

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE: **APRIL 7, 2007**

FROM: **MICHAEL TUERPE, LAFCO Analyst**

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: AGENDA ITEM #8A: PROPOSED FEE SCHEDULE

RECOMMENDATION:

Staff is recommending that the Commission take the following actions:

1. Review the modifications proposed for the LAFCO Schedule of Fees and Charges and Implementation Policies and provide staff with direction on changes, corrections, or amendments to be included;
2. Direct staff to forward the Proposed Schedule of Fees and Charges for FY 07-08 and Implementation Policies to the County, all Cities/Towns, and all Independent Special Districts for their review and comments pursuant to Government Code Section 66016; and
3. Schedule the final review and adoption of the Schedule of Fees and Charges and its Implementation Policies for the May 16, 2007 hearing.

SCHEDULE OF FEES AND CHARGES:

Pursuant to Government Code Section 56383, the Commission may establish a schedule of fees that shall not exceed the reasonable costs for processing. Staff is presenting the Commission with recommendations for modifications to its Schedule of Fees and Charges, recommended to take effect on June 1, 2007. The attached Schedule identifies the proposed changes in bold italic print, and the following is a listing of the proposed major changes:

1. Under LAFCO Filing Fees for Jurisdictional Changes
 - a. Annexations, Detachments, and Reorganizations will be divided into categories and assessed a filing fee based upon acreage and application type. Two categories are proposed, a fee sequence for City changes or a fee sequence for District change (as shown in the chart below). Staff proposes that the acreage categories use 150 acres

(city island annexation maximum) as the basis for the category splits. The categories are proposed to be: Under 20 acres, 20 – 150 acres, and Over 150 acres. It is staff’s position that a tiered structure rather than a flat fee will better allow LAFCO to recover costs associated with processing.

As noted above, staff proposes separate filing fees for cities and districts. The rationale for this division is that a district proposal is typically less complex to evaluate due to fewer affected municipal services.

	<i>Under 20 acres</i>	<i>20 – 150 acres</i>	<i>Over 150 acres</i>
<i>City *</i>	<i>\$5,000</i>	<i>\$6,000</i>	<i>\$8,000</i>
<i>District</i>	<i>\$4,250</i>	<i>\$5,000</i>	<i>\$6,000</i>

- b. City island annexations filed pursuant to Government Code Section 56375.3 are proposed to be removed as a separate fee category (currently Item A-8). In addition, staff is proposing a policy shift to move these applications to the standard annexation category, with an automatic fee reduction of 50%. The shift from having the charges be a deposit for direct costs to one-half of the filing fee will allow LAFCO to recover staff time costs associated with processing city island annexations.
2. The LAFCO filing fee for development-related out-of-agency service contracts is proposed to be increased to \$3,000 for developments that are five or more units and to \$500 for developments that are up to four units to adequately reflect processing costs.
 3. The following deposits are increased, to better reflect experience with actual costs:
 - a. Deposit for Preparation of an Environmental Impact Report to \$20,000.
 - b. Deposit for Display Ad Required for Incorporation, Formation, Consolidation, or Dissolutions to \$1,000.
 - c. Deposit for a Preparation of a Comprehensive Fiscal Analysis for Incorporation Proposal to \$50,000.
 - d. Deposit for Protest Proceedings to \$1,000.
 4. Development-related service contracts are being added to the deposit for the Registered Voter Notifications and individual notices provided for hearings as set forth in Government Code Section 56661.
 5. At the January 2007 hearing, the Commission approved the revision of the forms required for Landowner Notice and approved a modification to the policy related to “Individual Notice of Commission Hearings”. Deposits for processing had been previously based upon a 50-cent per parcel charge; however, with the removal of this information from the application a new method for developing the deposit was necessary. Staff proposes to replace the per parcel deposit with a flat \$450 deposit, of which \$150 is non-refundable. This deposit structure is identical to the Registered Voter Notification Deposit. In addition, development-related service contracts are being added in this category and individual notices provided for hearings as set forth in Government Code Section 56661.

6. GIMS Processing charges are increased to better reflect experience with actual costs.
7. Under Charge for Purchase of Copies, change language to reflect any digital data by removing the word "Archive".
8. Under Miscellaneous Charges, add a category for DVD reproduction (\$25 per DVD).

IMPLEMENTATION POLICIES:

Staff also proposes amendments to the policies related to implementation of the Schedule of Fees and Charges. One of the items proposed for change in the Schedule was noted above regarding City island annexation proposals. If the Commission adopts this portion of the Schedule (Item A-1), then the related Policy #18 – Waiver Provisions must be amended as well. The staff has proposed the language to change as follows:

POLICY #18 -- WAIVER PROVISIONS:

1. Automatic Waivers:

The LAFCO filing fee for proposals that correct a boundary alignment problem (i.e., a divided assessor's parcel or inadvertent exclusion) will be automatically waived provided, however, that a deposit will be required for the anticipated direct costs for environmental review and the required registered voter and landowner notification. Compliance with these conditions is to be determined by the LAFCO Executive Officer.

2. Automatic Reductions:

City annexations of island areas that comply with Government Code Section 56375.3 will be assessed one-half of the LAFCO filing fee for each area of consideration within the proposal. All other fees and deposits will be assessed at full cost.

3. Request for Waiver or Reduction of Fees (to be reviewed by the Commission):

A full copy of Policy #18 is included as Attachment #2 to this report.

At this hearing, the Commission is requested to provide staff with any changes, corrections, or additions to be included in the Schedule and Implementation Policies prior to forwarding to the County, the Cities and Towns, and the Independent Special Districts for their review and comment. Any comments received will be reviewed with the Commission at the final hearing scheduled for May 16, 2007.

MT/

Attachments:

1. **Draft Schedule of Fees and Charges**
2. Draft Implementation Policies