

Memorandum

January 10, 2024

From: Plumas LAFCo Executive Officer

Re: Options for EPRFPD Reorganization

EPRFPD has 3 options for initiating annexation into the newly formed Beckwourth Peak Fire Protection District for consideration. The outcome for the available options will be similar in all circumstances as follows:

- 1) In all available scenarios the LAFCo process would involve the incorporation of the territory within EPRFPD into BPFDP, transfer of EPRFPD's assets to BPFDP, and dissolution of EPRFPD. For both the Board-initiated and Petition-initiated applications, the process would be termed "annexation" and "dissolution." While the outcome would be the same, the LAFCo-initiated process would be termed "consolidation."
- 2) Once LAFCo has received an application for annexation, this process will take about 4 months to approval by LAFCo. Annexation could become effective as soon as 30 days after LAFCo approval depending on the outcome of any protest votes at the protest hearing. The time required to compile the resolutions and application documents by the applicants would greatly drive the timeline of the application.
- 3) Funding to BPFDP from the newly annexed territory would come from two sources: 1) transfer of EPRFPD's existing property tax apportionment (only from the standard 1% property tax, not including any benefit assessments or special taxes), and 2) the customers within EPRFPD would take on the same special tax that was recently approved by BPFDP voters (Measure F), which is based on land use and starts at \$110 for a single family home up to 2,500 square feet (existing benefit assessments and special taxes collected by EPRFPD would cease). The special tax for each type of land use is attached.
- 4) The public would have the opportunity to protest the annexation following LAFCo approval at the protest hearing. If 25% of voters submit protests of the annexation, then it would trigger an election to approve the annexation. If 50% of voters submit protests, then the annexation is stopped. If protests do not meet these thresholds, then the annexation can become effective almost immediately.

The differences between the three options for initiation determine what agency(ies) or individuals are responsible for LAFCo's application costs and compiling the application/Plan for Services, LAFCo's ability to deny the application, and ability for the affected agencies (EPRFPD and BPFDP) to "protest" the application or submit a competing application.

With regard to fees required for processing the application, beyond LAFCo fees, any applicant would be responsible for:

- 1) The cost of a surveyor producing a map and legal description of the area to be annexed,

- 2) Any cost associated with compiling the application and Plan for Services (this can also be completed by volunteers),
- 3) The Board of Equalization fees for recording the change of boundary, which is dependent on the size of the area to be annexed (estimated at \$3,800 for the EPRFPD annexation), and
- 4) CEQA filing fees, which should only be for the filing of a Notice of Exemption in this case.

LAFCo application fees would be similar for both the Board-initiated annexation and the public-initiated annexation, with an annexation application costing \$5,775, a Sphere of Influence Amendment costing \$4,000, and a GIS/mapping deposit of \$200. Because LAFCo supports the combining of special districts and enhancing efficiency of public safety services in Plumas County, the Commission has a history of reducing application fees for similar applications based on request.

Option 1: The EPRFPD and BPFDP Boards Adopt Substantially Similar Resolutions to Initiate the Annexation

In this case, the Boards of the two districts would adopt mutually agreed upon resolutions initiating the annexation and would submit a joint application to LAFCo. The two entities would be responsible for the associated costs, dependent on negotiations between the two boards. While the annexation could be initiated by just one of the Boards, buy off and agreement by both agencies is recommended for a smoother process and transition. Also, if both Boards adopt substantially similar resolutions, LAFCo is legally required to approve the annexation application.

Option 2: 25% of Voters Sign a Petition

This option would be entirely driven by members of the public. A verified petition must be submitted with signatures from 25% of voters within the boundaries of EPRFPD. A sample petition is attached here. The members of the public must compile the application and submit to LAFCo. The group would be responsible for related costs. In this case, the EPRFPD Board could choose to submit an alternative application to LAFCo, which would be its avenue to “protest” the application. The costs of the alternative application would be borne by EPRFPD.

Option 3: LAFCo Initiates Consolidation by Resolution

In this case, LAFCo would first consider a resolution and Plan for Services to begin the process for consolidation. Following adoption of the initiating resolution, the “application” would be processed the same as the other two scenarios. In this scenario, LAFCo would determine the terms and conditions of the consolidation, which may not be mutually agreed upon by both Boards. LAFCo would consider approval of the “application” at a later public hearing. Following LAFCo approval, the voters within both EPRFPD and BPFDP would have the opportunity to protest the consolidation as previously described.

SPECIAL TAX

A new revenue source will be required to support the Beckwourth Peak FPD's ability to build and sustain adequate community fire and rescue services for the entire service area. To this end, an annual special tax will be proposed for Assessor's Parcels located entirely or partially within the Beckwourth Peak FPD boundary, based on land use types provided by the Assessor's Office. The following table shows the division of land use types along with base rates and maximum rates. **Attachment A** contains a listing of Assessor's Use Codes and the applicable Rate ID that will be used as a guide for preparing the Beckwourth Peak FPD direct charge levies to the Plumas County Auditor-Controller for inclusion on the current year tax roll.

Table 9: Proposed Special Tax Rates by Property Type

	Rate ID	Base Rate	% of A	SF incl	Acre incl	Units incl	\$/add SF	\$/Add AC	\$/add Unit	Max Rate
Residential Improved	A	\$110.00		1,800			\$0.02			\$200
Unimproved Land	B	\$55.00	50%		2			\$1.00		\$75
Ag & Timber	C	\$55.00	50%		80			\$0.05		\$75
Multi Residential Improved	D	\$82.50	75%			1			\$82.50	\$3,500
Commercial Improved	E	\$165.00	150%	2,700			\$0.06			\$1,500
Industrial Improved	F	\$192.50	175%	3,150			\$0.07			\$1,500
Religious	G	\$137.50	125%	2,250			\$0.05			\$250
Recreational	H	\$220.00	200%	2,700			\$0.08			\$3,500
Non-Taxable/Exempt	X	\$0								

- A. Residential Improved** – All residential single-family homes and ancillary residential uses will be allocated a base rate of \$110.00 for structures 1,800 square feet or less, with additional \$0.02 cents per square foot charged thereafter, with a maximum not to exceed \$200.00 per parcel.
- B. Unimproved Land** – All vacant/unimproved land will be allocated a base rate of \$55.00 for the first 2 acres, with \$1.00 charged for each acre thereafter, with a maximum not to exceed \$75.00 per parcel.
- C. Ag & Timber** – All agriculture and timber land will be allocated a base rate of \$55.00 for the first 80 acres, with \$0.05 cents charged for each acre thereafter, with a maximum not to exceed \$75.00 per parcel.
- D. Multi Residential Improved** – All multi-family, mobile home, manufactured homes, duplexes, condos, and ancillary residential uses will be allocated a base rate of \$82.50 per unit, with each additional unit charged \$82.50 thereafter, with a maximum not to exceed \$3,500.00 per parcel.
- E. Commercial Improved** – All commercial buildings will be allocated a base rate of \$165.00 for buildings 2,700 square feet or less, with additional \$0.06 cents per square foot charged thereafter, with a maximum not to exceed \$1,500.00 per parcel.
- F. Industrial Improved** - All industrial buildings will be allocated a base rate of \$192.50 for buildings 3,150 square feet or less, with additional \$0.07 cents per square foot charged thereafter, with a maximum not to exceed \$1,500.00 per parcel.
- G. Religious** - All improved religious land will be allocated a base rate of \$137.50 for buildings 2,250 square feet or less, with additional \$0.05 cents per square foot charged thereafter, with a maximum not to exceed \$250.00 per parcel.

- H. Recreational** - All Recreational land will be allocated a base rate of \$220.00 for buildings 2,700 square feet or less, with additional \$0.08 cents per square foot charged thereafter, with a maximum not to exceed \$3,500.00 per parcel.
- I. Non-Taxable/Exempt** – Exempt parcels include public owned parcels (United States of America and State of California, other local governmental agencies) and non-taxable parcels as determined by various statutes including, but not limited to, Disabled Veterans, Welfare Exemptions, Cemetery Exemptions, and Low Value exemptions, will not have the special tax imposed.

To support a baseline budget, the proposed special tax will raise approximately \$405,000 annually to plan, finance, implement, manage, own, and operate a regional Fire Protection District to provide community fire and emergency medical response services. The new special tax must be approved by two-thirds of the votes cast by registered voters residing within the proposed Beckwourth Peak FPD boundary.

If approved, the tax amount will be included on property owners' annual property tax bill distributed by the County. Although these taxes are collected by the County, they do not go to the state like property taxes; they will be deposited in a fund for the sole use of the Beckwourth Peak FPD (nominal processing and administration fees are charged by the County).

Three special tax provisions are proposed for the Beckwourth Peak FPD as follows:

- **Low Income Exemption** - The New Fire District recognizes the proposed special tax may create a burden for low income property owners in the region. For this reason, the Beckwourth Peak FPD shall establish procedures for implementing a Low Income Exemption, to allow landowners who fall within the U.S. Department of Housing and Urban Development (HUD) income limits for "very low" or "poverty level" to apply for a partial or complete exemption from the tax.
- **Contiguous Parcel Exemption** - The Beckwourth Peak FPD shall establish procedures for implementing a Contiguous Parcel Exemption to allow Assessors Parcels which are categorized as Rate ID "C" under provisions of the special tax, and contiguous, undeveloped, held under identical ownership, shall upon approval of an application of the owners thereof to the District Board, be treated as a single parcel for purposes of this special tax.
- **Inflationary Adjustment** - The proposed special tax will also include an inflationary adjustment to account for the ever-increasing costs of fire equipment, apparatus, diesel fuel, and insurance which typically increase at rates that exceed average inflation. To ensure that the proposed special tax will retain its purchasing power in future years, it is proposed to include an inflationary clause which will allow the New Fire District Board, to adjust the tax annually, if needed, by no more than the cost of living as measured by the Consumer Price Index (CPI) for All West Urban Consumers, Non-seasonally Adjusted, for the Preceding Year (Bureau of Labor Statistics Series ID CUUR400SAO). This increase will not exceed 3% each year and must be approved by resolution at a properly noticed public hearing.

If the new special tax is approved, all existing special taxes and assessments used to fund community fire protection and rescue services by the City of Portola, Beckwourth FPD, and Gold Mountain CSD would terminate and no longer be levied. Gold Mountain CSD will continue to levy a special tax to support wildland fire response and hazardous fuels reduction.

PETITION FOR PROCEEDINGS PURSUANT TO THE CORTESE- KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000

1. NOTICE OF INTENT TO CIRCULATE PETITION

Proponents are required to file a NOTICE OF INTENT TO CIRCULATE PETITION with the Executive Officer of the Plumas Local Agency Formation Commission before a petition to initiate a change of organization or reorganization can be circulated [Govt. Code § 56700.4 (a)].

1. Notice is hereby given to circulate a petition proposing to: _____

2. The reason(s) for the proposal are: _____

Proponent's Name (print)

Signature of proponent or representative

Proponent's Address

City, State, Zip

Pursuant to Section 56700.4 of the California Government Code, this NOTICE OF INTENT TO CIRCULATE PETITION was filed with me on

_____ Date

_____ Jennifer Stephenson, Executive Officer

2. DISCLOSURE REQUIREMENT

The Political Reform Act prohibits a person appointed to the Local Agency Formation Commission from soliciting or accepting campaign contributions of more than \$250 within the preceding 12 months from parties, participants, or their agents while a proceeding is pending before LAFCO and for three months following the decision. LAFCO commissioners who receive such contributions are required to disqualify themselves from participating in the proceedings. Both commissioners and contributors who are parties to the proceeding are required to disclose the contributions received or made. Names of current LAFCO commissioners and Campaign Disclosure Forms are available at www.plumaslafco.org or by calling 310-936-2639.

Expenditures for political purposes related to a change of organization or reorganization proposal which has been submitted to a commission, and contributions in support of, or in opposition to such measures, shall be disclosed and reported to the same extent and subject to the same requirements as provided for local initiative measures to be presented to the electorate (Govt. Code § 56700.1).

3. PETITION FOR CHANGE OF ORGANIZATION OR REORGANIZATION

This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code, Section 56000 et seq. of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

(a) The specific change(s) of organization proposed is/are: _____

(b) The boundary of the territory included in the proposal is as described in the attached legal description and map and is by this reference incorporated herein.

(c) The proposed action(s) will be subject to the following terms and conditions: _____

(d) The reason(s) for the proposal is/are: _____

(e) Signers of this petition have signed as (select one): landowner; registered voter.

(f) The name(s) and mailing address(s) of the chief petitioner(s) (not to exceed three) is/are:

1. _____
Name of chief proponent (print) mailing address

2. _____
Name of chief proponent (print) mailing address

3. _____
Name of chief proponent (print) mailing address

(g) It is requested that proceedings for this proposal be taken in accordance with Section 56000 et seq. of the Government Code.

(h) This proposed change of organization (select one) is is not consistent with the sphere of influence of any affected city or district.

(i) The territory included in the proposal is (select one) inhabited (12 or more registered voters) uninhabited (11 or less registered voters).

(j) If the formation of a new district(s) is included in the proposal:

1. The principal act under which said district(s) is/are proposed to be formed is/are: _____

2. The proposed name(s) of the new district(s) is/are: _____

3. The boundary(ies) of the proposed new district(s) is/are described in the attached legal description and map and are by this reference incorporated herein.

(k) If an incorporation is included in the proposal:

1. The name of the proposed city is: _____

2. Provisions are requested for appointment of: city manager city clerk city treasurer

(l) If the proposal includes a consolidation of special districts, the proposed name of the consolidated district is: _____

4. REGISTERED VOTER PETITION

Petitions must meet minimum signature requirements (see Part V). Signatures must be secured within six months of the date on which the first signature was affixed. Petitions must be submitted to the LAFCO Executive Officer within 60 days after the last signature is affixed

Each of the undersigned states:

- I personally signed this petition.
- I am a registered voter within the County of Plumas.
- I personally affixed hereto the date of my signing this petition and my place of residence, or if no street or number exists, then a designation of my place of residence that will enable the location to be readily ascertained.

Name of Signer	Residence Address	Date Signed	Official Use
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			
Sign _____ Print _____			