



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
 Business | Discussion

December 4, 2023

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Carolanne Ieromnimon, Analyst II

SUBJECT: LAFCO Fee Waivers & Reductions

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review its existing policies involving applicant fee waivers and reductions. The review is being presented in response to a recent request at the dais by Commissioner Willis and provides preliminary assessment on potential options to provide additional fee waivers and/or reductions to LAFCO’s funding agencies. The item is being presented for discussion with an opportunity for the Commission to provide general direction to LAFCO staff in proceeding with any formal revisions to the fee schedule for future consideration.

BACKGROUND

Current Fee Schedule

San Diego LAFCO’s fee schedule was last amended in February 2019 as part of a planned comprehensive update. The update transitioned the basis to charge most applicants from variable and refundable fees based on acreage to fixed and non-refundable fees based on application type and the expected level of noticing and environmental review. Most application filings at LAFCO generate a fee between \$6,405 and \$23,250.

<p>Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcounty.ca.gov</p>	<p>Chair Jim Desmond County of San Diego</p> <p>Joel Anderson County of San Diego</p> <p>Nora Vargas, Alt. County of San Diego</p>	<p>Kristi Becker City of Solana Beach</p> <p>Dane White City of Escondido</p> <p>John McCann Alt. City of Chula Vista</p>	<p>Vice Chair Stephen Whitburn City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Jo MacKenzie Vista Irrigation</p> <p>Barry Willis Alpine Fire Protection</p> <p>David Drake, Alt. Rincon del Diablo</p>	<p>Andy Vanderlaan General Public</p> <p>Harry Mathis, Alt. General Public</p>
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Fee Waiver and Reduction Allowances

San Diego LAFCO's fee schedule contemplates two distinct types of fee waivers and reductions – discretionary and pre-approved. All discretionary allowances must be approved by the Commission in response to a written request by the applicant. Preapproved authorizations are automatically applied so long as the Executive Officer confirms eligibility. All current allowances follow.

Discretionary Allowances:

The Commission may reduce or waive applicant fees based on financial hardships, as determined by the membership. The Commission may also reduce or waive applicant fees in response to earlier LAFCO recommendation.

Preapproved Allowances:

The Executive Officer is authorized to immediately apply a fee waiver and/or reduction at the time of the application filing under the following criteria:

- Applications (jurisdictional changes and out-of-agency service requests) initiated in response to an existing or pending septic or well failure shall receive a 75% fee reduction relative to the charges normally incurred under the fee schedule.
- Jurisdictional changes involving a qualifying city annexation of an entire “island” under Government Code 56375.3 shall receive a 50% fee reduction relative to the charges normally incurred under the fee schedule.
- Jurisdictional changes involving a qualifying city annexation of a disadvantaged unincorporated community under Government Code 56375(a)(8) shall receive a 50% fee reduction relative to the charges normally incurred under the fee schedule.

DISCUSSION

San Diego LAFCO will review its existing policies involving applicant fee waivers and/or reductions and provide general direction to staff with regards to proceeding forward with any revisions for future consideration. The review follows an earlier request from the dais by Commissioner Willis in October 2023 to explore options to provide potential fee relief for applicants that are also LAFCO funding agencies. Specifically, Commissioner Willis conveyed interest from some smaller special districts in filing otherwise logical boundary changes but are deterred from doing so given the LAFCO fees.

With respect to a preliminary assessment, and for the purpose of initiating discussion and feedback, the following three broad-stroke options have been identified by staff and specific to providing targeted applicant fee relief (waivers and/or reductions) to funding agencies.

- One-Time Fee Waiver - Unrestricted
Under this option the Commission would allow any funding agency to make use of a one-time fee waiver to cover an application filing at LAFCO, irrespective of the total.

- One-Time Fee Waiver - Restricted
Under this option the Commission would allow any funding agency to make use of a one-time fee waiver to cover an application filing at LAFCO with the restriction that it not exceed the value of their total budget contributions over the last 10 years.
 - * As an example of the potential benefit to a smaller special district, Julian Community Services District’s approximate budget contribution to LAFCO over the past 10 years has been \$2,000.

 - * As an example of the potential benefit to a medium sized special district, Lakeside Fire Protection District’s approximate budget contribution to LAFCO over the past 10 years has been \$98,000.

- Annual Fee Reduction
Under this option, the Commission would allow any funding agency to make use of an annual fee reduction to cover an application filing at LAFCO up to – and not to exceed – their budget contribution to LAFCO for the fiscal year.

ANALYSIS

The preliminary assessment before San Diego LAFCO regarding potential revisions to the fee schedule to provide targeted applicant relief to funding agencies is limited. It is scaled only to provide baseline context to current fee waivers and reductions and paired with three otherwise broad options to expand allowances for funding agencies. Staff believes these options – nonetheless – have sufficient merit in informing an initial discussion by the Commission on the requested topic and provide direction as it collectively prefers.

RECOMMENDATION

It is recommended San Diego LAFCO discuss the item and provide general direction to staff with respect to performing more substantive analysis for future consideration.

ALTERNATIVES FOR ACTION

No action proposed, discussion and feedback only.

PROCEDURES

This item has been placed on the agenda for discussion as part of San Diego LAFCO's business calendar. The following procedures, accordingly, are advised.

- 1) Receive verbal report from staff unless waived.
- 2) Initial discussion from the Commission.
- 3) Invite comments from the general public.
- 4) Additional discussion and feedback from the Commission.

On behalf of the Executive Officer,



Carolanne Ieromnimon
Analyst II

Attachments:

- 1) Current Fee Schedule
- 2) Email Regarding Fee Waiver/Reduction Policies Among Other Regional LAFCOs



SAN DIEGO COUNTY LOCAL AGENCY FORMATION COMMISSION

Regional Service Planning | Political Subdivision of the State of California

FEE SCHEDULE

Standard Jurisdictional Changes

Standard jurisdictional changes include (a) annexations, (b) detachments, (c) latent power establishments, and (d) service power divestitures

	LAFCO is Responsible Agency			LAFCO is Lead Agency Plus Consultant Costs		
	Exemption	Initial Study	Impact Report	Exemption	Initial Study	Impact Report
Single Jurisdictional Change						
- With Full Consent No Protest Hearing	\$ 6,405.00	\$ 7,045.50	\$ 7,686.00	\$ 6,405.00	\$ 8,326.50	\$ 10,248.00
- Without Full Consent Protest Hearing	\$ 8,326.50	\$ 8,967.00	\$ 9,607.50	\$ 8,326.50	\$ 10,248.00	\$ 12,169.50
Each Additional Jurisdictional Change						
- With Full Consent No Protest Hearing	\$ 4,163.25	\$ 4,579.58	\$ 4,995.90	\$ 4,163.25	\$ 5,412.23	\$ 6,661.20
- Without Full Consent Protest Hearing	\$ 5,412.23	\$ 5,828.55	\$ 6,244.88	\$ 5,412.23	\$ 6,661.20	\$ 7,910.18

Fees for all standard jurisdictional changes are fixed and represent reasonable cost estimates for the underlying action(s) based on a number of predetermined staff hours to complete. These fees are non-refundable and – while not typical or expected – may be augmented by one or more deposits when additional time is needed beyond the predetermined staff hour allocation as determined by the LAFCO Executive Officer.

Other Jurisdictional Changes

Special District Formation	Billed for time and material starting with a \$ 9,150 deposit to cover the first 75 hours
Special District Consolidation or Dissolution	Billed for time and material starting with a \$12,200 deposit to cover the first 100 hours
Incorporation	Billed for time and material starting with a \$24,400 deposit to cover first 200 hours

Fees for other boundary changes are at-cost. These fees require an initial and refundable deposit to cover staff time based on the hourly composite rate. Additional deposits may be required as determined by the Executive Officer.

Other Requests and Charges

Outside Service Extensions	
- Exemption	\$ 1,921.50
- Initial Study	\$ 2,113.65
- Impact Report	\$ 2,305.80
Sphere of Influence Amendments	Billed at their corresponding rate for standard boundary changes; applies to expansions, reductions, establishments, and eliminations
Municipal Service Reviews	Billed for time and material starting with a \$12,200 deposit to cover the first 100 hours
Reconsideration of a Commission Determination	\$ 2,600.00
Time Extension to Complete Proceedings	\$ 610.00
General Staff Research	\$ 122.00 per hour; first four hours of any general research project waived
Scheduling a Special Meeting	\$ 3,210.00
Postage, Mail Supplies, Photocopies, Etc.	at cost

Common Third Party Charges

County of San Diego Clerk-Recorder	\$ 50.00
California Department of Fish and Game	
- Filing for a Negative Declaration	\$ 2,280.25
- Filing for a Mitigated Negative Declaration	\$ 2,280.25
- Filing for an Environmental Impact Report	\$ 3,168.00
State Board of Equalization	
- 0.0 to 1.0 acre	\$ 300.00
- 1.0 to 5.0 acres	\$ 350.00
- 6.0 to 10.0 acres	\$ 500.00
- 11.0 to 20.0 acres	\$ 800.00
- 21.0 to 50.0 acres	\$ 1,200.00
- 51.0 to 100.0 acres	\$ 1,500.00
- 100.0 acres or more	\$ 2,000.00

Implementing Policies

- 1 Proposals and requests subject to this fee schedule will be deemed incomplete until the appropriate fee has been received by LAFCO.
- 2 All additional staff time required to process proposals or requests subject to this fee schedule beyond the coverage of the initial fixed fee or collected at-cost deposit will be billed at a composite hourly rate of \$122.00.
- 3 Applicants with proposals or requests subject to this fee schedule requiring consultants to prepare environmental or other technical documents will be responsible for all direct costs therein and will be required to provide a dedicated deposit as determined by the Executive Officer.
- 4 The Executive Officer may stop work on any proposal or request subject to this fee schedule until receipt of a requested fee or deposit.
- 5 The Commission may reduce or waive fees if a financial hardship is demonstrated and/or if the proposal or request is in response to a LAFCO condition or recommendation. Requests must be made in writing. Pre authorized reductions follow.
 - a) Jurisdictional changes that include a qualifying city annexation of an entire "island" under Government Code 56375.3 shall receive a 50% fee reduction relative to the charges normally incurred under the fee schedule. Additional reductions or waivers require Commission approval.
 - b) Jurisdictional changes that include a qualifying city annexation of a disadvantaged unincorporated community under Government Code 56375(a)(8) shall receive a 50% fee reduction relative to the charges normally incurred under the fee schedule. Additional reductions or waivers would require Commission approval.
 - c) Jurisdictional changes initiated in response to an existing or pending septic or well failure shall receive a 75% fee reduction relative to the charges normally incurred under the fee schedule. Qualifying proposals must have 100% written consent of all affected landowners and confirmation from the County Environmental Health Department verifying an existing or pending failure exists. Additional reductions or waivers would require Commission approval.

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From: [Ieromnimon, Carolanne](#)
To: [Simonds,Keene](#)
Subject: Fee Waiver Policies | SoCal LAFCOs
Date: Tuesday, November 28, 2023 10:48:00 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Keene,

I followed up on your request regarding the Southern Region LAFCOs' policies and procedures involving fee waivers.

Each are outlined below for your reference.

- **LA LAFCO:**

- EO has the authority to waive or reduce fees in an amount of \$2,500 or less and only for request from a private party (not from public agency); waiver request exceeding \$2,500 require Commission approval.
- Per Government Code Section 56383(d), to grant fee waiver, the Commission or EO must make a finding that the payment would be detrimental to public interest (i.e., cause financial hardship upon applicant, application is consistent with recommendations outlines in MSR adopted by LAFCO and/or the application advances principles of CKH relative to logical boundaries).
- Applicants must submit request in writing and explain how payment would be detrimental; applicants are notified within 2 weeks (in writing by EO) and EO must notify Commission at the next regular meeting.

[Microsoft Word - Fee Waiver Policy 06-08-11.docx \(lalafco.org\)](#)

- **OC LAFCO (2020 copy found (currently doing updates to their policies/procedures):**

- Any request for fee waiver requires action by the Commission.
- Applications for "island" annexations are automatically granted.
- Fee refunds requires action by the Commission; are automatically rewarded to Special District that has successfully completed the annexation of 2 or more service islands that constitute all the remaining islands within their SOI.
- Fee waivers/refunds have to be written request and specify the reason.

[FINAL_Orange County LAFCO COMPLETE SEC 1-5_ Revised_June2019.xps \(oclafco.org\)](#) (page 230)

- **RSIDE LAFCO:**

- Unable to locate a policy specific to fee waivers on their website or in their policies and procedures. They have received fee waiver request and submitted to Commission.

[Policy B-1 LAFCO Policies and Procedures adopted 10-28-2021.pdf](#)

- **SB LAFCO:**

- Filing fees for proposals involving corrections to boundary alignment problems are automatically waived but do not include costs for legal counsel, noticing, and environmental reviews.
- Filing fees for reorganization proposals for SOI amendments (concurrent) + detachment/annexation of same area are automatically waived.
- Island areas will be assessed one-half of the filing fee for each area of consideration; readjustments of agency boundaries as a result of realignment of a roadway will be reduced to single action fee per entity involved.
- EO determined compliance for automatic waivers/reductions and is to notify the applicant.
- Any applicant can request a waiver or reduction of the LAFCO filing fee and must be submitted in writing and accompany the submission of the application to the EO; request must justify the request and fee(s) it is requesting to be waived or the dollar amount of fees being reduced.
- EO presents the request for Commission review via consent calendar at next regular meeting.
- Commission can waive/reduce fee if it determines that payment will be detrimental to the public interest per Government Code Section 56383(d).
- Waiver/reduction limited to those costs incurred by the Commission in processing the proposal.

[LAFCO_Policy_and_Procedure_Manual.pdf \(sbcounty.gov\)](#)

- **Imperial LAFCO:**

- Unable to locate a policy specific to fee waivers on their website or in their policies and procedures.

[iclafco-policy-manual.pdf](#)

Carol Ieromnimon

Local Government Analyst II

San Diego County

Local Agency Formation Commission (LAFCO)

Subdivision of the State of California | Regional Service Planning

2550 Fifth Avenue, Suite 725

San Diego, California 92103



T | 619.321.3382 Direct

858.298.7280 Cell