

April 12, 2001 (Agenda)

Local Agency Formation Commission  
105 East Anapamu Street, Room 403  
Santa Barbara CA 93101

## **LAFCO Processing Fee Schedule for FY 2001-2002**

### RECOMMENDATION

It is recommended the Commission

1. Receive this report and accept any public testimony.
2. Adopt the proposed processing fee schedule for Fiscal Year 2001-02, together with any desired changes.
3. Direct the staff to distribute the proposed processing fee schedule to the County, cities, independent special districts, the city selection committee and the independent special district selection committee as part of the Proposed Budget as required by Government Code Section 56381.
4. Continue the public hearing to Thursday, June 7 to adopt the processing fee schedule.

### DISCUSSION

The Cortese/Knox/Hertzberg Act, Government Code Section 56383, allows LAFCO to recover its costs by charging processing fees, provided the fees do not exceed the estimated reasonable cost of providing the service for which the fee is charged.

Fees are levied to recover costs to review boundary changes, process sphere of influence requests, consider out-of-agency service requests and reconsider LAFCO determinations.

It is recommended the processing fee schedule be increased by 15 percent across-the-board due to (1) inflation, (2) additional costs to comply with AB 2838 and (3) costs in the LAFCO budget including legal counsel, office space and utilities that were not previously shown, with a separate fee when needed to notify surrounding landowners and voters.

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In addition, it is recommended that a supplemental fee be levied for proposals requiring a noticed public hearing. LAFCO will incur expenses of mailing notices to all landowners and voters within 300 feet as well as holding public protest hearings as the conducting authority.

It is estimated that the processing fee schedule will raise approximately \$20,000 in revenue. This is predicated on processing 18 boundary changes at an average of \$600 (\$16,2000), two sphere of influence applications (\$1,650) and a formation or incorporation (\$2,125). The actual revenue will be based on a number of factors including the pace of land use development.

Standard environmental review costs are included in each fee, except when LAFCO is the lead agency and must prepare an EIR or Negative Declaration, in which case an additional fee will be charged to recover the costs to prepare and process the document, including any consultant costs.

The expense to prepare a Comprehensive Fiscal Analysis (CFA) for incorporating a new city is separate from the processing fee, and is borne by the proponents. Please note that Government Code §56383 (attached) creates a possible State-funding source for CFAs. The cost to prepare a CFA will not be known until proposals are received from qualified consulting firms.

Last, the statute allows the Commission to waive a processing fee if it finds that payment would be detrimental to the public interest.

Please contact the LAFCO office if you have any questions.

Very truly yours,

BOB BRAITMAN  
Executive Officer

cc: Bob Geis, County Auditor Controller