 3 – Proposed Schedule of Processing Fees and Deposits

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION (LAFCO)
SCHEDULE OF PROCESSING FEES AND DEPOSITS
(Effective September 12, 2007 with slight modification March 15, 2013)

<u>Change of Organization:</u> (annexation to, or detachment from, a city or district)	\$2,765
<u>Annexation to County Service Area L-100:</u> (no longer applicable, 3/15/13)	\$1,575
<u>District Formation:</u>	\$7,800
<u>District Dissolution/Merger/Consolidation/Establishing Subsidiary District:</u>	\$4,750
<u>Reorganization:</u>	\$3,885
<u>Addition/Deletion of Powers for Special District:</u>	\$2,765
<u>Incorporation/Disincorporation:</u>	\$8,000
<u>Concurrent review of relevant sphere(s) with change of organization or reorganization:</u>	\$1,500
<u>Sphere of Influence Amendment/Revision:</u>	\$4,500
<u>Transfer of Jurisdiction to another LAFCO:</u> (payable to principal LAFCO)	\$ 300
<u>Request for Reconsideration:</u>	\$2,500
<u>Out-of-Agency Service Review:</u>	\$3,400
OTHER FEES	
<u>Environmental Review</u>	
<i>Categorical Exemption</i>	\$ 200
<i>Negative Declaration</i>	\$ 500
<i>EIR Preparation</i>	\$2,500
<i>Review Lead Agency's EIR</i>	\$1,000
<i>Review Lead Agency's Negative Declaration</i>	\$ 750
<u>Special Meeting/Workshop Fee:</u>	Actual Cost
<u>Special Study Fee</u>	Actual Cost
<u>Outside/Special Consultant Fee:</u>	Actual Cost
<u>Outside/Special Legal Fee:</u>	Actual Cost
<u>Hearing Notice Fee</u> (mailing and publication pursuant to Gov. Code 56157):	Actual Cost
<u>Notices of Determination per Public Resources Code 21089 & Fish & Game Code 711.4</u> (filed with County Clerk):	
<i>Filing as a Responsible Agency * (required of most LAFCO actions)</i>	\$ 50
<i>For specific information regarding filing fees for Negative Declarations or Environmental Impact Reports, please refer to California Department of Fish & Wildlife</i>	

SCHEDULE OF PROCESSING FEES (Effective September 12, 2007) – Page two

<u>Deposit to Review map and legal description:</u>	(Check payable to County Surveyor)	\$1,100
<u>Comprehensive Fiscal Analysis:</u>	Actual Cost with advance deposit of	\$5,000
<u>State Controller’s Review of Comprehensive Fiscal Analysis:</u>		Actual Cost
<u>Municipal Service Reviews</u>		Actual Cost
<u>Annual Mail List Fee:</u>		\$ 50
<u>Duplication of Meeting Record (i.e., tape, CD, transcription)</u>		Actual Cost
<u>Document Copying:</u>	(less than 20 pages \$.25/page)	\$ 25
<u>County Registrar of Elections fees to review petitions:</u>		Per the County Election Division’s Fee Schedule
<u>State Board of Equalization (SBE) Fee:</u>		Per the SBE Fee Schedule

Payments & Refunds: Fees are due with application submittal. No application shall be deemed filed until processing fees are deposited. Application processing fees are typically non-refundable.

Checks made payable to Contra Costa LAFCO and/or County offices must be business checks or money orders; personal checks will not be accepted.

Waiver Provision: The Commission may waive or alter fees in special circumstances [Gov. Code §56383(d)]. A proposal previously denied and resubmitted shall be accompanied by new fees unless changes are determined to be minor.

***Previously Paid Fees:** If any fee requirement has been previously met, please submit a copy of the appropriate documentation (e.g., fee receipt from County Clerk’s Office)

The fee schedule is administered in accordance with Government Code §56383.

	Alameda (2009)	Contra Costa (2007)	Los Angeles (2006)	Marin (2014)	Napa (2015)	Orange (2013) (2)	Riverside (2007)	San Bernardino (2015)	San Diego (2015)	San Mateo (2009)	Santa Clara (2010)	Solano (2007) (4)	Sonoma (2014)	Ventura (2014)
Change of Org	\$4,500-5,000(1)	\$2,765	\$2,500-8,000(1)	\$4,536-9,072(1)	\$4,428-8,856(1)	\$4,600-5,600	\$4,600-13,800(1)	\$5,500-9,000+ (1)	\$2,600-9,060+ (1)	\$1,170-5,538 (1)	\$5,914-11,868 (1)	\$2,000-30,000 (1)	\$5,000-9,900(1)	\$3,550-5,350(1)
Reorg	\$5,000	\$3,885	Change of Org Plus 20%	\$5,166	\$4,428-\$8,856(1)	\$7,900	\$4,600-13,800(1)	Sum of component charges	\$2,600-9,060+ (1)	Sum of components less 20%	\$5,914-11,868 (1)	\$2,000-30,000 (1)	\$5,000-9,900(1)	N/I
Inc/Disincorp	\$25,000	\$8,000	\$7,500	Actual Cost	At Cost	\$8,300	\$10,000 deposit; \$59 p/hour	\$10,000	\$13,750 dep + staff time	Actual Cost	\$11,481 dep + actual cost	\$7,500(disincorp)	\$10,000 deposit (actual cost)	\$30,000 deposit
SOI	\$2,500	\$4,500	\$2,500-7,000(1)	At Cost Deposit	At Cost	N/I	\$1,150-4,600(1)	\$500-5,000	\$5,500 (3)	Actual Cost	\$11,574 dep + actual cost	\$3,000	\$5,000 deposit \$10,000 deposit	\$5,330
SOI w/other app	\$2,500	\$1,500	\$500	At Cost Deposit	At Cost	\$1,000	N/I	\$5,000	\$5,500 (3)	Actual Cost	\$11,574 dep + actual cost	\$1,500	\$775	\$2,650
Out of Agency Service (OAS)	\$3,500	\$3,400	\$2,000	\$5,166	\$2,952 (includes 20% MSR fee)	\$4,600	\$3,450-5,750(1)	\$500-4,000	\$2,600-9,060+ (1) plus 30% surcharge	\$1,045-4,950 (1)	\$9,670 dep + actual cost	\$500-30,000 (1)	\$2,200-\$4,300	\$450-3,550
Prep of Env Doc	Actual Cost	Actual Cost	Actual Cost	Actual Cost	At Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	contract amount + 20% for processing	Actual cost	Actual Cost
Review of Env Doc	N/I	\$750-1,000		N/I	N/I	Actual Cost	N/I	Actual Cost	Actual Cost	N/I	N/I		\$335-3,070	
Reconsideration	\$1,250	\$2,500	50% of Change of Org Fee	\$630	\$2,460	\$3,200	\$875	\$1,100	\$1,030	Actual Cost	\$2,619 dep + actual cost	\$2,000	\$2,300	\$2,650
Trans Juris	\$300	\$300	N/I	N/I	N/I	N/I	N/I	N/I	N/I	N/I	N/I	N/I	N/I	N/I
Latent Powers	\$5,000	\$2,765	N/I	Actual Cost plus 20% MSR fee	Actual Cost plus 20% MSR fee	\$3,900	\$4,600	\$5,000	\$2,600-9,060+ (1)	Actual Cost	\$5,914-11,868 (1)	\$1,500	\$1,000 dep (actual cost)	\$3,550
CFA	Actual Cost	Actual Cost	Actual Cost	Actual Cost	At Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	N/I	N/I	Actual Cost
MSR	Actual Cost	Actual Cost	Actual Cost	At Cost Deposit	At Cost	\$7,900	Actual Cost	\$5,000	\$5,000	Actual Cost	N/I	N/I	\$5,000 dep (actual cost)	Actual Cost
District Form	\$5,000	\$7,800	\$7,500	Actual Cost	At Cost	\$7,900	\$9,200	\$10,000	\$9,650	Actual Cost	\$11,481 dep + actual cost	\$7,500	\$10,000 dep (actual cost)	\$7,150
Other Dist Actions	\$5,000	\$4,750	\$4,000-5,000	Actual Cost	At Cost	\$4,600	\$2,500	\$5,000+	\$5,500	\$1,220	\$11,481 dep + actual cost	\$7,500	\$10,000 dep (actual cost)	\$6,250
State CFA Rev	N/A	Actual Cost	Actual Cost	N/I	At Cost	Actual Cost	Actual Cost	Actual Cost	\$3,990+ actual cost	Actual Cost	N/I	N/I		Actual Costs
Special Study	Actual Cost	Actual Cost	Actual Cost	Actual Cost	At Cost	Actual Cost	N/I	Actual Cost	Actual Cost	N/I	N/I	N/I	Actual cost	Actual Costs
Time Ext	\$300	N/I	N/I	\$252	\$615	\$1,000	\$230	N/I	\$350	N/I	N/I	N/I	N/I	\$2,650
Other	GIS - \$110/hr	CFA deposit	Special Reorg	Resubmittal of proposal Policy waiver	Alt legal counsel	Reduced annexation fee in conjunction with OAS request		Appeal of Env Doc Mapping	Dissolution/Inactivity Protest proceedings	Dissolution/Inactivity Public Hearing Fee	Pre app meeting fee Research fees	reduced rate for OAS emergency	Pre-app meting	Fee/Policy Waiver Study Session Pre app meeting

Notes:
 (1) Fee depends on applicant (i.e., local agency, landowner, etc.), acreage, level of consent (100% or not), type of CEQA review, other variables
 (2) Orange LAFCO - all fees are considered "Total Initial Payment"
 (3) Excludes SOI reaffirmation or minor update
 (4) All amounts listed reflect initial payment toward actual costs of processing application
 Most "Actual Cost" requires a deposit
 Most LAFCOs charge for special meetings, staff research, special studies
 N/I - Not Indicated

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION (LAFCO)
SCHEDULE OF PROCESSING FEES AND DEPOSITS
*(Effective **October 14, 2015**)*

Annexation/Detachment:

-Does not require protest proceeding	\$3,915
-Requires, or may require, protest proceeding	\$6,530

District Formation:

\$8,470

Other District Actions (i.e., dissolution/merger/consolidation/establishing subsidiary district):

\$5,690

Reorganization: (two or more changes of organization within a single proposal)Change of
Organization
fee plus 20%**Addition/Deletion of Power(s) for Special District:**

\$3,380

Incorporation/Disincorporation:

\$25,000

Concurrent review of corresponding sphere(s) with change of organization or reorganization:

\$2,060

Sphere of Influence Amendment/Revision:

\$4,810

Transfer of Jurisdiction to another LAFCO: (payable to principal LAFCO)

\$300

Request for Reconsideration:

\$2,500

Request for Extension of Time to Complete Proceedings

\$770

Out-of-Agency Service Review:

\$3,400

Requests for out-of-agency service approval in anticipation of a future annexation may be assessed additional fees per LAFCO policy

OTHER FEES**Environmental Review (LAFCO as Lead Agency)***Categorical Exemption*

\$ 200

*Negative Declaration**Actual Cost with advance deposit of*

\$ 500

*EIR Preparation**Actual Cost with advance deposit of*

\$2,500

Review Lead Agency's EIR

\$3,000

Review Lead Agency's Negative Declaration

\$1,500

Special Meeting/Workshop Fee:

Actual Cost

Special Study Fee

Actual Cost

Outside/Special Consultant Fee:

Actual Cost

SCHEDULE OF PROCESSING FEES (Effective October 14, 2015) – Page two

<u>Outside/Special Legal Fee:</u>		Actual Cost
<u>Hearing Notice Fee</u> (mailing and publication pursuant to Gov. Code 56157):		Actual Cost
<u>Notices of Determination per Public Resources Code 21089 & Fish & Game Code 711.4</u> (filed with Contra Costa County Clerk)**:		
<i>Filing as a Responsible Agency (required of most LAFCO actions)</i>		\$ 50
<i>For specific information regarding filing fees for Negative Declarations or Environmental Impact Reports, please refer to California Department of Fish & Wildlife</i>		
**Deposit to Review map and legal description: (Check payable to Contra Costa County Surveyor)		\$1,200
<u>Comprehensive Fiscal Analysis:</u>	<i>Actual Cost with advance deposit of</i>	\$5,000
<u>State Controller’s Review of Comprehensive Fiscal Analysis:</u>		Actual Cost
<u>Municipal Service Review</u>	<i>Actual cost with advance deposit of</i>	\$5,000
<u>Annual Mail List Fee:</u>		\$ 50
<u>Duplication of Meeting Record</u> (i.e., CD, transcription)		Actual Cost
LAFCO meeting records and audio recordings of meeting are available online		
<u>Document Copying:</u> (less than 20 pages \$.25/page)		\$ 25
LAFCO records are available electronically at no cost		
<u>**Contra Costa County Elections fees (i.e., review petitions, provide voter lists, etc.):</u>		Per the County Election Division’s Fee Schedule
<u>**State Board of Equalization (SBE) Fee:</u>		Per the SBE Fee Schedule

Payments & Refunds: Fees are due with application submittal. No application shall be deemed filed until processing fees are deposited. Application processing fees are typically non-refundable.

Checks made payable to Contra Costa LAFCO and/or Contra Costa County offices must be business checks or money orders; personal checks will not be accepted. **Fees paid to entities other than Contra Costa LAFCO.

Waiver Provision: The Commission may waive or alter fees in special circumstances [Gov. Code §56383(d)]. A proposal previously denied and resubmitted shall be accompanied by new fees unless changes, as determined by LAFCO staff, are minor.

Previously Paid Fees: If any fee requirement has been previously met, please submit a copy of the appropriate documentation (e.g., fee receipt from Contra Costa County Clerk’s Office)

The fee schedule is administered in accordance with Government Code §56383.