



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

## MEETING

### AGENDA

**Wednesday, September 20, 2023**

**2:30 pm**

**Board of Supervisors' Chambers**

Hall of Justice and Records

400 County Center

Redwood City, CA 94063

This meeting of San Mateo Local Agency Formation Commission (LAFCo) will be in person at the above mentioned address. Members of the public will be able to participate in the meeting remotely via the Zoom platform or in person at 400 County Center Redwood City, CA 94063. For information regarding how to participate in the meeting, either in person or remotely, please refer to instructions at the end of the agenda.

#### **Hybrid Public Participation**

The September 20, 2023 LAFCo meeting may be accessed through Zoom online at <https://smcgov.zoom.us/j/93703834059>. The webinar ID is: 937 0383 4059. The meeting may also be accessed by telephone by dialing +1 669 900 6833 (local) and entering webinar ID then #. Members of the public may also attend this meeting physically in the Board of Supervisor's Chambers at 400 County Center, Redwood City, CA 94063.

\*Written public comments may be emailed to [amontescardenas@smcgov.org](mailto:amontescardenas@smcgov.org), and should include the specific agenda item on which you are commenting.

\* Spoken public comments will be accepted during the meeting in person or remotely through Zoom at the option of the speaker. Public comments via Zoom will be taken first, followed by speakers in person.

**\*Please see instructions for written and spoken public comments at the end of this agenda.**

#### **ADA Requests**

Individuals who require special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Angela Montes, Commission Clerk, as early as

(OVER)

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

possible but no later than 10:00am the day before the meeting at [amontescardenas@smcgov.org](mailto:amontescardenas@smcgov.org). Notification in advance of the meeting will enable the Staff to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

\*All items on the consent agenda may be approved by one roll call vote unless a request is made at the beginning of the meeting that an item be withdrawn. Any item on the consent agenda may be transferred to the regular agenda.

1. Roll Call
2. Public Comment for Items Not on the Agenda
3. Consent Agenda\*
  - a. Approval of Action Minutes: July 19, 2023
  - b. Consideration of LAFCo File No. 23-04 - Proposed annexation of 400 Cervantes Road, Portola Valley (APN 077-310-160) to West Bay Sanitary District
  - c. Consideration of LAFCo File No. 23-06 - Proposed Outside Service Agreement for water by the City of Redwood City to 715 Vernal Way, (APN 068-053-240), Unincorporated Redwood City

#### Public Hearings

4. Consideration of Municipal Service Review Circulation Draft for the City of Burlingame
5. Consideration of Municipal Service Review Circulation Draft for the Town of Hillsborough

#### Regular Agenda

6. Broadmoor Police Protection District Update – Information Only
7. Approval of Amendment 1 to the Broadmoor Police Protection District Special Study
8. Year End and Quarterly LAFCo Budget Update – Information Only
9. Legislative and Policy Committee
  - a. Legislative Report – Information Only
10. Commissioner/Staff Reports – Information Only
  - a. 2022 San Mateo County Crop Report – Information Only
11. Adjournment

#### **\*Instructions for Public Comment During Teleconference Meetings**

During LAFCo hybrid meeting, members of the public may address the Commission as follows:

**\*Written Comments:**

Written public comments may be emailed in advance of the meeting. Please read the following instructions carefully:

1. Your written comment should be emailed to [amontescardenas@smcgov.org](mailto:amontescardenas@smcgov.org).
2. Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda or is on the consent agenda.
3. Members of the public are limited to one comment per agenda item.
4. The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250-300 words.
5. If your emailed comment is received by 5:00 p.m. on the day before the meeting, it will be provided to the Commission and made publicly available on the agenda website under the specific item to which your comment pertains. If emailed comments are received after 5:00p.m. on the day before the meeting, the Clerk will make every effort to either (i) provide such emailed comments to the Commission and make such emails publicly available on the agenda website prior to the meeting, or (ii) read such emails during the meeting. Whether such emailed comments are forwarded and posted, or are read during the meeting, they will still be included in the administrative record.

**\*Spoken Comments**

**In person Participation:**

1. If you wish to speak to the Commission, please fill out a speaker's slip located at the entrance. If you have anything that you wish distributed to the Commission and included in the official record, please hand it to the Clerk who will distribute the information to the Commission members and staff.

**Via Teleconference (Zoom):**

1. The Commission meeting may be accessed through Zoom online at <https://smcgov.zoom.us/j/93703834059>. The webinar ID is: 937 0383 4059. The Commission meeting may also be accessed via telephone by dialing +1 669 900 6833 (local). Enter the webinar ID, then press #. Members of the public can also attend this meeting physically in the Board of Supervisor's Chambers at 400 County Center, Redwood City, CA 94063.
2. You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
3. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
4. When the Commission Chair or Clerk calls for the item on which you wish to speak, click on "raise hand." Speakers will be notified shortly before they are called to speak.

**\*Additional Information:**

For any questions or concerns regarding Zoom, including troubleshooting, privacy, or security settings, please contact Zoom directly.

Public records that relate to any item on the open session agenda for a regular Commission meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Commission.

**NOTICE:** State law requires that a participant in a LAFCo proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner in the past year must disclose the contribution. If you are affected, please notify commission staff before the hearing.

Agendas and meeting materials are available at [www.sanmateolafco.org](http://www.sanmateolafco.org)



SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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## Action Minutes San Mateo Local Agency Formation Commission Meeting July 19, 2023

Chair Draper called the Wednesday, July 19, 2023, meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm in the Board of Supervisors Chambers, 400 County Center, Redwood City, California. Members of the public were able to also participate in the meeting remotely via the Zoom.

### 1. Roll Call

Members Present: Commissioners Tygarjas Bigstycck, Virginia Chang-Kiraly, Noelia Corzo, Warren Slocum, Harvey Rarback, Kati Marti, Ann Draper, Ray Mueller (joined after roll call)

Members Absent: Commissioner Slocum

Alternate Members Present: Jim O'Neill

Staff Present: Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst  
Timothy Fox, Legal Counsel  
Angela Montes Cardenas, Clerk

### 2. Oath of Office for New Commissioners Appointed

Mr. Fox swore in Commissioner Virginia Chang Kiraly for her appointment to LAFCo.

### 3. Public Comment for Items Not on the Agenda

None

### 4. Consent Agenda

#### a. Approval of Action Minutes: May 17, 2023

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT, VICE CHAIR ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY

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ANGELA MONTES, CLERK

LAFCo Meeting  
Packet Page 5

**b. Consideration of LAFCo File No. 23-01 – Proposed Outside Service Agreement for sewer service by the City of San Carlos to 83 El Vanada Rd (APN 051-440-080), Unincorporated San Carlos**

**c. Consideration of LAFCo File No. 23-02 – Proposed Outside Service Agreement for water service by the City of Redwood City to 570 Live Oak Lane (APN 057-163-090), Unincorporated Redwood City**

**d. Consideration of LAFCo File No. 23-05 – Proposed annexation of 118 Mapache Drive, Portola Valley (APN 077-021-200) to West Bay Sanitary District**

Chair Draper requested that item 4a removed from consent. Commissioner Martin pulled item 4b from consent for further discussion.

Commission Action: Commissioner Chang-Kiraly moved to approve the consent agenda items 4c and 4d. Commissioner Rarback seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycyk, Corzo, Chang- Kiraly, Rarback, Martin, Chair Draper. Absent: Commissioner Slocum, Mueller.)

Commissioner Muller joined meeting at 2:38pm.

**4a. Approval of Action Minutes: May 17, 2023**

On page 7 of the May 17, 2023 minutes, the minutes state that Chair Draper said, “The major financial issues have been on-going and need to be corrected, or the District will go bankrupt.” Chair Draper requested a minor edit to her statement with the word “will” replacing the word “may”.

Commission Action: Commissioner Bigstycyk moved to approve May 17, 2023 minutes as amended. Commissioner Mueller seconded the motion which passed by roll call vote. (Ayes: Commissioners Bigstycyk, Rarback, Chang-Kiraly, Martin, Chair Draper. Abstention: Commissioner Corzo. Absent: Commissioner Slocum.)

**4b. Consideration of LAFCo File No. 23-01 – Proposed Outside Service Agreement for sewer service by the City of San Carlos to 83 El Vanada Rd (APN 051-440-080), Unincorporated San Carlos**

Commissioner Martin asked about the existing septic system at 83 El Vanada and if it was recently approved by the County. She also wanted to know if there was a location for a new septic system on the property.

Executive Officer Bartoli stated that the septic system on the property was likely installed when the house was constructed in the 1940s or 1950s. The septic system is located in the front portion of the property as there is no space at the rear of the property for a septic system. There is also no location on the property for a new replacement system.

Commission Action: Commissioner Martin moved to approve LAFCo File 23-01. Commissioner Chang-Kiraly seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Corzo, Rarback, Chang-Kiraly, Mueller, Martin, Chair Draper. Absent: Commissioner Slocum.)

**5. Update Regarding File No. 22-09 – A proposal to establish the East Palo Alto Sanitary District (EPASD), an independent special district, as a subsidiary district of the City of East Palo Alto (City)**

Executive Officer Bartoli presented the staff report dated July 12, 2023. He provided a timeline of LAFCo File No. 22-09. He noted that on July 12, 2023 the EPASD Board adopted a resolution of intention to the file an alternative proposal to LAFCo File No. 22-09. As a result, this triggered a 70-day waiting period where the Executive Officer cannot take any action on the original proposal.

A public hearing on both the original proposal and alternative proposal will occur at a later date.

Chair Draper opened and closed public comment, no comments were received.

**6. Approval of Amendment 1 to the Broadmoor Police Protection District Special Study**

Management Analyst Recalde presented the staff report dated July 12, 2023. She provided a timeline of the draft Special Study. On May 22, 2023 BPPD provided corrected calls for service data. She noted that correct data is reflected in the amendment.

Commissioner Bigstycck had a question regarding the population for CSA-1 (San Mateo Highlands).

Chair Draper asked about the definitions of type of service calls, police functions, service types. Mr. Bartoli noted that staff will need to look into these questions more and can provide an update at a later time to the Commission.

Commissioner Corzo stepped out of the meeting at approximately 3:00 pm.

Chair Draper opened public comment.

Christine Taliva'a-Aguerre, President Broadmoor Property Owners Association, said that majority of community is behind Chief Conolly. She spoke on other types of services officers in BPPD engage in, including community events.

Clerk Montes stated that written public comment from Broadmoor resident, Andrea Hall, had been received by LAFCo and distributed to Commissioners.

Chair Draper closed public comment.

Chair Draper requested that staff clarify definition of calls for service and functions prior to the adoption of the amendment. Direction was given to LAFCo staff to bring back more information to the Commission at the next LAFCo meeting.

Commission Action: Commissioner Bigstycyk moved to direct staff to gather more information and bring Amendment back to September 20, 2023 Commission meeting. Commissioner Rarback seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycyk, Rarback, Chang-Kiraly, Mueller, Martin, Chair Draper. Absent: Commissioner Slocum. No vote recorded: Commissioner Corzo.)

## **7. Broadmoor Police Protection District Update – Information Only**

Management Analyst Recalde presented the staff report dated July 12, 2023. She provided the 90-day BPPD update, which covered the County Investment Policy and concerns regarding BPPD's continued participation, BPPD's FY23-24 adopted budget, the Town Hall meeting hosted by Supervisor Canepa's office on June 22, 2023, BPPD's response to LAFCO recommendations, and the LAFCo dissolution process.

Commissioner Corzo rejoined the meeting.

Conversation ensued with Commissioner Rarback regarding the steps in the dissolution process.

A discussion occurred with Commissioner Bigstycyk regarding BPPD's diminishing reserves.

Commissioner Mueller questioned potential pension obligations if the District goes bankrupt. Mr. Bartoli and Mr. Fox explained possible successor agency if the District goes bankrupt and how those liabilities would be addressed.

Chair Draper opened public comment.

Andrea Hall, Broadmoor resident, questioned when LAFCo would consider municipal services review. Mr. Bartoli stated that LAFCo is continuing to highlight the significant fiscal

challenges faced by the District and that no other actions have been initiated by LAFCo at this time.

Chair Draper closed public comment.

Conversation ensued with Commissioner Mueller regarding protest hearings. He noted that at this point he is not moving toward dissolution. Commissioner Chang-Kiraly agreed with Commissioner Mueller and suggest the District support LAFCo recommendations regarding GANN appropriation limits and excess ERAF.

Commissioner Bigstycck requested more specific plans, and comment on excess ERAF and budget staff reports.

Commissioner Martin said that her District, the San Mateo County Mosquito and Vector Control District (SMCMVCD), contended with similar challenges that BPPD currently faces, including almost losing excess ERAF. SMCMVCD worked with LAFCo to remedy their issues, and SMCMVCD is in better shape now.

Commissioner Corzo requested a timeline of the next steps for LAFCo and the dissolution process.

Commissioner Rarback said he is concerned about the District's finances and the approved budget.

Commissioner Chang-Kiraly noted that the California Special Districts Association (CSDA) has free resources for Districts, such as free Brown Act training, and suggested that BPPD investigate which resources may benefit them.

Chair Draper thanked Chief Connolly for the beginning to implement some of the Commission's recommendations and for being present at today's meeting.

## **8. CALAFCO Updates**

### **a. CALAFCO 2023 Annual Conference – Information Only**

Mr. Bartoli gave a verbal update to the Commission regarding the annual conference.

### **b. Voting Delegates at 2023 California Association of LAFCOs (CALAFCO) Annual Conference**

Mr. Bartoli presented an item to the Commission regarding assigning a voting delegate to the Annual CALAFCO Conference.

Commission Action: Commissioner Martin moved to assign Chair Draper as voting delegate and Commissioner Bigstycck as alternate voting delegate. Commissioner Bigstycck seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstycck, Corzo, Rarback, Chang-Kiraly, Mueller, Martin, Chair Draper. Absent: Commissioner Slocum.)

#### **9. Legislative Report – Information Only**

Ms. Recalde gave a verbal update to the Commission and referred to legislative packet.

In response to Commissioner's Martin question regarding zoom meeting legislation Mr. Fox said that counsel is tracking bills, however no current legislation seems to allow public commissions or boards the ability to meet remote only.

Chair Draper opened and closed public comment, no comments were received.

#### **10. Commissioner/Staff Reports – Information Only**

None

#### **11. Adjournment**

Chair Draper adjourned the meeting at 3:55 p.m.

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**September 13, 2023**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** LAFCo File No. 23-04: Proposed Annexation of 400 Cervantes Road, Portola Valley (APN 077-310-160) to West Bay Sanitary District

## Summary

This proposal, submitted by landowner petition, requests annexation of 400 Cervantes Road, Portola Valley (APN 077-310-160) to West Bay Sanitary District and connection to the District's sewer main. The property owner is planning a future project on the property and wishes to connect to a sewer system prior to the project. The proposal has 100 percent landowner consent and waiver of conducting authority proceedings is also requested. Commission approval is recommended.

## Departmental Reports

*County Assessor:* The total net assessed land valuation for the parcel shown in the records of the County Assessor is \$3,200,00. The boundaries of the annexation as proposed conform to lines of assessment and ownership.

*County Clerk:* The territory has zero registered voters. If the annexation is approved, the property will need to be assigned to a precinct that includes West Bay Sanitary District.

*County Public Works:* The map and legal description have not yet been submitted for review of the requirements set by the State Board of Equalization.

*Town of Portola Valley:* The Town's General Plan designation is low intensity residential (1-2 acres per dwelling unit). It will be necessary for any work to be reviewed by Town Planning and Public Works, and an encroachment permit is required.

*County Environmental Health:* The California Water Service Company and West Bay Sanitary District provide the available water and sewer service in the area. Upon connection to WBSD,

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the existing onsite wastewater treatment system, including the separate catch basin for laundry wastewater, must be properly destroyed under permit from Environmental Health.

*West Bay Sanitary District:* Fees for annexation, permits, annual service charges and reimbursement fees associated with this connection will be required and paid for by the proponent. Annexation to the on-site wastewater disposal zone (ZONE) will be required, and the proponent will be required to construct a District conforming pretreatment pumping system on the property and connect to the existing force main on Cervantes Road.

### **Executive Officer's Report**

This proposal has been submitted by landowner petition. The territory proposed for annexation is located at 400 Cervantes Road, Portola Valley, on Cervantes Road near Shawnee Pass. If a future sewer connection to the property is made, the property would connect to the existing force main on Cervantes Road.

The annexation area is within the sphere of influence of West Bay Sanitary District adopted by the Commission in 1984 and is consistent with the District's plans for extending service. Approval of the annexation is recommended.

### **Annexation to the On-Site Wastewater Disposal Zone**

Sections 6960.3 and 6974 of the Health and Safety Code governing sanitary districts require LAFCo approval for formation of, or annexation to, an On-site Wastewater Disposal Zone (Zone) in counties in which LAFCo has added special district members to the Commission and adopted Rules and Regulations Affecting the Functions and Services of Independent Special Districts. West Bay Sanitary District operates a Zone within its jurisdiction to maintain pumping systems where gravity flow to the sewer main is not possible. Annexation of these properties to the Zone is necessary for the District to maintain the pumping system that will be constructed as part of the sewer connection. Staff recommends approval of annexation to the Zone.

### **California Environmental Quality Act**

The proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) exempt under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities)

### **Waiver of Conducting Authority Proceedings**

Section 56662(a) of the Cortese-Knox-Hertzberg (CKH) Act specifies that the Commission may waive conducting authority proceedings for annexations of uninhabited territory with 100 percent landowner consent provided that no objection is submitted by subject property owners or voters. The purpose of the conducting authority proceedings is to measure landowner or voter protest within the affected territory. The landowners have requested, and staff recommends waiver of conducting authority proceedings.

### **Recommended Commission Action by Resolution**

By resolution, approve LAFCo File No. 23-04 proposed annexation of 400 Cervantes Road, Portola Valley (APN 077-310-160) to West Bay Sanitary District, subsequent annexation to the On-site Wastewater Disposal Zone and Waiver of Conducting Authority Proceedings.



**Attachments**

- A. Annexation Application for 400 Cervantes Road
- B. Vicinity Map
- C. Resolution No. 1309

cc: Sergio Ramirez and Jason Feudale, West Bay Sanitary District  
Carol Borck, Town of Portola Valley  
Gregory Smith, San Mateo County Environmental Health  
Penny Boyd, San Mateo County Clerk  
Andrew Smith, San Mateo County Assessor  
Heeyoung Pyen, Property Owner

**APPLICATION FOR A CHANGE OF ORGANIZATION, REORGANIZATION, OR OUTSIDE SERVICE AGREEMENT TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION**

**A. GENERAL INFORMATION**

- 1. Briefly describe the nature of the proposed change of organization, reorganization, or outside service agreement.

Annexation of 400 Cervantes Rd to West Bay Sanitary District.

- 2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

Landowners or registered voters, by petition  
 An affected public agency, by resolution

**(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)**

- 3. What are the reasons for the proposal?

We are currently on septic and would like to connect to West Bay Sanitary District for sewer services for the purpose of fixing, remodeling, and future addition.

- 4. Does this application have 100% consent of landowners in the affected area?

Yes  No

- 5. Estimated acreage: 1.02

**B. SERVICES**

- 1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

West Bay Sanitary District

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2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none" if service is not now provided), the proposed source of service and the source of funding for construction of necessary facilities (if any) and operation. Example is given on the first two lines of the space provided for your response.

SERVICE	PRESENT SOURCE	PROPOSED SOURCE	FUNDING SOURCE	
			CONSTRUCTION	OPERATING
<i>Police (example)</i>	<i>Co. Sheriff</i>	<i>City Police</i>	<i>N/A</i>	<i>Taxes</i>
<i>Sewer (example)</i>	<i>None</i>	<i>City of . . .</i>	<i>Proponent</i>	<i>Fees</i>
Sewer	Septic	West Bay Sanitary District	Proponent	Fees

**C. PROJECT PROPOSAL INFORMATION**

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

400 Cervantes Rd. Portola Valley, CA 94028, parcel is across from Shawnee pass  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2. Describe the present land use(s) in the subject territory.

Residential  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3. How are adjacent lands used?

North: Residential  
 South: Residential  
 East: Residential  
 West: Residential

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4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

No

5. What is the general plan designation of the subject territory?

Residential, Low

6. What is the existing zoning designation of the subject territory?

R-E/1A/SD-1a

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?

No approval yet and no formal review yet. Only email consultation with West Bay Sanitary District. And Town of Portola Valley

8. What additional approvals will be required to proceed?

Septic tank abandonment ( if this is mandatory) and road encroachment permit from the town of Portola Valley and WBSD approval

9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?

No

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?

No

\* \* \* \* \*

LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

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JUN 27 2023

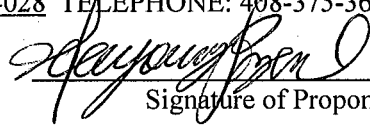
**LAFCO**

NAME: Heeyoug Pyen

EMAIL: Heeyoung@env2inc.com

ADDRESS: 400 Cervantes Rd. Portola Valley, CA 94028 TELEPHONE: 408-375-3676

ATTN: Heeyoung Pyen



Signature of Proponent

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(10/6/2000)

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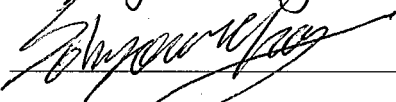
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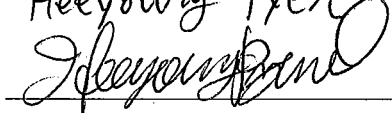
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Addendum to Application titled LAFCo File No. --  
Proposed \_\_\_\_\_ of/for (400 Cervantes Rd. Portola Valley, CA 94028)

APN's (077310160 San Mateo )  
to R100A

As part of above noted application submitted by petition, the Chief Applicants, (Heeyoung Pyen and Sohyong Chong) as Applicants and subject landowner(s), real parties in interest, agree to defend, indemnify, hold harmless, and release the San Mateo LAFCO, its agents, Commissioners, Executive Officer, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this addendum to above noted application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications.

Sohyong Chong  
 Date 06/09/2023

Heeyoung Pyen  
 Date 06/09/2023

\_\_\_\_\_  
Date \_\_\_\_\_

\_\_\_\_\_  
Date \_\_\_\_\_

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

The undersigned hereby petition(s) the Local Agency Formation Commission of San Mateo County for approval of a proposed change of organization or reorganization, and stipulate(s) as follows:

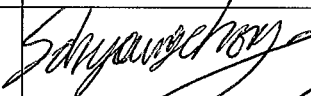
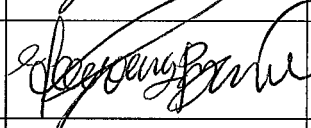
1. This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with Section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
2. The specific change(s) of organization proposed (i.e., annexation, detachment, reorganization, etc. is/are: Annexation
3. The boundaries of the territory(ies) included in the proposal are as described in Exhibit(s) attached hereto and by this reference incorporated herein.
4. The territory(ies) included in the proposal is/are:  
  
     inhabited (12 or more registered voters)  Uninhabited
5. This proposal is  is not  consistent with the sphere of influence of the affected city and/or district(s).
6. The reason(s) for the proposed Annexation (annexation, detachment, reorganization, etc.) is/are: fixing and remodeling and future addition
7. The proposed annexation is requested to be made subject to the following terms and conditions: No Conditions
8. The persons signing this petition have signed as:  
  
     registered voters or  Owners of land (check one) within the subject territory.

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JUN 27 2023  
**LAFCO**

Petition  
Page 2 of 2

Wherefore, petitioner(s) request(s) that proceedings be taken in accordance with the provisions of Section 56000, et seq. Of the Government Code and herewith affix signatures as follows:

Chief Petitioners (not to exceed three):

Date:	Printed Name:	Signature/Residence Address:	APN*
06/09/2023	Sohyong Chong		077310160
06/09/2023	Heeyoung Pyen		077310160

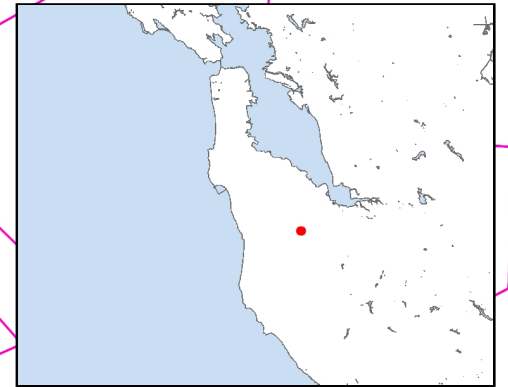
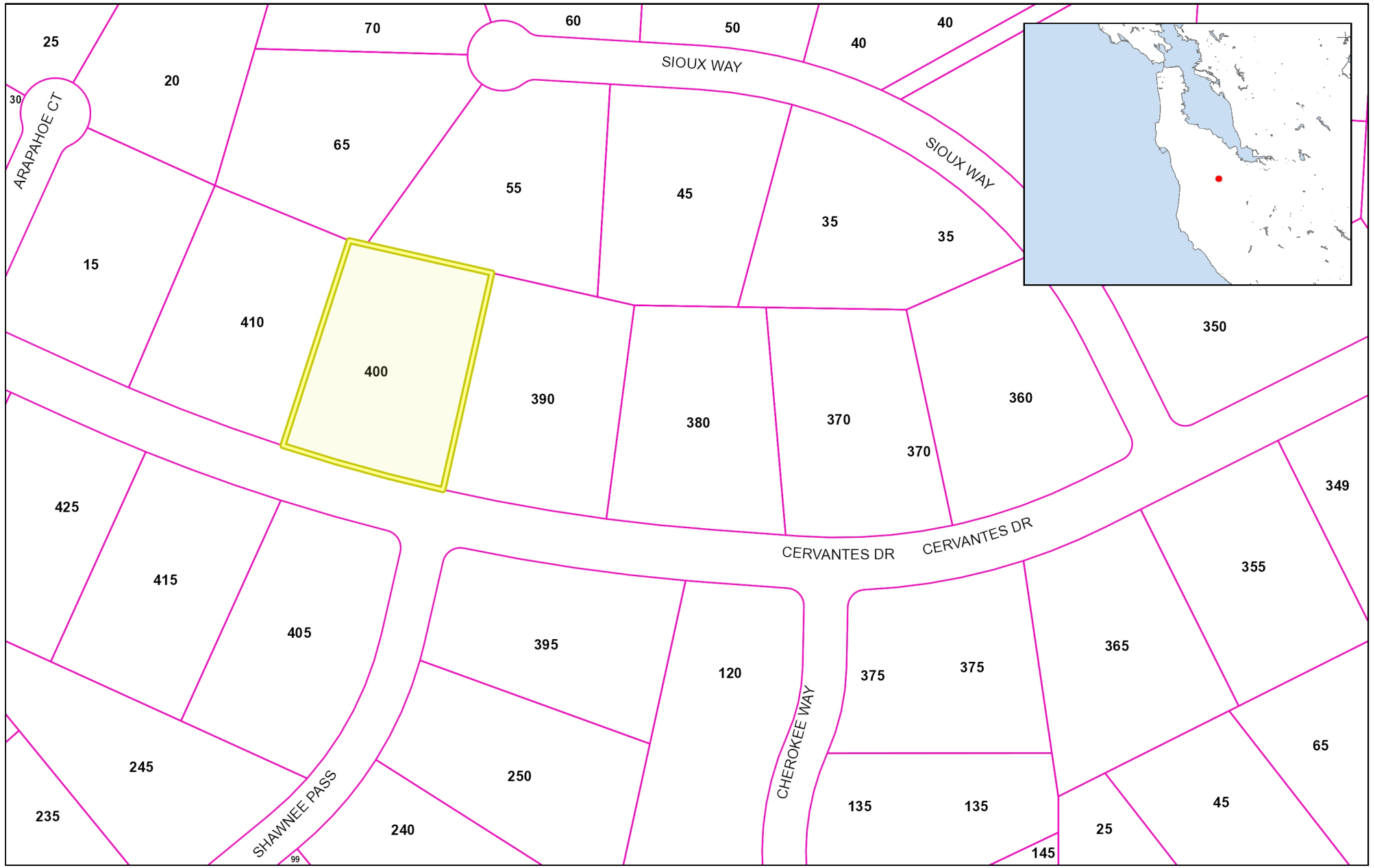
\*Assessor's Parcel Number of parcel(s) proposed for annexation.

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JUN 27 2023

**LAFCO**





WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere  
 © Latitude Geographics Group Ltd.

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This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

RESOLUTION NO. 1309

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SAN MATEO  
MAKING DETERMINATIONS, APPROVING LAFCO FILE 23-04 -  
ANNEXATION OF 400 CERVANTES ROAD, PORTOLA VALLEY (APN 077-310-160)  
TO THE WEST BAY SANITARY DISTRICT AND THE ON-SITE WASTEWATER DISPOSAL ZONE, AND  
WAIVING CONDUCTING AUTHORITY PROCEEDINGS**

**RESOLVED**, by the Local Agency Formation Commission of the County of San Mateo, State of California, that

**WHEREAS**, a proposal for the annexation of certain territory to the West Bay Sanitary District in the County of San Mateo was heretofore filed with the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

**WHEREAS**, the Executive Officer has reviewed the proposal and prepared a report, including the recommendations thereon, the proposal and report having been presented to and considered by this Commission; and

**WHEREAS**, it appears to the satisfaction of this Commission that all owners of the land included in the proposal consent to the proceeding; and

**WHEREAS**, a public hearing by this Commission was held on the proposal and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report; and

**WHEREAS**, the proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities); and

**NOW, THEREFORE**, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. This proposal is approved, subject to the following conditions: None.

Section 2. The boundaries as set forth in the application are hereby approved as submitted and are as described in Exhibit "A" attached hereto and by this reference incorporated herein.

Section 3. The territory consists of 1.1 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: Annexation of 400 Cervantes Road, Portola Valley to the West Bay Sanitary District.

Section 4. Conducting authority proceedings are hereby waived in accordance with Government Code Section 56662(a) and this annexation is hereby ordered.

Section 5. Subsequent annexation to the On-Site Wastewater Disposal Zone is hereby approved.

Regularly passed and adopted this \_\_\_\_ day of \_\_\_\_\_.

Ayes and in favor of said resolution:

Commissioners:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes and against said resolution:

Commissioner(s):

\_\_\_\_\_

Absent and/or Abstentions:

Commissioner(s):

\_\_\_\_\_

\_\_\_\_\_

Chair  
 Local Agency Formation Commission  
 County of San Mateo  
 State of California

ATTEST:

\_\_\_\_\_

Rob Bartoli  
 Executive Officer  
 Local Agency Formation Commission

Date: \_\_\_\_\_

I certify that this is a true and correct copy of the resolution above set forth.

\_\_\_\_\_

Clerk to the Commission  
 Local Agency Formation Commission

Date: \_\_\_\_\_

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

**September 13, 2023**

**To:** LAFCo Commissioners  
**From:** Rob Bartoli, Executive Officer  
 Sofia Recalde, Management Analyst

**Subject:** LAFCo File No. 23-06: Outside Service Agreement (OSA) for Water by the City of Redwood City to 715 Vernal Way, Lot 2, Unincorporated Redwood City (APN 068-053-240)

## Summary

Pursuant to Government Code Section 56133, Commission approval is required for extension of service by local agencies to territory outside the agency's boundaries. This section requires that the public agency apply to LAFCo by resolution on behalf of the landowner. In this case, the property owner of 715 Vernal Way (APN 068-053-240) is subdividing their parcel into two parcels. The newly created lot (identified as Lot 2 on Attachment ) and building a new single-family home on the new, empty parcel. The City of Redwood City has applied by resolution for extension of water service to the new home on the new, empty parcel.

The project area is within the Sphere of Influence of the City of Redwood City. However, the property is not contiguous to a City boundary and annexation of the parcel at this time would not create a logical boundary or improve the delivery of services. LAFCo staff supports an Outside Service Agreement (OSA) in lieu of annexation. However, as a condition of approval the property owner shall record a document consenting to future annexation of the property to the City. Commission approval is recommended.

## Departmental Reports

*County Assessor:* The total net assessed land valuation for the parcel shown in the records of the County Assessor is \$2,295,000. The boundaries of the OSA will conform to lines of assessment and ownership of the subdivide parcel.

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT  
**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY  
**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

*County Clerk:* The OSA would not change or conflict with any political subdivision boundaries. If the parcel is annexed by the City of Redwood City, it would need to be changed from an unincorporated area precinct to a precinct within the City of Redwood City.

*County Environmental Health:* The City of Redwood City and Emerald Lake Heights Sanitary Maintenance District provide the available water and sewer service in the area.

*County Planning:* The County's land use designation is low medium density residential, and the County encourages the use of sewerage system as a method of wastewater management in urban areas. The City's land use designation is residential low density. A building permit application is currently under review (BLD2023-01694) for the new house. The subdivision was approved by County Planning and Building on (PLN2023- County Planning recommends approval of the proposal.

*County Public Works:* The property is in the Emerald Lake Heights Sewer Maintenance District and the Emerald Lake Highway Lighting District. The proposed new water line and associated appurtenances to be constructed shall not conflict with or impact the existing sanitary sewer facilities of the District.

*City of Redwood City:* The Town's General Plan designation is residential – low density. The proposal is compatible with the City's general plan and would not create service problems. The City approved an outside service agreement on September 11, 2023 for a water connection conditioned on the submission of a signed and recorded declaration of restriction agreement.

### **Executive Officer's Report**

This proposal has been submitted by the City of Redwood City to connect a new single-family residence to City water. The subject property is within the Sphere of Influence of the City but is not contiguous to a City boundary. Therefore, annexation of the parcel at this time would not create a logical boundary or improve the delivery of services. If annexed now, Lot 2 of 715 Vernal Way, the property would become an incorporated island. In these circumstances, LAFCo's adopted Outside Service Agreement policy permits the extension of services when annexation is infeasible. Approval of the Outside Service Agreement is recommended, pending consent to deferred annexation and protest waiver if annexation is proposed as required by the City of Redwood City and San Mateo LAFCo policy.

### **California Environmental Quality Act**

The proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) exempt under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities)

### **Recommended Commission Action by Resolution**

By motion, approve LAFCo File No. 23-06: Proposed OSA for water service by the City of Redwood City to 715 Vernal Way,, Lot 2, Unincorporated Redwood City (APN 068-053-240), pursuant to Government Code Section 56133 with the following condition of approval:

- 1) The applicant shall record the declaration of restriction agreement with the San Mateo County Recorder's Office and provide a copy of the recorded document to LAFCo, prior

to the issuance of the approval letter for the Outside Service Agreement for 715 Vernal Way, Unincorporated Redwood City.

**Attachments**

- A. OSA application for 715 Vernal Way, Lot 2
- B. Vicinity Map
- C. Draft Tentative Map
- D. Copy of City of Redwood City Resolution and Draft Declaration of Restricted Agreement

cc: Justin Lee, Javier Sierra and Paolo Baltar, City of Redwood City  
Gregory Smith, San Mateo County Environmental Health  
Penny Boyd, San Mateo County Clerk  
Andrew Smith, San Mateo County Assessor  
Todd Weidmer, Property Owner

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JUL 25 2023

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APPLICATION FOR A CHANGE OF ORGANIZATION, REORGANIZATION, OR OUTSIDE SERVICE AGREEMENT TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION

A. GENERAL INFORMATION

- 1. Briefly describe the nature of the proposed change of organization, reorganization, or outside service agreement.

I am splitting a large lot into two. I need an additional water connection.

715 Vernal Way, Redwood City CA 94062.APN 068053240

Connection will be for the new single family house that is being built on the newly created parcel on south side of property.

The proposed water connection is for the new home on the proposed lot 2 on the subdivision map.

- 2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

X Landowners or registered voters, by petition

An affected public agency, by resolution

(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)

- 3. What are the reasons for the proposal?

The new house will need a water connection. Part of the subdivision requires submittal to Lafco.

The proposed water connection is for the new home on the proposed lot 2 on the subdivision map.

- 4. Does this application have 100% consent of landowners in the affected area?

X Yes No

- 5. Estimated acreage: .5

B. SERVICES

- 1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

Redwood City Water.

- 2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none")



if service is not now provided), the proposed source of service and the source of funding for construction of necessary facilities (if any) and operation. Example is given on the first two lines of the space provided for your response.

SERVICE	PRESENT SOURCE	PROPOSED SOURCE	FUNDING SOURCE	
			CONSTRUCTION	OPERATING
<i>Police (example)</i>	<i>Co. Sheriff</i>	<i>City Police</i>	<i>N/A</i>	<i>Taxes</i>
<i>Sewer (example)</i>	<i>None</i>	<i>City of . . .</i>	<i>Proponent</i>	<i>Fees</i>
<i>Water</i>	<i>None</i>	<i>Redwood City Water</i>	<i>Proponent</i>	<i>Fees</i>

**C. PROJECT PROPOSAL INFORMATION**

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

715 Vernal Way.

715 Vernal Way is located between Midland Way to the south, and Sylvan to the north.

Street in front of property and approach is relatively flat

2. Describe the present land use(s) in the subject territory.

Current use is single family home.

The proposed water connection is for the new home on the proposed lot 2 on the subdivision map.

3. How are adjacent lands used?

North: Single family home

South: Single family home

East: Road, single family home across the street

West: Road, single family home across the street

4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

The proposed water connection is for the new home on the proposed lot 2 on the subdivision map.

Addition of a single family home on the new parcel. subdivision map included.

5. What is the general plan designation of the subject territory?

General plan designation is Residential, medium low density residential

6. What is the existing zoning designation of the subject territory?

RH DR

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?

See attached approval from SM County planning. San Mateo County Planning SB9 Subdivision approval. PLN2022-00210  
The proposed water connection is for the new home on the proposed lot 2 on the subdivision map.

8. What additional approvals will be required to proceed?

See attached approval from SM county planning. San Mateo County Building Permit Approval. Applied under BLD2023-01694  
The proposed water connection is for the new home on the proposed lot 2 on the subdivision map.

9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?

No

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?

NEW TWO-STORY SINGLE FAMILY DWELLING ON NEW PARCEL WITH AN ATTACHED TWO-CAR GARAGE, FRONT PORCH, DECK, BALCONY. SITE IMPROVEMENT FOR FIRETRUCK TURNAROUND AND DRIVEWAY.

The proposed water connection is for the new home on the proposed lot 2 on the subdivision map.

\* \* \* \* \*

LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

NAME: Todd Weidmer

EMAIL: todd@realsmartgroup.com

ADDRESS: 715 Vernal Way, Redwood City 94062

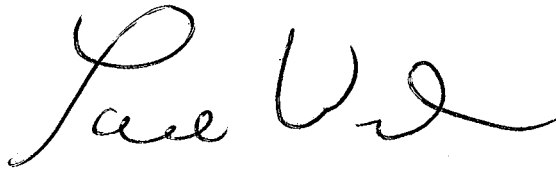
TELEPHONE: 415-235-5360

ATTN:

RECEIVED

JUL 25 2023

Signature of Proponent **LAFCO**

A handwritten signature in black ink, appearing to read "Paul V. D.", written over the printed text "Signature of Proponent".

Applica\_blk.doc  
(10/6/2000)


JUL 25 2023

**Addendum to Application titled LAFCo File No. \_\_\_\_\_**  
**Proposed 715 Vernal Way, Redwood City CA 94062**  
**of/for (Address)**

**LAFCO**

**APN's 068053240 \_\_\_\_\_**

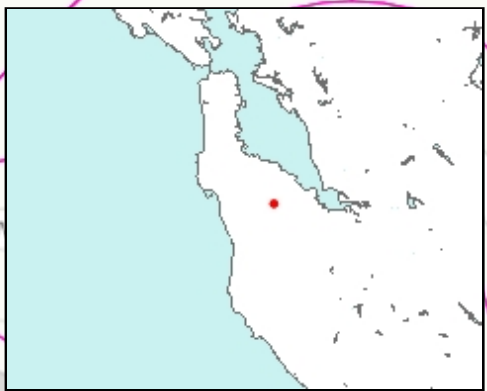
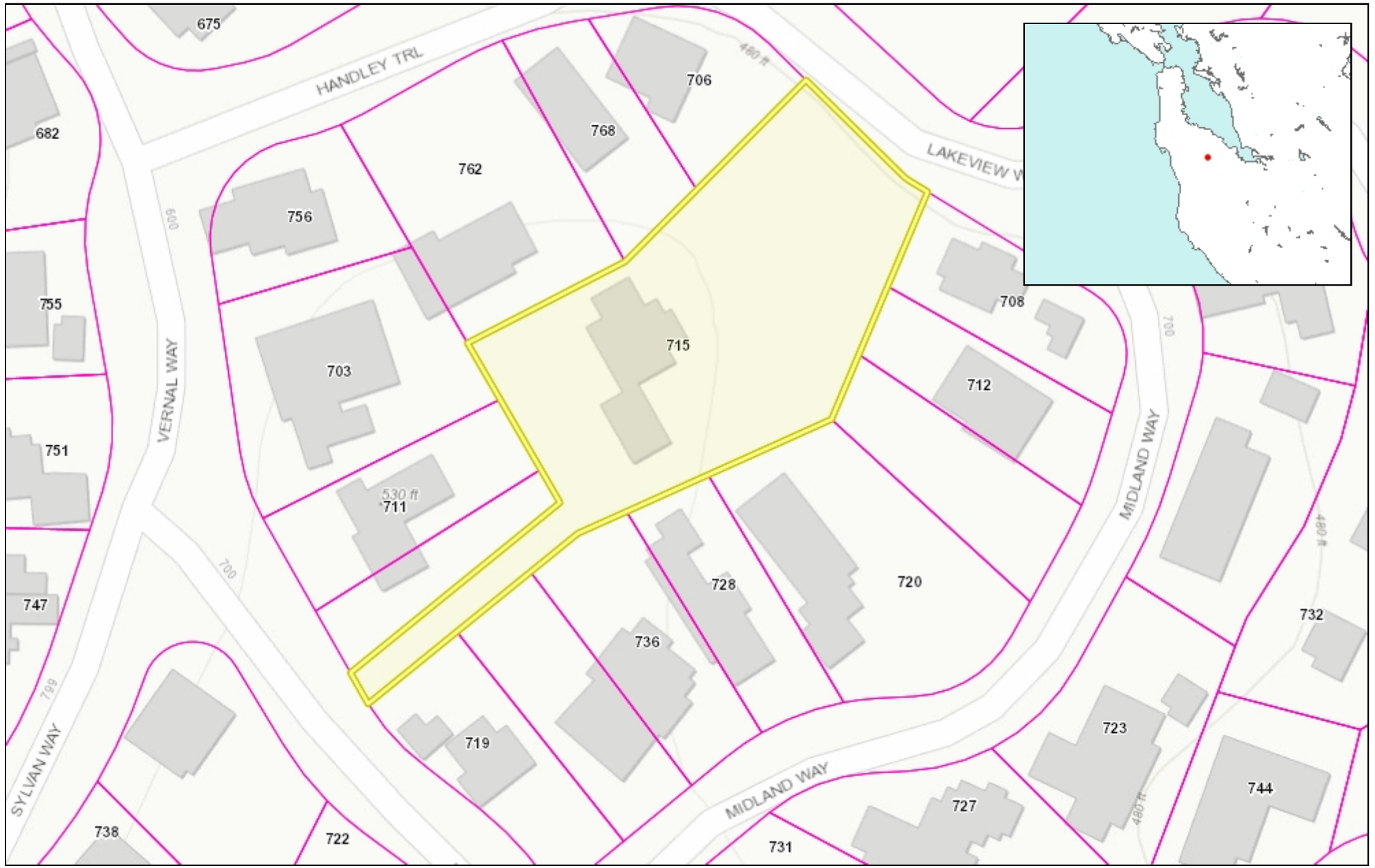
*As part of above noted application submitted by petition, the Chief Applicants, (Todd Weidmer) as Applicants and subject landowner(s), real parties in interest, agree to defend, indemnify, hold harmless, and release the San Mateo LAFCO, its agents, Commissioners, Executive Officer, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this addendum to above noted application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications.*

 Date 7/13/23

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_

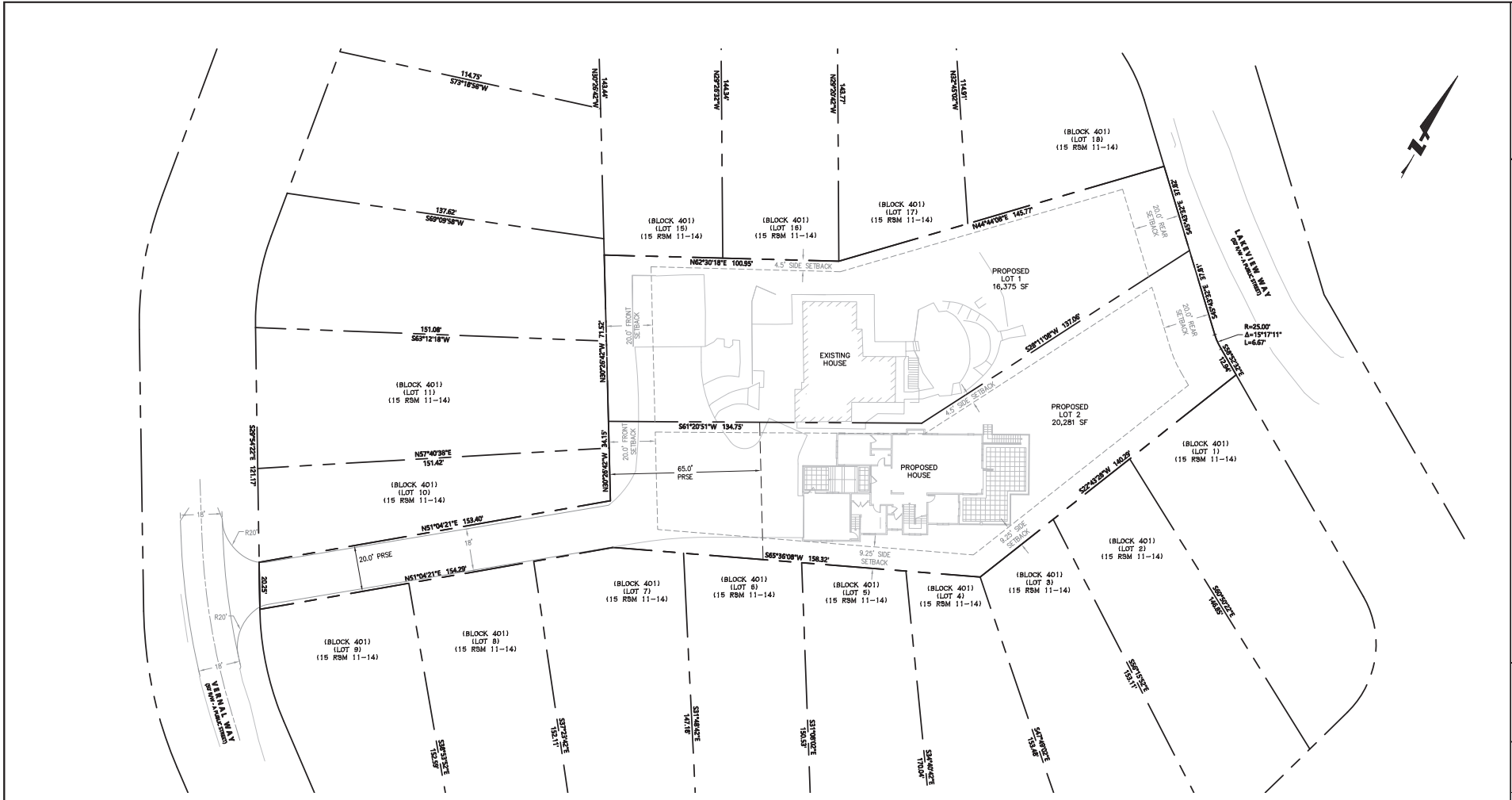


WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere  
 © Latitude Geographics Group Ltd.

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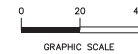
This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

**THIS MAP IS NOT TO BE USED FOR NAVIGATION**



**EASEMENT NOTES:**

1. PRIVATE STREET EASEMENT (PRSE) FOR INGRESS/EGRESS, UNDERGROUND UTILITIES, AND EMERGENCY VEHICLE ACCESS FOR THE BENEFIT OF LOT 1.



Date	Revisions	No.
12/15/2022		
Scale: 1" = 20'		
Design: DUL		
Check: DUL		
Drawn: DUL		
Job No: 2022090		

Drawing Number:  
**C-1**  
OF

**RESOLUTION NO. 16177**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY AUTHORIZING APPLICATION TO THE LOCAL AGENCY FORMATION COMMISSION REQUESTING APPROVAL FOR EXTENSION OF WATER SERVICES TO 715 VERNAL WAY (APN 068-053-240) OUTSIDE JURISDICTIONAL BOUNDARIES PURSUANT TO GOVERNMENT CODE SECTION 56133**

**WHEREAS**, the property located at 715 Vernal Way, APN 068-053-240 (the "Property"), Unincorporated San Mateo County, California is outside the jurisdictional boundaries of the City of Redwood City (the "City"), but inside the City's sphere of influence and water service area; and

**WHEREAS**, the County of San Mateo is processing an application for the construction of a new single-family home on the Property; and

**WHEREAS**, the County of San Mateo's approval of the building permits is conditioned upon the property owner obtaining a new water connection and service for the proposed residence from the City; and

**WHEREAS**, the property owner has requested that the City provide water services to the proposed single-family home on the Property; and

**WHEREAS**, the California Environmental Quality Act (CEQA) does not apply to this project because CEQA does not apply to ministerial projects; the proposed project is a ministerial project pursuant to Senate Bill 9 (California Government Code Section 66411.7). This project is also categorically exempt under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15303(d) (New Construction or Conversion of Small Structures).

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF REDWOOD CITY, AS FOLLOWS:**

1. The City Manager or their designee is hereby authorized to submit an application to the Local Agency Formation Commission ("LAFCo") requesting approval of an extension of the water service outside the City's jurisdictional boundaries, and within the City's sphere of influence and water service area to 715 Vernal Way, Unincorporated San Mateo County, California (APN 068-053-240) pursuant to California Government Code Section 56133 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

2. The water service connection proposed for the single-family residence at the property is subject to the following conditions and fees:

- a. LAFCo approval of the application for the proposed water service connection;
- b. Property owner's payment of LAFCo fees;
- c. After approval of the construction drawings by the San Mateo County Building Department and upon application for new water service, property owner's payment of all applicable Redwood City fees, including connection fees associated with providing proposed water service;
- d. Property owner's payment of the City's water service annexation fees;
- e. Property owner's installation of new water service lines;
- f. Property owner is responsible for the design, construction, and connection of any water main modifications or extensions necessary to provide adequate flow for domestic use and fire suppression, in accordance with City Code Section 38.26 and as determined by the City and the Fire Marshal within the local jurisdiction;
- g. Property owner shall pay the fees for any construction permit in connection with improvements for new water service and shall pay associated costs for plan review and inspections;
- h. Property owner shall obtain a City encroachment permit for work relating to the water line connection;
- i. Property owner shall adhere to all the review comments and conditions of service stated by the City; and
- j. Property owner shall execute a Declaration of Restriction and record it with the County of San Mateo.

3. The Local Agency Formation Commission (LAFCo) of San Mateo County is hereby requested to take proceedings in the manner provided by California Government Code Section 56133.

\* \* \*



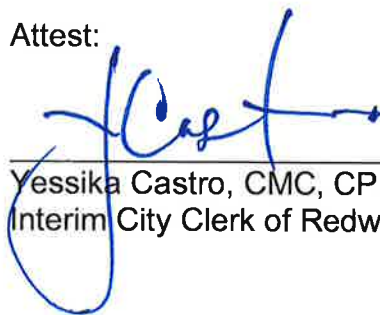
Passed and adopted by the Council of the City of Redwood City at a  
Joint City Council/Successor Agency Board/Public Financing Authority Meeting  
thereof held on the 11th day of September 2023 by the following votes:

AYES: Aguirre, Eakin, Howard, Martinez Saballos, Sturken, Vice  
Mayor Espinoza-Garnica, and Mayor Gee  
NOES: None  
ABSENT: None  
ABSTAINED: None  
RECUSED: None



Jeff Gee  
Mayor of the City of Redwood City

Attest:



Yessika Castro, CMC, CPMC  
Interim City Clerk of Redwood City

I hereby approve the foregoing resolution this  
12<sup>th</sup> day September 2023.



Jeff Gee  
Mayor of the City of Redwood City

RESO. # 16177  
MUFF # 304

**RECORDING REQUESTED BY AND  
AFTER RECORDING MAIL TO:**

**LOCAL AGENCY FORMATION COMMISSION  
455 COUNTY CENTER  
REDWOOD CITY, CA 94063**

**With a copy to:  
CITY CLERK  
CITY OF REDWOOD CITY  
P.O. BOX 391  
1017 MIDDLEFIELD ROAD  
REDWOOD CITY, CA 94064**

**APN: 068-053-240**

**SPACE ABOVE RESERVED FOR RECORDER'S USE  
Exempt from recording fee per Gov. Code § 27383.**

**DECLARATION OF RESTRICTION**

**THIS DECLARATION OF RESTRICTION** (“Declaration”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by the Property Owner(s), Todd Weidmer, (“Owner”).

**WITNESSETH:**

**WHEREAS**, Owner owns all that certain real property situated in the County of San Mateo, State of California, commonly known as APN 068-053-240, 715 Vernal Way (the “Property”), as more particularly described in Exhibit “A,” attached hereto and incorporated herein by this reference; and

**WHEREAS**, the Property is located outside the jurisdictional boundaries of the City of Redwood City, a charter city and municipal corporation of the State of California, (“City”), and not contiguous to the City’s boundary, but within the City’s Sphere of Influence as determined by the San Mateo County Local Agency Formation Commission (the “Commission”); and

**WHEREAS**, on September 11,, 2023, the City Council of the City adopted Resolution No. \_\_\_\_\_, authorizing the application by the City to the Commission requesting approval for extension of water service to serve a new single family residence on the Property pursuant to Government Code Section 56133 and in compliance with Redwood City Municipal Code Chapter 38 (Water System Regulations); and

**WHEREAS**, as a condition to said water service connection, the Commission required the Owner to evidence consent to annexation to City and waiver of protest to such annexation in the event the Property were to be proposed for annexation to City; and

**WHEREAS**, Owner desires to evidence such consent and waiver; and

**WHEREAS**, Owner understands that any future annexation to City is subject to any and all City rights and determinations, whether legislative, quasi-judicial, administrative, or however characterized, with respect to any proposed annexation of the Property to City.

**A G R E E M E N T :**

**NOW, THEREFORE, OWNER AGREES AS FOLLOWS:**

1. **CONSENT**. In the event that the Property shall be proposed for annexation to the City, Owner hereby consents to said annexation, and hereby waives Owner's rights to protest such annexation pursuant to the provisions of law governing such annexations.

2. **TAXES, OTHER CHARGES**. In the event annexation of the Property to City shall be duly approved by all agencies having jurisdiction thereof, Owner agrees that the Property shall be subject to any and all general, special, extraordinary, or additional taxes or assessments or any and all general, special extraordinary, or additional service charges, fees, or rates, levied against, imposed upon, or otherwise pertaining to the Property by any and all agencies, including the City, having jurisdiction thereof in the same fashion as other like property located within the territorial limits of City.

3. **SUCCESSORS**. This Declaration and all of the terms, conditions, covenants and declarations herein contained shall be binding upon, and shall inure to the benefit of, Owner, and Owner's administrators, heirs, assigns, and transferees.

4. **RUNS WITH THE LAND; RECORDATION**. This Declaration pertains to and shall run with the Property. Upon execution, this Declaration shall be recorded in the Official Records of San Mateo County.

5. **CAPTIONS**. Paragraph headings as used herein are for convenience only and shall not be deemed to affect the meaning or intent of the paragraph headed thereby.

*[Signature page follows]*

IN WITNESS WHEREOF, Owner has executed this Declaration the date and year first hereinabove written.

**OWNER**

\_\_\_\_\_  
Todd Weidmer, Owner

Date: \_\_\_\_\_

***[Signature must be notarized]***

**EXHIBIT "A"**  
**Legal Description**

All that certain property situated in the County of San Mateo, State of California, more particularly described as follows:

**BEING LOT 19 AND A PORTION OF LOT 10, BLOCK 401, AS SHOWN ON THAT CERTAIN MAP ENTITLED "HIGHLANDS OF EMERALD LAKE SUBDIVISION FOUR", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JANUARY 19, 1927 IN BOOK 15 OF MAPS AT PAGE(S) 11, 12, 13 AND 14, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 10, SAID POINT LYING ON THE NORTHEASTERLY LINE OF VERNAL WAY, AS SHOWN ON SAID MAP; THENCE NORTHWESTERLY ALONG LAST SAID LINE NORTH 31°45' 00" WEST 20.27 FEET TO THE INTERSECTION WITH A LINE WHICH LIES PARALLEL TO, AND 20.00 FEET, BY PERPENDICULAR MEASURE, NORTHWESTERLY OF, THE SOUTHEASTERLY LINE OF LAST SAID LOT 10; THENCE LEAVING SAID NORTHEASTERLY LINE OF VERNAL WAY, NORTHEASTERLY ALONG SAID PARALLEL LINE, NORTH 48° 53' 57" EAST 153.53 FEET ON THE NORTHWESTERLY LINE OF SAID LOT 10; THENCE SOUTHEASTERLY ALONG LAST SAID LOT LINE, SOUTH 32°17' 20" EAST 20.24 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 10; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID LOT 10, SOUTH 48° 53' 57" WEST 153.72 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE LOT LINE ADJUSTMENT RECORDED AUGUST 26, 1999 INSTRUMENT NO. 1999-147134 OF OFFICIAL RECORDS.**

**JPN: 068-005-053-02A AND 068-005-053-12A .**

APN 068-053-240

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

September 13, 2023

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** Consideration of Municipal Service Review Circulation Draft for the City of Burlingame

## Summary and Background

LAFCo prepared comprehensive Sphere of Influence (SOI) studies and adopted SOIs for cities and special districts in 1985 and has subsequently reviewed and updated spheres on a three-year cycle. Updates focused on changes in service demand within the boundaries of cities and special districts. After enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and the new requirement to prepare MSRs in conjunction with or prior to SOI updates, LAFCo began the process of preparing Municipal Service Review (MSR) and SOI updates in late 2003. This Circulation Draft Municipal Service Review is the first MSR for the City of Burlingame.

The City of Burlingame (the City or Burlingame) was incorporated on June 6, 1908. As of 2020, the population of Burlingame is 31,386<sup>1</sup>. Burlingame's sphere of influence spans approximately 5.8 square miles, of which 4.4 miles consist of developable land, including unincorporated Burlingame Hills, eight parcels west of Skyline Boulevard and six parcels southwest of Skyline Boulevard. The remaining 1.4 square miles include Mills Canyon Preserve and the San Francisco Bay.

The City provides the following municipal services: law enforcement, parks and recreation, library, streets, lighting, water, wastewater and storm drain and flood control. Fire protection is provided by Central County Fire Department (CCFD), a joint powers agreement (JPA) with the Town of Hillsborough.

<sup>1</sup> US Census Bureau <https://www.census.gov/quickfacts/fact/table/burlingamecitycalifornia/PST045222>

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

The City's revenue was impacted by the COVID-19 pandemic and is slowly recovering. Although the City has needed to draw down on its reserves over the past three years, it has been able to maintain a healthy reserve and continue to meet service demands.

### **Current Key Issues**

Key issues identified in compiling information on the City of Burlingame include the following:

- Unincorporated Burlingame Hills is within the City's SOI and currently receives water service from Burlingame. A County-led study is currently evaluating governance options for the County governed Burlingame Hills Sewer Maintenance District that includes evaluating contracting for services with the City or the potential of annexing the area to the City of Burlingame and dissolving the District.
- The Central County Fire Department (which provides service to Hillsborough, Burlingame, and Millbrae) recently published a Community Risk Assessment/Standards of Care & Deployment Analysis that made several recommendations, including the development of a capital improvement plan for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.
- The City of Burlingame's revenue is slowly recovering from the COVID-19 pandemic; however, revenue from the City's transit occupancy task (TOT), one of the City's primary revenue sources, has not returned to pre-pandemic levels.
- LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

### **Proposed MSR Recommendations**

As required by State law, there are seven areas of determination, including local policies as set forth in Section 56430.

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities<sup>2</sup> within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.

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<sup>2</sup> "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. This area of determination does not apply to the study area.

6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.
  - a. Water Resiliency and Climate Change
  - b. Impact of Natural Hazards and Mitigation Planning

For the Circulation Draft, LAFCo has the following determinations and recommendations:

### **1. Growth and Population Determination**

Currently, there are an estimated 13,170 housing units in the City of Burlingame. Burlingame's draft housing element proposes to add 3,257 housing units to the City's housing stock, which represents a 25% increase in housing production over the next decade. However, the City General Plan largely evaluated this potential future growth. The City has identified deficiencies in its water, wastewater and storm drainage infrastructure and has prioritized and allocated funding for capital improvement projects.

### **2. Disadvantaged Unincorporated Communities Determination**

The City provides water service outside of its boundaries to unincorporated Burlingame Hills and to an unincorporated area to the southwest of the City along Skyline Boulevard. The County supports the unincorporated areas with sewer service and street and sidewalk maintenance. These two unincorporated areas within the Sphere of Influence of the City of Burlingame are not considered disadvantaged unincorporated communities.

### **3. Capacity and Adequacy of Public Facilities and Services Determination and Recommendations**

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The City routinely adopts a 5-Year Capital Improvement Plan (CIP) for City owned infrastructure and facilities.

Fire protection services are provided by the Central County Fire Department, a Joint Powers Agreement (JPA) between the City of Burlingame and Town of Hillsborough. In March 2023, CCFD published a Community Risk Assessment/Standards of Care & Deployment Analysis that made several recommendations, including the development of a capital improvement plan for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

#### *Recommendations -*

1. In alignment with the Draft Burlingame Hills Sewer Maintenance District Operations and Governance Options Study, the City should continue to explore potential opportunities for shared services or governance changes related to the Burlingame Hills Sewer Maintenance District. This could include the operation of the District by the City or the eventual annexation of unincorporated Burlingame Hills into the City of Burlingame.



2. The City should partner with the Town of Hillsborough to review the recommendations in the CCFD Community Risk Assessment to prepare a capital improvement plan and CIP budget for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

#### **4. Financial Ability Determination and Recommendations**

The California State Auditor has a risk indicator for the fiscal health of California cities. In FY 20-21, the City of Burlingame had a score of 59.2 out of 100 points (higher is better) and on a rating scale of “low”, “moderate”, and “high” risk, the City of Burlingame is classified as “moderate”. Debt burden, revenue trends, future pension costs and OPEB funding are the key City finance issues.

Like many cities in the County, the City continues to address maintaining current levels of services as costs continue to rise. To address pension costs, the City established a CalPERS Stabilization Reserve to address changes to the CalPERS pension requirements and any reduction in CalPERS investment returns. The City Council and staff are dedicated to prudent fiscal management to ensure the continued financial health of the City.

The City is aware of these financial liabilities and a comprehensive MSR is unlikely to contribute additional valuable information.

#### **5. Shared Service and Facilities Determination and Recommendations**

The City of Burlingame partners with other organizations to share project costs and services with other governments. It shares services through being a member of several JPAS, including JPAs with the Central County Fire Department and South Bayside Waste Management Authorities. LAFCo has not identified additional opportunities for the Town to share services or facilities with neighboring over overlapping organizations.

#### **6. Accountability, Structure, and Efficiencies Determination**

There are no recommended changes to the organization’s governmental structure or operations that will increase accountability and efficiency. In 2022, the Burlingame City Council adopted an ordinance to transition to by-district elections. The City has ample staff with subject matter capacity. The City has comprehensive policies regarding investment policy, debt management, credit card usage, purchasing, project accounting, and budget transfer requests. The City also has personnel, general and administrative policies; City Council member and meetings policies. The City performs annual independent audits and audits are reviewed at a City Council meeting.

#### **7. Other Issues Determinations and Recommendations**

The City is engaged in activities to address natural hazard mitigation and sea level rise for residents, businesses, and infrastructure.

##### *Recommendation -*

1. LAFCo encourages the City to continue its work in the areas of natural hazard mitigation and sea level rise and continue to coordinate with partner agencies.

### **Sphere of Influence Determination**

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(e)):

**1. The present and planned land uses in the area, including agricultural and open-space lands.**

Burlingame’s sphere of influence spans approximately 5.8 square miles, of which 4.4 miles consist of developable land and the remaining 1.4 include Mills Canyon Preserve and the San Francisco Bay. The City is bordered by Millbrae to the north; San Francisco Bay to the east; San Mateo, Hillsborough, and unincorporated Burlingame Hills to the south; and a portion of Burlingame Hills and another unincorporated area to the west. The City’s land use is primarily residential with two major commercial areas and an auto row. There is no agricultural land within Burlingame’s SOI.

**2. The present and probable need for public facilities and services in the area.**

The City’s facilities and services meet the current need of the area, and the City anticipates that it will be able to adequately provide facilities and services for the projected growth that may occur within its boundaries.

**3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The City routinely adopts and dedicates funding to a Capital Improvement Plan (CIP) for City owned infrastructure and facilities.

**4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.**

There are no social or economic communities of interest within the City of Burlingame’s SOI.

**5. For an update of a SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

No change to the Sphere of Influence of the City of Burlingame is proposed at this time.

### **Public/Agency Involvement**

The primary source of information used in this MSR has been information collected from agency staff and adopted plans, budget, reports, policies, etc. On August 31, 2023, a Notice of Public Hearing for the Draft MSR was released by LAFCo and published in the San Mateo County Times. In addition, notices were sent to every “affected agency”, meaning all other agencies and school districts with overlapping service areas. LAFCo staff will also be holding a virtual workshop for the public during the comment period.

### **Environmental Review/CEQA**

The MSR is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for the of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The MSR collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The MSR is also exempt from CEQA under the section 15061(b)(3), the common sense provision, which state that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

The MSR and SOI update will not have a significant effect on the environment as there are no land use changes associated with the documents.

### **Recommendation**

1. Open the public hearing and accept public comment.
2. Provide Commissioner comment.
3. Direct the Executive Officer to schedule the Final Municipal Service Review for the City of Burlingame for a public hearing at the next Commission meeting, and circulate it with any necessary amendments to the County, cities, and independent special districts.

### **Attachment**

- A. Municipal Service Review Circulation Draft for the City of Burlingame



# **Municipal Service Review and Sphere of Influence Review for the City of Burlingame**

**Circulation Draft**

**Released September 13, 2023**

Municipal Service Review and Sphere of Influence Review for the City of Burlingame

**SUBJECT AGENCY:**

**City of Burlingame**

501 Primrose Road

Burlingame, CA 94010

Contact: Lisa K. Goldman, City Manager

**CONDUCTED BY:**

San Mateo Local Agency Formation Commission

455 County Center, 2<sup>nd</sup> Floor

Redwood City, CA 94063

(650) 363-4224

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Rob Bartoli, Executive Officer

Sofia Recalde, Management Analyst

Angela Montes, Commission Clerk

Tim Fox, Legal Counsel

**LAFCo Municipal Service Review  
and Sphere of Influence Update  
City of Burlingame**

Table of Contents

**EXECUTIVE SUMMARY..... 2**

**Section 1: MSR Overview..... 2**

    San Mateo Local Agency Formation Commission ..... 3

    Local Government in San Mateo County..... 3

    Purpose of a Municipal Service Review/Sphere of Influence Update..... 3

**Section 2. Summary of Key Issues ..... 5**

**Section 3: Affected Agencies..... 5**

**Section 4: City of Burlingame..... 6**

    Background & Overview ..... 6

    1) Growth and Population..... 8

    2) Disadvantaged Unincorporated Communities ..... 11

    3) Capacity and Adequacy of Public Facilities and Services ..... 12

    5) Shared Service and Facilities..... 32

    6) Accountability, Structure, and Efficiencies ..... 34

    7) Other ..... 36

**Section 5. Sphere of Influence Review and Update..... 38**

    Determinations..... 38

**Appendix A. City of Burlingame Fact Sheet..... 40**

**Appendix B. References ..... 41**

## **EXECUTIVE SUMMARY**

The following Municipal Service Review (MSR) focuses on City of Burlingame. The City of Burlingame (the City or Burlingame) was incorporated on June 6, 1908. As of 2020, the population of Burlingame is 31,386<sup>1</sup>. Burlingame’s sphere of influence spans approximately 5.8 square miles, of which 4.4 miles consist of developable land, including unincorporated Burlingame Hills, eight parcels west of Skyline Boulevard and six parcels southwest of Skyline Boulevard. The remaining 1.4 square miles include Mills Canyon Preserve and the San Francisco Bay.

The City provides the following municipal services: law enforcement, parks and recreation, library, streets, lighting, water, wastewater and storm drain and flood control. Fire protection is provided by Central County Fire Department (CCFD), a joint powers agreement (JPA) with the Town of Hillsborough.

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

Burlingame current SOI encompasses approximately 193 acres, including the Unincorporated Burlingame Hills area and two unincorporated pockets along Skyline Boulevard. There is no proposed change to the designation SOI for the City of Burlingame

### **Section 1: MSR Overview**

This report is a Municipal Service Review (MSR) and Sphere of Influence (SOI) update for the City of Burlingame (City). California Government Code Section 56430 requires that the Local Agency Formation Commissions (LAFCos) complete MSRs and SOI reviews on all cities and special districts. LAFCo is an independent entity with jurisdiction over the boundaries of cities and special districts. An SOI is a plan for the boundaries of a city or special district. The MSR and SOI update do not represent a proposal<sup>2</sup> for reorganization of agencies, but rather a State-mandated study of service provisions of an agency.

Once adopted, the service review determinations are considered in reviewing and updating the SOI pursuant to Section 56425. The SOI, which serves as the plan for boundaries of a special district, is discussed in the second part of this report. This State-mandated study is intended to identify municipal service delivery challenges and opportunities and provides an opportunity for the public and affected agencies to comment on city, county, or special district services and finance; and opportunities to share resources prior to LAFCo adoption of required determinations.

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<sup>1</sup> US Census Bureau <https://www.census.gov/quickfacts/fact/table/burlingamecitycalifornia/PST045222>

<sup>2</sup> An application for annexation may be submitted by 5 percent of the voters or landowners of territory proposed for annexation or by resolution of the District.

### San Mateo Local Agency Formation Commission

San Mateo Local Agency Formation Commission (LAFCo or “the Commission”) is a State-mandated, independent commission with county-wide jurisdiction over the boundaries and organization of cities and special districts including annexations, detachments, incorporations, formations, and dissolutions. LAFCo also has authority over extension of service outside city or district boundaries and activation or divestiture of special district powers. Among the purposes of the Commission are discouraging urban sprawl, preserving open space and prime agricultural lands, planning for the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. LAFCo operates pursuant The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) contained in Government Code Sections 56000 and 57000. The Commission includes two members of the County Board of Supervisors, two members of city councils from the 20 cities, two board members of 21 of the 22 independent special districts, a public member, and four alternate members (county, city, special district, and public).

LAFCo prepared comprehensive SOI studies and adopted SOIs for cities and special districts in 1985 and has subsequently reviewed and updated spheres on a three-year cycle. Updates focused on changes in service demand within the boundaries of cities and special districts. After enactment of the CKH Act and the new requirement to prepare MSRs in conjunction with or prior to SOI updates, LAFCo began the process of preparing MSR and SOI updates in late 2003. Studies were first prepared on sub-regional and County-wide independent special districts, followed by South County cities and special districts.

### Local Government in San Mateo County

Municipal service providers in San Mateo County include the County, 20 cities, 22 independent special districts, five subsidiary districts governed by city councils, and 33 County-governed special districts. It merits emphasis that the County plays a dual role that differs from cities or districts. Districts provide a limited set of services based on enabling legislation, while cities generally provide basic services such as police and fire protection, sanitation, recreation programs, planning, street repair, and building inspection. The County, as a subdivision of the State, provides a vast array of services for all residents, including social services, public health protection, housing programs, property tax assessments, tax collection, elections, and public safety. Along with independent water, sewer, and fire districts, the County also provides basic municipal services for residents who live in unincorporated areas. According to Census 2020 data, 63,205 of the County’s total 765,417 residents live in unincorporated areas.

### Purpose of a Municipal Service Review/Sphere of Influence Update

This MSR/SOI Update examines the City of Burlingame.

LAFCo prepares the MSR and SOI update based on source documents that include Adopted Budgets, Basic Financial Reports and Audits, Capital Plans, Urban Water Management Plans, and Planning Documents, including the General Plan. Draft MSRs and SOI updates are then circulated to the agencies under study, interested individuals and groups. The Final MSR and SOI update will include comments on the circulation draft and recommended determinations



for Commission consideration. MSR determinations must be adopted before the Commission updates or amends an SOI.

Per Section 56430, the areas of MSR determination include:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities<sup>3</sup> within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.
  - a. Water Resiliency and Climate Change
  - b. Impact of Natural Hazards and Mitigation Planning

Sphere of Influence Determinations:

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425):

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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<sup>3</sup> “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. This area of determination does not apply to the study area.

### Disadvantaged Unincorporated Communities

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of MSR determination #35 and SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited, unincorporated territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income. City of Burlingame does not have any disadvantaged unincorporated communities within its SOI.

### Section 2. Summary of Key Issues

- Unincorporated Burlingame Hills is within the City’s SOI and currently receives water service from Burlingame. A County-led study is currently evaluating governance options for the County governed Burlingame Hills Sewer Maintenance District that includes evaluating contracting for services with the City or the potential of annexing the area to the City of Burlingame and dissolving the District.
- The Central County Fire Department (which provides service to Hillsborough, Burlingame, and Millbrae) recently published a Community Risk Assessment/Standards of Care & Deployment Analysis that made several recommendations, including the development of a capital improvement plan for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.
- The City of Burlingame’s revenue is slowly recovering from the COVID-19 pandemic; however, revenue from the City’s TOT, one of the City’s primary revenue sources, has not returned to pre-pandemic levels.
- LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

### Section 3: Affected Agencies

**County and Cities:** City of Burlingame and San Mateo County

**School District:** Burlingame School District, San Mateo Union High School, and San Mateo Community College District

**Independent Special Districts:** San Mateo County Harbor District, San Mateo County Mosquito & Vector Control District, and Peninsula Healthcare District

**Dependent Special Districts:** Burlingame Hills Sewer Maintenance District

## **Section 4: City of Burlingame**

### **Background & Overview**

The City of Burlingame (the City or Burlingame) was incorporated on June 6, 1908. As of 2020, the population of Burlingame is 31,386.<sup>4</sup> Burlingame’s sphere of influence spans approximately 5.8 square miles, of which 4.4 miles consist of developable land and the remaining 1.4 include Mills Canyon Preserve and the San Francisco Bay. The Burlingame train station, built in 1894, allowed for east access to summering San Francisco families. The train route also allowed housing development to flourish between 1910 and 1940, transforming Burlingame into a traditional commuter suburb, with neighborhoods organized along compact grids of tree-lined streets. Housing development since 1960 has been modest, as has population growth, but commercial development increased in the 1960s and 1970s due to proximity to the San Francisco Airport.<sup>5</sup> Median household income in Burlingame is comparable to other cities in the region (\$150,182, compared to a Countywide median of \$131,769) but has higher shares of households in the highest and lowest income brackets compared to other cities<sup>3,6</sup>. Almost half of Burlingame’s housing stock is multi-family housing, and more than 50% of units are renter occupied, which is a more even split between renters-owners than in other neighboring communities.

### **Boundaries**

The City is bordered by Millbrae to the north; San Francisco Bay to the east; San Mateo, Hillsborough, and unincorporated Burlingame Hills to the south; and a portion of Burlingame Hills, the town of Hillsborough and another unincorporated area to the west. The City’s land use is primarily residential with two major commercial areas and an auto row.

Burlingame operates under the Council-City Manager form of government. Until recently, the 5 Councilmembers were elected at large. On January 18, 2022, the City Council adopted an ordinance to transition to by-district elections. Councilmembers were elected to Districts 1, 3 and 5 in the November 2022 election, and Districts 2 and 4 will be on the ballot during the November 2024 election.

City Council meets every first and third Monday of the month at 7pm. The Council met virtually during the COVID-19 public health state of emergency and has resumed in-person meetings in the Burlingame Council Chambers while also making virtual attendance an option for members of the public and interested parties.

Burlingame current SOI encompasses approximately 193 acres, including the Unincorporated Burlingame Hills area and two unincorporated pockets along Skyline Boulevard. These boundaries can be seen in Attachment A.

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<sup>4</sup> US Census Bureau, City of Burlingame 2020 U.S. Census Bureau Profile

<sup>5</sup> City of Burlingame General Plan, Chapter II. Community Context, Nov. 2019

<sup>6</sup> US Census Bureau, County of San Mateo 2020 U.S. Census Bureau Profile

Unincorporated Burlingame Hills borders the City of Burlingame on the south and west side of the City and consists of approximately 432 households with annual household incomes similar to households in the City. Residents of Burlingame Hills are represented by the County of San Mateo Board of Supervisors.

### Municipal Services

SERVICE	RESPONSIBLE AGENCY
<b><i>Public Safety</i></b>	
Police protection	City of Burlingame
Fire protection	Central County Fire Department (JPA)
Emergency Medical Service	Central County Fire Department/American Medical Response (JPA with Town of Hillsborough and JPA with the San Mateo County Pre-Hospital Emergency Services Group)
Traffic enforcement	City of Burlingame
Animal Control	Peninsula Humane Society & SPCA
<b><i>Utilities</i></b>	
Water distribution	City of Burlingame
Wastewater collection	City of Burlingame Burlingame Hills Sewer Maintenance District – County Governed District (unincorporated Burlingame Hills)
Wastewater treatment	City of Burlingame
Electricity	Pacific Gas & Electric (PG&E) Peninsula Clean Energy (PCE)
Natural Gas	PG&E
Solid Waste Collection & Disposal	Recology San Mateo
Solid Waste Disposal	Recology San Mateo
Stormwater drainage and flood control	City of Burlingame County Department of Public Works (unincorporated Burlingame Hills)
Street Maintenance	City of Burlingame County Department of Public Works (unincorporated Burlingame Hills)
Street Lighting	City of Burlingame San Mateo County (unincorporated Burlingame Hills)
<b><i>Community Services</i></b>	
Parks and recreation	City of Burlingame
Library	City of Burlingame
Mosquito abatement and vector control	San Mateo County Mosquito and Vector Control District

Public transportation	SamTrans Caltrain  Free shuttles managed by Commute.org <ul style="list-style-type: none"> <li>• Burlingame Bayside Area Shuttle</li> <li>• Burlingame Point</li> <li>• Millbrae</li> <li>• Burlingame Commuter Shuttle</li> </ul>
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The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages. If most or all of the determinations are not significant, as indicated by “no” answers, the Commission may find that an MSR update is not warranted.

	Growth and Population		Disadvantaged Unincorporated Communities
	Capacity, Adequacy & Infrastructure to Provide Services		Financial Ability
	Shared Services		Accountability, Structure, and Efficiencies
	Other		

1) Growth and Population

Growth and population projections for the affected area.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?			X
b) Will population changes have an impact on the subject agency’s service needs and demands?			X
c) Will projected growth require a change in the agency’s service boundary?			X

**Discussion**

- a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?

As of 2020 the population of Burlingame is 31,386, representing 4% of San Mateo County residents. Between 2000 and 2020, the population of Burlingame increased 12%, more than the 9% growth experienced by the County during that period. The housing stock also increased 12%

to over 13,000 units over roughly that same period. Much of this housing development occurred between 2013 and 2021 with the approval of several large multifamily residential projects and the adoption of a General Plan.<sup>7</sup>

The Association of Bay Area Governments (ABAG), the agency responsible for forecasting population, housing and economic trends in the nine Bay Area counties, in coordination with the California Department of Housing and Community Development (HCD) estimates the housing need for the region and allocates a portion of projected need to every jurisdiction. In collaboration with Bay Area partner agencies, non-profit organizations and residents, ABAG developed Plan Bay Area 2050, a long-range regional plan that, among other activities, projects the population growth of each region throughout the Bay Area. Plan Bay Area 2050 anticipates that Central San Mateo County, which includes the City of Burlingame, will increase its population by 39% from 87,000 households in 2015 to 121,000 households in 2050.

To accommodate the projected growth, cities and counties throughout the State are updating their housing elements every eight years to accommodate the regional housing need assessment (RHNA) allocation for the upcoming cycle. The County and the cities in San Mateo County are currently in the process of updating their Housing Elements to be consistent with the RHNA allocations. The Housing Element is a required component of a city's or county's General Plan, and the RHNA allocations for each cycle may require an update to zoning ordinances to demonstrate how it plans to meet the housing needs in its community.

In its most recent RHNA cycle, ABAG allocated 3,257 units to the City of Burlingame. The City is required to identify appropriately zoned developable or re-developable land to accommodate 3,257 new housing units by 2031.

#### Distribution of RHNA allocation for Housing Element

Income Level	RHNA 2013-2022	RHNA 2023-2031	RHNA Housing Elements Site Inventory	Projects in the pipeline as of 1/31/23	Difference
Very Low Income (50% Average Median Income [AMI])	276	863	900	147	+184
Low Income (60% AMI)	144	497	386	188	+77
Moderate Income (80% AMI)	155	529	434	72	-23
Above Moderate Income (120% AMI)	288	1,368	1,065	2,005	+1,702
<b>Total:</b>	863	3,257	2,785	2,412	+1,940

*Envision Burlingame*, the City's 2019 General Plan update, accommodates a buildout of 36,600 residents (up from approximately 31,000 in 2020) that plans for 2,951 new housing units and 9,731 jobs. The City's RHNA allocation is 306 units more than identified in *Envision Burlingame*.

<sup>7</sup> City of Burlingame, Second Draft 2023-2031 Housing Element – September 6, 2023, [https://cms6.revize.com/revize/burlingamecity/document\\_center/Planning/Draft%202023-2031%20Housing%20Element%20-%20Draft%202020-%2009-11-23.pdf](https://cms6.revize.com/revize/burlingamecity/document_center/Planning/Draft%202023-2031%20Housing%20Element%20-%20Draft%202020-%2009-11-23.pdf)

Most of this growth is targeted in the North Burlingame area, North Rollins Road and downtown, providing opportunities for higher density housing close to transit (BART and Caltrain). Affordable housing for all income levels is planned for, and specifically included in the *Downtown Specific Plan*, the *North Rollins Specific Plan* and the Draft Housing Element.

Approximately 2,681 housing units are currently in the pipeline for development, and as part of the Housing Element update the City of Burlingame has identified an additional 2,834 sites for development. The combined planned development and potential sites would meet all of the RHNA housing goals.<sup>8</sup>

- b) Will the population changes have an impact on the subject agency's service needs and demands?

As of 2020, there are 13,170 housing units in the City of Burlingame. Burlingame's draft housing element proposes to add 3,257 housing units to the City's housing stock, which represents a 25% increase in housing production over the next decade. The City's RHNA projects 306 additional housing units beyond what is projected in *Envision Burlingame*. The City is preparing an addendum to the General Plan Environmental Impact Report (EIR) to evaluate whether the additional 306 units would create further environmental impacts. According to the City, their preliminary analysis does not reveal significant impacts and there is adequate capacity to accommodate the additional units. The addendum to the EIR is anticipated to be completed by November 2023.

- c) Will projected growth require a change in the agency's service boundary?

The City of Burlingame is largely developed, and per *Envision Burlingame*, residential development is expected to occur within the existing boundaries of the City and will be focused in three areas, including the Downtown, North Rollins Road and the north end of El Camino Real. Commercial growth is anticipated in the Bayfront, but residential development is not planned in that area. In addition, the *Envision Burlingame* plans for the efficient and sustainable delivery of municipal services to its residents as it grows. The City has identified deficiencies in its water, wastewater and storm drainage infrastructure and has prioritized and allocated funding for capital improvement projects, such as the replacement and rehabilitation of aging pipelines and storm drainage system, improvements to the wastewater treatment plant and emergency water storage tank expansion, to ensure viability of these services.<sup>9</sup>

### **Growth and Population MSR Determination**

Currently, there are an estimated 13,170 housing units in the City of Burlingame. Burlingame's draft housing element proposes to add 3,257 housing units to the City's housing stock, which represents a 25% increase in housing production over the next decade. However, the City General Plan largely evaluated this potential future growth. The City has identified deficiencies

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<sup>8</sup>City of Burlingame, *Second Draft 2023-2031 Housing Element – September 6, 2023 2*

<sup>9</sup>City of Burlingame, *Envision Burlingame*, <https://www.envisionburlingame.org/>

in its water, wastewater and storm drainage infrastructure and has prioritized and allocated funding for capital improvement projects.

2) Disadvantaged Unincorporated Communities

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?			X
b) Are there any “inhabited unincorporated communities” within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the statewide median household income)?			X
c) If “yes” to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if “no” to either a) or b), this question may be skipped)?			X

**Discussion:**

- a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?

The City of Burlingame provides water services for unincorporated Burlingame Hills and an unincorporated area to the southwest of the City along Skyline Boulevard. Wastewater services are provided to these areas through the County operated Burlingame Hills Sewer Maintenance District and by on-site septic systems. In FY22-23, the annual sewer service fee for each residential unit equivalent is \$1,892 and will increase to \$1,982 in FY23-24.<sup>10</sup> Fire protection within the City is provided by Central County Fire Department (CCFD), a Joint Powers Agreement between the City of Burlingame and the Town of Hillsborough. CCFD also provides contract service to the City of Millbrae.

Other municipal services in the unincorporated area such police, fire, emergency medical services, road maintenance and storm drain maintenance are provided by the County. The unincorporated area is within the boundaries of the City of Burlingame.

- b) Are there any inhabited unincorporated communities within or adjacent to the subject agency’s sphere of influence that are considered disadvantaged (80% or less of the statewide median household income)?

<sup>10</sup> County of San Mateo Public Works, Sewer Service Rate Information, <https://www.smcgov.org/publicworks/ssr>



The inhabited unincorporated areas within Burlingame’s sphere of influence include Burlingame Hills, eight parcels west of Skyline Boulevard, and six parcels southwest of Skyline Boulevard. Based on available US Census data, these areas exceed the income threshold and do not qualify as disadvantaged unincorporated communities.

- c) If yes to both, is it feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community?

Not applicable as these two unincorporated areas within the Sphere of Influence of the City of Burlingame are not considered disadvantaged unincorporated communities. The majority of the parcels in the SOI already receive municipal level services, including fire protection, water, and sewer.

**Disadvantaged Unincorporated Communities MSR Determination**

The City provides water service outside of its boundaries to unincorporated Burlingame Hills and to an unincorporated area to the southwest of the City along Skyline Boulevard. The County supports the unincorporated areas with sewer service and street and sidewalk maintenance. These two unincorporated areas within the Sphere of Influence of the City of Burlingame are not considered disadvantaged unincorporated communities.

3) Capacity and Adequacy of Public Facilities and Services

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?			X
b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?			X
c) Are there any concerns regarding public services provided by the agency being considered adequate?			X
d) Are there any significant infrastructure needs or deficiencies to be addressed?			X
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?			X

f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?			X
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**Discussion:**

Water

The City of Burlingame purchases all of its potable water from the San Francisco Public Utilities Commission (SFPUC) and provides water to residential, commercial, industrial and governmental customers within the incorporated city limits and unincorporated Burlingame. Water demand averaged 1,221 million gallons (MG) per year between 2016 and 2020, and in 2020, the City delivered 1,271 million gallons (MG) of water to 8,728 connections within its service area.<sup>11</sup>

The City’s General Plan provides population projections through 2040. The City’s Urban Water Management Plan provides an estimate for the service area population through 2045 by extending the General Plan’s population estimate and assumed constant growth, as well as adding on the population of Burlingame Hills. All expected growth in the City is attributed to the future development of multi-family residences and accessory dwelling units. Taking into account historical water use and expected population increase, water demand within the City is projected to increase to 1,721 MG by 2045, a 35% increase to the water demand in 2020 (1,271 MG).<sup>12</sup> The City’s contractual allocation with SFPUC is for 5.23 million gallons per day (MGD), or approximately 1,909 MG per year, and is above the City’s projected water demand through 2045.

The Water Conservation Act of 2009 was enacted in November 2009 and requires the state of California to achieve a 20 percent reduction per capita water use by December 31, 2020. To achieve this, each urban retail water supplier was required to establish water use targets for 2015 and 2020 using methodologies established by the Department of Water Resource (DWR). Potable water usage has decreased since 2010 due to drought restrictions from 134 gallons per capita per day (GPCD) to 107 GPCD in 2020, and the City continues to adhere to its water use target of 135 gallons per capita per day (GPCD).

Burlingame, along with cities throughout the region and State, has taken steps to prepare for years of water shortage. Consistent with California Water Code section 10632, the City developed a Water Shortage Contingency Plan that includes six levels to address a range of shortage conditions, identifies demand mitigation measures for Burlingame to implement at each level, and identifies procedures for Burlingame to annually assess whether a water shortage is likely to occur in the coming year.

<sup>11</sup> City of Burlingame, *2020 Urban Water Management Plan*, [https://cms6.revize.com/revize/burlingamecity/document\\_center/Water/CityofBurlingame\\_2020\\_UWMP.pdf](https://cms6.revize.com/revize/burlingamecity/document_center/Water/CityofBurlingame_2020_UWMP.pdf)

<sup>12</sup> City of Burlingame, *2020 Urban Water Management Plan*

In addition, Burlingame has implemented multiple water demand management strategies over the past several decades. The City adopted a water rationing plan in 1992 that allows the city to enforce water waste reductions in dry weather years by prohibiting, mandating, and enforcing various actions and adopted a permanent water waste prevention ordinance in 2021 that prohibited specific wasteful potable water uses. Metering, conservation pricing, public education and outreach and other water demand management measures complete the suite of water conservation strategies employed by the City.<sup>13</sup>

In 2022, the City implemented capacity charges for new connections to the water and sanitary sewer system to recover costs associated with infrastructure improvements that benefit new or expanded development<sup>14</sup>. Water rates for City of Burlingame and Burlingame Hills customers were last increased on January 1, 2019.<sup>15</sup>

#### Water Capacity Charges (Proposed for FY 23-24)

Service	Fee
Single-family	\$7,260 per dwelling unit
Multi-family (two or more bedrooms)	\$4,513 per dwelling unit
Multi-family (studio or one bedroom)	\$2,942 per dwelling unit
Detached ADU	\$3.03 per square foot
Non-residential, water meter size= ¾ inch	\$10,987 per connection
Non-residential, water meter size= 1 inch	\$18,326 per connection
Non-residential, water meter size= 1 ½ inch	\$36,613 per connection
Non-residential, water meter size= 2 inch	\$58,588 per connection
Non-residential, water meter size= 3 inch	\$109,877 per connection
Non-residential, water meter size= 4 inch	\$183,142 per connection

#### Single Family Residential Rates per 1,000 Gallons (FY 23-24)

Tier	Gallons	Monthly rate
Tier 1	0 – 4,000	\$9.79
Tier 2	4,001 – 8,000	\$10.98
Tier 3	8,001 – 16,000	\$12.18
Tier 4	16,001 – 24,000	\$13.38
Tier 5	24,001 and up	\$14.58
All other classifications (non-Single Family Residential Rate per 1,000 Gallons)		\$11.46

<sup>13</sup> City of Burlingame, *2020 Urban Water Management*

<sup>14</sup> City of Burlingame, *Water & Sewer Capacity Charge Study, Draft 07/18/21*

<sup>15</sup> City of Burlingame, FY 2023-24 Master Fee Schedule, <https://cms6.revize.com/revize/burlingamecity/departments/Finance/2023-24%20Proposed%20Master%20Fee%20Schedule%20-%20Proposed.pdf>

**Fixed Monthly Water Charges (FY 23-24)**

Meter Size	Monthly charge
5/8"	\$42.02
3/4"	\$42.02
1"	\$70.03
1.5"	\$140.05
2"	\$224.08
3"	\$420.15
4"	\$700.25
6"	\$1,400.50
8"	\$2,240.80

The City's 5-year Capital Improvement Program (CIP) includes improvements to the water distribution system, including pipeline rehabilitation, emergency storage tank expansion and transmission pipelines and pump station improvements. Currently, the projected CIP budget is \$110 million for water infrastructure improvements.<sup>16</sup>

**Sanitary Sewer**

The City of Burlingame maintains the sanitary sewer system and provides wastewater services for City residents. The sewer system is comprised of approximately 95 miles of gravity sewer pipe that conveys wastewater to 7 pump stations before flowing to the City Wastewater Treatment Facility on Airport Boulevard.

The Wastewater Treatment Facility has the capacity to treat 5.5 MGD of wastewater up to 16 MGD during wet weather conditions. Since 1972, the City has contracted with Veolia Water North America to provide operations and maintenance services for the facility.

In August 2021, the Burlingame City Council approved a capacity charge for new connections and a sewer rate increase for residents, with a 9% increase to take place each year for the next three years, beginning in 2022 to pay for repairs and capital improvements to aging sewage infrastructure.<sup>17</sup>

**Sewer Capacity Charges (Proposed for FY 23-24)**

Service	Fee
Single-family	\$11,075 per dwelling unit
Multi-family (two or more bedrooms)	\$7,667 per dwelling unit
Multi-family (studio or one bedroom)	\$5,206 per dwelling unit
Detached ADU	\$4.62 per square foot
Non-residential, water meter size= ¾ inch	\$21,299 per connection

<sup>16</sup> City of Burlingame, FY 2023-24 Budget,

<https://cms6.revize.com/revize/burlingamecity/departments/Finance/FY2023-24%20Adopted%20Budget.pdf>

<sup>17</sup> City of Burlingame, City Council Regular Meeting Agenda - August 16, 2021,

[https://burlingameca.legistar1.com/burlingameca/meetings/2021/8/1762\\_A\\_City\\_Council\\_21-08-16\\_Meeting\\_Agenda.pdf](https://burlingameca.legistar1.com/burlingameca/meetings/2021/8/1762_A_City_Council_21-08-16_Meeting_Agenda.pdf)

Non-residential, water meter size= 1 inch	\$35,499 per connection
Non-residential, water meter size= 1 ½ inch	\$70,997 per connection
Non-residential, water meter size= 2 inch	\$113,595 per connection
Non-residential, water meter size= 3 inch	\$212,991 per connection
Non-residential, water meter size= 4 inch	\$354,986 per connection

**Bi-Monthly Sewer Rates for New Single Family Residential (Proposed for FY 23-24)**

Residential type	Rate
1 bedroom or studio	\$59.64
2 bedrooms	\$89.46
3 bedrooms	\$119.28
4 bedrooms	\$149.10
5+ bedrooms	\$178.92

**Monthly Sewer Rates per 1,000 Gallons of Water Usage (Proposed for FY 23-24)**

Facility type	Rate
Residential (Jan-April)	\$14.91
Multi-unit	\$14.65
Light Commercial	\$15.35
Moderate/Heavy Commercial	\$25.63
Food Related	\$35.69
Institutional/Schools/Churches	\$8.62
Minimum Bi-Monthly Charge	\$29.82
Monthly Equivalent	\$14.91

The City's 5-year Capital Improvement Program includes improvements to the sanitary sewer system, including improvements to the aging collection system and Wastewater Treatment Plant. Currently, the CIP budget is \$197 million for improvements to the sanitary sewer system.<sup>18</sup>

**Storm Drain**

The City operates and maintains approximately 50 miles of storm drainage system including seven creeks/watershed areas with open and closed channel systems with over 2,000 catch basins. In May 2009, Burlingame residents approved an annual storm drain fee to fund a storm drain capital improvement program to replace and upgrade the City's aging storm drainage facilities and ensure long-lasting flood protection. Currently, the projected CIP budget for storm drain improvements is approximately \$46M. The storm drainage fee was calculated at 4.192 cents per square foot of each property's impervious surface area, and voters granted City Council authority to increase the fee by the annual consumer price index (CPI) up to 2% annually. The City expects to collect \$3.3M from storm drainage fees in FY 23-24.<sup>17</sup>

<sup>18</sup> City of Burlingame, *FY 2023-24 Budget*

Streets & Sidewalks

Except for El Camino Real, which is a state highway that is maintained by Caltrans, the City of Burlingame operates and maintains the 84 miles of streets and 116 miles of sidewalks within City limits. The streets and sidewalks are maintained by a City computer program that uses historical data, traffic volume and the existing roadway section to estimate the life of the roadway. The Metropolitan Transportation Commission (MTC) rates the qualities of city roads in the Bay Area on a scale of 1 (very poor) to 100 (new) by evaluating several factors, including pavement age, climate and precipitation, traffic loads and funding. In 2020, MTC rated Burlingame City roads at a 78, which is considered “Good”.<sup>19</sup>

The \$424M CIP budget includes annual improvements to streets, bike lanes, sidewalks, curb, gutter and ADA improvements, as well as the Railroad Grade Separation Project at Broadway.<sup>20</sup>

Fire Protection

Since 2004, the Central County Fire Department (CCFD) has provided fire protection and emergency medical services to the City of Burlingame and the Town of Hillsborough through a Joint Powers Agreement (JPA) between the two cities by merging their fire departments. Central County Fire also provides fire protection and emergency medical services to the City of Millbrae through a service contract that expires in 2024. CCFD staffs six fire stations, two of which are in Burlingame, in addition to an administrative office in Burlingame and training facility in Millbrae. The two fire stations can reach most areas in Burlingame within a 4-minute travel time. Fire stations are open 24 hours a day, every day, and the administrative office is open Monday-Friday.

**CCFD Facilities in Burlingame**

Facility	Location	Year Built
Burlingame Fire Station 34	799 California Drive	1994
Fire Station 35	2823 Hillside Drive	1980
Administrative Station 36	1399 Rollins Road	1961

CCFD is comprised of 90 full-time employees, including 45 firefighters and paramedics, 22 Captains, 4 Battalion Chiefs, 7 fire prevention staff, 6 administrative staff and 3 executive staff. CCFD responds to approximately 7,000 calls for service every year with its 6 engines and 1 ladder truck. Legal counsel, human resources, and accounting services are contracted out to further streamline costs.<sup>21</sup> In addition, CCFD holds several agreements with various agencies for shared services, including search and rescue training, advanced life support services, dispatch, mechanic shop services and tactical emergency services.

The total service area is 15.51 square miles with a population of approximately 66,000. The value of property protected is over \$16B.

<sup>19</sup> Metropolitan Transportation Commission, *Pavement Condition of Bay Area Jurisdictions 2021*

<sup>20</sup> City of Burlingame, *FY 2023-24 Budget*

<sup>21</sup> Central County Fire Department, *FY 2023-24 Adopted Budget*

### *Governance*

The Department is governed by a four-person Board of Directors comprised of two councilmembers from Burlingame and Hillsborough who determine the level of fire, emergency medical and disaster preparedness services to be provided by the Department. All major decisions by the Board require ratification by the respective Council. The Board appoints the City Managers of each city to serve as Chief Administrative Officer for alternating two-year terms. The Chief Administrative Officer appoints the Fire Chief who shall conduct the day-to-day operations of the Department. Currently the City Manager of Burlingame holds the Chief Administrative Officer position.

The Board typically meets quarterly on the second Wednesday of the month at 4pm. The Board met virtually during the COVID-19 public health state of emergency and has resumed in-person meetings alternating locations in the Burlingame Council Chambers and Hillsborough Town Council Chambers, while also making virtual attendance an option for members of the public and interested parties.

### *Budget*

The Central County Fire Department JPA requires that the Department adopt a budget approved by member agencies for maintenance and operations costs and costs of special services prior to June 30<sup>th</sup> of each year.

CCFD operates under budget policies that guide the development and administration of their annual budget. Operating revenues must fully cover operating expenditures, including debt services. However, total expenditures can exceed revenues in a given year to fund CIP projects and other one-time expenditures if there are sufficient reserves to cover such expenditures. The Board of Directors may amend or supplement the budget after its adoption by a majority vote of the Board. Annual budgets are presented to and adopted by the Board for each fund, except for the Capital Projects Fund, which establishes budgetary control on a project-by-project basis.

The City of Millbrae is responsible for 30% of the operational budget and the remaining 70% is split in a 60/40 cost allocation formula between the City of Burlingame (60%) and the Town of Hillsborough (40%). Nearly 96% of the Department's General Fund revenue comes from the three cities, and the remaining revenue comes from permits and licenses, program revenue, workers' compensation premiums and other sources. Ninety percent of General Fund expenditures are for salaries and benefits.

CCFD adopted the FY 23-24 budget of \$34,499,746, a 5.6% increase from the revised adopted FY 21-22 budget. The key changes included the addition of 2 full-time employees (up from 88 employees in the prior fiscal year), higher cost-of-living adjustments due to none given in FY 22-23, allocation of \$1.3M to reserves for upcoming equipment expenditures and increases to CalPERS contributions and health insurance premiums. The Department's FY 23-24 fund balance is projected to be \$771,885.<sup>22</sup>

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<sup>22</sup> Central County Fire Department, *FY 2023-24 Adopted Budget*

Burlingame’s budget for CCFD services in FY 23-24 was \$14.4M, a 6.2% increase from the prior year, and includes an additional \$330,000 for retained workers’ compensation program costs and emergency preparedness activities.<sup>23</sup>

### Performance

On average, CCFD responds to over 7,000 calls for service annually, arrives on a structure fire scene within six minutes of dispatch over 80% of the time, and responds to priority 1 (emergency) calls in under five minutes and thirty seconds.

### CCFD Systemwide performance

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Est. FY 22-23*
Total calls for service	7,493	7,410	7,004	8,328	4,774
Medical responses	4,548	4,486	4,314	5,141	3,014
Fire suppression responses	144	116	156	153	96
Hazardous conditions responses	214	225	169	238	114
Training hours completed	7,168	18,122	20,491	12,294	4,017
% of time fire engine arrives on structure fire scene within 6 min of dispatch	100%	83%	86%	73%	76%
Avg. response time for all calls	6:59	5:17	5:43	5:32	5:29
Avg. response time for priority 1 calls (emergency)	6:59	5:02	5:30	5:18	5:21
Average response time for priority 3 calls (non-emergency)	6:59	6:21	6:37	6:38	6:08

\* FY 22-23 YTD data collected as of March 9, 2023

In March 2023, CCFD published a Community Risk Assessment/Standards of Cover & Deployment Analysis that examined the department’s response performance, operations, facilities and apparatus, organizational structure, governance and mutual cooperation.<sup>24</sup> The Assessment made several recommendations to CCFD including:

- Developing capital facilities and apparatus replacement plans for fire stations, vehicles and apparatus that are in poor condition
- Constructing or relocating Administrative Facility to a more suitable location and replacing and relocating Station 36 (currently vacant and at the same location as the Administrative Headquarters) to a new location with new fire staff to address future growth
- Developing and analyzing performance metrics

<sup>23</sup> City of Burlingame, *FY 2023-24 Budget*

<sup>24</sup> Central County Fire Department, Community Risk Assessment/Standards of Cover & Deployment Analysis, March 2023, <https://ccfd.org/wp-content/uploads/2023/07/Central-County-FD-CRA-SOC-Study-FINAL-2023-0327-optimized.pdf>



- Increasing staffing to meet National Fire Protection Association standards
- Conducting a management staff analysis to understand if more operational management staff is needed
- Conducting studies to assess feasibility of developing cooperative services with neighboring agencies and turning the department into a fire district

### Police

The Burlingame Police Department, located at 1111 Trousdale Drive, is a full-service department offering investigative, preventative, and community policing programs designed to protect and serve Burlingame’s residents and visitors. The Department is comprised of three divisions. The Operations Division includes uniformed patrol and the Traffic & Parking Bureau. The Investigation Division includes Inspectors, the School Resource Officer and the Community Response Team. The Support Services/Administrative Division includes the Records Bureau, the Communications Bureau (Dispatch), and Training.

The force currently consists of 40 full-time sworn police officers (1 Chief, 1 Captain, 2 Lieutenants, 6 Sergeants, and 30 Officers), 19 full-time non-sworn professional staff, and approximately 10 part-time non-sworn professional staff.

The police budget for police services, including communications and parking enforcement, in FY 23-24 was \$21,149,280, an 8% increase from the FY 22-23 budget, primarily due to an increase in personnel costs and insurance costs.

### **Burlingame Police Department Statistics**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Calls for service	41,172	41,662	45,872	43,706	43,787
Crimes reported	1,994	2,388	2,434,	2,202	2,220
Total Arrests	696	638	601	624	532
Average calls per officer	1,029	1,042	1,147	1,093	1,095
Average calls per dispatcher	5,882	5,952	6,553	6,244	6,255
Traffic stops	4,620	5,981	3,413	4,548	3,567
Vehicle accidents	324	300	200	199	252

The County Sheriff’s office provides police services to the residents of unincorporated areas in San Mateo County, including Burlingame Hills.<sup>25</sup>

### **San Mateo County Sherriff Calls to Burlingame Hills**

<b>Year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Incidents</b>	376	330	338	337	300	329

<sup>25</sup> Berkson Associates, *Burlingame Hills Sewer Maintenance District Operational and Governance Options*, Draft Report, November 1, 2022

### Parks and Recreation<sup>26, 27</sup>

The City of Burlingame’s park system includes 19 neighborhood parks, Mills Canyon Wildlife area, Skyline Park and land owned the California State Lands Commission and leased by private businesses (Robert E Wooley State Park and Fisherman’s Park). The City also owns four recreation facilities, including the recently opened Burlingame Community Center, Village Park Preschool, and a closed golf facility with a club house that remains operational and includes a restaurant, meeting spaces and a Police Substation.<sup>28</sup>

The City owns and maintains over 16,000 trees growing in Burlingame and is a proud member of Tree City USA, a program of the Arbor Day Foundation. Each year the City plants approximately 400 new trees. In addition, the City maintains a comprehensive street tree inventory, which the City is in the process of making publicly accessible.

The Parks and Recreation Department offers a wide range of recreational programs for young children, teens, adults and seniors. The Parks & Recreation Foundation helps subsidize the scholarships required for children to attend the classes and programs offered by the Department. In addition, the Department hosts several events and event series throughout the year, including Kid’s Night Out, the Royal Ball, Music in the Park and Movies in the Park, Family Campout, Burlingame Muddy Mile and a Holiday tree lighting.

In 2020, the City adopted a Parks Master Plan to guide the Department’s policies, planning and development of the City’s parks and recreational programs. The Plan includes short, medium and long-term implementation plans for projects to enhance the City’s parks that align with the Plan’s goals to support healthy people and healthy places, promote active transportation, increase stewardship and expand partnerships and diversity of revenue sources.

The Burlingame Parks and Recreation Department is staffed by 34 FTE. The Department’s FY 23-24 budget is \$13,691,926, representing a 19.4% increase from the FY 22-23 budget due in large part to increased need and cost of tree maintenance services due to recent storms, capital expenditures and increase in insurance costs.

### Library<sup>29</sup>

The Burlingame Public Library began lending books in 1909 when authorized by an ordinance passed by the Board of Town Trustees. Today the City has two libraries – the Burlingame Main Library, which open seven days a week, and the Easton Branch, which is open Monday-Saturday. In addition to the library collection and online and digital resources, the libraries offer classes, programs and events for kids, teens and adults. The City of Burlingame is a member of the Peninsula Library System (PLS), a JPA of 35 public and community college libraries in San Mateo County that is available to all County residents. Founded in 1971, PLS is primarily funded by member libraries, but also receives funding from the County, State and Federal government.

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<sup>26</sup> City of Burlingame, <https://www.burlingame.org/parksandrec/>

<sup>27</sup> City of Burlingame, *FY 2023-24 Budget*

<sup>28</sup> Communications with the City of Burlingame, 09/08/2023

<sup>29</sup> City of Burlingame, <https://www.burlingame.org/library/>

Most PLS libraries have meeting rooms and adjacent outdoor areas that community groups use for activities and events, as well as computers, printers and copy machines for public use. PLS allows all residents of the County to obtain library services at any library in the County.

The Burlingame Public Library is governed by a five-person Board of Trustees who are appointed to 3-year terms and meet in person on the third Tuesday of the month.. Agendas, meeting minutes and video recordings of past meetings are posted on the Burlingame Public Library website.

The Library is staffed by 23 full-time employees and approximately 40 hourly employees. It has an annual budget of \$4M in FY 23-24, an 8.2% increase from the prior fiscal year. The Library has a service population of approximately 37,000 residents annually, which includes all Burlingame residents and two-thirds of Hillsborough residents. There are over 27,000 registered borrowers.

Since 1995 the Burlingame Library Foundation has raised over \$3M to support the Library, including targeted capital projects. Donations go towards funding all library programs, the expansion of the printed materials and eBook collections, access to information technology and the preservation of the historic building and library furnishings.

Contract Services

*Animal Control*

Twenty cities in San Mateo County, including the City of Burlingame, contract with the County to operate a countywide animal control program. The County contracts with the Peninsula Humane Society & SPCA to enforce all animal control laws, shelter homeless animals and to provide a variety of other related services.

*Garbage/solid waste/recycling/composting*

The South Bayside Waste Management Authority (BWMA), also known as ReThinkWaste, is a joint powers authority between the County, 10 cities, including Burlingame, and the West Bay Sanitary district that provides oversight and management of solid waste service providers. Recology has been the recycling, compost and solid waste collection contracted service provider for the JPA service area since 2011. Solid waste fees were most recently updated on April 1, 2022.

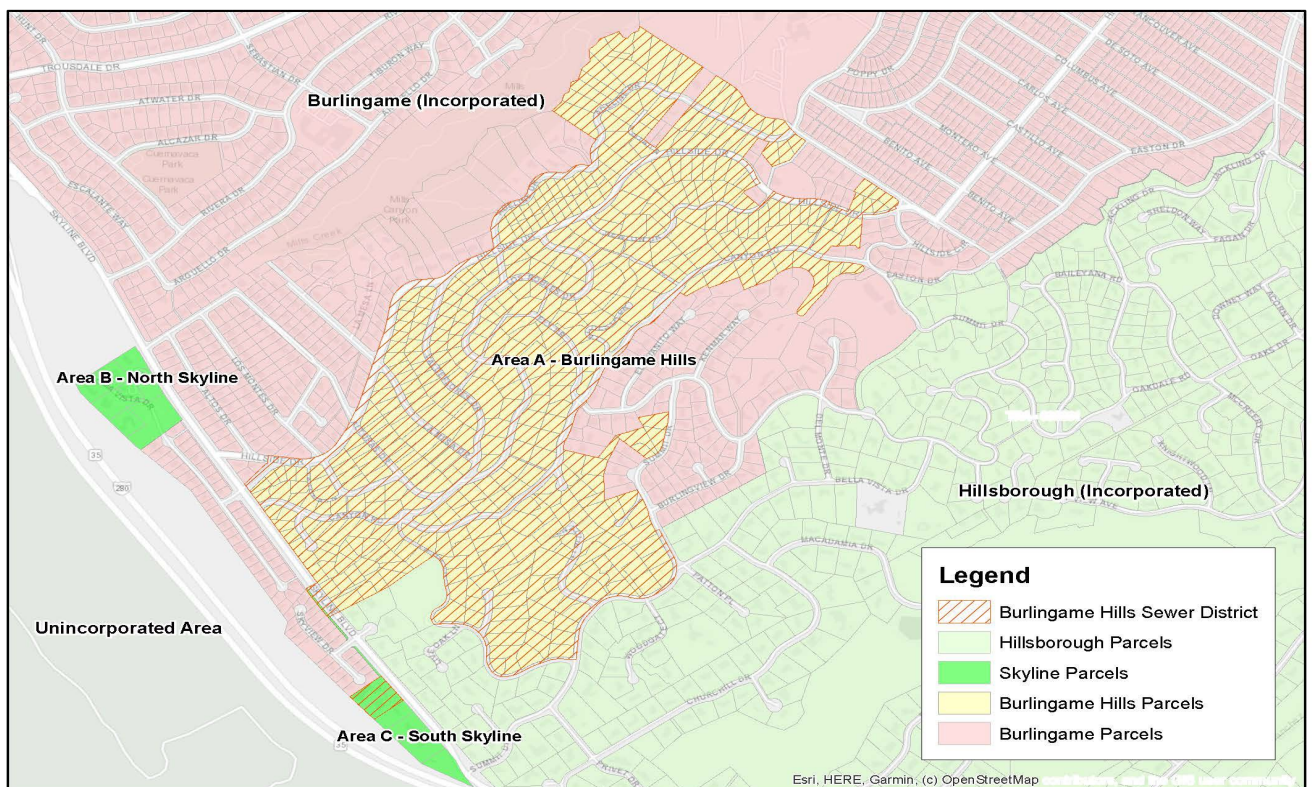
**City of Burlingame Monthly Solid Waste Rates (Effective April 1, 2022)**

Residential		Commercial	
20 Gallon Cart	\$16.13	32 Gallon Cart	\$29.83
32 Gallon Cart	\$29.83	64 Gallon Cart	\$59.66
64 Gallon Cart	\$59.66	96 Gallon Cart	\$88.54
96 Gallon Cart	\$88.54	1 Yard Bin	\$188.23
		2 Yard Bin	\$376.49
		3 Yard Bin	\$564.67

### *Burlingame Hills and Unincorporated Areas*

Burlingame Hills was subdivided in the 1910s and 1920s and developed in the subsequent decades; approximately half the lots were developed by 1946, and the area was nearly fully developed by 1956. The possibility of annexation of Burlingame Hills to the City has been discussed multiple times over the years, partly responding to concerns that piecemeal annexations adversely affected the efficiency of public services and typically resulting in subdivided lots and increased density. The most recent inquiry by Burlingame Hills residents took place between 1991 and 1993.

There are three unincorporated areas within the Sphere of Influence of the City of Burlingame, Burlingame Hills (shown as Area A on the following map), North Skyline (Area B), and South Skyline (Area C).



## **Unincorporated Burlingame Hills & Burlingame Hills Sewer District**



### Water

The City of Burlingame provides the majority of water service in the Burlingame Hills area and surrounding unincorporated areas along Skyline Boulevard. The Town of Hillsborough also services a portion of these two unincorporated areas.

### Sanitary Sewer

Wastewater collection services in Burlingame Hills are provided by the County governed and operated Burlingame Hills Sewer Maintenance District (BHSMD) to approximately 440 households.<sup>30</sup> BHSMD sewer pipes connect to the City of Burlingame’s collection system and flow to the City’s treatment plant. BHSMD also provides sanitary sewer services to two small, adjacent unincorporated areas in San Mateo County.

In past years portions of the Burlingame Hills Sewer Maintenance District’s (BHSMD) aging sewer system have failed due to multiple factors including grease, other non-flushable items, and tree roots, and these issues contributed to sanitary sewer overflows (SSOs). While the County has worked diligently to make needed repairs and replace the aging pipes, the District faces significant improvement costs that must be borne by a relatively small customer base. Although the County has endeavored to complete needed repairs and replacements, the District faces significant capital improvement costs estimated at over \$10M that will be borne by a small customer base. Property tax, excess ERAF and other revenue account for only 17% of the District’s budget in FY 21-22, and the remainder comes from sewer rates paid by Burlingame Hills residents. Total revenue for FY 21-22 was a little over \$950,000. Since the other revenue streams are fairly stable and not likely to increase, the Study forecasts that sewer rates will need to be increased nearly 50% from \$1,982 in FY 23-24 to \$2,900 over the next 10 years to pay for the capital improvements. Whereas City sewer rates include both a fixed monthly rate and a variable monthly charge depending on water usage, residents of Burlingame Hills pay a flat sewer rate regardless of water consumption. The County increased BHSMD water rates in 2021, and the FY 23-24 annual rate is \$1,982, or \$165.16 per month.

In 2019, the County initiated a study entitled the Burlingame Hills Sewer Maintenance District Operation and Governance Options report to explore the provision of City sewer services to unincorporated Burlingame Hills and reviewed operational and governance options to improve services and facilities while keeping costs to customers relatively low. The Study examined two governance options, in addition to the option to maintain the status quo with phased capital improvements occurring over a 10-year period. The first option is for BHSMD to remain intact until completion of the capital improvements, followed by annexation to the City and the dissolution or merger of BHSMD with the City. The second option is for the City of Burlingame to annex Burlingame Hills and dissolve the district immediately with County participation in funding for capital funding improvements. The study proposed the benefits of annexation, including sewer system integration and potential rate stabilization, access to Central County Fire services, coordinated land use planning with the City, and City representation. As of the writing of this MSR, the final version of the Burlingame Hills Sewer Study has not been finalized and there have been no changes to the governance or services of BHSMD.

### Storm Drains

The County Department of Public Works provides stormwater maintenance in Burlingame Hills.

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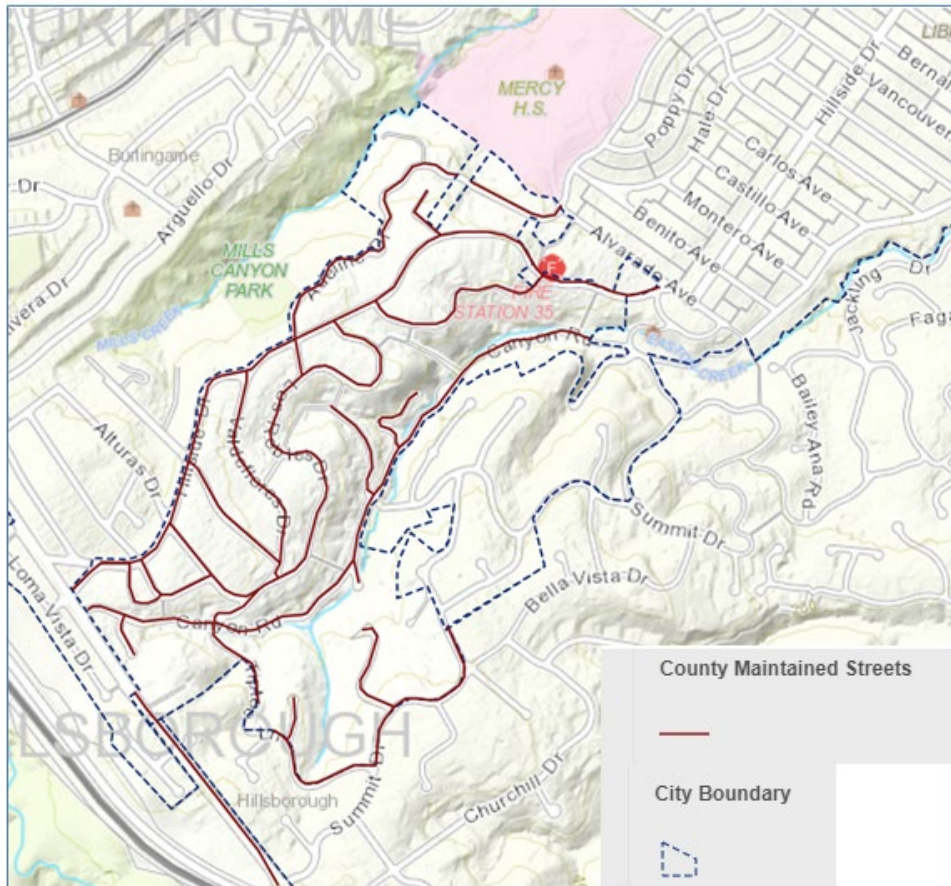
<sup>30</sup> Berkson Associates, Burlingame Hills Sewer Maintenance District Operational and Governance Options, Draft Report, November 1, 2022



### Streets & Sidewalks

The County Department of Public Works is responsible for the maintenance of approximately 6.3 miles of centerline road miles in Burlingame Hills. Average PCI is 76 (Very good). There were no road improvements planned for FY 22-23. There are no sidewalks in Burlingame Hills.<sup>31</sup>

### **COUNTY-MAINTAINED ROADS IN BURLINGAME HILLS**



### Fire Protection

Fire service in Burlingame Hills is provided by CalFire via a contract with the San Mateo County Fire Department.<sup>32</sup> CalFire Station #17 (San Mateo Highlands) is located approximately 8.7 miles from Burlingame Hills. The station is staffed with an engine, truck, and a battalion chief. In accordance with an auto-aid agreement, CCFD is the fire agency expected to respond to the Burlingame Hills area up to and including the sixth responding station because of the proximity of its stations to the Burlingame Hills area. CCFD responds to nearly all of the fire incidents in

<sup>31</sup> Berkson Associates, Burlingame Hills Sewer Maintenance District Operational and Governance Options, Draft Report, November 1, 2022

<sup>32</sup> Berkson Associates, Burlingame Hills Sewer Maintenance District Operational and Governance Options, Draft Report, November 1, 2022

Burlingame Hills. According to the City of Burlingame, the cost for responding to fire calls for service in Burlingame Hills is absorbed by each agency in the CCFD JPA, of which the County is not a member.

**Fire Incidents & Resources Dispatched to Burlingame Hills**

Year	Incidents	CCFD	San Mateo Fire	CalFire	San Bruno Fire
2016	89	88	1	0	0
2017	82	93	0	4	3
2018	70	76	0	0	0
2019	75	85	0	3	0
2020	93	120	0	0	0
2021	83	103	1	1	1
<u>Total</u>	<u>492</u>	<u>565</u>	<u>2</u>	<u>8</u>	<u>4</u>

The County adopted budget for fire protection services for FY 22-23 was \$21,890,261 and is funded through a combination of property taxes, intergovernmental revenue, and other charges and revenue. This includes property tax collected from properties in the unincorporated Burlingame Hills area.

Percent of fire and emergency medical calls responded to within 7 minutes was 90% in FY 20-21.<sup>33</sup> The current Insurance Services Office (ISO) rating for CCFD for Burlingame is 2. ISO ratings reflect how well equipped a fire department is to respond to fires in the community, with the highest score being a 1 and the lowest is a 10.

Police

The San Mateo County Sheriff’s Department has primary responsibility for serving unincorporated areas including Burlingame Hills. The California Highway Patrol is responsible for traffic enforcement in unincorporated areas.

Street Lighting

Burlingame Hills has no streetlights and is not within any of the County’s eleven lighting maintenance districts.

Solid Waste

Solid waste services are provided by the South Bayside Waste Management Authority (SBWMA), also known as RethinkWaste, a joint powers authority of twelve public agencies in San Mateo County. RethinkWaste owns and manages the Shoreway Environmental Center which receives all of the recyclables, organics, and garbage collected in its service area. RethinkWaste also provides strategic oversight, support and management of service providers that collect, process, recycle and dispose of materials for the 12 Member Agencies.

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<sup>33</sup> County of San Mateo, County Fire Performance, <https://performance.smcgov.org/reports/Fire>

- a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?

Staff has not identified any deficiencies in Burlingame’s capacity to meet the service needs of existing development within its territory.

- b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?

The City of Burlingame is planning for significant growth over the next decade and has demonstrated its capacity to plan for and meet the demands of reasonably foreseeable future growth within City limits. Should the City of Burlingame decide to provide sewer maintenance services to Burlingame Hills in the future, the County has begun examining operational and governance options, as well as the impact to the City’s existing system and operations.

The Community Risk Assessment for CCFD recommended significant investments in staffing, vehicle and equipment replacements and facility upgrades to ensure its ability to serve residents in its jurisdiction.

- c) Are there any concerns regarding the public services provided by the agency being considered adequate?

Staff does not have any concerns regarding the adequacy of the public services being delivered by the City of Burlingame.

- d) Are there any significant infrastructure needs or deficiencies to be addressed?

The City of Burlingame continues to implement capital improvements to the City’s storm drain system to increase capacity to prevent flooding during storms and is planning for improvements at the wastewater treatment plant to account for future sea level rise.

- e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?

The City is not aware of changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades.

- f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?

Not applicable. Please see response to 2a-c.

### **Capacity and Adequacy of Public Facilities and Services MSR Determination**

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The City routinely adopts a Capital Improvement Plan (CIP) for City owned infrastructure and facilities.



Fire protection services are provided by the Central County Fire Department, a Joint Powers Agreement (JPA) between the City of Burlingame and Town of Hillsborough. In March 2023, CCFD published a Community Risk Assessment/Standards of Care & Deployment Analysis that made several recommendations, including the development of a capital improvement plan for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

**Recommendations:**

1. In alignment with the Draft Burlingame Hills Sewer Maintenance District Operation and Governance Options Study, the City should continue to explore potential opportunities for shared services or governance changes related to the Burlingame Hills Sewer Maintenance District. This could include the operation of the District by the City or the eventual annexation of unincorporated Burlingame Hills into the City of Burlingame.
2. The City should partner with the Town of Hillsborough to review the recommendations in the CCFD Community Risk Assessment to prepare a capital improvement plan and CIP budget for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

4) Financial Ability

Financial ability of agencies to provide service	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?			X
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?			X
c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?			X
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?			X
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?			X
f) Is the organization’s debt at an unmanageable level?			X

**Discussion:**

## a) Budgeting practices:

The City of Burlingame’s budgeting process includes a mid-year budget review with revenue projections and a five-year forecast which is produced each March. Any budget amendments that increase expenditures require majority approval by the City Council. The City Council also holds an annual goal setting session for the upcoming fiscal year that prioritizes programs and services for funding and determines future medium and long-term goals for the City. These, in addition to any outcomes from the mid-year budget review session, inform the budget planning process for the upcoming fiscal year so that expenditures reflect the community’s priorities and that there is revenue available to fund those programs and services. The City Council adopts an annual budget after a public hearing at a regularly scheduled Council meeting. The study sessions and City Council meetings are open to the public, and the City encourages participation and input.

The City produces a Comprehensive Annual Financial Report (CAFR)/Annual Comprehensive Financial Report (ACFR). The most recent audit report for the period ending on June 30, 2022 did not reveal any instances of noncompliance or any deficiencies in internal control that are considered to be material weaknesses.

The COVID-19 pandemic has greatly impacted the City’s revenue sources over the past 3 fiscal cycles. Although revenues are slowly recovering, they have not yet reached pre-pandemic levels. Furthermore, rising personnel costs and unfunded capital projects present a challenge in developing balanced budgets in the long term.

The California State Auditor maintains a Fiscal Health of California Cities dashboard<sup>34</sup> to identify local government agencies that are at risk for potential waste, fraud, abuse, or mismanagement, or have major economic challenges. The City of Burlingame received a score of 59.2 out of 100 points (higher is better), classified as moderate risk, in FY 20-21. Debt burden, revenue trends, future pension costs and OPEB funding were identified as the City’s most significant fiscal challenges.

**California State Auditor fiscal Health Risk Indicator for FY 20-21**

<b>Risk Factor</b>	<b>Risk</b>	<b>Risk Factor</b>	<b>Risk</b>
General Fund Reserves	Moderate	Pension Funding	Low
Debt Burden	High	Pension Costs	Moderate
Liquidity	Low	Future Pension Costs	High
Revenue Trends	High	OPEB Obligations	Low
Pension Obligations	Moderate	OPEB Funding	High

Indeed, Burlingame’s revenue was significantly impacted by the COVID-19 pandemic with the reduction of revenue from the City’s transient occupancy tax (TOT). Although general fund

<sup>34</sup> California State Auditor, Fiscal Health of California Cities Dashboard, City of Burlingame FY 2020-21, [https://www.auditor.ca.gov/local\\_high\\_risk/dashboard-csa.html](https://www.auditor.ca.gov/local_high_risk/dashboard-csa.html)

revenues are slowly recovering, the City’s TOT is expected to be at 61% of the pre-pandemic level.<sup>35</sup> However, the City’s total net position as of June 30, 2022 increased \$49.1M to \$364.4M.

#### City of Burlingame General Fund Budget FY 20-FY24

	FY 18-19 Actuals	FY 19-20 Actuals	FY 20-21 Actuals	FY 21-22 Actuals	FY 22-23 Budget	FY 23-24 Adopted Budget
<b>Revenues</b>						
Property Tax	\$21,955,937	\$23,304,404	\$24,223,779	\$27,722,881	\$29,452,500	\$31,644,580
Sales and Use Tax	\$17,819,970	\$14,803,366	\$15,665,703	\$17,577,474	\$17,468,000	\$17,458,222
Transient Occupancy Tax	\$29,384,461	\$20,416,543	\$5,738,558	\$12,378,959	\$15,725,000	\$17,919,000
Other Taxes	\$3,233,401	\$3,133,927	\$2,957,503	\$3,511,113	\$3,043,500	\$3,811,000
Other Revenue	\$12,143,573	\$10,499,619	\$13,536,494	\$8,804,112	\$9,803,225	\$9,676,900
<b>Total Revenue</b>	<b>\$84,537,342</b>	<b>\$72,157,859</b>	<b>\$62,122,037</b>	<b>\$69,994,539</b>	<b>\$75,492,225</b>	<b>\$80,509,702</b>
<b>Expenditures</b>						
<b>Total Expenditures</b>	<b>\$55,763,099</b>	<b>\$58,205,465</b>	<b>\$58,443,624</b>	<b>\$62,719,502</b>	<b>\$71,178,930</b>	<b>\$74,518,635</b>
<i>Surplus (deficit)</i>	<i>\$28,774,243</i>	<i>\$13,952,394</i>	<i>\$3,678,413</i>	<i>\$7,275,037</i>	<i>\$4,313,295</i>	<i>\$5,991,067</i>

The City’s adopted budget for the fiscal year 2023-24 is \$149.2M, of which 50% is allocated to General Fund Expenditures, 21% to Capital Improvements, 20% to water and sewer and 9% to other expenditures.

#### *Pensions & Pension liability*

Over the course of FY 21-22, the City of Burlingame was able to significantly reduce its net pension liability by \$28.4M to \$47.9M by end of June 30, 2022. To address growing pension liabilities, the City implemented a plan in FY 17-18 to annually set aside additional funding in a pension trust fund. The \$6,403,876 towards unfunded pension liability in FY 22-23.<sup>36</sup> The normal cost portion of the pension payment is estimated to be \$3 million for FY 23-24.

#### *Other Post-Employment Benefits (OPEB)*

The City’s net OPEB liability decreased \$9M to \$14.2M during FY 21-22. The City established an OPEB Internal Service Fund for accumulated retiree medical benefits. The City makes periodic contributions to the California Employers’ Retiree Benefits Trust Fund (CERBT) based on a percentage of payroll. Once pay-as-you-go demands exceed the internal charges to departments (estimated in FY 25-26), the trust fund will be drawn upon to cover the excess premium payments. The balance in the trust is anticipated to be approximately \$28.1 million as of June 30, 2023; the liability is anticipated to be fully funded in 2037.<sup>37</sup>

<sup>35</sup> City of Burlingame, *FY 2023-24 Budget*

<sup>36</sup> Communications with the City of Burlingame, 07/18/2023

<sup>37</sup> Communications with the City of Burlingame, 07/18/2023

b) Reserves:

The City adopted a General Fund reserve policy in FY 14-15 to shield against future economic downturns and disasters. The policy establishes a target amount to be held in reserve, including 24% of budgeted revenues to protect against drops in General Fund revenue, \$2M to respond to natural disasters and catastrophes, and \$500,000 for contingencies. The projected fund balance for the General Fund at the end of FY 23-24 is \$41M, representing over 55% of the City's annual general fund operating expenditures. However, per City staff, FY 23-24 will mark the third year that there has been a need to draw down on the economic stability reserves due to the economic downturn since the COVID-19 pandemic. The Catastrophic and Contingency reserves have been able to maintain the established targets of \$2M and \$500,000, respectively.<sup>38</sup>

c) Rate and fee schedules:

The City evaluates its Master Fee Schedule annually and conducts comprehensive rate studies every three to five years. Water and sewer rates were last studied in 2021 and resulted in the implementation of capacity charges for new connections to the water and sanitary sewer systems to recover costs associated with infrastructure improvements that benefit new or expanded development. The City is planning a comprehensive rate study for FY 23-24.

d) Is the agency unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?

Although revenue is slowly recovering and the City has been able to draw on its reserves and municipal service fees and charges to fund infrastructure maintenance, replacement and expansion projects, the City views increasing personnel costs and unfunded capital projects as a challenge to maintain balanced budgets in the long-term.

e) Is the agency lacking financial policies that ensure its continued financial accountability and stability?

The City of Burlingame has adopted several policies to ensure its continued financial accountability and stability, including policies regarding capital investments, cost recovery, debt, the general fund reserve, interfund loans, investments and purchasing.

f) Is the agency's debt at an unmanageable level?

The City has an AAA credit rating for its outstanding pension obligation bonds, and an AA+ on the City's outstanding lease revenue bonds and water and wastewater revenue refunding bonds. The rating on the City's storm drainage revenue bonds is AA.

As of June 30, 2022, the City had 12 outstanding bonds or loans, including a taxable bond issue for pension obligations, two loans from the State of California Water Resources Control Board for improvements to the Burlingame Wastewater Treatment Plant, and a storm drain revenue bond issued under the Internal Revenue Service's Build America Bond program.

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<sup>38</sup>City of Burlingame, FY 2023-24 Adopted Budget

The City’s general obligation debt limit was \$516 million, which represents 3.75% of total assessed valuation based on assessments at 100% of full market value as of June 30, 2022. With only the 2006 Pension Obligation Bonds (\$6.8 million outstanding) considered to be general obligation debt, the City’s legal debt margin was \$509 million.<sup>39</sup> The debt service for outstanding bonds or loans is budgeted on an annual basis. The majority of this debt is due in the late 2030s and early 2040s. Debt service in FY 23-24 was budgeted at \$2.8 million for general fund debt and approximately \$7 million for water, sewer, stormwater, and parking service, for a total of \$9.8 million in debt services.

**Financial Ability MSR Determination**

The California State Auditor has a risk indicator for the fiscal health of California cities. The City of Burlingame has a score of 59.2 out of 100 points (higher is better) and on a rating scale of “low”, “moderate”, and “high” risk, the City of Burlingame is classified as “moderate” as illustrated by the key indicators below. Pension and OPEB funding, and future costs, are the key City finance issues.

Like many public agencies, the City continues to address maintaining current levels of services as costs continue to rise. To address pension costs, the City established a CalPERS Stabilization Reserve to address changes to the CalPERS pension requirements and any reduction in CalPERS investment returns. The City Council and staff are dedicated to prudent fiscal management to ensure the continued financial health of the City.

The City is well aware of these financial liabilities and a comprehensive MSR is unlikely to contribute additional valuable information.

5) Shared Service and Facilities

Status of, and opportunities for, shared facilities	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	X		
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?			X
c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?		X	

<sup>39</sup> City of Burlingame, *CAFR FY 2021-22*

a) Is the agency currently sharing services or facilities with other organizations?

Public Works: For over a decade, the City of Burlingame shared fleet services with the Town of Hillsborough, but the Town now receives fleet maintenance service from another provider.

CCFD: In addition to the CCFP JPA with the Town of Hillsborough for fire protection and emergency services and a contract with the City of Millbrae, CCFD holds several agreements to share services with other organizations:

- Agreement with the City of San Bruno for Joint Training Program
- Agreement with the San Mateo County Pre-Hospital Emergency Medical Service Group to be a designated Paramedic First Response Service Provider. This includes Fire 911 Dispatch
- Agreement with the College of San Mateo to provide maintenance and repair services for fire apparatus and fleet vehicles
- Agreement with the Colma Fire District to provide maintenance and repair services for apparatus and fleet vehicles
- Agreement with the South San Francisco Fire Department to provide maintenance and repair services for fire apparatus and fleet vehicles

Parks and Recreation: The City has joint user agreements with the Burlingame School District (BSD) for after-school enrichment and sports, crossing guards, use of two synthetic turf fields and cost sharing for future returfing and with the San Mateo Union High School District (SMUHSD) for use of the Burlingame High School pools.

Police Department: In 2013, the Burlingame Police Department partnered with the San Bruno Police Department (SBPD) to establish a Virtual Dispatch Center to reduce redundancy for the communications centers in both agencies. The configuration of a shared Computer Aided Dispatch (CAD), phone system, and police radio gives BPD and SBPD the ability to continue operations during an emergency, with no interruption in service. This allows the cities to dispatch for the other city from their own respective dispatch center.

### **Shared Services MSR Determination**

The City of Burlingame partners with other organizations to share project costs and services with other governments. It shares services through being a member of numerous joint powers agencies/authorities, including with the Central County Fire District. Central County Fire District is also the first responder for emergency fire and medical calls in the unincorporated neighborhood of Burlingame Hills. LAFCo is not aware of any other opportunities that are not being utilized.

6) Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?			X
b) Are there any issues with staff turnover or operational efficiencies?			X
c) Is there a lack of regular audits, adopted budgets and public access to these documents?			X
d) Are there any recommended changes to the organization’s governance structure that will increase accountability and efficiency?			X
e) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?			X
f) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?			X

**Discussion:**

Burlingame is a General Law City that operates under the City Council-Manager governance structure. Under this structure, power is concentrated in the elected City Council, which is responsible for hiring the City Manager to implement its policies. The City Council is responsible for setting policy and is ultimately accountable to the citizens for the management of City services. The City Manager is directly responsible for the management of City departments and has the responsibility for preparing the budget, directing day-to-day operations, hiring and firing personnel, and serving as the Council's chief policy advisor.

Burlingame’s City Council consists of 5 councilmembers who, until recently, were elected at large. On January 18, 2022, the City Council adopted an ordinance to transition to by-district elections. Councilmembers were elected to Districts 1, 3 and 5 in the November 2022 election, and Districts 2 and 4 will be on the ballot during the November 2024 election.

- a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?

The Burlingame City Council meets every first and third Monday of the month at 7pm. The City posts the schedule for regularly scheduled City Council meetings and study sessions on their website. The calendar clearly lists the dates of each regularly scheduled Council meeting in the current calendar year, noting when there are cancelled meetings or meetings scheduled on a Tuesday instead of a Monday when it falls on a holiday.

The City Council met virtually during the COVID-19 public health state of emergency and has resumed in-person meetings in the Burlingame Council Chambers while also making virtual attendance an option for members of the public and interested parties. Instructions for how to access regular meetings by phone or via Zoom on a computer are posted on the Council meeting page along with the agenda for the upcoming City Council meeting. The meeting page also includes instructions on how to provide public comment to the Council.

Agendas are posted online and contain links to meeting minutes from the prior meeting, staff reports and, if applicable, attachments. Prior meeting information can be found online through 2008 and includes the agenda, meeting minutes, and a video recording of the meeting, when available.

LAFCo staff is not aware of any failures to comply with disclosure laws of the Brown Act within the last five years.

b) Are there issues with staff turnover or operational efficiencies?

Since FY 18-19 the City of Burlingame has either maintained staffing levels or increased staffing compared to the prior year. LAFCo staff does not have any concerns about staff turnover or operational deficiencies in the City.

c) Is there a lack of regular audits, adopted budgets, and public access to these documents?

City Council holds a mid-year budget study session for the current fiscal year in March and a study session to discuss the proposed budget for the upcoming fiscal year in May. Both study sessions are documented in the Meeting Calendar for the current fiscal year, and a public hearing for the proposed budget for the upcoming fiscal year is held at a regular City Council meeting prior to adoption.

The City of Burlingame prepares Comprehensive Annual Financial Reports (CAFR)/Annual Comprehensive Financial Reports (ACFR) that are audited by an independent accounting firm annually. The City has received the Government Finance Officers Association Awards for Excellence in Comprehensive Annual Financial Reporting for 12 consecutive years. Audits for FYs 2009-22 are available on the City's website, with the most recent one completed for FY 21-22. These reports are reviewed by the City Council.

Adopted budgets, CAFRs/ACFRs, Continuing Disclosure Annual Reports, Mid-Year Financial Summaries, Five Year Budget Forecasts and the City's Master Fee Schedules are available for public review on the City's website.

Per the City's FY 21-22 ACRF: Budget amendments that increase a fund's appropriations require majority approval by the City Council. Certain budgetary re-allocations within departments require approval by the Finance Director and department heads. Budget amendments between



departments are approved by the Finance Director and City Manager. A mid-year budget status report and a long-term financial forecast for the next five years are presented to the City Council as part of an ongoing assessment and evaluation of budgetary performance, with special attention to the General Fund and certain other major funds.

d-f) Changes in governance structure:

LAFCo staff is in support of ongoing conversations between the City of Burlingame and the County regarding governance and service options for the County governed Burlingame Hills Sanitary Maintenance District, which currently delivers sanitary sewer services to unincorporated Burlingame Hills. The County initiated a study in 2019 to examine governance options with the goal of improving services and facilities while keeping costs to customers in Burlingame Hills relatively low. As of this MSR, the final version of the Burlingame Hills Sewer Maintenance District Operation and Governance Options report has not yet been published.

**Accountability, Structure, and Efficiencies MSR Determination**

There are no recommended changes to the organization’s governmental structure or operations that will increase accountability and efficiency. In 2022, the City Council representation established districts instead of being elected at large. The City has ample staff with subject matter capacity. The City has comprehensive policies regarding investment policy, debt management, credit card usage, purchasing, project accounting, and budget transfer requests. The City also has personnel, general and administrative policies, City Council member and meetings policies. The City performs annual independent audits and audits are reviewed at a City Council meeting.

7) Other

Any other matter related to effective or efficient service delivery, as required by commission policy.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?			X
b) Water Resiliency and Climate Change			
i) Does the organization support a governance model that enhances and provides a more robust water supply capacity?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provide risk reduction solutions that address sea level rise and other measures to adapt to climate change?	X		
c) Natural Hazards and Mitigation Planning			

i) Has the agency planned for how natural hazards may impact service delivery?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provides risk reduction for all natural hazards?	X		

a) Other service delivery issues that can be resolved by the MSR/SOI process.

LAFCo staff has not identified other service delivery issues that could be resolved through the MSR/SOI process.

b) Water Resiliency and Climate Change

The Community Development Department has established the “Bayfront Commercial” zoning district with requirements to mitigate sea level rise. The City is working with the OneShoreline District to implement a Sea Level Rise Shoreline Protection Project to mitigate flooding. The project is currently in the planning phase, and the study area includes both Burlingame and Millbrae.

In the City’s 2020 Urban Water Management Plan, Burlingame identified several activities and demand management measures related to future droughts and the maintenance of water usage goals and such as enforcement of prohibited water use restrictions, public education and outreach, metering, and conservation pricing. In addition, the City also administers rebate programs for the purchase of high efficiency toilets and washing machines and offers discounted pricing for a smart irrigation controller and a water saving fixture giveaway, among other incentivizing programs.

c) Natural Hazards and Mitigation Planning

The City has removed vegetation in Mills Canyon to reduce the threat of wildfires there. The City has also been working to remove or reduce trees that became destabilized in the recent storms. The City continues to implement capital improvement projects to upgrade the City’s storm drain systems to increase capacity to prevent flooding during storms. The City is planning new improvements at the wastewater treatment plant to account for future sea level rise.

In addition, the City participates in the multi-jurisdictional Hazard Mitigation Plan for San Mateo County.

**Other Issues MSR Determination**

The City is engaged in activities to address natural hazard mitigation and sea level rise for the City residents, business, and infrastructure.

**Recommendation:**

1. LAFCo encourages the City to continue its work in the areas of natural hazard mitigation and sea level rise and to continue to coordinate with partner agencies.

## **Section 5. Sphere of Influence Review and Update**

### **Determinations**

Section 56425 requires the Commission to make determinations concerning land use, present and probable need for public facilities and services in the area, capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, and existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency. These include the following determinations:

- 1. The present and planned land uses in the area, including agricultural and open space lands.**

Burlingame’s sphere of influence spans approximately 5.8 square miles, of which 4.4 miles consist of developable land and the remaining 1.4 include Mills Canyon Preserve and the San Francisco Bay. The City is bordered by Millbrae to the north; San Francisco Bay to the east; San Mateo, Hillsborough, and unincorporated Burlingame Hills to the south; and a portion of Burlingame Hills and another unincorporated area to the west. The City’s land use is primarily residential with two major commercial areas and an auto row. There is no agricultural land within Burlingame’s SOI.

- 2. The present and probable need for public facilities and services in the area.**

The City’s facilities and services meet the current need of the area, and the City anticipates that it will be able to adequately provide facilities and services for the projected growth that may occur within its boundaries.

- 3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The City is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The City routinely adopts and dedicates funding to a Capital Improvement Plan (CIP) for City owned infrastructure and facilities.

- 4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.**

There are no social or economic communities of interest within the City of Burlingame’s SOI.

- 5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

No change to the Sphere of Influence of the City of Burlingame is proposed at this time.

On the basis of the Municipal Service Review:

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO

CHANGE to the agency’s SOI is recommended and SOI determinations HAVE NOT been made.

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency’s SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.

**Appendix A. City of Burlingame Fact Sheet**

*City Manager:* Lisa K. Goldman

*Address:* 501 Primrose Road, Burlingame, CA 94010

*Email Address:* lgoldman@burlingame.org

*Phone Number:* 650-558-7204

*Date of Incorporation:* June 6, 1908

*City Councilmembers:*

<b>Councilmember</b>	<b>Term Expiration Date</b>
Michael Brownrigg, Mayor	November 2026
Donna Colson, Vice Mayor	November 2024
Emily Beach	November 2024
Ricardo Ortiz	November 2026
Peter Stevenson	November 2026

*Compensation:* Councilmembers receive an annual salary of \$7,080.48. Appointed board and commission members do not receive compensation. Health, dental and vision benefits are offered to City Councilmembers.

*Public Meetings:* Every first and third Monday of the month at 7pm

*Services Provided:* Police protection, water, wastewater, storm drain and flood control, street maintenance, street lighting, parks and recreation, library, public transportation

*Area Served:* City of Burlingame

*Population:* 31,386

*Sphere of Influence:* Boundaries of Burlingame and unincorporated Burlingame Hills

*FY 2023-24 Budget:* \$149.24 million

**Appendix B. References**

California State Auditor, Local Government High Risk Dashboard,  
[https://www.auditor.ca.gov/local\\_high\\_risk/lhr-main-landing](https://www.auditor.ca.gov/local_high_risk/lhr-main-landing)

City of Burlingame MSR response letters





# BURLINGAME SPHERE OF INFLUENCE

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

**September 13, 2023**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** Consideration of Municipal Service Review Circulation Draft for the Town of Hillsborough

## Summary and Background

LAFCo prepared comprehensive Sphere of Influence (SOI) studies and adopted SOIs for cities and special districts in 1985 and has subsequently reviewed and updated spheres on a three-year cycle. Updates focused on changes in service demand within the boundaries of cities and special districts. After enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and the new requirement to prepare MSRs in conjunction with or prior to SOI updates, LAFCo began the process of preparing Municipal Service Review (MSR) and SOI updates in late 2003. This Circulation Draft Municipal Service Review is the first MSR for the Town of Hillsborough.

The Town of Hillsborough was incorporated on May 5, 1910. As of 2020, the population of Hillsborough is 11,387. Hillsborough has an area of 6.23 miles and is bordered by Burlingame and Burlingame Hills to the north, Burlingame and San Mateo to the east, Highway 280 to the west, and San Mateo and unincorporated Highlands-Baywood Park to the south. The Town has three public parks and owns 259 acres of open space. Its SOI is coterminous with the boundaries of the Town.

The Town provides the following municipal services: law enforcement, parks and recreation, library, street maintenance, lighting, water, wastewater collection and storm drainage and flood control. Fire protection and emergency medical service is provided by the Central County Fire Department (CCFD) through a Joint Powers Agreement with the City of Burlingame.

Similar to other cities in San Mateo County, Hillsborough's revenue was impacted by the COVID-19 pandemic. However, the Town has been able to prepare balanced budgets and draw

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK



from the Town's health reserve when needed. The Town also has implemented several strategies in recent years to mitigate long-term costs of pensions and other post-employment benefits (OPEB).

### **Current Key Issues**

Key issues identified in compiling information on the Town of Hillsborough include the following:

- The Central County Fire Department (which provides service to Hillsborough, Burlingame, and Millbrae) recently published a Community Risk Assessment/Standards of Cover & Deployment Analysis that examined the department's response performance, operations, facilities and apparatus, organizational structure, governance and mutual cooperation. The Analysis made several recommendations to plan for future facility construction and capital facility and apparatus improvements that will require significant funding.
- Although the Town is financially healthy and is anticipated to be able to meet service demands of foreseeable growth with planned infrastructure improvements, capital funding for storm drain improvements are currently coming out of the general fund revenue.
- LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The Town is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

### **Proposed MSR Recommendations**

As required by State law, there are seven areas of determination, including local policies as set forth in Section 56430.

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities<sup>1</sup> within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.

---

<sup>1</sup> "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. This area of determination does not apply to the study area.

7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.
  - a. Water Resiliency and Climate Change
  - b. Impact of Natural Hazards and Mitigation Planning

For the Circulation Draft, LAFCo has the following determinations and recommendations:

### **1. Growth and Population Determination**

As of 2020 the population of Hillsborough was 11,387 and had 4,091 housing units. The Regional Housing Needs Assessment (RHNA) allocation, prepared by the Association of Bay Area Governments (ABAG), for 2023-2031 requires the Town to plan for the development of 554 new housing units by 2031. The Town will amend its General Plan, last adopted in 2005 and updated in 2014 to accommodate the 2014-2022 Housing Element, to ensure that its goals, policies and programs are consistent with the Housing Element once it is approved by the Housing and Community Development Agency.

### **2. Disadvantaged Unincorporated Communities Determination**

While the Town does provide water, sewer, and structural fire protection, there are several properties in the unincorporated Burlingame Hills area that receive water service from the Town. However, the Town's sphere of influence is coterminous with its boundaries and, therefore, does not have any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

### **3. Capacity and Adequacy of Public Facilities and Services Determination and Recommendations**

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The Town is anticipated to be able to meet most service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

Although the Town's guaranteed water supply of 4,858 acre-feet (AF) per year during normal water years through 2045 exceeds its projected water demands in the 2021 urban water management plan, the projected water demands assumes minimal population growth. LAFCo staff recommends that the Town update its urban water management plan (UMWP) to align with planned growth as directed by the recent housing element and the RHNA allocation.

The Town acknowledges that its infrastructure is aging. The Town's annual 5-year Capital Improvement Plan includes the critical capital improvements, replacements and repairs to ensure the Town's infrastructure and facilities are adequate to meet future needs of its residents. Capital improvements to the water and sewer systems are funded through the respective enterprise funds. Storm drain improvements are funded by general fund capital transfers.

Fire protection services are provided by the Central County Fire Department, a Joint Powers Agreement (JPA) between the Town of Hillsborough and City of Burlingame. In March 2023, CCFD published a Community Risk Assessment/Standards of Care & Deployment Analysis that made several recommendations, including the development of a capital improvement plan for

fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

*Recommendation -*

1. The Town should partner with the City of Burlingame to review the recommendations in the CCFD Community Risk Assessment to prepare a capital improvement plan and CIP budget for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.
2. Hillsborough's UMWP was last updated in 2021. The Town should align the growth projections in the UMWP with the RHNA growth projections and the 2023-2031 Housing Element in its next UMWP update.
3. Hillsborough has identified the need for over \$50M of storm drain improvements. However, there is no dedicated source of funding for storm drain improvements. LAFCo staff recommends conducting an analysis to determine if a storm drainage fee or other dedicated source of funding could alleviate reliance on the general fund for these improvements.

**4. Financial Ability Determination and Recommendations**

The California State Auditor has a risk indicator for the fiscal health of California cities. In FY 20-21, the Town of Hillsborough had a score of 85.7 out of 100 points (higher is better) and on a rating scale of "low", "moderate", and "high" risk, the Town of Hillsborough is classified as "low risk". OPEB funding was the Town's key financial issue.

The Town adopts an annual budget and contracts with an independent certified public accountant to prepare the Town's annual audit. In its most recent audit for the year ending on June 30, 2022, the audit noted that the Town's total net position increased 11% to \$97M and its general fund balance also increased to \$31.8M, inclusive of \$15.7M for reserves. Although long-term liabilities increased \$3M from the prior year, it decreased its net pension liability by \$12.2M that same year.

The Town's Finance Department updates its Master Fee schedule annually and conducts rate studies every few years. The Town has not experienced challenges in raising sewer rates and fees, but it has faced two legal challenges in the past decade when attempting to raise water rates and fees. This included a lawsuit regarding water rates, Prop. 218 rate setting, and drought penalties for water customers that exceeded a certain amount of water use. The Town and ratepayers agreed to a negotiated settlement that included customer refunds for those that paid drought water use penalties. The Town recently adopted a new water rate structure that is currently being reviewed by the courts to establish the rates and validate this action.

For the fiscal year ending June 30, 2022, the Town had total long-term debt outstanding of \$52.4 million, excluding compensated absences, pension and OPEB liabilities. In addition, the Town contributed \$3,848,454 to CalPERS plans and employees contributed \$1,002,738.

The Town has implemented several strategies over the years to mitigate the long-term cost of pensions including paying off \$9.9 million of side funded liabilities; requiring employees to pay a share of the employer's contribution; implementing an additional tier with a lower pension formula for miscellaneous plan employees; replacing employees who have retired with

employees who are on the PEPR plan where applicable; and adopting and funding a \$115 pension trust.

*Recommendation –*

1. Hillsborough has identified the need for over \$50M of storm drain improvements. However, there is no dedicated source of funding for storm drain improvements. LAFCo staff recommends conducting an analysis to determine if a storm drainage fee or other dedicated source of funding could alleviate reliance on the general fund for these improvements.

**5. Shared Service and Facilities Determination and Recommendations**

The Town of Hillsborough partners with other organizations to share project costs and services with other governments. It shares services through being a member of several JPAs, including with the Central County Fire Department and South Bayside Waste Management Authorities. LAFCo has not identified additional opportunities for the Town to share services or facilities with neighboring or overlapping organizations.

**6. Accountability, Structure, and Efficiencies Determination**

The Town of Hillsborough complies with disclosure laws and the Brown Act and ensures that public meetings are accessible and well publicized. Adopted budgets and annual budgets are available on the Town Website. The Town did not report any issues with staff turnover or operational efficiencies. There are no recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency.

**7. Other Issues Determinations and Recommendations**

Although not a service delivery issue, there are several parcels in the El Cerrito Avenue, Ranelagh Road, and Melrose Court that are split by the Town of Hillsborough – City of San Mateo city boundary line. In the future, the City and Town may wish to consider submitting an application to LAFCo to adjust the Town-City boundary so that this line follows parcel boundaries. The Town is engaged in activities to address natural hazard mitigation and sea level rise for residents, businesses, and infrastructure.

*Recommendations -*

1. In the future, the City and Town may wish to consider submitting an application to LAFCo to adjust the Town-City boundary so that this line follows the above-mentioned parcel boundaries that are currently split by the Hillsborough-San Mateo boundary line.
2. LAFCo encourages the City to continue its work in the areas of natural hazard mitigation and sea level rise and continue to coordinate with partner agencies.

**Sphere of Influence Determination**

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(e)):

1. **The present and planned land uses in the area, including agricultural and open-space lands.**

Hillsborough's current SOI is coterminous with the Town's boundaries. There are 259 acres of open space lands and no agricultural lands in the study area.

**2. The present and probable need for public facilities and services in the area.**

The Town's facilities and services meet the current need of the area, and the Town anticipates that it will be able to adequately provide facilities and services for the projected growth that may occur within its boundaries.

**3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The Town is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The Town routinely adopts a CIP for its infrastructure and facilities.

**4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.**

The Town's boundaries are coterminous with its SOI, and there are no social or economic communities of interest in the area.

**5. For an update of a SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

No change to the Sphere of Influence for the Town of Hillsborough is being proposed at this time.

**Public/Agency Involvement**

The primary source of information used in this MSR has been information collected from agency staff and adopted plans, budget, reports, policies, etc. On August 30, 2023 a Notice of Public Hearing for the Draft MSR was released by LAFCo and published in the San Mateo County Times. In addition, notices were sent to every "affected agency", meaning all other agencies and school districts with overlapping service areas. LAFCo staff will also be holding a virtual workshop for the public during the comment period.

**Environmental Review/CEQA**

The MSR is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for the of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The MSR collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The MSR is also exempt from CEQA under the section 15061(b)(3), the common sense provision, which state that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

The MSR and SOI update will not have a significant effect on the environment as there are no land use changes associated with the documents.

**Recommendation**

1. Open the public hearing and accept public comment.
2. Provide Commissioner comment.
3. Direct the Executive Officer to schedule the Final Municipal Service Review for the Town of Hillsborough for a public hearing at the next Commission meeting, Commission meeting and circulate it with any necessary amendments to the County, cities, and independent special districts.

**Attachment**

- A. Municipal Service Review Circulation Draft for the Town of Hillsborough



# **Municipal Service Review and Sphere of Influence Review for the Town of Hillsborough**

**Circulation Draft**

**Released September 13, 2023**

Municipal Service Review and Sphere of Influence Review for the Town of Hillsborough

**SUBJECT AGENCY:**

**Town of Hillsborough**

1600 Floribunda Ave.

Hillsborough, CA 94010

Contact: Doug Davis, City Manager

**CONDUCTED BY:**

San Mateo Local Agency Formation Commission

455 County Center, 2<sup>nd</sup> Floor

Redwood City, CA 94063

(650) 363-4224

Commissioners:

Ann Draper, Chair, Public Member

Kati Martin, Vice Chair, Special District Member

Tygarjas Bigstyk, City Member

Ray Muller, County Member

Virginia Chang-Kiraly, Special District Member

Harvey Rarback, City Member

Warren Slocum, County Member

Commission Alternates:

Chris Mickelsen, Special District Member

James O'Neill, Public Member

Noelia Corzo, County Member

Ann Schneider, City Member

Staff:

Rob Bartoli, Executive Officer

Sofia Recalde, Management Analyst

Angela Montes, Commission Clerk

Tim Fox, Legal Counsel



**LAFCo Municipal Service Review  
and Sphere of Influence Update  
Town of Hillsborough**

Table of Contents

**EXECUTIVE SUMMARY..... 2**

**Section 1: MSR Overview..... 2**

    San Mateo Local Agency Formation Commission ..... 3

    Local Government in San Mateo County..... 3

    Purpose of a Municipal Service Review/Sphere of Influence Update..... 3

**Section 2. Summary of Key Issues ..... 5**

**Section 3: Affected Agencies..... 5**

**Section 4. Town of Hillsborough ..... 5**

    Background & Overview ..... 5

    1) Growth and Population..... 7

    2) Disadvantaged Unincorporated Communities ..... 10

    4) Financial Ability ..... 21

    5) Shared Service and Facilities..... 26

    7) Other ..... 30

**Section 6. Sphere of Influence Review and Update..... 32**

    Determinations..... 32

**Appendix A. Town of Hillsborough Fact Sheet ..... 34**

**Appendix B. References ..... 35**

## **EXECUTIVE SUMMARY**

The following Municipal Service Review (MSR) focuses on Town of Hillsborough. The Town of Hillsborough was incorporated on May 5, 1910. As of 2020, the population of Hillsborough is 11,387. Hillsborough has an area of 6.23 miles and is bordered by Burlingame and Burlingame Hills to the north, Burlingame and San Mateo to the east, Highway 280 to the west, and San Mateo and unincorporated Highlands-Baywood Park to the south. The Town has three public parks and owns 259 acres of open space. Its SOI is coterminous with the boundaries of the Town.

The Town provides the following municipal services: law enforcement, parks and recreation, library, street maintenance, lighting, water, wastewater collection and storm drainage and flood control. Fire protection and emergency medical service is provided by the Central County Fire Department (CCFD) through a Joint Powers Agreement with the City of Burlingame.

The Town is financially healthy and is anticipated to be able to meet service demands of foreseeable growth with planned infrastructure improvements, however capital funding for storm drain improvements are currently coming out of the general fund revenue which may not be sustainable for these types of projects.

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The Town is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

### **Section 1: MSR Overview**

This report is a Municipal Service Review (MSR) and Sphere of Influence (SOI) update for the Town of Hillsborough (Town). California Government Code Section 56430 requires that the Local Agency Formation Commissions (LAFCos) complete MSRs and SOI updates on all cities and special districts. LAFCo is an independent entity with jurisdiction over the boundaries of cities and special districts. An SOI is a plan for the boundaries of a city or special district. The MSR and SOI update do not represent a proposal<sup>1</sup> for reorganization of agencies, but rather a State-mandated study of service provisions of an agency.

Once adopted, the MSR determinations are considered in reviewing and updating the SOI pursuant to Section 56425. The SOI, which serves as the plan for boundaries of a special district, is discussed in the second part of this report. This State-mandated study is intended to identify municipal service delivery challenges and opportunities and provides an opportunity for the public and affected agencies to comment on city, county, or special district services and finance; and opportunities to share resources prior to LAFCo adoption of required determinations.

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<sup>1</sup> An application for annexation may be submitted by 5 percent of the voters or landowners of territory proposed for annexation or by resolution of the District.

### San Mateo Local Agency Formation Commission

San Mateo Local Agency Formation Commission (LAFCo or “the Commission”) is a State-mandated, independent commission with county-wide jurisdiction over the boundaries and organization of cities and special districts including annexations, detachments, incorporations, formations, and dissolutions. LAFCo also has authority over extension of service outside city or district boundaries and activation or divestiture of special district powers. Among the purposes of the Commission are discouraging urban sprawl, preserving open space and prime agricultural lands, planning for the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. LAFCo operates pursuant The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) contained in Government Code Sections 56000 and 57000. The Commission includes two members of the County Board of Supervisors, two members of city councils from the 20 cities, two board members of 21 of the 22 independent special districts, a public member, and four alternate members (county, city, special district, and public).

LAFCo prepared comprehensive SOI studies and adopted SOIs for cities and special districts in 1985 and has subsequently reviewed and updated spheres on a three-year cycle. Updates focused on changes in service demand within the boundaries of cities and special districts. After enactment of the CKH Act and the new requirement to prepare MSRs in conjunction with or prior to SOI updates, LAFCo began the process of preparing MSR and SOI updates in late 2003. Studies were first prepared on sub-regional and County-wide independent special districts, followed by South County cities and special districts.

### Local Government in San Mateo County

Municipal service providers in San Mateo County include the County, 20 cities, 22 independent special districts, five subsidiary districts governed by city councils, and 33 County-governed special districts. It merits emphasis that the County plays a dual role that differs from cities or districts. Districts provide a limited set of services based on enabling legislation, while cities generally provide basic services such as police and fire protection, sanitation, recreation programs, planning, street repair, and building inspection. The County, as a subdivision of the State, provides a vast array of services for all residents, including social services, public health protection, housing programs, property tax assessments, tax collection, elections, and public safety. Along with independent water, sewer, and fire districts, the County also provides basic municipal services for residents who live in unincorporated areas. According to Census 2020 data, 63,205 of the County’s total 765,417 residents live in unincorporated areas.

### Purpose of a Municipal Service Review/Sphere of Influence Update

This MSR/SOI Update examines the Town of Hillsborough.

LAFCo prepares the MSR and SOI update based on source documents that include Adopted Budgets, Basic Financial Reports and Audits, Capital Plans, Urban Water Management Plans, and Planning Documents, including the General Plan. Draft MSRs and SOI updates are then circulated to the agencies under study, interested individuals and groups. The Final MSR and SOI update will include comments on the circulation draft and recommended determinations

for Commission consideration. MSR determinations must be adopted before the Commission updates or amends an SOI.

Per Section 56430, the areas of MSR determination include:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities<sup>2</sup> within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.
  - a. Water Resiliency and Climate Change
  - b. Impact of Natural Hazards and Mitigation Planning

Sphere of Influence Determinations:

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425):

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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<sup>2</sup> “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. This area of determination does not apply to the study area.

### Disadvantaged Unincorporated Communities

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOIMSR determination #35 and SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited, unincorporated territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income. The Town of Hillsborough does not have any disadvantaged unincorporated communities within its SOI, as the adopted SOI is coterminous with the Town’s boundaries.

### Section 2. Summary of Key Issues

- The Central County Fire Department (which provides service to Hillsborough, Burlingame, and Millbrae) recently published a Community Risk Assessment/Standards of Cover & Deployment Analysis that examined the department’s response performance, operations, facilities and apparatus, organizational structure, governance and mutual cooperation. The Analysis made several recommendations to plan for future facility construction and capital facility and apparatus improvements that will require significant funding.
- Although the Town is financially healthy and is anticipated to be able to meet service demands of foreseeable growth with planned infrastructure improvements, capital funding for storm drain improvements are currently coming out of the general fund revenue.
- LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The Town is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

### Section 3: Affected Agencies

**County and Cities:** San Mateo County and Town of Hillsborough

**School District:** Hillsborough City School District, San Mateo Union High School, and San Mateo Community College District

**Independent Special Districts:** San Mateo County Harbor District, San Mateo County Mosquito & Vector Control District, and Peninsula Healthcare District

### Section 4. Town of Hillsborough

#### Background & Overview

The Town of Hillsborough (Town or Hillsborough) was incorporated on May 5, 1910 in response to the prospect of being annexed by the nearby cities of Burlingame and San Mateo. In an effort to preserve its rural nature, the Town adopted zoning laws, such as banning sidewalks, grid-like roads and commercial and business land uses. With the exception of the Public Facilities and Services designation, which allows for facilities to operate basic municipal services to meet the community’s needs (i.e., Town Hall, fire and police stations, public schools), Hillsborough

remains entirely residential with single family homes today. The Town has been able to retain its low-density nature by keeping the minimum lot size at half an acre.

Hillsborough grew from a population of 750 in 1910 to 10,667 in 1990 but has only increased 6.7% to 11,387 residents in the past 30 years.<sup>3</sup> The median household income in Hillsborough is \$250,000+, well above the County median of \$131,796.<sup>4</sup> Similarly, home values in the Town are higher than other cities in San Mateo County or the region, with an average home selling price of \$4.6M in 2020.<sup>5</sup>

Hillsborough has an area of 6.23 miles and is bordered by Burlingame and Burlingame Hills to the north, Burlingame and San Mateo to the east, Highway 280 to the west, and San Mateo and unincorporated Highlands-Baywood Park to the south. The Town has 3 public parks and owns 259 acres of open space.

The Town operates under the Council-City Manager form of government in which the City Council is the legislative and policy making body. The City Manager, hired by the Council, is responsible for carrying out Council's policies and overseeing daily Town operations. City Council members are elected at-large to overlapping 4-year terms on even numbered year, and the Mayor and Vice-Mayor are selected by Council members every year for a maximum of two one-year terms. Hillsborough City Council typically meets on the second Monday of each month and have resumed in-person meetings in the Council Chambers with the option for residents to participate in-person or via Zoom video conference.

### Municipal Services

SERVICE	RESPONSIBLE AGENCY
<b><i>Public Safety</i></b>	
Police protection	Town of Hillsborough
Fire protection	Central County Fire Department (JPA)
Emergency Medical Service	Central County Fire Department/ American Medical Response (JPA with Town of Hillsborough and JPA with the San Mateo County Pre-Hospital Emergency Services Group)
Traffic enforcement	Town of Hillsborough
Animal Control	Peninsula Humane Society & SPCA
Water distribution	Town of Hillsborough
Wastewater collection	Town of Hillsborough
Wastewater treatment	Cities of Burlingame and San Mateo

<sup>3</sup> U.S. Census, Town of Hillsborough 2020 Census Bureau Profile

<sup>4</sup> U.S. Census, County of San Mateo 2020 Census Bureau Profile

<sup>5</sup> Town of Hillsborough, *2023-2031 Housing Element*, March 2, 2023, Draft for HCD Review, [https://www.hillsborough.net/DocumentCenter/View/5363/Hillsborough-Housing-Element\\_for-HCD-Resubmittal?bidId=](https://www.hillsborough.net/DocumentCenter/View/5363/Hillsborough-Housing-Element_for-HCD-Resubmittal?bidId=)

Electricity	PG&E
Natural Gas	PG&E
Solid Waste Collection	Recology San Mateo
Solid Waste Disposal	Recology San Mateo
Stormwater drainage and flood control	Town of Hillsborough
Street Maintenance	Town of Hillsborough
Street Lighting	Town of Hillsborough PG&E
Parks and Recreation	Town of Hillsborough Public Works (Parks) Town of Hillsborough Recreation (Recreation)
Library	Cities of Burlingame and San Mateo
Mosquito abatement and vector control	San Mateo County Mosquito and Vector Control District
Resource conservation	San Mateo Resource Conservation District
Public transportation	SamTrans

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages. If most or all of the determinations are not significant, as indicated by “no” answers, the Commission may find that an MSR update is not warranted.

X	Growth and Population		Disadvantaged Unincorporated Communities
X	Capacity, Adequacy & Infrastructure to Provide Services		Financial Ability
	Shared Services		Accountability, Structure, and Efficiencies
	Other		

1) Growth and Population

Growth and population projections for the affected area.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?		X	
b) Will population changes have an impact on the subject agency’s service needs and demands?		X	

c) Will projected growth require a change in the agency’s service boundary?			X
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**Discussion:**

- a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?

Hillsborough’s population was 11,387 in 2020 and accounts for 1.5% of the population in San Mateo County. Between 2000 and 2020 the County grew 9%, whereas Hillsborough’s population only increased 5.5% during that period.<sup>6</sup> In 2019, there were 3,633 housing units in Hillsborough. Housing production in Hillsborough has increased 7.5% over the past two decades, from 3,804 units in 2000 to 4,091 units in 2020. Of the 4,091 units, 3,936 (96%) are single family detached units. The remaining units are single family detached homes (127) and multi-family housing with 2-4 units (28).<sup>7</sup> The percentage of owner-occupied housing stock has been consistent over the past twenty years at around 95%. Between 2015-2019, renter-occupied households have more persons per household than owner-occupied households with 68% of renter-owner households having three or more people per household compared to 51% of owner-occupied households.<sup>7</sup> Although income gaps between homeowners and renters in the Bay Area are significant, the largest proportion of renters in Hillsborough (74%) are in the greater than 100% Area Median income.

The Association of Bay Area Governments (ABAG), the agency responsible for forecasting population, housing and economic trends in the Bay Area, in coordination with the California Department of Housing and Community Development (HCD) estimates the housing need for the region and allocates a portion of projected need to every jurisdiction. In collaboration with Bay Area partner agencies, non-profit organizations and residents, ABAG developed Plan Bay Area 2050, a long-range regional plan that, among other activities, projects the population growth of each region throughout the Bay Area. Plan Bay Area 2050 anticipates that Central San Mateo County, which includes the Town of Hillsborough, will increase its population 39% from 87,000 households in 2015 to 121,000 households in 2050.<sup>8</sup>

To accommodate the projected growth, cities and counties throughout the State must update their housing elements every eight years to accommodate the Regional Housing Need Assessment (RHNA) allocation for the upcoming cycle. The County and the Cities in San Mateo County are currently in the process of updating their Housing Element to be consistent with the RHNA allocations in Plan Bay Area 2050. The Housing Element is a required component of a City’s or County’s General Plan, and the RHNA allocations for each cycle may require and

<sup>6</sup> U.S. Census, P1 Race Tables 2000, 2010 and 2020 for Town of Hillsborough

<sup>7</sup> Town of Hillsborough, *2023-2031 Housing Element*, March 2, 2023, Draft for HCD Review

<sup>8</sup> Association of Bay Area Governments, *Plan Bay Area 2050: The Final Blueprint Growth Pattern*, [https://www.planbayarea.org/sites/default/files/FinalBlueprintRelease\\_December2020\\_GrowthPattern\\_Jan2021Uupdate.pdf](https://www.planbayarea.org/sites/default/files/FinalBlueprintRelease_December2020_GrowthPattern_Jan2021Uupdate.pdf)



update to zoning ordinances to demonstrate how it plans to meet the housing needs in its community.

In its most recent RHNA cycle, ABAG tasked Hillsborough with identifying appropriately zoned developable or re-developable land to accommodate 554 new housing units by 2031. The Town will amend its General Plan, last adopted in 2005 and updated in 2014 to accommodate the 2014-2022 Housing Element, to ensure that its goals, policies and programs are consistent with the Housing Element once it is approved by HCD.

**Distribution of RHNA allocation for Housing Element**

<b>Income Level</b>	<b>RHNA 2014-2022</b>	<b>Built</b>	<b>RHNA 2023-2031</b>	<b>2023-2031 Site Inventory</b>
Very Low Income (50% Average Median Income [AMI])	32	76	153	171
Low Income (60% AMI)	17	44	88	89
Moderate Income (80% AMI)	21	42	87	97
Above Moderate Income (120% AMI)	21	30	223	248
<b>Total:</b>	91	192	554	605

Hillsborough’s approach to meeting the RHNA requirement relies primarily on the development of accessory dwelling units (ADUs) and includes planning for the construction of 50 ADUs per year for a total of 400 ADUs in this RHNA cycle that will serve each income level. The Town currently has 12 projects in the pipeline for development and identified 23 vacant sites and 1 opportunity site for the development of up to 66 above moderate-income single-family housing units. The Town also identified a few opportunities to develop over 120 multi-family housing units for all income levels.

- b) Will population changes have an impact on the subject agency’s service needs and demands?

If the development, that is planned for as part of the Town’s Housing Element, is realized there would be a potential increase of 605 new housing units. There could be an increase in demand for the Town’s public services, including water and sewer, if these new housing units are developed.

- c) Will projected growth require a change in the agency’s service boundary?

The Town’s sphere of influence is coterminous with the Town’s boundaries. Any additional growth will occur within the Town’s existing boundaries.

**Growth and Population MSR Determination:**

As of 2020 the population of Hillsborough was 11,387 and had 4,091 housing units. The Regional Housing Needs Assessment (RHNA) allocation, prepared by the Association of Bay Area Governments (ABAG), for 2023-2031 requires the Town to plan for the development of 554 new housing units by 2031. The Town will amend its General Plan, last adopted in 2005 and

updated in 2014 to accommodate the 2014-2022 Housing Element, to ensure that its goals, policies and programs are consistent with the Housing Element once it is approved by the Housing and Community Development Agency.

2) Disadvantaged Unincorporated Communities

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?			X
b) Are there any “inhabited unincorporated communities” within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the statewide median household income)?			X
c) If “yes” to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if “no” to either a) or b), this question may be skipped)?			X

**Discussion:**

a-c) Disadvantaged Unincorporated Communities:

While the Town does provide water, sewer, and structural fire protection, there are several properties in the unincorporated Burlingame Hills area that receive water service from the Town. However, the Town of Hillsborough’s sphere of influence is coterminous with its boundaries and, therefore, does not have any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

**Disadvantaged Unincorporated Communities MSR Determination:**

While the Town does provide water, sewer, and structural fire protection, there are several properties in the unincorporated Burlingame Hills area that receive water service from the Town. However, the Town of Hillsborough’s sphere of influence is coterminous with its boundaries and, therefore, does not have any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

3) Capacity and Adequacy of Public Facilities and Services

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.	<b>Yes</b>	<b>Maybe</b>	<b>No</b>
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?			X
b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?			X
c) Are there any concerns regarding public services provided by the agency being considered adequate?			X
d) Are there any significant infrastructure needs or deficiencies to be addressed?		X	
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?			X
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?			X

**Discussion:**

a-b) Capacity to serve customers:

Water<sup>9,12</sup>

Hillsborough operates and maintains a water distribution system to serve its residents. The system navigates varying terrain and contains 108 miles of water mains, 10 water storage sites consisting of 18 water tanks, 14 water pump stations and over 7,500 water meters, fire hydrants and valves. The Town purchases all of its water from the San Francisco Public Utilities Commission.

Hillsborough updated its urban water management plan in 2021 and found that residents have reduced water demand and usage significantly over the past decade. Hillsborough's water demand in 2020 was 2,982-acre feet (AF) per year, down from 4,296 AF at its highest demand in 2007. Water demand is projected to rise to 3,738 AF per year by 2030 to accommodate modest population growth. The Town predicts demand will fall to 3,669 AF in 2045 because of water conservation efforts and improvements to plumbing code, as well minimal projected population growth between 2031 and 2045.

The Town of Hillsborough has complied with the requirements of the Water Conservation Act of 2009, which required urban retail water suppliers to reduce water usage by 20% by 2020. The Town exceeded its conservation target of 267 gallons per capita per day (GPCD), with actual usage in 2020 at 234 GCPD.

The Town has a sufficient water supply guarantee of 4,858 AF per year during normal water years to meet Hillsborough's maximum projected water demand through 2045. Consistent with the California Water Code section 10632, Hillsborough developed a Water Shortage Contingency Plan in 2021 to prepare for and respond to future water shortages. The Plan outlines the Town's phased response to water shortages that progresses depending on severity from voluntary rationing to mandatory rationing and penalties to limiting water use to public, health and safety purposes only. Movement between each phase is preceded by a City Council public hearing.

Water rates were updated effective July 1, 2023. An average 6% increase in both the volumetric and fixed rates is budgeted for FY 23-24. The rate will go into effect January 1, 2024 to cover increased capital spending and the SFPUC rate increase.

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<sup>9</sup> Town of Hillsborough, *2020 Urban Water Management Plan*,  
<https://www.hillsborough.net/DocumentCenter/View/4673/2020-UWMP-Final-8-18-2021>

<sup>12</sup> Town of Hillsborough, *2020 Water Shortage Contingency Plan*,  
<https://www.hillsborough.net/DocumentCenter/View/4672/2020-Water-Shortage-Contingency-Plan-Final-8-18-2021>

**Rates for Bi-Monthly Water Service Charge (\$/Meter Size) (Effective July 1, 2023)**

<b>Meter Size</b>	<b>Charge</b>
¾"	\$144.82
1"	\$171.34
1.5"	\$231.01
2"	\$310.58
3"	\$522.76
6"	\$1,424.52
8"	\$2,220.18

**Rates for Bi-Monthly Volume (\$/Meter Size)**

<b>Customer Category</b>	<b>Tier Size</b>	<b>Charge</b>
<b>Residential</b>	<b>Hundred Cubic Feet (HCF)</b>	<b>\$/HCF</b>
Tier 1	1-22	\$6.39
Tier 2	23-44	\$8.47
Tier 3	45-78	\$13.61
Tier 4	Over 78	\$18.40
<b>Non-Residential (Per HCF)</b>		<b>\$8.99</b>

The FY 23-24 budget for the Public Works Water Distribution division is \$14,517,411 up 5% from the FY 22-23 revised budget.<sup>10</sup> The key initiatives for FY 23-24 include the implementation of a unidirectional flushing program to ensure water quality, procurement of a water main break and emergency response trailer to improve the Division's emergency response and to initiate a request for proposal (RFP) for an emergency response generator replacement program.

The Town's 5-year Capital Improvement Plan (CIP) includes \$18.9M for annual water main replacements, the demolition and clean-up of tanks and structures on Forest View and Major Hayes Tank site, a highline water connection to SFPU's Harry Tracy Water Treatment Plant, replacement of Darrel Tank and installation of a new emergency back-up generator at existing pump stations.

**Sanitary Sewer**

The Town's sewer collection system is operated and maintained by the Hillsborough Public Works Department and is comprised of 98 miles of mainlines, approximately 2,500 manholes, 247 cleanouts, 4 sewer pumps and 2 sewer ejectors. The pump stations were constructed between 1976 and 2019, and nearly 2/3 of the Town's collection system was built prior to 1940. Sewage is treated by contract with the City of San Mateo Wastewater Treatment Plant.

Hillsborough has approximately 3,907 sewer accounts that are subject to annual sewer services fees. The Town last updated its sewer rate schedule effective July 1, 2023 to fund sewer system improvements and capital projects in alignment with the Town's Sanitary Sewer Master Plan

<sup>10</sup> Town of Hillsborough, *FY 2023-24 Budget* (operating and debt service costs; excludes capital improvement cost)

(SMMP) adopted in 2021, as well as costs associated with upgrades to the San Mateo wastewater treatment plant.

**Sewer Rate Schedule (Annual Fee) (Effective July 1, 2023)<sup>11</sup>**

Fee Type	Rate
Annual service charge	\$3,985
Hillsborough Racquet Club	\$2,203
Cal Trans Racquet Club	\$21,122
Crystal Springs Upland School	\$17,535
Burlingame Country Club	\$78,909
Crystal Spring Golf Club	\$21,521
Hillsborough School District	\$40,251
Nueva School	\$3,985
<b>One-time</b> Development fee for a new residential connection	\$17,891

The FY 23-24 budget for sewer service operations and maintenance is \$12,154,359, an 11% decrease from the prior fiscal year. FY 22-23 cost includes a one-time \$2,415,000 principal payment on the new San Mateo Clean Water agreement. Excluding this one-time charge in FY 22-23, the year-over-year growth in FY 23-24 would be 7.9%. Key initiatives for FY 23-24 include replacing an aging sewer cleaning vehicle truck with a more water efficient vehicle for cleaning sewer lines, completing preventative maintenance and updating the SMMP regarding recently adopted water discharge requirements from the State Water Resource Control Board. The cost for these upgrades to the SMMP will be paid for by all agencies that use the treatment plant.

The Town's 5-year CIP includes \$20.3M for the replacement and repair of sewer drainage basin main lines and manholes, smoke testing and video inspections of priority basins, flow metering and modeling, list station repairs, closed circuit television (CCTV) inspection and root removal and sewer system replacements.

**Streets & Storm Drains**

The Town maintains approximately 83 miles of paved streets, as well as storm drain pipelines, traffic islands, parks and open spaces. As of 2021, the Town maintains an average PCI of 80 (Good).<sup>12</sup> Revenue for street funding includes Measure A and W funds, Road Maintenance and Repair (RMRA) funds, gas taxes, vehicle impact fees, grants and the general fund. In 1994, Hillsborough residents approved an annual \$7.34 storm drainage fee for storm drain maintenance and repairs.

Storm drain capital improvements are primarily funded by the General Fund. The FY 23-24 budget noted that the Town has identified the need for over \$50M of storm drain improvements for infrastructure that is approaching the end of its useful life. However, there is

<sup>11</sup> Town of Hillsborough, Water & Sewer Rates, <https://www.hillsborough.net/188/Water-Sewer-Rates>

<sup>12</sup> Metropolitan Transportation Commission, Pavement Condition Index 2021, [https://mtc.ca.gov/sites/default/files/documents/2022-11/PCI\\_table-2021\\_data.pdf](https://mtc.ca.gov/sites/default/files/documents/2022-11/PCI_table-2021_data.pdf)

currently no dedicated source of funding for storm drain improvements, and the Town is considering implementing a stormwater fee to fund these improvements.

The FY 23-24 budget for streets and stormwater operations is \$3.3M.<sup>13</sup> Key initiatives for FY 23-24 include the development of future recreational pathways, the street sign replacement program, stormwater system capital improvements and infrastructure replacements for the aging stormwater system.

The Streets 5-year CIP includes \$11.4 for street resurfacing, ADA improvements, the development of a bicycle and pedestrian pathway master plan, a bridge assessment program and the creation of a recreational trail and the Eucalyptus Pedestrian Pathway Project. The CIP for storm drain improvements is \$10.7M to support critical storm drain repairs and replacements and the development and implementation of a Green Infrastructure plan.

### Structural Fire Protection

Since 2004, the Central County Fire Department has provided fire protection and emergency medical services to the City of Burlingame and the Town of Hillsborough through a Joint Powers Agreement (JPA) between the two cities by merging their fire departments. Central County Fire also provides fire protection services to the City of Millbrae through a service contract that expires in 2024. CCFD staffs six fire stations, two of which are in Hillsborough, in addition to an administrative office and training facility in Burlingame. The two fire stations in Hillsborough can reach most areas of the Town within a 4-minute travel time, with the exception of the southwestern portion of the Town bordering the City of San Mateo and unincorporated San Mateo Highlands. Fire stations are opened 24 hours a day, every day, and the administrative office is open Monday-Friday.

#### **CCFD Facilities in Hillsborough**

<b>Facility</b>	<b>Location</b>	<b>Year Built</b>
Fire Station 32	330 Ascot Road	1982
Fire Station 33	835 Chateau Drive	1952

CCFD is comprised of 90 full-time employees, including 45 firefighters and paramedics, 22 Captains, 4 Battalion Chiefs, 7 fire prevention staff, 6 administrative staff and 3 executive staff. CCFD responds to approximately 7,000 calls for service every year with its 6 engines and 1 ladder truck. Legal counsel, human resources, and some accounting services are contracted out to further streamline costs.<sup>14</sup> In addition, CCFD holds several agreements with various agencies for shared services, including search and rescue training, advanced life support services, dispatch, mechanic shop services and tactical emergency services.

The total service area is 15.51 square miles with a population of approximately 66,000. The value of property protected is over \$16B.

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<sup>13</sup> Town of Hillsborough, *FY 2023-24 Budget*

<sup>14</sup> Central County Fire Department (CCFD), *FY 2023-24 Budget*

### *Governance*

The Department is governed by a four-person Board of Directors comprised of two councilmembers from Burlingame and Hillsborough who determine the level of fire, emergency medical and disaster preparedness services to be provided by the Department. All major decisions by the Board require ratification by the respective Council. The Board appoints the City Managers of each city to serve as Chief Administrative Officer for alternating two-year terms. The Chief Administrative Officer appoints the Fire Chief who shall conduct the day-to-day operations of the Department.

The Board typically meets quarterly on the second Wednesday of the month at 4pm and were held via Zoom during the COVID-19 State of Emergency. The Board met virtually during the COVID-19 public health state of emergency and has resumed in-person meetings alternating locations in the Burlingame Council Chambers and Hillsborough Town Council Chambers, while also making virtual attendance an option for members of the public and interested parties.

### *Budget*

The Central County Fire Department JPA requires that the Department adopt a budget approved by member agencies for maintenance and operations costs and costs of special services prior to June 30<sup>th</sup> of each year.

CCFD operates under budget policies that guide the development and administration of their annual budget. Operating revenues must fully cover operating expenditures, including debt services. However, total expenditures can exceed revenues in a given year to fund capital improvement plan projects and other one-time expenditures if there are sufficient reserves to cover such expenditures. The Board of Directors may amend or supplement the budget after its adoption by a majority vote of the Board. Annual budgets are presented to and adopted by the Board for each fund, except for the Capital Projects Fund, which establishes budgetary control on a project-by-project basis.

The City of Millbrae is responsible for 30% of the operational budget and the remaining 70% is split in a 60/40 cost allocation formula between the City of Burlingame (60%) and the Town of Hillsborough (40%). Nearly 96% of the Department's General Fund revenue comes from the three cities, and the remaining revenue comes from permits and licenses, program revenue, workers compensation premiums and other sources. Ninety percent of General Fund expenditures are for salaries and benefits.

CCFD adopted the FY 23-24 budget of \$34,499,746, a 5.6% increase from the revised adopted FY 21-22 budget. The allocation for the Town of Hillsborough is \$9,581,385 in FY 23-24. The key changes included the addition of 2 full-time employees (up from 88 employee in the prior fiscal year), higher cost-of-living adjustments due to none given in FY 22-23, allocation of \$1.3M to reserves for upcoming equipment expenditures and increases to CalPERS contributions and health insurance premiums. The Department's FY 23-24 General Fund projected fund balance is \$771,885.<sup>15</sup>

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<sup>15</sup> CCFD, *FY 2023-24 Budget*



Hillsborough’s budget for CCFD services in FY 23-24 was \$9.8M, a 6% increase from the prior year due to contractual increases for cost of living and CalPERS pension contributions.<sup>16</sup>

### Performance

On average, CCFD responds to over 7,000 calls for service annually, arrives on a structure fire scene within six minutes of dispatch over 80% of the time, and responds to priority 1 (emergency) calls in under five minutes and thirty seconds. In FY 20-21 CCFD responded to fire and emergency medical calls within 7 minutes 90% of the time.<sup>17</sup>

### CCFD performance (systemwide)<sup>18</sup>

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	YTD FY 22-23*
Total calls for service	7,493	7,410	7,004	8,328	4,774
Medical responses	4,548	4,486	4,314	5,141	3,014
Fire suppression responses	144	116	156	153	96
Hazardous conditions responses	214	225	169	238	114
Training hours completed	7,168	18,122	20,491	12,294	4,017
% of time fire engine arrives on structure fire scene within 6 min of dispatch	100%	83%	86%	73%	76%
Avg. response time for all calls	6:59	5:17	5:43	5:32	5:29
Avg. response time for priority 1 calls (emergency)	6:59	5:02	5:30	5:18	5:21
Average response time for priority 3 calls (non-emergency)	6:59	6:21	6:37	6:38	6:08

\* FY 22-23 YTD data collected as of March 9, 2023

In March 2023, CCFD published a Community Risk Assessment/Standards of Cover & Deployment Analysis that examined the department’s response performance, operations, facilities and apparatus, organizational structure, governance and mutual cooperation<sup>19</sup>. The Assessment made several recommendations to CCFD including:

- Developing capital facilities and apparatus replacement plans for fire stations, vehicles and apparatus that are in poor condition.
- Constructing or relocating Administrative Facility to a more suitable location and replacing and relocating Station 36 to a new location with new fire staff to address future growth.
- Developing and analyzing performance metrics.
- Increasing staffing to meet National Fire Protection Association standards.

<sup>16</sup> Town of Hillsborough, FY 2023-24 Budget

<sup>17</sup> CCFD, FY 2023-24 Budget

<sup>18</sup> CCFD, CCFD website, <https://ccfd.org/about-ccfd/>

<sup>19</sup> CCFD, CCFD Community Risk Assessment/Standards of Cover & Deployment Analysis, March 2023, <https://ccfd.org/about-ccfd/standards-of-cover/>

- Conducting a management staff analysis to understand if more operational management staff is needed.
- Conducting studies to assess feasibility of developing cooperative services with neighboring agencies and turning the department into a fire district.

The Current Insurance Services Office (ISO) rating for CCFD for the Town of Hillsborough is 2. ISO ratings reflect how well equipped a fire department is to respond to fires in the community, with the highest score being a 1 and the lowest is a 10.

Police

The Town of Hillsborough provides law enforcement and dispatch services within the Town limits. The Department provides patrol services, investigations, traffic enforcement, a K-9 unit, a Special Weapons & Tactics (SWAT) team, evidence technicians, defensive tactics and field training officers. The Hillsborough Police Department has 28 sworn officers and 10 non-sworn officers. The Hillsborough Police Department facility was built in 1992 and is located at 1600 Floribunda Avenue. Law enforcement in Hillsborough is primarily funded by the Town’s general fund, with approximately 10% of revenue coming from public safety special tax that was approved by voters in 1998, police grants, permits, fees and fines. The adopted budget for FY 23-24 was \$12,478,651, a 5% increase from the prior fiscal year. Key initiatives for FY 23-24 include updating the vehicle fleet, performing security checks of homes and providing crime prevention strategies, facility upgrades, hiring a property officer and updating the computer network server to meet Department of Justice security requirements.

The Hillsborough Police Department received 8,806 calls for service in FY 21-22. During this time the average response time to all calls was under six minutes and two minutes and twelve seconds for Priority 1 emergency calls<sup>20</sup>. The Town has maintained the lowest crime record for cities greater than 10,000 population for more than 15 years<sup>21</sup>.

**Hillsborough Police Department Performance**

	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>YTD FY 22-23</b>
Total incidents	29,772	31,530	29,339	19,330
Calls for Service	10,937	10,429	8,806	5,485
Felony Arrets	6	15	14	7
Misdemeanor Arrests	64	46	46	26
Average response to all calls	6:23	6:08	5:54	5:52
Priority Emergency Response time (minutes)	3:11	2:45	2:12	3:08

<sup>20</sup> Town of Hillsborough, *FY 2023-24 Budget*

<sup>21</sup> Communication with the Town of Hillsborough, 07/07/2023

Parks and Recreation

Hillsborough has 259 acres of open space and three public parks within the Town limits – Vista Park, Centennial Park and Crossroads Park. The parks and open space are maintained by the Public Works Department.

The Hillsborough Recreation Department, a joint powers authority comprised of the Town and Hillsborough City School District, delivers a variety of recreational activities to Town residents, including summer programs, after school sports and facility rentals. The Hillsborough Recreation Department leadership team is composed of its Executive Director, the Superintendent of the Hillsborough City School District, and the Recreation Director. The 5-member Hillsborough Recreation Commission consists of two City Councilmembers, two School Board Trustees, and one community at-large commissioner and provides oversight of the Department’s programming and financials.

The Town’s FY 23-24 budgeted contribution to Hillsborough Recreation is \$182,000.

Other Shared Services

Library services: Library services are provided to Hillsborough residents via an agreement with the Cities of Burlingame and San Mateo. The FY 23-24 budget for library services is \$1.1.M, accounting for less than 3% of General Fund expenditures.

Animal Control: Twenty cities in San Mateo County, including the Town of Hillsborough, contracts with the County to operate a countywide animal control program. The County contracts with the Peninsula Humane Society & SPCA to enforce all animal control laws, shelter homeless animals and to provide a variety of other related services.

Garbage/solid waste/recycling: South Bayside Waste Management Authority (BWMA), also known as ReThink Waste, is a joint powers authority between the County, 10 cities, including the Town of Hillsborough, and the West Bay Sanitary District that provides oversight and management of solid waste service providers. Recology has been the recycling, compost and solid waste collection contracted service provider for the JPA service area since 2011. Solid waste fees were most recently updated on January 1, 2023.

**Town of Hillsborough Monthly Solid Waste Rates (Effective January 1, 2023)**

<b>Residential</b>		<b>Commercial</b>	
Flat fee per parcel address	\$28.88	1 cubic yard solid waste	\$131.96
20 Gallon Cart	\$29.25	1 cubic yard organics	\$65.98
32 Gallon Cart	\$35.72		
64 Gallon Cart	\$55.50		
96 Gallon Cart	\$80.98		
Additional organics cart (beyond 1 <sup>st</sup> cart)	\$24.77		

- c) Are there any concerns regarding public services provided by the agency being considered adequate?

LAFCo staff has not identified any concerns regarding the adequacy of the public services being delivered by the Town of Hillsborough. However, if the development that is being planned for as part of the Town’s Housing Element is actualized, there could be increases in demand for public services, including water and sewer services.

- d) Are there any significant infrastructure needs or deficiencies to be addressed?

The Town of Hillsborough continues to implement capital improvements to the Town’s sewer and water system, with allocations to capital improvement funds for projects. However, while there are planned improvements for the Town’s stormwater system, there is no dedicated funding for these projects. Instead, stormwater capital improvements are currently funded through the Town’s General Fund.

- e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?

The Town is not aware of any new state regulations and legislation that will require significant facility and/or infrastructure upgrades.

- f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?

While the Town does provide water, sewer, and structural fire protection, there are several properties in the unincorporated Burlingame Hills area that receive water service from the Town. However, the Town of Hillsborough’s sphere of influence is coterminous with its boundaries and, therefore, does not have any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

**Capacity and Adequacy of Public Facilities and Services MSR Determination:**

LAFCo is not aware of any deficiencies in agency capacity to meet existing service needs for which the agency does not have a plan in place to resolve. The Town is anticipated to be able to meet most service demands of foreseeable growth with project infrastructure improvements and other mitigation measures.

Although the Town’s guaranteed water supply of 4,858 acre-feet (AF) per year during normal water years through 2045 exceeds its projected water demands in the 2021 urban water management plan, the projected water demands assumes minimal population growth. LAFCo staff recommends that the Town update its urban water management plan (UMWP) to align with planned growth as directed by the recent housing element and the RHNA allocation.

The Town acknowledges that its infrastructure is aging. The Town’s annual 5-year Capital Improvement Plan includes the critical capital improvements, replacements and repairs to ensure the Town’s infrastructure and facilities are adequate to meet future needs of its residents. Capital improvements to the water and sewer systems are funded through the

respective enterprise funds. Storm drain improvements are funded by general fund capital transfers.

Fire protection services are provided by the Central County Fire Department, a Joint Powers Agreement (JPA) between the City of Hillsborough and Town of Hillsborough. In March 2023, CCFD published a Community Risk Assessment/Standards of Care & Deployment Analysis that made several recommendations, including the development of a capital improvement plan for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.

**Recommendations:**

1. The Town should partner with the City of Burlingame to review the recommendations in the CCFD Community Risk Assessment to prepare a capital improvement plan and CIP budget for fire stations, vehicles and apparatus that are in poor condition and the construction or relocation of the Administrative Facility building.
2. Hillsborough’s UMWP was last updated in 2021. The Town should align the growth projections in the UMWP with the RHNA growth projections and the 2023-2031 Housing Element in its next UMWP update.
3. Hillsborough has identified the need for over \$50M of storm drain improvements. However, there is no dedicated source of funding for storm drain improvements, and Town is considering implementing a stormwater fee to fund these improvements. LAFCo staff encourages the Town to conduct this analysis to determine if a storm drainage fee or other dedicated source of funding could alleviate reliance on the general fund for these improvements.

4) Financial Ability

Financial ability of agencies to provide service	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?			X
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?			X
c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?			X
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?			X

e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?			X
f) Is the organization’s debt at an unmanageable level?			X

**Discussion:**

a) Budget and audit processes

The Town of Hillsborough adopts a budget on a yearly basis that includes preliminary budgets for the next two fiscal years. The City Manager and Finance Director lead the budget preparation process in coordination with Town department heads. Department goals and initial budgets are presented to City Council at a Study Session. From this discussion, a detailed budget is prepared and issued by the City Manager for public comment. The Financial Advisory Committee and City Council review the proposed budget documents at public hearings, and the budget is adopted by the City Council by June 30<sup>th</sup> of every year. The City Council conducts a mid-year budget review and adjusts appropriations, as needed. Interim financial reports and major project status reports are presented to Council on a periodic basis.

Hillsborough contracts with a qualified independent certified public accountant to prepare the Town’s annual audit and will issue the audited financial statements within 180 days after year-end. City Council accepts the annual audit at a noticed public meeting. The most recent annual audited financial statements for the year ending on June 30, 2022 noted that the Town’s total net position increased 11% to \$97M in FY 21-22, of which \$44.6M is unrestricted and can be used to meet the Town’s ongoing obligations. The General Fund balance also increased by \$1.8M to \$31.8M by the end of the fiscal year and includes \$15.7M for reserves, 30-50% of budgeted operating expenditures, as required by the Town’s General Fund reserve policy. Long term liabilities totaled \$82.2M, a \$3M increase from the prior year. The Town decreased its net pension liability by \$12.2M, primarily due to a significant CalPERS investment return of 21/3% in FY 20-21.

The Town has received the Government Finance Officers Association (GFOA) of the United States and Canada Excellence in Budgeting and the Certificate of Achievement for nineteen years. In addition, the Town recently received an AAA rating from Standard and Poor’s with the issuance of the Revenue Refunding Bonds Series 2023 in the Enterprise Funds. The long-range projection in the FY 23-24 Adopted Budget indicates that the General Fund reserves will be within policy levels.<sup>22</sup>

The California State Auditor maintains a Fiscal Health of California Cities dashboard<sup>23</sup> to identify local government agencies that are risk for potential waste, fraud, abuse, or mismanagement, or have major economic challenges. The Town of Hillsborough received a score of 85.27 out of

<sup>22</sup> Communication with the Town of Hillsborough, 07/07/2023

<sup>23</sup> California State Auditor, Fiscal Health of California Cities Dashboard, Town of Hillsborough FY 2020-21, [https://www.auditor.ca.gov/local\\_high\\_risk/dashboard-csa.html](https://www.auditor.ca.gov/local_high_risk/dashboard-csa.html)

100 points (higher is better), classified as low risk, in FY 20-21. Other post-employment benefit funding was identified as the most significant fiscal challenge for the Town of Hillsborough.

#### California State Auditor fiscal Health Risk Indicator for the Town of Hillsborough, FY 20-21

Risk Factor	Risk	Risk Factor	Risk
General Fund Reserves	Low	Pension Funding	Low
Debt Burden	Moderate	Pension Costs	Low
Liquidity	Low	Future Pension Costs	Moderate
Revenue Trends	Moderate	OPEB Obligations	Low
Pension Obligations	Low	OPEB Funding	High

Although Hillsborough's revenue stream was impacted by the COVID-19 pandemic like many communities, the Town has been able to prepare balanced budgets and draw from the Town's healthy reserve when needed. For FY 23-24, the Town budgeted \$35M in General Fund expenditures, with 64% allocated to Public Safety, 11% to Planning & Building, 9% to Streets, 7% to capital transfers, 5% to general governmental activities, and the remaining 4% to library, recreation and community services.

#### Town of Hillsborough General Fund Budget, FY 18-19 through FY 23-24\*

	FY 18-19 Actuals	FY 19-20 Actuals	FY 20-21 Actuals	FY 21-22 Actuals	FY 22-23 Budget	FY 23-24 Budget
<b>REVENUE</b>						
Property Tax	\$16,680,762	\$17,413,680	\$18,455,541	\$19,324,411	\$21,252,715	\$22,211,874
Public Safety Tax	\$2,235,229	\$2,235,485	\$2,237,548	\$2,238,231	\$2,239,271	\$2,238,835
Excess ERAF	\$2,209,536	\$2,300,581	\$2,381,601	\$3,153,308	\$2,800,000	\$2,900,000
Permits	\$1,562,782	\$1,117,218	\$1,798,365	\$1,683,174	\$1,532,900	\$1,532,900
Service Charges	\$1,218,912	\$1,176,300	\$961,695	\$1,454,288	\$2,008,730	\$2,232,221
Other Taxes	\$3,370,509	\$3,296,957	\$3,463,444	\$4,009,970	\$1,850,000	\$2,100,000
Other Revenue	\$2,120,919	\$1,848,476	\$1,989,632	\$2,010,015	\$1,218,102	\$1,310,258
<b>Total Revenue</b>	<b>\$29,398,649</b>	<b>\$29,388,697</b>	<b>\$31,287,826</b>	<b>\$33,873,397</b>	<b>\$32,901,718</b>	<b>\$34,526,088</b>
<b>EXPENDITURES</b>						
<b>Total Expenditures</b>	<b>\$25,603,931</b>	<b>\$26,851,813</b>	<b>\$30,145,650</b>	<b>\$32,029,703</b>	<b>\$32,191,597</b>	<b>\$35,016,172</b>
<b>Use of Reserves</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$490,085</b>
<i>Surplus (deficit)</i>	<i>\$3,794,718</i>	<i>\$2,536,884</i>	<i>\$1,142,176</i>	<i>\$1,843,694</i>	<i>\$710,121</i>	<i>\$1</i>

\*Actual Budget revenue and expenditures for FYs 18-19, 19-20, 20-21 and 21-22 were pulled from the Town ACFRs for those corresponding years. Revenue and Expenditure for FYs 22-23 and 23-24 were pulled from the Town's adopted budgets for those corresponding years.

#### *Pension Liability & Other Employment Benefits (OPEB)*

The California State Auditor found that, as of June 30, 2021, the Town’s risk for meeting current and future pension commitments as well as OPEB obligations was low to medium but high risk for OPEB funding. However, in FY 18-19 and FY 19-20, the Hillsborough City Council approved funding of \$4.8 million into a pension trust fund to minimize the impact of future increased pension contributions on the budget.

The Town’s net pension liability as of June 30, 2022 was \$18.5M, representing a \$12.2M decrease compared to the prior year, due to a significant CalPERS investment return of 21.3% for FY 20-21. According to the Town’s FY 21-22 Annual Comprehensive Financial Report (ACFR), the reduction will be offset negative investment return from FY 21-22<sup>24</sup>.

Although the California State Auditor determined that the Town was at high risk in OPEB funding the Town increased its OPEB funded ratio from 40% at the end of FY 20-21 to 60% by end of FY 21-22. During FY 21-22, the Town funded the annual required contribution of \$1.3 million for OPEB and ended the fiscal year with a net OPEB liability of \$8.4M.

- b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?

The General Fund reserve policy requires a minimum of 30% of operating expenditures, with a goal of 50% of operating expenditures. The reserve policy exists to protect the Town from revenue volatility, economic recessions, natural disaster or other financial impact. At the end of the fiscal year ending on June 30, 2022, the Town’s General Fund balance was \$31.8M, inclusive of \$15.7M for reserves, which meets the Town’s General Fund Policy requirements.

- c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?

The Finance Department conducts rate studies and public hearings to set rates for utilities and the Master Fee schedule. City Council reviews proposed updates to the master fee schedule annually during a Study Session and adopts the master fee schedule for the upcoming fiscal year, along with the budget, at a noticed public hearing.

The Town operates water and sewer enterprises, and the revenue collected from user rate charges from each enterprise fund the operations, capital improvements and debt service for both water and sewer. The Town increased water and sewer rates effective July 1, 2023 and has budgeted an average 6% increase to water rates in January 1, 2024.

Although the Town has not experienced challenges in raising sewer rates and fees, it has faced two legal challenges over the past decade when trying to raise water rates. This included a lawsuit regarding water rates, Prop. 218 rate setting, and drought penalties for water customers that exceeded a certain amount of water use. The Town and ratepayers agreed to a negotiated settlement that included plaintiff’s attorney fees and customer refunds for water customers who paid Tier 3, 4 or 5 rates for water between June 28, 2015 through April 30, 2017 (“the Refund Period”), based upon the difference between the rate paid for Tiers 3, 4 and 5 and \$11.09 per hundred cubic feet during the Rate Stabilization Period (February 10, 2016 through

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<sup>24</sup> Town of Hillsborough, *FY 2021-22 Annual Comprehensive Financial Report*



November 16, 2016) and \$9.06 during the rest of the Refund Period. The claims related to the Drought Penalties were dismissed with prejudice<sup>25</sup>.

The Town recently adopted a new water rate structure that is currently being reviewed by the courts to establish the rates and validate this action.

- d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?

Staff has determined that the Town is able to fund most of the necessary infrastructure, maintenance, replacement and/or needed expansion. As described above, the Town is aware of the need to fund capital improvements to the aging storm drain system that is approaching the end of its useful life. Although there is currently no dedicated source of funding for storm drain improvements, Town is considering implementing a stormwater fee to fund these improvements.

- e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?

The Town of Hillsborough has adopted several financial policies to help guide financial planning and promote long-term fiscal health, including Budget and Fiscal Policies, a Purchasing Policy and Investment Policy. The Budget and Fiscal Policies cover a range of areas such as, financial reporting, budget administration, reviewing and updating enterprise fund fees and rates, investments, capital improvement management, debt management, fund balance and reserves, and contracting. The Town's Budget and Fiscal Policies were last updated in 2011.

- f) Is the organization's debt at an unmanageable level?

For the fiscal year ending June 30, 2022, the Town had total long-term debt outstanding of \$52.4 million, excluding compensated absences, pension and OPEB liabilities. In addition, the Town contributed \$3,848,454 to CalPERS plans and employees contributed \$1,002,738.

The Town has implemented several strategies over the years to mitigate the long-term cost of pensions including paying off \$9.9 million of side funded liabilities; requiring employees to pay a share of the employer's contribution; implementing an additional tier with a lower pension formula for miscellaneous plan employees; replacing employees who have retired with employees who are on the PEPR plan where applicable; and adopting and funding a \$115 pension trust. The Town stated that it prefunds the actuarial liability with its funding policy to contribute contributions sufficient to pay the current year's retiree premiums and plan expenses, with an additional amount to pre-fund benefits as determined by the Town's actuary on a biennial basis<sup>26</sup>.

#### **Financial Ability MSR Determination:**

The California State Auditor has a risk indicator for the fiscal health of California cities. In FY 20-21, the Town of Hillsborough had a score of 85.7 out of 100 points (higher is better) and on a

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<sup>25</sup> Communication with the Town of Hillsborough, 09/08/2023

<sup>26</sup> Communication with the Town of Hillsborough, 07/07/2023

rating scale of “low”, “moderate”, and “high” risk, the City of Hillsborough is classified as “low risk”. OPEB funding was the Town’s key financial issue.

The Town adopts an annual budget and contracts with an independent certified public accountant to prepare the Town’s annual audit. In its most recent audit for the year ending on June 30, 2022, the audit noted that the Town’s total net position increased 11% to \$97M and its general fund balance also increased to \$31.8M, inclusive of \$15.7M for reserves. Although long-term liabilities increased \$3M from the prior year, it decreased its net pension liability by \$12.2M that same year.

The Town’s Finance Department updates its Master Fee schedule annually and conducts rate studies every few years. The Town has not experienced challenges in raising sewer rates and fees, but it has faced two legal challenges in the past decade when attempting to raise water rates and fees. This included a lawsuit regarding water rates, Prop. 218 rate setting, and drought penalties for water customers that exceeded a certain amount of water use. The Town and ratepayers agreed to a negotiated settlement that included customer refunds for those that paid drought water use penalties. The Town recently adopted a new water rate structure that is currently being reviewed by the courts to establish the rates and validate this action.

For the fiscal year ending June 30, 2022, the Town had total long-term debt outstanding of \$52.4 million, excluding compensated absences, pension and OPEB liabilities. In addition, the Town contributed \$3,848,454 to CalPERS plans and employees contributed \$1,002,738.

The Town has implemented several strategies over the years to mitigate the long-term cost of pensions including paying off \$9.9 million of side funded liabilities; requiring employees to pay a share of the employer’s contribution; implementing an additional tier with a lower pension formula for miscellaneous plan employees; replacing employees who have retired with employees who are on the PEPRA plan where applicable; and adopting and funding a \$115 pension trust.

**Recommendations:**

1. Hillsborough has identified the need for over \$50M of storm drain improvements. However, there is no dedicated source of funding for storm drain improvements. LAFCo staff recommends conducting an analysis to determine if a storm drainage fee or other dedicated source of funding could alleviate reliance on the general fund for these improvements.

**5) Shared Service and Facilities**

Status of, and opportunities for, shared facilities	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	X		

b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?			X
c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?			X

**Discussion:**

- a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.

The Town is engaged in the following service shared agreements, which are discussed in greater detail in the *Capacity and Adequacy of Public Facilities and Services* section:

- The Hillsborough Police Department contributes staff and receives services from the San Mateo County Gang Task Force, the County Vehicle Theft Task Force, the County Saturated Traffic Enforcement Program (STEP), and the Northern San Mateo County Regional SWAT team. Training facilities are shared with the College of San Mateo, the Hillsborough School District, City of Burlingame, CCFD and other Town departments.
- The Town’s Fleet maintenance is contracted out to a private provider, which has resulted in cost savings and a reduction in staff time dedicated to fleet needs.
- Library services are provided to Hillsborough residents via an agreement with the Cities of Burlingame and San Mateo.
- Animal control is provided by Peninsula Humane Society via a contract administered by the County.
- Solid waste services are provided by South Bayside Waste Management Authority (SBWMA), also known as ReThink Waste, a JPA with the County and 10 Cities. Recology is the recycling, compost and solid waste collected contracted service provider.
- Fire and emergency medical services are provided by CCFD, a JPA that merged the fire departments of the Town of Hillsborough and City of Burlingame.

- b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?

Staff has not identified additional opportunities for the Town of Hillsborough to share services or facilities with neighboring or overlapping organizations.

- c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?

Staff has not identified any governance options that would allow for additional facility or resource sharing, make excess capacity available to others, or avoid duplication of resources.

**Shared Services MSR Determination:**

The Town of Hillsborough partners with other organizations to share project costs and services with other governments. It shares services through being a member of several JPAs, including with the Central County Fire Department and South Bayside Waste Management Authorities. LAFCo has not identified additional opportunities for the Town to share services or facilities with neighboring over overlapping organizations.

6) Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?			X
b) Are there any issues with staff turnover or operational efficiencies?			X
c) Is there a lack of regular audits, adopted budgets and public access to these documents?			X
d) Are there any recommended changes to the organization’s governance structure that will increase accountability and efficiency?			X
e) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?			X
f) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?			X

**Discussion**

- a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?

The Town of Hillsborough website includes information about the City Council and its Boards and Committees, including composition and term length, meeting schedule, public hearing

notices, agendas and meeting minutes. The City Council page also includes a *Guide to City Council Meetings* that outlines information about the City Council and various Boards and Committees and includes a vocabulary list of common terms residents can expect to hear in a public meeting. LAFCo is not aware of any Town failures to comply with disclosure laws or the Brown Act.

The Town is not aware of any failures to comply with disclosure laws and the Brown Act within the past five years but acknowledged that there were allegations regarding the Brown Act and disclosure under conflict-of-interest laws during discussions about a wireless project that garnered opposition from a resident group<sup>27</sup>. The resident group filed two lawsuits against the Town, one of which was voluntarily dismissed by the resident group in 2020. The second lawsuit was also voluntarily dismissed after a negotiated settlement.

b) Are there any issues with staff turnover or operational efficiencies?

The Town's staffing levels have either increased or stayed the same over the past five years. There are currently 97 employees at the Town of Hillsborough. The Town has been able to maintain operations with a stable workforce due to investments in leadership, training, technology and an annual goal setting exercise to set the priorities for the coming year.

c) Is there a lack of regular audits, adopted budgets and public access to these documents?

The Hillsborough City Council regularly adopts an annual budget and accepts an Annual Comprehensive Financial Reports at noticed public hearings. Both documents are available on the Town website. In addition, the Town has received the GFOA Excellence in Budgeting and the Certificate of Achievement for Excellence in Financial Reporting for the past 19 years<sup>28</sup>.

d) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?

LAFCo has not identified any changes to Town's governance structure that will increase accountability or efficiency.

e) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?

LAFCo has not identified any changes to Town's governance structure that will enhance services or eliminate deficiencies.

f) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?

The Town of Hillsborough's sphere of influence is coterminous of the Town Boundaries of 1985 and does not overlap with any special districts or other service providers. LAFCo has not identified any opportunities to eliminate overlapping boundaries.

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<sup>27</sup> Communication with the Town of Hillsborough, 07/07/2023

<sup>28</sup> Communication with the Town of Hillsborough, 07/07/2023

**Accountability, Structure, and Efficiencies MSR Determination:**

The Town of Hillsborough complies with disclosure laws and the Brown Act and ensures that public meetings are accessible and well publicized. Adopted budgets and annual budgets are available on the Town Website. The Town did not report any issues with staff turnover or operational efficiencies. There are no recommended changes to the organization’s governmental structure or operations that will increase accountability and efficiency.

7) Other

Any other matter related to effective or efficient service delivery, as required by commission policy.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?		X	
b) Water Resiliency and Climate Change			
i) Does the organization support a governance model that enhances and provides a more robust water supply capacity?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provide risk reduction solutions that address sea level rise and other measures to adapt to climate change?	X		
c) Natural Hazards and Mitigation Planning			
i) Has the agency planned for how natural hazards may impact service delivery?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provides risk reduction for all natural hazards?	X		

**Discussion:**

- a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?

While not a service delivery issue, there are several parcels in the El Cerrito Avenue and Ranelagh Road area that are split by the Town of Hillsborough – City of San Mateo city boundary line (Attachment B). In the future, the City and Town may wish to consider submitting an application to LAFCo to adjust the Town-City boundary so that this line follows parcel boundaries.

There are no other issues that LAFCo has identified through the MSR/SOI process.

b) Water Resiliency and Climate Change

The Town of Hillsborough has taken action to ensure a robust water supply and engages in multi-agency collaborations to address risks associated with sea level rise and climate change.

The Town joined the International Council for Local Environmental Initiatives (ICLEI) Cities for Climate Protection to work collaboratively to reduce greenhouse gas (GHG) emissions. Through this collaboration, the town completed a greenhouse gas inventory which provides an analysis of the transportation, residential, municipal, and solid waste sectors and their GHG emissions. The Sustainable Hillsborough Task Force identified GHG emission reducing program and policies, which were then included in the Town’s Climate Action Plan.

In 2010, the Town of Hillsborough adopted a Climate Action Plan to assist the Town in achieving its emission reduction and sustainability goals in an effort to meet the requirements of Assembly Bill 32. The Plan includes 4 strategies to guide program and policy recommendations in the areas of energy efficiency, water conservation and green building; education and promotion; waste reduction and recycling; and municipal operations through 2020. As part of its General Plan Update process, the Town will update its Climate Action Plan in the next two years. The Hillsborough City Council has the authority to declare a water shortage and establish corresponding conservation measures.

As discussed in the *Capacity and Adequacy of Public Facilities and Services* section, the Town of Hillsborough is in compliance with the Water and Conservation Act of 2009 and has developed a Water Shortage Contingency Plan in 2021 to prepare for and respond to future water shortages<sup>29</sup>. The Plan outlines the Town’s phased response to water shortages that progresses depending on severity from voluntary rationing to mandatory rationing and penalties to limiting water use to public, health and safety purposes only. Movement between each phase is preceded by a City Council public hearing.

In addition, the Town participates in the Bay Area Water Supply and Conservation Agency (BAWSCA) and cooperates in regional efforts to reduce water usage during drought years.

c) Natural Hazards and Mitigation Planning

Approximately 70% of the Town is within the Wildland Urban Interface (WUI) zone and is at a greater risk for wildfire. The Town encourages best practice actions for all properties, including defensible space parameters for residences and other buildings, and a comprehensive periodic wildfire abatement inspection program has been instituted for properties within the WUI zone. The Town also partners with Firewise, a community-based fire prevention and education organization that works with residents on fuel reduction projects and ensures that the community maintains the necessary activities to maintain “Firewise” certification<sup>30</sup>.

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<sup>29</sup> Town of Hillsborough, *2020 Water Shortage Contingency Plan*

<sup>30</sup> Communication with the Town of Hillsborough, 07/07/2023

In addition, the City participates in the multi-jurisdictional Hazard Mitigation Plan for San Mateo County.

**Other MSR Determination:**

Although not a service delivery issue, there are several parcels in the El Cerrito Avenue and Ranelagh Road that are split by the Town of Hillsborough – City of San Mateo city boundary line. In the future, the City and Town may wish to consider submitting an application to LAFCo to adjust the Town-City boundary so that this line follows parcel boundaries. The Town is engaged in activities to address natural hazard mitigation and sea level rise for residents, businesses, and infrastructure.

**Recommendations:**

1. In the future, the City and Town may wish to consider submitting an application to LAFCo to adjust the Town-City boundary so that this line follows the above-mentioned parcel boundaries that are currently split by the Hillsborough-San Mateo boundary line.
2. LAFCo encourages the City to continue its work in the areas of natural hazard mitigation and sea level rise and continue to coordinate with partner agencies.

**Section 6. Sphere of Influence Review and Update**

**Determinations**

Section 56425 requires the Commission to make determinations concerning land use, present and probable need for public facilities and services in the area, capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, and existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency. These include the following determinations:

1. **The present and planned land uses in the area, including agricultural and open space lands.**

Hillsborough’s current SOI is coterminous with the Town’s boundaries. There are 259 acres of open space lands and no agricultural lands in the study area.

2. **The present and probable need for public facilities and services in the area.**

The Town’s facilities and services meet the current need of the area, and the Town anticipates that it will be able to adequately provide facilities and services for the projected growth that may occur within its boundaries.

3. **The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The Town is anticipated to be able to meet service demands of foreseeable growth with project infrastructure improvements and other mitigation measures. The Town routinely adopts a CIP for its infrastructure and facilities.

4. **The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.**



The Town’s boundaries are coterminous with its SOI, and there are no social or economic communities of interest in the area.

5. **For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

No change to the Sphere of Influence for the Town of Hillsborough is being proposed at this time.

On the basis of the Municipal Service Review:

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency’s SOI is recommended and SOI determinations HAVE NOT been made.

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency’s SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.

**Appendix A. Town of Hillsborough Fact Sheet**

*City Manager:* Doug Davis

*Address:* 1600 Floribunda Ave., Hillsborough, CA 94010

*Email Address:* DDavis@hillsborough.et

*Phone Number:* 650-375-7753

*Date of Incorporation:* May 5, 1910

*City Councilmembers:*

<b>Councilmember</b>	<b>Term Expiration Date</b>
Christine Krolik, Mayor	December 2024
Sophie Cole, Vice Mayor	December 2024
Marie Chuang	December 2026
Leslie Marden Ragsdale	December 2026
Alvin L. Royse	December 2024

*Councilmember Compensation:* Councilmembers do not receive direct compensation for serving on Council but are eligible to receive health insurance coverage while serving on the Council. Actual benefit coverage is dependent upon participation in the benefits program, which is voluntary and has been declined by many of the City Council members, as well as the level of enrollment (member only, member +1, member + family). The maximum potential benefit for medical insurance is the Blue Shield family rate – rates shown below are the highest current benefits being paid for participating Council members<sup>31</sup>.

<b>Available Benefits (2023)</b>	<b>Amount</b>
Medical	\$2,661.44
Dental	\$109.00
Vision	\$15.00

*Public Meetings:* The City Council meets regularly on the second Monday of each month at 6pm in the Council Chambers at Town Hall, 1600 Floribunda Avenue.

*Services Provided:* Water, sewer, police, streets & storm drains, street lighting. Fire protection, emergency medical services, animal control, electricity, natural gas, solid waste collection and disposals, some street lighting, library services and recreation are provided via service agreements or JPAs.

*Population:* 11,418 (2020)

*Number of Personnel:* 97 FTE

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<sup>31</sup> <https://www.hillsborough.net/144/City-Council>

MSR– Town of Hillsborough

*Sphere of Influence:* Coterminous with Town Boundaries of 1985

*Budget:* \$76.6 Million (FY 2023-24 Adopted Budget)

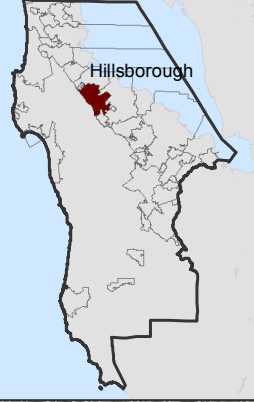
**Appendix B. References**


1. California State Auditor, Local Government High Risk Dashboard,  
[https://www.auditor.ca.gov/local\\_high\\_risk/lhr-main-landing](https://www.auditor.ca.gov/local_high_risk/lhr-main-landing)
2. Town of Hillsborough MSR response letters





Overview

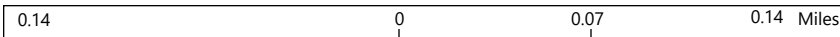
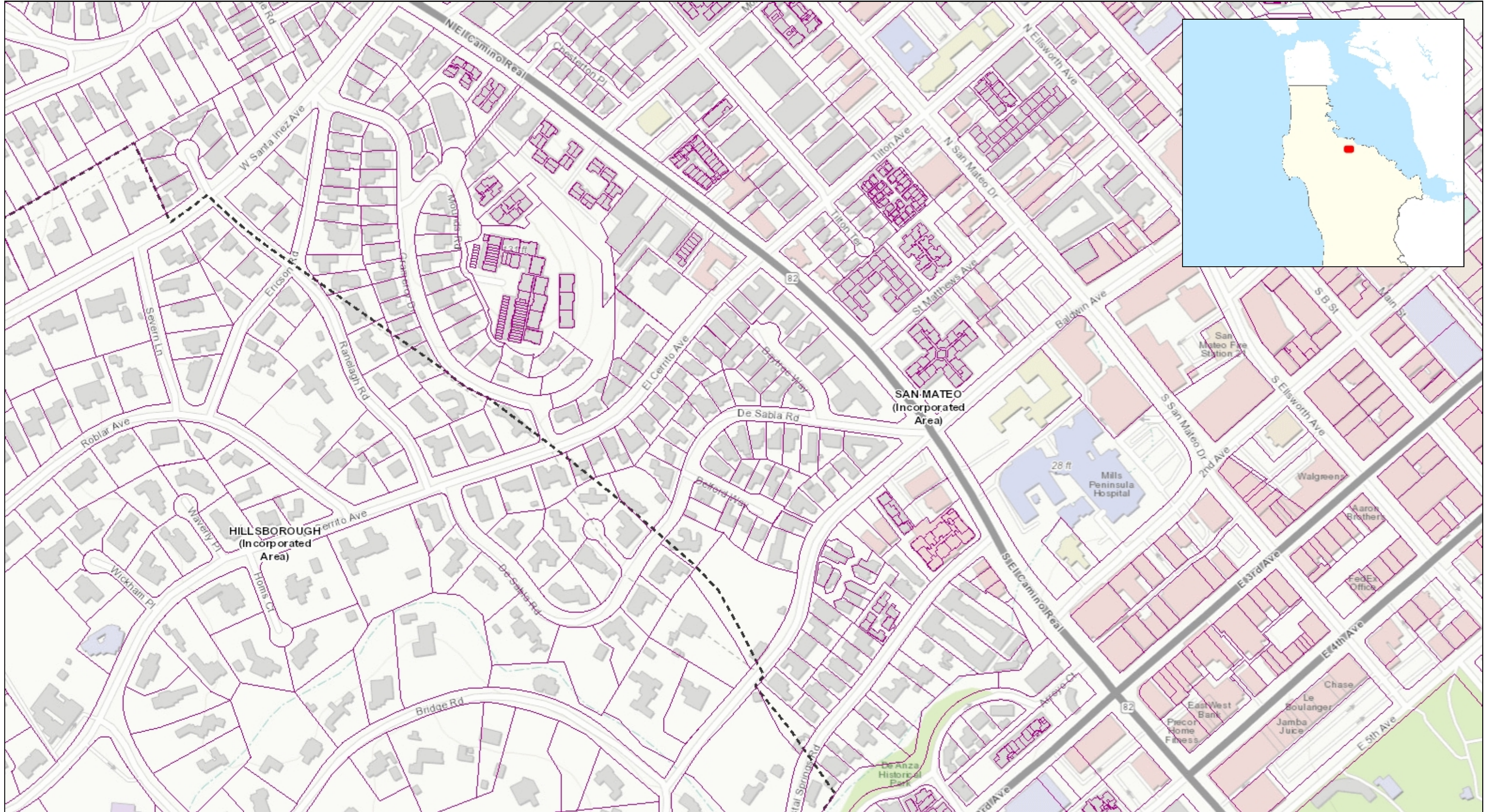


 City Boundary

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Geomatics, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

# HILLSBOROUGH SPHERE OF INFLUENCE







SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

September 13, 2023

To: LAFCo Commissioners  
 From: Rob Bartoli, Executive Officer  
 Sofia Recalde, Management Analyst  
 Subject: Broadmoor Police Protection District Update – Information Only

## **Background**

LAFCo Commissioners approved the Broadmoor Police Protection District (BPPD) Special Study at the March 15, 2023 meeting and directed staff to request that the District respond in writing with their agreement or disagreement of the key issues and recommendations identified in the Special Study for inclusion in the agenda packet at this meeting. In addition, the Commission directed staff to present updates on the Broadmoor Police Protection District, specifically regarding the implementation of the Study's recommendations and the District's fiscal condition within 90 days (July), 6 months (September) and 12 months (March 2024) of the adoption of the Special Study. The Commission also requested that staff prepare an analysis of the County's County Pool policy and a flow chart that depicts the dissolution processes.

The Commission received an in-person update from Chief Connolly and an informational report from LAFCo staff regarding LAFCo-initiated dissolution at the Commission meeting on May 17, 2023.

At the July 19, 2023 Commission meeting, staff presented several updates on BPPD, including the District's recently adopted FY 23-24 budget, financial projections, the Town Hall hosted by Supervisor Canepa at the Broadmoor Property Owners Association and the District's response to the LAFCo Special Study recommendations. The Commission did not take any actions towards dissolution at either meeting.

## **Update**

### *Fund Balance*

As of June 30, 2023, the Broadmoor Police Protection District had a fund balance of \$306,821, which was lower than the balance of \$424,519 that LAFCo staff projected at the July 19, 2023 Commission meeting. In addition, the District's fund balance fell to \$35,645 on July 31, 2023,

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**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY  
**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

thereby activating the County's process to close the District's account. The County's policy for participation in the voluntary investment pool requires that agencies must maintain a balance of \$250,000 to prevent overdrawing on an account and impacting other agencies that are voluntary participants. In combination with the unbalanced budget adopted by the BPPD Commission in June, the District's financial outlook is worsening at a quicker pace than anticipated.

#### *BPPD Meetings*

At the August 12, 2023 Regular Meeting, the BPPD Commission approved a 5% increase to the supplemental parcel tax effective July 1, 2023. The 5% increase does not require voter approval.

On August 17, 2023, the Broadmoor Police Protection District Commission held a special closed session meeting to discuss with district counsel and special council regarding potential litigation under Chapter 9 of the United States Bankruptcy Code. However, the District Commission did not move to file a Chapter 9 proceeding and instead discussed a request to Supervisor Canepa to advance tax funds for FY 23-24 to allow the District to continue providing police services while the District resolves the immediate financial emergency.

On September 8, 2023 the District published its agenda for the September 12, 2023 BPPD Commission meeting, which includes a discussion on increasing the District's supplemental parcel tax above the maximum 5% annual increase effective July 1, 2024. Any increase above 5% of the current special tax would require a ballot measure and voter approval.

In review of the BPPD meeting agenda for September 12, the District is continuing to make payments for on-going operations, such as medical plans, internet and PG&E.

#### *Broadmoor Property Owners Association Meeting*

On the evening of August 17, the Broadmoor Property Owners Association held a meeting to discuss BPPD as well as hear from BPPD Chief Connolly. LAFCo Executive Officer Bartoli, County Executive Officer Mike Callagy, and staff from Supervisor Canepa's Office attended the meeting. At the meeting Chief Connolly stated that the District has taken several measures to reduce costs. Per Chief Connolly, these reductions in costs have allowed the District to maintain good standing in the County Pool, meaning that BPPD currently has at least a fund balance of \$250,000. The District also did not take action to file for bankruptcy.

#### *BPPD Update to LAFCo*

On August 21, Chief Connolly provided a written update to the LAFCo Executive Officer on their financial projections and plans for the next 120 days, including reducing non-essential staff and reducing BPPD command staff level hours until the District is in stable condition. The District believes that due to these reductions, BPPD will have sufficient revenue to sustain operations until December 2023. At that point, BPPD will receive their first installment of property tax revenue. The District is onboarding additional reserve officers to supplement staffing reductions. In addition, the District has suspended all discretionary expenditures and intends to reduce the vehicle fleet. Chief Connolly also reported that the District is nearing its last CalPERS case and is hopeful that associated legal fees will be significantly reduced. Finally, the District is beginning to explore a second property tax assessment to support BPPD operations.

Next Steps

LAFCo staff will present an update regarding BPPD at the January 17, 2024 LAFCo meeting.

Recommendation

Receive information report.



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# LOCAL AGENCY FORMATION COMMISSION

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**September 13, 2023**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** Amendment to Broadmoor Police Protection District Special Study – Update to Calls for Service Data

## Background and Summary

On March 15, 2023, LAFCo Commissioners approved the Broadmoor Police Protection District (BPPD or District) Special Study, which evaluated the operations and services provided by the District and focused on the District’s operations, finances, and governance. Prior to Study adoption, LAFCo staff shared the administrative and draft versions of the study for review and input. In addition, LAFCo staff presented the study to the BPPD Commission on January 10, 2023 and to the Broadmoor Property Owners Association on January 19, 2023.

Shortly after the adoption of the Special Study, Broadmoor Police Chief Mike Connolly inquired about the source of the calls for service data included in the report. LAFCo staff informed Chief Connolly that the calls for service data had been provided by Interim Chief Mark Melville. Chief Connolly stated that the data was incorrect and provided a new data set to staff on May 22, 2023. Staff reviewed the new data and compared it with data provided by San Mateo County Public Safety Communications and confirmed the new data submitted by BPPD was accurate. Below is the revised table to the Special Study showing the update data for calls for service.

**Table 2. Updated Comparison of Costs of Police Services**

Agency	Police Budget	Calls for Service	Cost per Call for Service
BPPD (FY22)	\$2,692,985	<del>6,772,750</del>	<del>\$398</del> <del>\$3,591</del>
City of Daly City PD (FY22)	\$48,030,642	57,177	\$840
Town of Colma PD (FY22)	\$9,167,209	23,458	\$390

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O’NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

County Service Area 1 (Sheriff Service) (FY22)	\$866,555	2,110	\$411
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In FY 21-22, the District received 6,772 calls for service, and the cost per call was \$398. The updated cost per call was comparable to the Town of Colma and County Service Area 1 (Highlands), both of which, like Broadmoor, are smaller communities with less than 10,000 residents. This change does not impact the determinations and recommendations noted throughout the Special Study, particularly those related to the fiscal health of the District.

LAFCo staff presented the above information and a summary of the top three calls for service for each agency at the July 19, 2023 Commission meeting. At that meeting, the Commission directed staff to investigate whether there are standard definitions for what constitutes a call for service and the different types of service calls. San Mateo County Public Safety Communications, the County department that provides law enforcement, fire, and medical dispatch and communications services for several agencies (including BPPD), stated that there is no standard definition for what constitutes a call for service, nor is there a standard definition for each service call type (i.e., passing check, follow-up). As a result, and in accordance with direction from the Commission, the top three service calls will not be included in the amendment to the Special Study.

### **Recommendation**

- 1) Open public comment and accept public comment; and
- 2) Approve Amendment 1 of the Final Special Study for the Broadmoor Police Protection District

### **Attachments**

- A. Broadmoor Police Protection District Special Study – Amendment 1 (with redlined changes) Page 6

# Attachment A

Circulation Final Special Study– Broadmoor Police Protection District  
~~3/15/2023~~ Amendment I – 7/19/2023

**Table 2. Comparison of Costs of Police Services**

Agency	Police Budget	Calls for Service	Cost per Call for Service
BPPD (FY22 <del>4</del> )	\$2,692,985	<del>6,772,750</del> <sup>2</sup>	<del>\$398,591</del>
City of Daly City PD (FY22)	\$48,030,642	57,177	\$840
Town of Colma PD (FY22)	\$9,167,209	23,458	\$390
County Service Area 1 (Sheriff Service) (FY22)	\$866,555	2,110	\$411

The Broadmoor Police Protection District handles a variety of public assistance, patrol, traffic enforcement, as well as emergency Priority 1 response calls. The overall calls for service in FY ~~21-22~~ totaled approximately ~~6,772,750~~ calls and with a budget of \$2,692,985, that equates to ~~\$398,591~~ per call response. ~~The District's cost per call is comparable to the Town of Colma and County Service Area 1 (Highlands), both of which, like Broadmoor, are small communities with less than 10,000 residents. This cost per call for service is more than four times the Daly City police department cost per call but is expected with BPPD's higher rate of sworn officers per 1,000 residents (Table 1). This cost factor indicates that there may be an opportunity to consider cost sharing with adjacent cities or other alternatives to contract for or consolidate services to reduce costs.~~

A review of Part I violent crime (defined by the Federal Bureau of Investigation [FBI] as homicide, rape, robbery and aggravated assault) in Broadmoor and Daly City over the past 10 years reveals a comparable annual violent crime rate of approximately 2,000 violent crimes per 100,000 residents. In contrast, the Part I property crime (defined by the FBI as arson, burglary, larceny-theft and motor vehicle theft) was significantly higher in Daly City, reflecting the abundance of commercial businesses in Daly City compared to the mostly residential Broadmoor (Figure 1)<sup>3</sup>. In addition, Daly City has seen a higher clearance rate for both violent and property crimes (57% and 20%, respectively) over the past ten years compared to Broadmoor (44% and 10%), although the gap is narrowing for violent crime clearance in recent years (Figure 2).

The Part I crime and clearance data demonstrate that the likelihood of experiencing a violent crime is similar for residents in Broadmoor and Daly City, and that the likelihood of a crime being cleared ("solved") is higher for residents of Daly City. This suggests that despite Broadmoor's higher cost for service, the two police departments are providing a similar level of police protection to their residents.

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September 13, 2023

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** Year End and Quarterly LAFCo Budget Update – Information Only

## Summary

The intent of the year end and quarterly financial reports is to provide the Commission with an update on how LAFCo performed financially in the previous fiscal year and quarter as compared to the adopted budget and to discuss any issues as appropriate. The practice was recommended during a previous audit as an additional safeguard to ensure sound financial management. In accordance with LAFCo Fiscal Policies and Procedures, the Commission adopts the final budget and is authorized to make adjustments as appropriate.

## End of Year Report for FY 22-23

### Revenue

The LAFCo FY 22-23 final budget was adopted on May 18, 2022. Overall, LAFCo revenues totaled \$814,045 exceeding its budgeted revenue of \$797,167. This included the carryover from FY 21-22 of \$219,431. LAFCo received \$29,958 in application fees in FY 22-23 out of a budget amount of \$30,000.

### Expenditures

LAFCo expenditures totaled \$606,212 compared to a budgeted amount of \$797,167 (76%). The variance resulted from salary savings due to the vacancy of the Management Analyst position for two months, fewer expenses associated with CALAFCO conferences, and lower than anticipated charges for legal services. In accordance with the Commission's adopted fiscal policy, the carryover funds will be allocated to the reserve fund until the next budget process commences. The ending fund balance for FY 22-23 is \$207,834.

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**Year to Date Report for FY 2023-24**

*Revenue*

LAFCo has received 84% of the 1/3 apportionment from member agencies. As of the publication of this report, thirty-seven agencies have submitted payment. Seven still have outstanding invoices, and the County Controller's Office is working with the agencies to complete these payments. Application revenue to date is \$7,170.

The carryover fund balance from FY 22-23 was \$207,834, approximately \$50,000 less than projected in May. Staff has determined that this will not impact the current year's budget or workplan activities but may result in an increase to the 1/3 apportionment shared by the County, cities and special districts in FY 24-25.

*Expenditures*

LAFCo is within budget for all expenditures for FY 23-24.

**Recommended Commission Action**

Receive the budget update.

**Attachments**

- A. LAFCo FY 22-23 Budget Actuals
- B. LAFCo FY 23-24 Year to Date

LAFCo	Final FY 22-23 Actuals	Adopted FY 22-23	FY 22-23 Actuals	% of Budget
	<b>Expenditures</b>			
4111	Salary & Benefits Executive Officer	247,480	247,480	100%
4111	Salary & Benefits Management Analyst	183,460	179,094	98%
4141	Admin. Leave Cash Out	0	0	0%
4161	Commissioner Compensation	5,000	4,794	96%
4628	Wellness Dividend	0	500	50%
4512	Workers Compensation Experience	0	282	282%
<b>4000</b>	<b>SALARIES &amp; BENEFITS SUBTOTAL</b>	<b>435,940</b>	<b>432,150</b>	<b>99%</b>
5132	Internet/Communications	2,300	1,330	58%
5191	Outside Printing (other special printing)	1,000	0	0%
5193	General Office Supplies	500	756	151%
5196	Photocopy - in-house copier	500	500	100%
5197	Postage & Mailing Service	1,000	198	20%
5211	Computer Supplies	500	0	0%
5212	Computer Equipment under \$5,000	0	0	0%
5215	Software License	800	594	74%
5218	Corovan Records Storage	700	271	39%
5234	Office Furniture/Equipment	0	815	815%
5331	Memberships (CALAFCo/CSDA)	16,000	12,921	81%
5341	Legal Advertising	1,500	1,958	131%
5443	Signage	0	1,024	1024%
5714	Mileage Allowance	250	1,399	560%
5721	Meetings & Conferences	11,000	5,362	49%
5733	Training	250	0	0%
5814	Fiscal Office Specialist	2,000	1,676	84%
5838	.5 FTE LAFCo Clerk	68,534	59,585	87%
5842	Outside Auditing Services	7,700	6,335	82%
5848	Graphics	1,500	0	0%
5856	Consulting	0	1,692	1692%
5858	Other Professional Contract Services (Recording of Meetings)	4,000	260	7%
5861	DPW/GIS Mapping	6,500	4,612	71%
5866	Fingerprinting new employee	100	0	0%
5872	Controller Admin	7,200	7,177	100%
5969	Other special dept expense	0	400	400%
<b>5000</b>	<b>SERVICES &amp; SUPPLIES SUBTOTAL</b>	<b>133,834</b>	<b>108,866</b>	<b>81%</b>
6712	Telephone	350	383	110%
6713	ISD (Automation Services)	12,500	10,412	83%
6714	Rent	14,000	14,000	100%
6717	Motor Pool	0	0	0%
6725	Gen'l Liability	9,000	7,970	89%
6727	Bond Insurance	100	66	66%
6732	County Attorney's Office	40,000	16,124	40%

6733	Human Resources	150	67	45%
6738	Countywide Security	150	142	95%
6739	All Other Charges (Accounting Software)	400	131	33%
6751	Card key services	0	157	157%
6821	A 87 Charges/County Cost Allocation	15,743	15,743	100%
6831	LAFCo loan payment refund	0	0	0%
<b>6000</b>	<b>OTHER CHARGES SUBTOTAL</b>	<b>92,393</b>	<b>65,196</b>	<b>71%</b>
	<b>Subtotal Appropriations</b>	<b>662,167</b>	<b>606,212</b>	<b>92%</b>
<b>8612</b>	<b>Reserve</b>	60,000	0	
	Special Reserve	75,000	0	
	<b>Total Appropriations Budget</b>	<b>797,167</b>	<b>606,212</b>	<b>76%</b>
	<b>Revenues</b>			
3333	Fund Balance	218,142	219,431	101%
2421	Application Fees	30,000	29,958	100%
2600	Miscellaneous Revenue	0	5,499	5499%
1521	Interest	200	10,332	5166%
2658	CALAFCO Deputy EO Stipend	0	0	0
	<b>Intergov. Rev. (County/City/Dist)</b>	<b>548,825</b>	<b>548,825</b>	<b>100%</b>
	<b>Total Revenues</b>	<b>797,167</b>	<b>814,045</b>	<b>102%</b>
	<b>City/District/County 1/3 Apportionment</b>	<b>182,942</b>	<b>182,942</b>	<b>100%</b>

LAFCo	Final FY 23-24 Budget	Adopted FY 23-24	Expenditures YTD	% Expended
	<b>Expenditures</b>			
4111	Salary & Benefits Executive Officer	261,732	44,104	17%
4111	Salary & Benefits Management Analyst	188,199	31,713	17%
4141	Admin. Leave Cash Out	5,790	0	0%
4161	Commissioner Compensation	5,000	700	14%
4628	Wellness Dividend	500	0	0%
4512	Workers Compensation Experience	294	0	0%
<b>4000</b>	<b>SALARIES &amp; BENEFITS SUBTOTAL</b>	<b>461,514</b>	<b>76,517</b>	<b>17%</b>
5132	Internet/Communications	1,200	0	0%
5191	Outside Printing (other special printing)	1,000	0	0%
5193	General Office Supplies	550	0	0%
5196	Photocopy - in-house copier	550	0	0%
5197	Postage & Mailing Service	1,000	46	5%
5211	Computer Supplies	500	0	0%
5215	Software License	700	0	0%
5218	Corovan Records Storage	700	14	2%
5331	Memberships (CALAFCO/CSDA)	16,000	0	0%
5341	Legal Advertising	2,000	0	0%
5443	Signage	0	82	
5712	Mileage Allowance	250	0	0%
5721	Meetings & Conferences	11,000	4,634	42%
5733	Training	250	0	0%
5814	Fiscal Office Specialist	1,676	0	0%
5838	.5 FTE LAFCo Clerk	66,055	0	0%
5842	Outside Auditing Services	9,800	0	0%
5848	Graphics	1,500	0	0%
5856	Consulting	100,000	0	0%
5858	Other Professional Contract Services (Recording of Meetings)	4,000	260	7%
5861	DPW/GIS Mapping	4,000	0	0%
5872	Controller Admin	8,000	0	0%
<b>5000</b>	<b>SERVICES &amp; SUPPLIES SUBTOTAL</b>	<b>230,731</b>	<b>5,036</b>	<b>2%</b>
6713	ISD (Automation Services)	8,842	0	0%
6714	Rent	16,744	0	0%
6717	Motor Pool	78	0	0%
6725	Gen'l Liability	9,500	5,109	54%
6727	Bond Insurance	70	0	0%
6732	County Attorney's Office	40,000	0	0%
6733	Human Resources	100	0	0%
6738	Countywide Security	150	0	0%
6739	All Other Charges (Accounting Software)	100	0	0%
6751	Card key services	200	0	0%
6821	A 87 Charges/County Cost Allocation	18,000	0	0%
<b>6000</b>	<b>OTHER CHARGES SUBTOTAL</b>	<b>93,784</b>	<b>5,109</b>	<b>5%</b>
	<b>Subtotal Appropriations</b>	<b>786,029</b>	<b>86,662</b>	<b>11%</b>
<b>8612</b>	<b>Reserve</b>	<b>60,000</b>	<b>0</b>	<b>0%</b>
	<b>Total Appropriations Budget</b>	<b>846,029</b>	<b>86,662</b>	<b>10%</b>
	<b>Revenues</b>			
3333	Fund Balance	257,707	207,834	81%
2421	Application Fees	35,000	7,170	20%
1521	Interest	200	0	0%
	<b>Intergov. Rev. (County/City/Dist)</b>	<b>553,122</b>	<b>460,040</b>	<b>83%</b>
	<b>Total Revenues</b>	<b>846,029</b>	<b>675,044</b>	<b>80%</b>
	<b>City/District/County 1/3 Apportionment</b>	<b>184,374</b>	<b>184,374</b>	



SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

**September 13, 2023**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** Legislative Report – Information Only

## Summary

### *Legislative tracker*

CALAFCO is currently tracking 21 bills. Legislation that is of interest to San Mateo LAFCo includes the following:

- **SB 360** The California Coastal Act of 1976 does not preclude or prevent any member or employee of the Commission who is also an employee of another public agency, a county supervisor, city councilperson, or a member of specified associations or organizations, and who has acted in that designated capacity voted or acted upon a particular matter, from voting or otherwise acting upon that matter as a member or employee of the Commission. SB 360 would apply the latter provision to members of a JPA or members of LAFCo and add members or employees of JPAs and LAFCos into the list of entities that can sit on the California Coastal Commission. The bill was signed into law on July 21, 2023. *(CALAFCO – Support)*
- **AB 1753** is CALAFCO’s Omnibus bill that seeks to add two minor, non-substantive changes to the Cortese-Knox-Hertzberg Act (CKH) and was signed into law on June 29, 2023. The law allows the Executive Officer (EO) to submit a resolution adopted by the Commission either by mail or by electronic means with confirmation of receipt by the intended recipient and clarifies that any agreements for the exchange of property tax revenues required in accordance with state law must be received by LAFCo prior to the EO deeming an application complete. The bill was signed into law on June 29, 2023. *(CALAFCO – Support; San Mateo LAFCo - Support)*
- **AB 930** would authorize the legislative bodies of 2 or more local governments, defined to include a city, county, special district, or transit agency, to jointly form a Reinvestment in Infrastructure for a Sustainable and Equitable California district (RISE

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O’NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

district). The legislation states that a RISE district is focused on funding the planning, acquisition, and construction of housing, infill supportive infrastructure, or other related projects. A RISE district would be authorized to use various sources of revenue including property tax revenue local sales tax, and transient occupancy taxes. The bill would provide for the establishment of a governing board of a RISE district with representatives of each participating local government. AB 930 appears to be similar to SB 852 (2022) regarding the formation of climate resilience districts, also a funding district, outside of the LAFCo process.

AB 930 is focused on the generation of funding and the governance of the expenditure of those funds. CALAFCO's current position is neutral but if tracking the bill in the event that the scope of the bill is expanded. AB 930 failed to meet deadlines and cannot be acted upon until January 2024. (*CALAFCO – Neutral*)

### **Recommendation**

Receive the report.

### **Attachments**

- A. Legislative Daily 9/13/2023

## CALAFCO Daily Legislative Report as of Monday, September 11, 2023

**[AB 68](#) (Ward D) Land use: streamlined housing approvals: density, subdivision, and utility approvals.**

**Current Text:** Amended: 4/12/2023 [html](#) [pdf](#)

**Introduced:** 12/8/2022

**Last Amended:** 4/12/2023

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was H. & C.D. on 3/16/2023)(May be acted upon Jan 2024)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered	
1st House				2nd House								

**Summary:**

Would require a local government to approve a proposed housing development pursuant to a streamlined, ministerial approval process if the development meets certain objective planning standards, including, but not limited to, a requirement that the proposed parcel for the development be a climate-smart parcel, as described, or be included in the applicable region’s sustainable communities strategy as a priority development area. The bill would set forth procedures for approving these developments and would set forth various limitations for these developments. The bill would authorize the Department of Housing and Community Development to review, adopt, amend, and repeal guidelines, rules, and regulations to implement uniform standards or criteria that supplement or clarify the terms, references, or standards set forth by this process.

**Position:** Watch

**Subject:** Planning

**CALAFCO Comments:** This bill was introduced as a spot holder in December, 2022, then was gutted and amended on March 16, 2023.

It now seeks to set up ministerial approvals for developments and certain water and sewer service extensions for developments that meet certain parameters. Parameters include that the parcel must be in a high or moderate resource area as categorized by the opportunity maps maintained by the California Tax Credit Allocation Committee, be located within one-mile of transit but be in a very low vehicle travel area, and within one mile of assorted restaurants, bars, coffee shops, etc. Additionally, types of locations that do not qualify are also enumerated. Those include farmlands, wetlands, high fire hazard severity zones (as determined by Cal Fire), in proximity to a hazardous waste site, within a delineated earthquake fault zone, within a special flood hazard area or within a regulatory floodway, lands identified for conservation, protected habitat, and lands under a conservation easement.

3/31/2023: Watch position taken by Leg Committee.

4/21/2023: CALAFCO received word from the Assembly Housing and Community Development Committee, that this bill will not be heard this year.

Under the procedure that would be established by this bill, a minimum of 30 days notice to LAFCo would be required for the public hearing should a county seek to amend its general plan to increase the planned density on climate resilient lands.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**[AB 399](#) (Boerner D) Water Ratepayers Protections Act of 2023: County Water Authority Act: exclusion of territory: procedure.**

**Current Text:** Amended: 9/1/2023 [html](#) [pdf](#)

**Introduced:** 2/2/2023

**Last Amended:** 9/1/2023

**Status:** 9/8/2023-Action rescinded whereby the bill was re-referred to Com. on L. GOV. pursuant to Assembly Rule 77.2. Ordered to the unfinished business file.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

9/11/2023 #50 ASSEMBLY CONCURRENCE IN SENATE AMENDMENTS

**Summary:**

The County Water Authority Act provides for the formation of county water authorities and grants to those authorities specified powers with regards to providing water service. The act provides 2 methods of excluding territory from any county water authority, one of which is that a public agency whose corporate area as a unit is part of a county water authority may obtain exclusion of the area by submitting to the electors within the public agency, at any general or special election, the proposition of excluding the public agency’s corporate area from the county water authority. Current law requires that, if a majority of the electors approve the proposition, specified actions take place to implement the exclusion. This bill, the Water Ratepayers Protections Act of 2023, would additionally require the public entity to submit the proposition of excluding the public agency’s corporate area from the county water authority to the electors within the territory of the county water authority. The bill would require the 2 elections to be separate; however, the bill would authorize both elections to run concurrently. The bill would require the ballot materials to include a fiscal impact statement, as described.

**Attachments:**

- [CALAFCO Oppose as Amended Letter](#)
- [AB 399 Fact Sheet](#)

**Position:** Oppose

**Subject:** Detachment Proceedings

**CALAFCO Comments:** AB 399 was previously AB 530, which did not pass out of policy committee before deadlines.

AB 399, originally addressed the Vehicle Code but was gutted and amended on 6/14/2023 to become: the Water Ratepayers Protections Act of 2023: County Water Authority Act: exclusion of territory: procedure. A fast moving bill, this is proceeding as an urgency bill which would take effect upon passage. The action is being undertaken to counter two detachments that have been approved by the San Diego LAFCo, subject to exit fees.

Under the uncodified County Water Authority Act of 1943, detachment proceedings require a vote of the residents in the detaching district. This bill seeks to add a second vote among the larger population of the full county water authority. While the vote among the residents of the detaching district is essentially consistent with LAFCo laws, requiring a second vote among the larger population of the entire water authority is not. AB 399 would set many precedents including: legislative "fixes" for contested LAFCo decisions; the ability of the legislature to unilaterally change the exit terms for multi-government consortiums after entities join; and the permissibility of requiring double votes on matters.

Staff met with the author on 7/11/2023 who remained steadfast on the bill. The bill was heard the next day (7/12/23) by the Senate Gov & Finance Committee where CALAFCO provided lead opposition. The bill passed by a 5-3 vote and is now headed to the Senate floor for consideration sometime after the summer recess. If AB 399 passes there, it will return to the Assembly. It is unclear at this time whether it would be immediately scheduled for Assembly concurrence, or before the ALGC.

The author's Fact Sheet, as well as CALAFCO's letter in opposition, can be found in the attachments section.

**[AB 530](#) (Boerner D) Vehicles: electric bicycles.**

**Current Text:** Amended: 7/13/2023 [html](#) [pdf](#)

**Introduced:** 2/8/2023

**Last Amended:** 7/13/2023

**Status:** 8/14/2023-Re-referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would prohibit a person under 12 years of age from operating an electric bicycle of any class. The bill would state the intent of the Legislature to create an e-bike license program with an online written test and a state-issued photo identification for those persons without a valid driver’s license, prohibit persons under 12 years of age from riding e-bikes, and create a stakeholders

working group composed of the Department of Motor Vehicles, the Department of the California Highway Patrol, the Transportation Agency, bicycle groups, policy and fiscal staff, and other relevant stakeholders to work on recommendations to establish an e-bike training program and license. Because the bill would prohibit certain persons from riding electric bicycles, the violation of which would be a crime, the bill would impose a state-mandated local program.

**Subject:** Water

**CALAFCO Comments:** As introduced, this bill was relative to greenhouse emissions. However, it was gutted and amended on 5/15/2023 and now addresses county water authorities.

Under existing law, the governing body of any public agency has an option (phrased as a "may") to submit to the voters any proposition to exclude the corporate area of that public agency from a county water authority. This bill would add the procedures under which that optional election would be conducted. Specifically, notice would be required in the manner already defined within subdivision (c) of Section 10. The election would be conducted and returns canvassed as provided by law for the elections in the public agency, and a majority of electors within county water authority territory would be needed for passage. The new procedure would also require that these elections will be separate elections but may run with another election.

On 6/16/2023, this topic was transitioned to AB 399 through the gut and amend process. Amendments of 7/13/2023 make this bill now relative to electric bicycles which is not a concern to CALAFCO. Position updated to -None-.

**AB 557 (Hart D) Open meetings: local agencies: teleconferences.**

**Current Text:** Amended: 9/1/2023 [html](#) [pdf](#)

**Introduced:** 2/8/2023

**Last Amended:** 9/1/2023

**Status:** 9/7/2023-Read third time. Passed. Ordered to the Assembly. (Ayes 39. Noes 0.). In Assembly. Concurrence in Senate amendments pending. May be considered on or after September 9 pursuant to Assembly Rule 77.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

9/11/2023 #37 ASSEMBLY CONCURRENCE IN SENATE AMENDMENTS

**Summary:**

The Ralph M. Brown Act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency’s jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Current law, until January 1, 2024, authorizes the legislative body of a local agency to use teleconferencing without complying with those specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect. Those circumstances are that (1) state or local officials have imposed or recommended measures to promote social distancing, (2) the legislative body is meeting for the purpose of determining whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or (3) the legislative body has previously made that determination. If there is a continuing state of emergency, or if state or local officials have imposed or recommended measures to promote social distancing, existing law requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures. This bill would revise the authority of a legislative body to hold a teleconference meeting under those abbreviated teleconferencing procedures when a declared state of emergency is in effect.

**Position:** Watch

**Subject:** Brown Act

**CALAFCO Comments:** Similar in scope to SB 411, this bill is follow-on legislation to AB 361 (2022) and seeks to return some of the pandemic-era teleconferencing provisions to the Brown Act

and would change the timeline for legislative bodies to reaffirm an emergency from the current 30 days to 45 days. This bill is sponsored by CSDA.

**AB 805 (Arambula D) Drinking water consolidation: sewer service.**

**Current Text:** Amended: 3/9/2023 [html](#) [pdf](#)

**Introduced:** 2/13/2023

**Last Amended:** 3/9/2023

**Status:** 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/19/2023)(May be acted upon Jan 2024)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would authorize the State Water Resources Control Board, if sufficient funds are available, to order consolidation of sewer service along with an order of consolidation of drinking water systems when both of the receiving and subsumed water systems provide sewer service and after the state board engages in certain activities, including, but not limited to, consulting with the relevant regional water board and the receiving water system and conducting outreach to ratepayers and residents served by the receiving and subsumed water systems, as provided.

**Position:** Watch With Concerns

**Subject:** Water

**CALAFCO Comments:** This bill would authorize the state board, if sufficient funds are available, to order consolidation of sewer service along with an order of consolidation of drinking water systems when both of the receiving and subsumed water systems provide sewer service and after the state board engages in certain activities. Under existing section (b)(3) LAFcos must be consulted and their input considered in regards to the provision of water service but sewer systems seem to be lacking.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 817 (Pacheco D) Open meetings: teleconferencing: subsidiary body.**

**Current Text:** Amended: 3/16/2023 [html](#) [pdf](#)

**Introduced:** 2/13/2023

**Last Amended:** 3/16/2023

**Status:** 5/5/2023-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/16/2023)(May be acted upon Jan 2024)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency’s jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. In order to use teleconferencing pursuant to the Ralph M. Brown Act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

**Position:** Watch

**Subject:** Brown Act

**CALAFCO Comments:** This bill appears to be a spot holder in that it currently only makes minor grammatical changes. The lack of substance raises concern regarding future changes to this bill.

3/16/2023: The bill was amended to speak specifically to teleconferenced meetings of subsidiary bodies, defined as a body that serves exclusively in an advisory capacity, and is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements. For qualifying bodies, this bill would remove the requirement to post an agenda at the location of the subsidiary body member who was participating from off site- providing that the legislative body

that formed the subsidiary body has previously made findings noting that teleconferenced meetings of the subsidiary body would enhance public access, and would promote the attractions, retention and diversity of the subsidiary body. The superior legislative body would need to revisit the matter and repeat those findings every 12 months thereafter. This bill also reaffirms that other provisions of the Brown Act are applicable to subsidiary bodies.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 828 (Connolly D) Sustainable groundwater management: managed wetlands.**

**Current Text:** Amended: 4/17/2023 [html](#) [pdf](#)

**Introduced:** 2/13/2023

**Last Amended:** 4/17/2023

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/2/2023)(May be acted upon Jan 2024)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. Current law defines various terms for purposes of the act. This bill would add various defined terms for purposes of the act, including the term "managed wetland."

**Position:** None at this time

**Subject:** Water

**CALAFCO Comments:** Adds definitions for Managed Wetlands, and Small community water system to Water Code Section 10721.

4/17/2023: Amended to define agencies and entities required or excluded from existing 10726.4 (a)(4). Amends Water Code section 10730.2 to add language regarding fees, and amends Water Code section 10733 to address groundwater sustainability plans.

Failed to make April policy committee deadline and now cannot be acted upon until January 2024.

**AB 918 (Garcia D) Health care district: County of Imperial.**

**Current Text:** Amended: 9/8/2023 [html](#) [pdf](#)

**Introduced:** 2/14/2023

**Last Amended:** 9/8/2023

**Status:** 9/8/2023-Read third time and amended. Ordered to second reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

9/11/2023 #112 SENATE ASSEMBLY BILLS - SECOND READING FILE

**Summary:**

Would form a local health care district in the County of Imperial, designated as the Imperial Valley Healthcare District, that includes all of the County of Imperial. The bill would require the initial board of directors of the Imperial Valley Healthcare District to be appointed from and by specified bodies, including among others, the Imperial County Board of Supervisors, the Pioneers Memorial Healthcare District Board of Directors, and the Heffernan Memorial Healthcare District Board of Directors. The bill would require the initial board of directors to recommend a permanent funding source mechanism to be presented to and approved by voters via ballot measure. The bill would require the initial board of directors to enter negotiations with El Centro Regional Medical Center to decide the terms of the acquisition of the hospital. The bill would require the initial board of directors to finalize the terms of the acquisition by November 5, 2024. The bill would require the City of El Centro to negotiate in good faith with the Imperial Valley Healthcare District. The bill would require the board of directors to hold a minimum of 3 public meetings between the effective date of the bill and January 1, 2025, as specified. The bill would require the board of directors to recommend to the Imperial County Local Agency Formation Commission (LAFCO) dates for the dissolutions of the Pioneers Memorial Healthcare District and Heffernan Memorial Healthcare District and would authorize the board to recommend separate dates for each district's dissolution. The bill would require, by January 1, 2025, the Imperial County LAFCO to dissolve the Heffernan



Memorial Healthcare District and the Pioneers Memorial Healthcare District and would transfer the assets, rights, and responsibilities of the dissolved districts to the Imperial Valley Healthcare District. The bill would require, until the dissolution of both of those districts, the Heffernan Memorial Healthcare District to hold a temporary clerical role for the Board of Directors of the Imperial Valley Healthcare District, as specified. The bill would extend the terms of the board members of the districts being dissolved until their respective dissolution date or January 1, 2025, whichever occurs first.

**Attachments:**

[CALAFCO 7-7-23 Letter in Opposition to 7-6-2023 amendments](#)

[CALAFCO Letter in Opposition to 4-17-2023 bill amendment](#)

[CALAFCO Oppose Letter](#)

**Position:** Oppose

**Subject:** Other

**CALAFCO Comments:** As introduced, this bill was merely a spotholder that stated an intent to create a countywide healthcare district in Imperial County.

March 23, 2023, the bill was amended with specifics. It now seeks to rename the Pioneer Memorial Healthcare District to the Imperial County Healthcare District (ICHHD) and then sets up what, in essence, is a ministerial process for the countywide expansion of the ICHD. The expansion process is first initiated by the ICHD Resolution of Application, which is required to be filed with LAFCo no later than January 5, 2024. The LAFCo then has 150 days to complete the entire process, including the vote. Protest proceedings for that expansion would be waived under this bill. The bill also does not allow the LAFCo to deny the application. The bill also notes that future changes of organization or reorganization of the resulting districts would need to follow the normal provisions of CKH. A copy of CALAFCO's letter in opposition can be found in the attachments section.

4/17/2023: the bill was amended to entirely remove LAFCo involvement. CALAFCO's second letter of opposition that addresses this amended version can be found in the attachments section.

5/15/2023: The bill was amended again with a return of LAFCo into the process. However, it does again require LAFCo approval. As amended, the bill would rename the Pioneers Memorial Healthcare District to the Imperial Valley Healthcare District, then authorizes the expansion of the newly formed Imperial Valley Healthcare District to include all of the County of Imperial. As before, the bill requires the newly formed district to submit a resolution of application to the Imperial County LAFCo to initiate proceedings to expand the district, then requires the commission to order the expansion subject to a vote of the registered voters within the territory to be annexed. The bill provides for expansion of the district upon voter approval and providing that a funding source is also approved, if necessary. If expansion is approved, the Heffernan Memorial Healthcare District would transfer its assets, rights, and responsibilities to the Imperial Valley Healthcare District. The bill goes on to address other housekeeping issue such as the composition of the newly formed district board of directors.

7/12/2023, the bill was approved by the Senate Governance and Finance Committee, with the support of Imperial LAFCo.

Position change to Neutral will be recommended to the Legislative Committee on 7/28/2023.

Senate Appropriations hearing set for August 14, 2023.

7/13/2023, the bill was again amended. It still forms the new district outside of the LAFCo process and only considers LAFCo in a tangential way. Specifically, Imperial LAFCo is to collaborate with the new health district's board of directors to determine the voting districts and terms of the board positions, to determine the appropriate dates to dissolve the two healthcare districts (and that the dissolution shall occur by January 1, 2025), and to receive annual reports from the new district.

8/14/2023, heard in Appropriations but placed in the Suspense file.

**AB 930 (Friedman D) Local government: Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts.**

**Current Text:** Amended: 4/26/2023 [html](#) [pdf](#)

**Introduced:** 2/14/2023

**Last Amended:** 4/26/2023

**Status:** 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 4/25/2023)(May be acted upon Jan 2024)



Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

**Summary:**

Current law authorizes certain local agencies to form a community revitalization authority within a community revitalization and investment area, as defined, and authorizes an authority to, among other things, provide for low- and moderate-income housing and issue bonds, as provided. Current law authorizes a community revitalization and investment plan to provide for the division of taxes within the plan area. This bill would authorize the legislative bodies of 2 or more cities or counties to jointly form a Reinvestment in Infrastructure for a Sustainable and Equitable California district (RISE district) in accordance with specified procedures. The bill would authorize a special district to join a RISE district, by resolution, as specified.

**Position:** Neutral

**Subject:** Special District Principle Acts

**CALAFCO Comments:** This bill has a similar overtone to SB 852 Dodd in 2022 regarding the formation of climate resilience districts outside of the LAFCo process.

As introduced, this bill (AB 930) is focused on the generation of funding and the governance of the expenditure of those funds. However, it should be carefully tracked in case that mission is expanded.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 1379 (Papan D) Open meetings: local agencies: teleconferences.**

**Current Text:** Amended: 3/23/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Last Amended:** 3/23/2023

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. GOV. on 3/23/2023)(May be acted upon Jan 2024)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

**Summary:**

The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. This bill, with respect to those general provisions on teleconferencing, would require a legislative body electing to use teleconferencing to instead post agendas at a singular designated physical meeting location, as defined, rather than at all teleconference locations. The bill would remove the requirements for the legislative body of the local agency to identify each teleconference location in the notice and agenda, that each teleconference location be accessible to the public, and that at least a quorum of the members participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

**Position:** Watch

**Subject:** Brown Act

**CALAFCO Comments:** Originally introduced as a spotholder to address "Local agencies: financial affairs", this bill was gutted and amended on March 23, 2023, and now seeks amendment of the Brown Act's teleconferencing provisions. If successful, GC Section 54953 (b)(3) would be amended to remove the requirement to post agendas for teleconferenced meetings at all locations, and would instead limit the posting to a newly defined "singular designated physical meeting location", which is required to have either two-way audiovisual capabilities, or two-way telephone service for the public to remotely hear and address the body. Additionally, the body would have to hold at least two meetings in person each year.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 1460 (Bennett D) Local government.**

**Current Text:** Introduced: 2/17/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Status:** 5/5/2023-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/17/2023)(May be acted upon Jan 2024)

2 year	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. This bill would make a nonsubstantive change to the provision naming the act.

**Position:** Neutral

**Subject:** CKH General Procedures, Other

**CALAFCO Comments:** As introduced, this bill makes only a minor nonsubstantive change to CKH in that it would merely add commas to Section 56000 so that it would read: "This division shall be known, and may be cited, as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000."

3/24/2023: No change since introduction.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 1637 (Irwin D) Local government: internet websites and email addresses.**

**Current Text:** Amended: 6/29/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Last Amended:** 6/29/2023

**Status:** 9/5/2023-Read second time. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

9/11/2023 #279 SENATE ASSEMBLY BILLS - THIRD READING FILE

**Summary:**

Would, no later than January 1, 2029, require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a ".gov" top-level domain or a ".ca.gov" second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a ".gov" or ".ca.gov" domain. This bill, no later than January 1, 2029, would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a ".gov" domain name or a ".ca.gov" domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program.

**Position:** Watch

**Subject:** LAFCo Administration

**CALAFCO Comments:** As introduced, this bill would have required LAFCOs who do not already have website domains ending with the ".gov" extension to transition to it no later than January 1, 2027. This bill was not considered as having a broad impact on LAFCOs given that 12 of them already use the .gov extension.

5/18/2023: The bill was amended and is not longer applicable to LAFCOs as its definition of a local agency has been narrowly defined to only cities and counties. However, we are continue our Watch position to monitor for potential changes.

**AB 1753 (Committee on Local Government) Local government: reorganization.**

**Current Text:** Chaptered: 6/29/2023 [html](#) [pdf](#)

**Introduced:** 3/2/2023

**Status:** 6/29/2023-Approved by the Governor. Chaptered by Secretary of State - Chapter 25, Statutes of 2023.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the sole and LAFCo Meeting

exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. The act requires a petitioner or legislative body desiring to initiate proceedings for a change of organization or reorganization to submit an application to the executive officer of the principal county. The act specifies when an application is complete and acceptable for filing, and requires the executive officer to immediately issue a certificate of filing when an application is accepted for filing, as specified. Upon the filing of an application or a resolution pursuant to the act, but prior to the issuance of a certificate of filing, current law requires the executive officer to give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdiction change is located, as specified. Current law prohibits the executive officer from issuing a certificate pursuant to the provisions described above until resolutions are adopted by specified counties and cities in which they agree to accept the exchange of property tax revenues. Current law authorizes a county and any local agency within the county to develop and adopt a master property tax transfer agreement, as specified. This bill would, if applicable, prohibit the executive officer from accepting for filing an application for change or organization or reorganization and issuing a certificate of filing pursuant to the provisions described above, and would provide that an application is not deemed accepted for filing pursuant to the provisions described above, if an agreement for the exchange of property tax revenues has not been adopted pursuant to the provisions described above.

**Attachments:**

[AB 1753 CALAFCO Letter of Support, 03-28-23](#)

**Position:** Support

**Subject:** CKH General Procedures

**CALAFCO Comments:** This is CALAFCO's Omnibus bill. It seeks to add two new provisions to CKH. The first, would add section (d)(1) to Government Code Section 56658 and would note that R&T Section 99(d)(b)(6) requires an property tax agreement for an application to be considered complete. The second adds language to GC Sec. 56882 allowing transmission of commission determination by email, providing that the executive officer confirms receipt through an electronic read receipt of other means.

CALAFCO's letter of support can be found in the attachments.

**SB 360 (Blakespear D) California Coastal Commission: member voting.**

**Current Text:** Chaptered: 7/21/2023 [html](#) [pdf](#)

**Introduced:** 2/8/2023

**Last Amended:** 6/14/2023

**Status:** 7/21/2023-Approved by the Governor. Chaptered by Secretary of State. Chapter 108, Statutes of 2023.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The California Coastal Act of 1976 establishes the California Coastal Commission and prescribes the membership and duties of the commission. The act provides that its provisions do not preclude or prevent any member or employee of the commission who is also an employee of another public agency, a county supervisor or city councilperson, or a member of specified associations or organizations, and who has in that designated capacity voted or acted upon a particular matter, from voting or otherwise acting upon that matter as a member or employee of the commission. This bill would apply the latter provision to a member of a joint powers authority and a member of a local agency formation commission.

**Attachments:**

[SB 360 Fact Sheet](#)

[SB 360 CALAFCO Letter of Support](#)

**Position:** Support

**Subject:** Other

**CALAFCO Comments:** PRC 30318 currently holds a provision that allows members or employees of certain entities to sit on the California Coastal Commission. This bill would add members or employees of JPAs and LAFcos into that list.

3/24/2023: No change since introduction.

3/31/2023: Position changed to support. The Fact Sheet and a copy of CALAFCO's Support letter can be found in the attachments.

After two minor amendments, the bill was passed on 7/6/2023, Enrolled and presented to the Governor for signature at 11 a.m. on 07/11/2023.

**SB 411 (Portantino D) Open meetings: teleconferences: neighborhood councils.**

**Current Text:** Enrolled: 9/8/2023 [html](#) [pdf](#)

**Introduced:** 2/9/2023

**Last Amended:** 8/14/2023

**Status:** 9/6/2023-Assembly amendments concurred in. (Ayes 32. Noes 6.) Ordered to engrossing and enrolling.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would, until January 1, 2026, authorize an eligible legislative body to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if the city council has adopted an authorizing resolution and 2/3 of an eligible legislative body votes to use the alternate teleconferencing provisions. The bill would define "eligible legislative body" for this purpose to mean a neighborhood council that is an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the act. The bill would require an eligible legislative body authorized under the bill to provide publicly accessible physical locations for public participation, as prescribed. The bill would also require that at least a quorum of the members of the neighborhood council participate from locations within the boundaries of the city in which the neighborhood council is established. The bill would require that, at least once per year, at least a quorum of the members of the eligible legislative body participate in person from a singular physical location that is open to the public and within the boundaries of the eligible legislative body.

**Position:** Watch

**Subject:** Brown Act

**CALAFCO Comments:** This bill would permanently add back provisions to Section 54953.4 of the Brown Act that had been temporarily enacted during the COVID-19 pandemic. The amendment would allow a legislative body to use teleconferencing provisions, and would define the proper procedure for conducting such a meeting, would require the legislative body to take no further action in the event of a broadcasting disruption within the local agency's control until the broadcast can be resumed, would require time public comment periods to remain open until the public comment time has elapsed, and would not only prevent requiring comments in advance but would also require that the public be afforded the chance to comment in real time.

4/24/2023: The bill was amended to make it specific to neighborhood councils and is no longer a concern for CALAFCO. However, we continue to monitor in case of changes.

8/14/2023: Amended to require that a quorum of the members of the eligible legislative body must meet in person at a location open to the public at least once per year.

**SB 537 (Becker D) Open meetings: multijurisdictional, cross-county agencies: teleconferences.**

**Current Text:** Amended: 9/5/2023 [html](#) [pdf](#)

**Introduced:** 2/14/2023

**Last Amended:** 9/5/2023

**Status:** 9/5/2023-Read third time and amended. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

9/11/2023 #79 ASSEMBLY THIRD READING FILE - SENATE BILLS

**Summary:**

Current law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain

circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency’s jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows “just cause,” including for a childcare or caregiving need of a relative that requires the member to participate remotely. This bill would expand the circumstances of “just cause” to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely. The bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance of the members of the legislative body, the number of community members in attendance in the teleconference meeting, and the number of public comments on its internet website within 10 days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

**Position:** Watch

**Subject:** Brown Act

**CALAFCO Comments:** This is a spotholder bill that states an intent to expand local government’s access to hold public meetings through teleconferencing and remote access.

3/22/2023: was amended and fleshed out to add teleconferencing provisions to allow legislative bodies of multijurisdictional agencies to meet remotely. Multijurisdictional agencies are defined as boards, commissions, or advisory bodies of a multijurisdictional, cross county agency, which is composed of appointed representatives from more than one county, city, city and county, special district, or a joint powers entity.

The bill is sponsored bu Peninsula Clean Energy, a community choice aggregator with a board comprised of local elected officials from the County of San Mateo and its 20 cities, as well as the City of Los Banos.

4/24/2023: The bill was amended to further clarify definitions and the requirements needed for members of an eligible legislative body to meet remotely.

The bill passed Senate Judiciary on 5/2/23, and had its third reading in the Senate on 5/30/2023. 7/12/23: The bill passed the Assembly Local Government Committee.

Amended on August 14, 2023, to require eligible legislative bodies that receive compensation to participate from a physical location that is open to the public.

**SB 768 (Caballero D) California Environmental Quality Act: vehicle miles traveled: statement of overriding consideration.**

**Current Text:** Amended: 3/22/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Last Amended:** 3/22/2023

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 3/29/2023)(May be acted upon Jan 2024)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA prohibits a public agency from approving or carrying out a project for which a certified EIR has identified one or more significant effects on the environment that would occur if the project is approved or carried out unless the public agency finds either (1) changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant effects on the environment, (2) those changes or alterations are within the jurisdiction of another public agency and have been, or can and should be, adopted by the other agency, or (3) specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures or alternatives



identified in the EIR and the public agency finds that those specific considerations outweigh the significant effects on the environment, commonly known as a statement of overriding consideration. This bill would provide that a public agency, in approving or carrying out a housing development project, as defined, a commercial project, or an industrial project, is not required to issue a statement of overriding consideration for significant effects on the environment identified by a project’s vehicle miles traveled or similar metrics if the lead agency has imposed all feasible mitigation measures on the project and it finds no feasible alternatives to the project..

**Position:** Neutral  
**Subject:** CEQA

**CALAFCO Comments:** Introduced as a spotholder bill that noted an intent to enact subsequent legislation that would create a new transportation impact analysis for rural areas for purposes of the California Environmental Quality Act.

3/22/2023: The bill was amended and would add language into the Public Resource Code to provide that a public agency, in approving or carrying out certain types of projects, is not required to issue a statement of overriding consideration for significant effects on the environment identified by a project’s vehicle miles traveled if the lead agency has imposed all feasible mitigation measures on the project and it finds no feasible alternatives to the project.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**SB 865 (Laird D) Municipal water districts: automatic exclusion of cities.**

**Current Text:** Introduced: 2/17/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was GOV. & F. on 3/1/2023)(May be acted upon Jan 2024)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law authorizes a governing body of a municipal water district to adopt an ordinance excluding any territory annexed to a metropolitan water district organized under the Metropolitan Water District Act, if the territory is annexed prior to the effective date of the formation of the municipal water district. Current law requires the Secretary of State to issue a certificate reciting the passage of the ordinance and the exclusion of the area from the municipal water district within 10 days of receiving a certified copy of the ordinance. This bill would extend the number of days the Secretary of State has to issue a certificate to 14 days.

**Position:** Neutral  
**Subject:** Annexation Proceedings

**CALAFCO Comments:** Existing law authorizes a governing body of a municipal water district may adopt an ordinance excluding any territory annexed to a metropolitan water district organized under the Metropolitan Water District Act, providing that the territory is annexed prior to the effective date of the formation of the municipal water district. If that happens, the Secretary of State must, within 10 days of receiving a certified copy, issue a certificate reciting the passage of the ordinance that excludes the area from the municipal water district. This bill would extend the Secretary of State's window to issue that certificate from 10 to 14 days.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**SB 878 (Committee on Governance and Finance) Validations.**

**Current Text:** Chaptered: 6/29/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Status:** 6/29/2023-Approved by the Governor. Chaptered by Secretary of State. Chapter 30, Statutes of 2023.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would enact the First Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

**Attachments:**

[Annual Validations Joint Letter of Support](#) LAFCo Meeting

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is the first of three annual validating acts. The joint letter of support is in the attachments section.

Passed and approved by the Governor on 6/29/2023.

**SB 879 (Committee on Governance and Finance) Validations.**

**Current Text:** Chaptered: 6/29/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Status:** 6/29/2023-Approved by the Governor. Chaptered by Secretary of State. Chapter 31, Statutes of 2023.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	<b>Chaptered</b>
1st House				2nd House							

**Summary:**

Would enact the Second Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

**Attachments:**

[Annual Validations Joint Letter of Support](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is one of three annual validating acts. The joint letter of support is in the attachments section.

Passed and approved by the Governor on 6/29/2023.

**SB 880 (Committee on Governance and Finance) Validations.**

**Current Text:** Chaptered: 6/29/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Status:** 6/29/2023-Approved by the Governor. Chaptered by Secretary of State. Chapter 32, Statutes of 2023.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	<b>Chaptered</b>
1st House				2nd House							

**Summary:**

Would enact the Third Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Attachments:**

[Annual Validations Joint Letter of Support](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is one of three annual validating acts. The joint letter of support is in the attachments section.

Passed and approved by the Governor on 6/29/2023.

Total Measures: 21

Total Tracking Forms: 21

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2022

# SAN MATEO COUNTY AGRICULTURAL CROP REPORT

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**California Department of  
Food and Agriculture**  
Karen Ross, Secretary

**San Mateo County Board of  
Supervisors**

Dave Pine, District 1  
Noelia Corzo, District 2  
Ray Mueller, District 3  
Warren Slocum, District 4  
David Canepa, District 5

**Agricultural Commissioner/Sealer**  
Koren Widdel

**Deputy Agricultural Commissioner/  
Deputy Sealers**

Jeremy Eide  
Jeremy Wagner  
Ione Yuen

**Biologist/Standards Specialists**

Erin Becker  
Teddy Chung  
Barry Dagenbach  
Jonathan Fausto  
Richard Garcia  
Jennifer Gossett  
Joseph Hannen  
Marithza Hernandez  
Avneet Kakkar  
Briana Maldonado  
Kelly Mayer  
Mark Melendez  
Nancy Poss  
Thais Spiropoulos  
Justin Thieu  
Michael Wong  
Lawrence Yang  
Jorge Zaragoza  
Aldo Zuniga

**Pest Detection Program Manager**  
Gerardo Ibarra Jr.

**Pest Detection Specialists**

Curtiss Coffman  
John Dunsford  
Catherine Fraley  
Jesus Garcia  
Shelia Hofer  
Jean Paul Lorrain  
Steve McDonagh  
Alejandro Nunez  
Irving Tinajero  
Salvador Zambrano

**Pest Management Intern**  
Wainani Welsh

**Administrative Services Manager**  
Alberto Hernandez

**Administrative Assistant**  
Mei Wong

**Payroll Personnel Coordinator**  
Maria Luna



It is my pleasure to present the 2022 Annual Crop Report for San Mateo County pursuant to Section 2279 of the California Food and Agricultural Code. The total estimated gross value of San Mateo County agricultural production in 2022 was \$92,179,000, a decrease of 5.91% from 2021. It is important to note this gross value does not represent net profit or loss, as it does not account for inputs such as labor, packaging, transportation, and other production costs.

Drought remained a factor for growers and ranchers in 2022. With water in short supply, some operators switched to commodities they could dry farm, such as Field Crops with a 9.32% increase in gross value. Bright spots in this year's report include Livestock with a 12.29% increase and Fruit and Nut Crops with a 3.13% increase. Our largest commodity group, Floral and Nursery Crops, is down 8.57% from 2021, though still maintains the majority share of San Mateo County's total production value.

To better understand and serve our agricultural community, we included an extra questionnaire to ask about the nature of their operations. Of the 178 surveys sent, we received 45 volunteered responses. Respondents showed 38% of operations have been in business over 41 years, with three of those over 80 years. However, a third are still new by agricultural standards, in operation under 20 years. Succession is a concern for all businesses and is especially acute in county agriculture where 72% of owner/operators reported as over the age of 55. Other nationalities identified by operators include: Mexican, Salvadoran, Italian, Australian, Honduran, English, and Pacific Islander. Of the responses received, languages spoken at operations included: English, Spanish, German, and French. This is a small snapshot of the operations in the county, which should not be used to draw up program policies. Gathering information on our differences and similarities is key to engaging and serving San Mateo County's diverse agricultural community.

My sincere appreciation goes out to the producers that share their business information, as it gives us a true representation of the agricultural production in San Mateo County. Many staff members contribute to the crop report every year, and I would like to thank them all for a job well done. A special thanks to Michael Wong, Kelly Mayer, and Jenny Gossett for putting it all together.

Respectfully submitted,

Koren J. Widdel  
Agricultural Commissioner  
Sealer of Weights and Measures



**County of San Mateo Agricultural Commissioner**

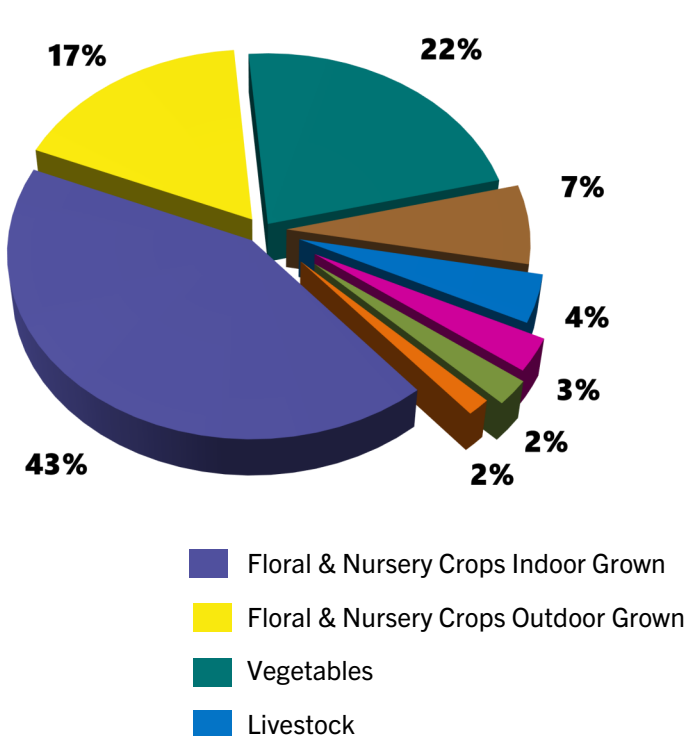
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email: [smateoag@smcgov.org](mailto:smateoag@smcgov.org) • web: [www.smcgov.org/agwrm](http://www.smcgov.org/agwrm)

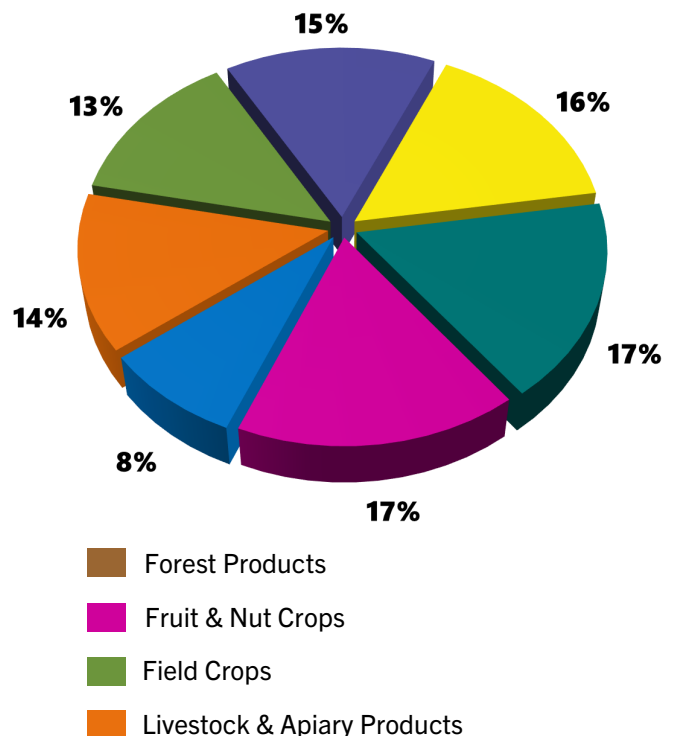
## GROSS PRODUCTION VALUE

Commodity Group	2022	2021
Floral and Nursery Crops	\$55,103,000	\$60,268,000
Vegetables	\$20,649,000	\$21,167,000
Livestock	\$6,397,000	\$5,697,000
Forest Products	\$3,887,000	\$4,908,000
Fruit and Nut Crops	\$2,731,000	\$2,648,000
Field Crops	\$2,052,000	\$1,877,000
Livestock Products and Apiary	\$1,360,000	\$1,404,000
<b>PRODUCTION TOTAL</b>	<b>\$92,179,000</b>	<b>\$97,969,000</b>

### AGRICULTURAL PRODUCTION VALUES

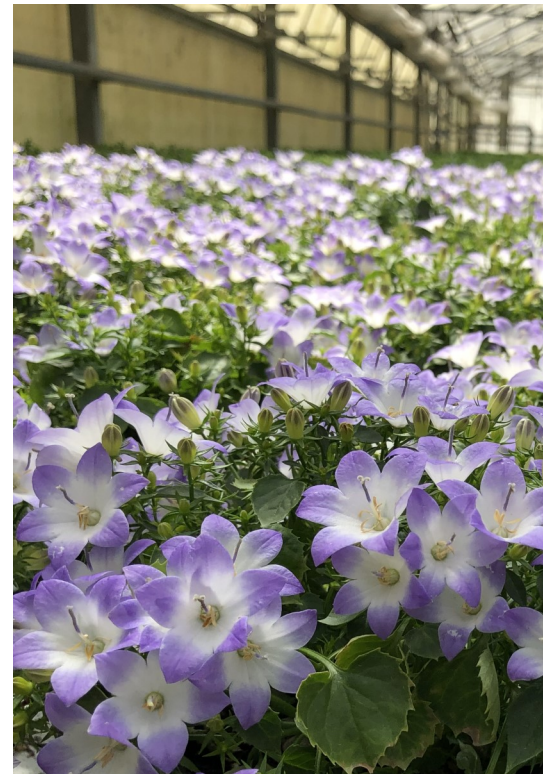


### PRODUCERS PER COMMODITY GROUP



## Loss in square footage and overall total value seen in indoor plants

An expected indoor floral/nursery crop decrease was realized after tapering off from healthy markets of recent years. Overall square footage for indoor grown floral/nursery crops decreased by 8% and had a total value decrease of 11%. Although there was growth in value in cut flower production, bedding plants, and other propagative cultivation, a drop in potted plant production value resulted in a net \$4.8 million loss in total value. Cut flowers had a 23% reduction in square footage, partially attributed to hemp flower production and Westland Nursery shutting their doors after 56 years in the business. Bedding plants and other propagative cultivation saw a 19% increase in square footage with an increase of 9% in total value.



### INDOOR GROWN

Crop	Year	Square Feet	Total Value
Flowering and Foliage Potted Plants <sup>1</sup>	2022	1,950,000	\$30,227,000
	2021	2,035,000	\$35,574,000
Cut Flowers <sup>2</sup>	2022	827,000	\$2,343,000
	2021	1,068,000	\$2,332,000
Bedding Plants, Cuttings, Other <sup>3</sup>	2022	338,000	\$6,634,000
	2021	283,000	\$6,072,000
<b>INDOOR GROWN FLORAL/ NURSERY CROP TOTAL</b>	<b>2022</b>	<b>3,115,000</b>	<b>\$39,204,000</b>
	<b>2021</b>	<b>3,386,000</b>	<b>\$43,978,000</b>

<sup>1</sup>Includes begonias, lilies, orchids, poinsettia, succulents, etc.

<sup>2</sup>Includes alstroemeria, freesia, hemp, lilies, ranunculus, etc.

<sup>3</sup>Includes herbs, seeds, succulents, vegetables, etc.

## OUTDOOR GROWN

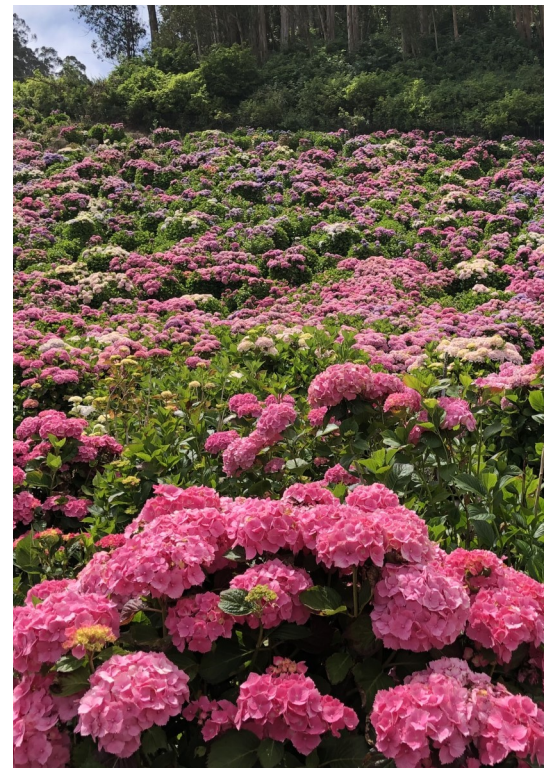
Crop	Year	Acres	Total Value
Ornamental Nursery Stock <sup>1</sup>	2022	77	\$12,503,000
	2021	73	\$12,637,000
Christmas Trees (cut)	2022	162	\$375,000
	2021	167	\$499,000
Cut Flowers <sup>2</sup>	2022	181	\$3,021,000
	2021	180	\$3,154,000
<b>OUTDOOR GROWN FLORAL/ NURSERY CROP TOTAL</b>	<b>2022</b>	<b>420</b>	<b>\$15,899,000</b>
	<b>2021</b>	<b>420</b>	<b>\$16,290,000</b>

<sup>1</sup>Includes herbaceous perennials, shrubs, and trees.

<sup>2</sup>Includes dahlias, hydrangeas, ranunculus, sunflowers, etc.

## Outdoor grown floral/nursery crops show slight reduction in total value

Although outdoor grown floral/nursery crop acreage fluctuated in individual categories, production matched 2021 and saw its overall total value decreased by 2% in 2022. Ornamental nursery stock sales were stable, with a slight increase in acreage as lots were filled. Though the price per tree saw increases across the board, Christmas trees saw a reduction in both acreage and total value. This may be the result of mature trees being harvested during a period of increased holiday travel. Outdoor cut flower production remained steady and produced beautiful fields of color. Its acreage remained approximately the same, while its total value decreased by 4% overall.





**VEGETABLE CROPS**

Crop	Year	Acres	PRODUCTION			VALUE	
			Per Acre	Total	Unit	Per Unit	Total
Artichokes	2022	31	2.38	74	Ton	\$2,374	\$176,000
	2021	40	2.50	100	Ton	\$2,337	\$234,000
Beans, Fava	2022	107	2.30	246	Ton	\$1,991	\$490,000
	2021	110	2.68	295	Ton	\$1,891	\$558,000
Beans, Snap	2022	35	2.78	97	Ton	\$2,273	\$221,000
	2021	35	2.81	98	Ton	\$2,296	\$225,000
Brussels Sprouts	2022	476	10.48	4,988	Ton	\$1,654	\$8,250,000
	2021	457	11.17	5,105	Ton	\$1,739	\$8,878,000
Leeks	2022	41	13.15	539	Ton	\$1,186	\$639,000
	2021	40	14.28	571	Ton	\$1,169	\$668,000
Peas	2022	107	1.05	112	Ton	\$3,581	\$401,000
	2021	134	1.68	225	Ton	\$3,299	\$742,000
Pumpkins	2022	164	5.64	925	Ton	\$1,360	\$1,258,000
	2021	157	5.72	898	Ton	\$1,385	\$1,244,000
Miscellaneous Vegetables (Field and Indoor Grown <sup>1</sup> )	2022	311					\$9,214,000
	2021	322					\$8,618,000
<b>VEGETABLE CROP TOTAL</b>	<b>2022</b>	<b>1,272</b>					<b>\$20,649,000</b>
	<b>2021</b>	<b>1,295</b>					<b>\$21,167,000</b>

<sup>1</sup>Includes herbs, kale, lettuce, mushrooms, peppers, squash, tomatoes, etc.

## FRUIT AND NUT CROPS

Crop	Year	Acres	Total Value
Wine Grapes, Red Varietals	2022	136	\$1,437,000
	2021	137	\$1,414,000
Wine Grapes, White Varietals	2022	40	\$404,000
	2021	40	\$376,000
Miscellaneous <sup>1</sup>	2022	114	\$890,000
	2021	115	\$858,000
<b>FRUIT AND NUT CROP TOTAL</b>	<b>2022</b>	<b>290</b>	<b>\$2,731,000</b>
	<b>2021</b>	<b>292</b>	<b>\$2,648,000</b>

<sup>1</sup>Includes apples, berries, chestnuts, stone fruits, etc.

## Pumpkins and fruit rise in value

With the exception of pumpkins, a decrease in total production was seen across the board for vegetables in San Mateo County with drought playing a factor in the downturn. As a result, total value also decreased among all those vegetable types. Snap beans, Brussels sprouts, and leeks had acreage that increased or remained constant in 2022, but still followed the overall trend of lower production and lower total value. In contrast, pumpkins showed increased acreage, production, and total value in concordance with each other.

Acreage for fruit and nut crops remained relatively constant in 2022. Red wine grape total value saw a slight increase of 2%, while white wine grape total value increased more significantly at 7%. Other fruit and nut crops also saw a small increase in value at 4%. All together, these modest increases resulted in a 3% overall increase in fruit and nut crop value.



## LIVESTOCK

Commodity	Year	Number Head Sold	Total Value
Cattle and Calves	2022	1,396	\$2,851,000
	2021	1,406	\$2,924,000
Other <sup>1</sup>	2022	105,000	\$3,546,000
	2021	87,103	\$2,773,000
<b>LIVESTOCK TOTAL</b>		<b>2022</b>	<b>\$6,397,000</b>
		<b>2021</b>	<b>\$5,697,000</b>

<sup>1</sup>Includes goats, lambs, pigs, poultry, etc.

## LIVESTOCK PRODUCTS AND APIARY

Commodity	Year	Production	VALUE	
			Per Unit	Total
Honey	2022	37,000 lbs	\$10.92	\$404,000
	2021	38,000 lbs	\$10.99	\$418,000
Other <sup>1</sup>	2022			\$956,000
	2021			\$986,000
<b>LIVESTOCK PRODUCTS AND APIARY TOTAL</b>		<b>2022</b>		<b>\$1,360,000</b>
		<b>2021</b>		<b>\$1,404,000</b>

<sup>1</sup>Includes beeswax, cheese, eggs, wool, etc.

### Livestock value reaches new high

San Mateo County obtained a historic high in livestock total value due to poultry sale increases. Effects of avian influenza were felt across the nation, which may have attributed to greater local output. Although the number of hives increased, honey production did not. Overall field crop production increased across the board with the exception of grains. Decreases in salvaged timber from the CZU fire area and lack of milling locations may have lent to a drop in forest products.



## FIELD CROPS

Commodity	Year	Acres	PRODUCTION		Unit	VALUE	
			Per Acre	Total		Per Unit	Total
Beans, Dry <sup>1</sup>	2022	177	0.55	97	Ton	\$9,433	\$915,000
	2021	142	0.58	82	Ton	\$10,742	\$881,000
Grain <sup>2</sup>	2022	74	0.61	45	Ton	\$364	\$16,000
	2021	99	0.54	53	Ton	\$452	\$24,000
Oat & Rye Hay	2022	569	2.26	1,286	Ton	\$211	\$271,000
	2021	478	2.05	980	Ton	\$213	\$209,000
Volunteer Hay	2022	165	1.57	259	Ton	\$113	\$29,000
	2021	165	1.35	223	Ton	\$108	\$24,000
Irrigated Pasture	2022	316				\$210	\$66,000
	2021	221				\$235	\$52,000
Other Pasture	2022	26,037				\$29	\$755,000
	2021	24,533				\$28	\$687,000
<b>FIELD CROP TOTAL</b>	<b>2022</b>	<b>27,338</b>					<b>\$2,052,000</b>
	<b>2021</b>	<b>25,638</b>					<b>\$1,877,000</b>

<sup>1</sup>Includes cranberry, gigante, romano, scarlet runner, etc.

<sup>2</sup>Includes barley, oats, quinoa, rye, and wheat.

## FOREST PRODUCTS

Year	Board Feet	Total Value
2022	10,084,000	\$3,887,000
2021	12,843,000	\$4,908,000



## COMMERCIAL FISH CATCH

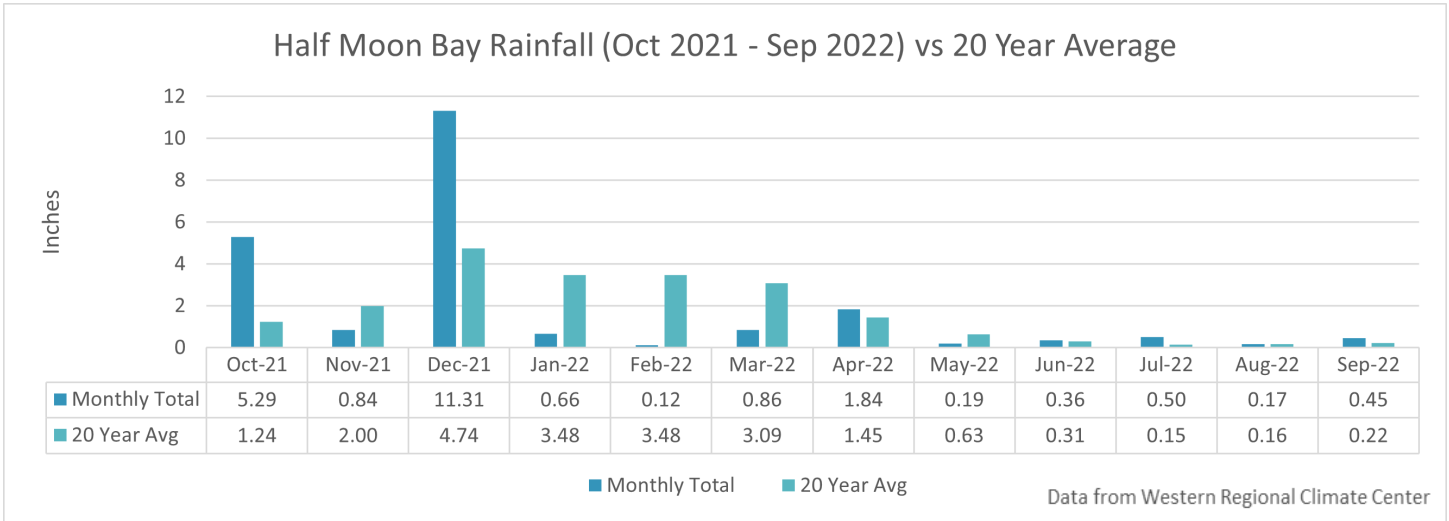
Species	Year	Pounds	Value	Species	Year	Pounds	Value
Crab, Dungeness	2022	855,125	\$5,060,872	Rockfish, all	2022	255,594	\$370,785
	2021	1,079,864	\$6,165,960		2021	279,565	\$289,859
Crab, Rock	2022	23,876	\$87,586	Sablefish	2022	146,008	\$283,077
	2021	66,237	\$147,550		2021	69,717	\$249,792
Flounder, all	2022	3,787	\$4,229	Salmon, Chinook	2022	447,164	\$3,478,663
	2021	5,161	\$6,429		2021	317,699	\$2,948,910
Halibut, California	2022	103,323	\$504,587	Sole, all	2022	141,529	\$149,230
	2021	104,384	\$539,616		2021	154,888	\$151,134
Lingcod	2022	7,356	\$27,900	Tuna, Albacore	2022	46,544	\$93,151
	2021	16,408	\$28,971		2021	23,876	\$71,058
Miscellaneous	2022	53,798	\$136,994				
	2021	5,612,618	\$3,367,669				
<b>FISH CATCH GRAND TOTAL</b>	<b>2022</b>		<b>2,084,104 lbs</b>				<b>\$10,197,074</b>
	<b>2021</b>		<b>7,730,417 lbs</b>				<b>\$13,966,948</b>

Source: CA Department of Fish and Game Poundage Value of Landings. Princeton-Half Moon Bay. Informational only, value not included in annual report.

## INDUSTRIAL HEMP AND COMMERCIAL CANNABIS

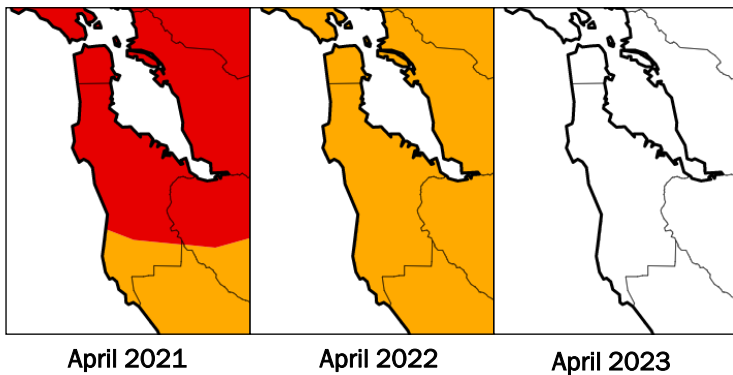
There were two active hemp registrations in 2022, with a total registered square footage of 630,000. Cannabis licenses remained constant, with five for small mixed-light, three for medium mixed-light, and two for nursery. Total registered area for commercial cannabis was 178,781 sq ft. In 2022, the local ordinance was amended to allow for greater cultivation area and distribution licenses permitting direct product movement from cultivators to retailers.

# WATER RESOURCES

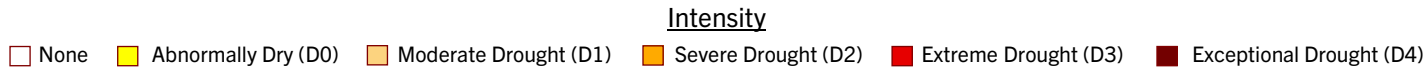


Rainfall data taken from the Western Regional Climate Center for Half Moon Bay shows monthly totals in the 2021/2022 water year were down 15% as compared with the last 20 years. However, there was an unprecedented amount of rain at the beginning of the water year, with October having over three times the amount compared to the 20 year average, and December having over double the amount in comparison. Although the significant increase in rainfall was welcomed after a long period of drought, it led to flooding conditions that caused crop loss and structural damage along the coast.

# DROUGHT CONDITIONS



As a result of heavy rainfall events at the end of both 2021 and 2022, drought conditions have improved over the past three years, as shown by the U.S. Drought Monitor. San Mateo County transitioned from the D3 Extreme Drought designation to the D2 Severe Drought between 2021 and 2022. In 2023, the drought intensity designation had been dropped during the same comparison interval.



The U.S. Drought Monitor is jointly produced by the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration. Map courtesy of NDMC, droughtmonitor.unl.edu.

# SUSTAINABLE AGRICULTURE REPORT

Sustainable Agriculture utilizes farming practices that conserve resources and plant health, and ensures the economic vitality of the farm. Activities carried out through programs such as Weed Management, Pest Detection, and Pest Exclusion provide safeguards to maintain livestock and crop health. Early pest detection and proactive management of invasive pests using Integrated Pest Management strategies help protect California’s agricultural industry and reduces environmental stressors.

## WEED MANAGEMENT



In 2022, the department conducted field surveys and managed historical survey and treatment data using Calflora for fertile capeweed, skeletonweed, and purple loosestrife with the help of an intern. Geographic information system (GIS) maps were also created depicting the change in populations over time. This work is used internally to track progress on eradication efforts for these noxious weeds, in addition to outreach efforts for noxious weed control on public lands. Eradication efforts for Mexican pokeweed continued utilizing mechanical removal, chipping, and burning. The San Mateo County Weed Management Area Group met in person for the first time since 2019. Bimonthly meetings continued online and covered topics such as grassland restoration, control of oxalis and licorice plant, and flame weeding. The Steering Committee signed the Strategic Plan extending through 2027. Passthrough funding from the California Department of Food and Agriculture Noxious Weed Grant Project continued for Jubata grass management by the Golden Gate National Recreation Area and Algerian sea lavender by the California Invasive Plant Council.

## PEST DETECTION

Pest Detection staff place and monitor insect traps in San Mateo County to find pests before infestations can take hold. In 2022, 4,228 traps were placed in host plants and serviced 49,649 times. In June, an oriental fruit fly was trapped in Menlo Park, prompting a delimitation of 25 additional Jackson traps and McPhail traps in the area without further incident. No other additional insect pests were found by the pest detection staff.

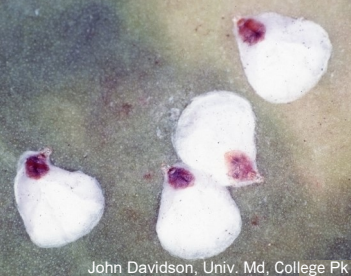



Asian Citrus Psyllid	European Corn Borer
European Grape Vine Moth	European Pine Shoot Moth
Fruit Fly species of <i>Bactrocera</i> , <i>Dacus</i> , <i>Ceratitis</i> , and <i>Anastrepha</i>	Glassy-winged Sharpshooter
Japanese Beetle	Spongy Moth

# PEST EXCLUSION

Pest Exclusion inspections of imported agricultural shipments prevent the introduction and establishment of damaging pests. Exotic pests are regularly intercepted by staff biologists at parcel facilities, San Francisco International Airport, nurseries, and other entry points during daily inspections. Origin certifications of shipments are also verified for compliance with plant quarantines, regulations, and entry requirements. When an infested or noncompliant shipment is found, it may be destroyed, reconditioned and released, or returned to the shipper.

Type of Shipment	Inspected	Rejected	Pests Intercepted
Parcel Carriers	28,809	90	9
Truck	506	3	2
Air	3,021	23	21
Sea Containers	4	0	0
Household Goods (Spongy Moth and Spotted Lanternfly)	14	0	0
Nursery Stock (Glassy-Winged Sharpshooter)	2,977	0	0

While performing routine inspections, biologists found numerous A-rated and Q-rated insect and weed pests and diseases as confirmed by the California Department of Food and Agriculture (CDFA) plant pest laboratory. Pests go through scientific review to determine their harmful potential. A-rated pests and diseases are of known economic significance requiring containment, eradication, and rejection. Q-rated determinations are suspected to cause harm to agriculture or the environment, resulting in the same regulatory action of containment, eradication, and rejection to keep them out of trade.

A-Rated Pests (Number of times intercepted)		
<i>Maconellicoccus hirsutus</i> pink hibiscus mealybug (1)	 <p>John Davidson, Univ. Md, College Pk</p> <p><b>Magnolia White Scale</b></p>	 <p>FL Div. of Plant Industry, FDACS</p> <p><b>Oriental Fruit Fly</b></p>
<i>Bactrocera dorsalis</i> oriental fruit fly (1)		
<i>Ceroplastes rusci</i> fig wax scale (2)	 <p>Chris Evans, Univ. of Illinois</p> <p><b>Mexican Pokeweed</b></p>	 <p>Jeffrey Lotz, FDACS</p> <p><b>Pink Hibiscus Mealybug</b></p>
<i>Diaphorina citri</i> Asian citrus psyllid (1)		
<i>Dysmicoccus grassii</i> mealybug (1)		
<i>Nipaecoccus viridis</i> mealybug (1)		
<i>Phytolacca heterotepala</i> Mexican pokeweed (7)		
<i>Pseudaulacaspis cockerelli</i> magnolia white scale (1)		
<i>Pseudaulacaspis pentagona</i> white peach scale (1)		
<i>Pseudococcus jackbeardsleyi</i> mealybug (1)		

## INTEGRATED PEST MANAGEMENT



Integrated Pest Management (IPM) is a systematic approach to managing destructive pests and keeping them below economic thresholds. IPM begins with identification and monitoring of target pests and uses interactive control strategies including: natural enemies, biological controls, sanitation, less toxic pesticides, traps, and pheromones to disrupt reproduction. Applying certain IPM practices not only controls pests, but also benefits biodiversity in both the soil and surrounding environment. Crop and grazing rotations, cover crops, and mulching are just a few techniques implemented by agricultural producers that help capture and sequester carbon dioxide, creating healthier soils to support production as well as combat weather impacts of climate change such as extreme fluctuations in soil moisture. San Mateo County growers have received funding for various IPM projects such as these in past years.

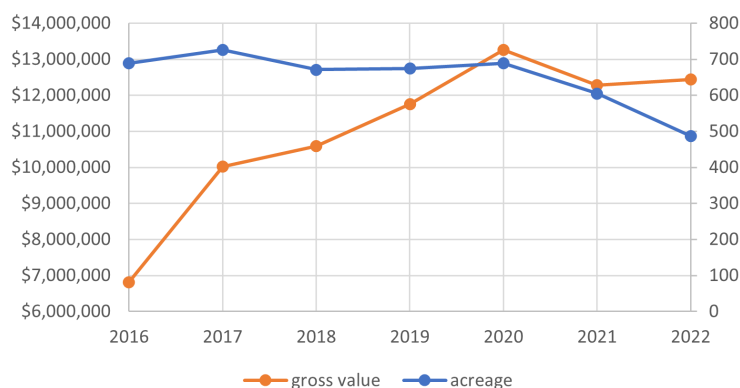
**For information on agricultural financial resources, visit:**  
<https://www.smcgov.org/agwm/financial-resources>

## ORGANIC FARMING AND DIRECT MARKETING

San Mateo County agricultural land registered with California Department of Food and Agriculture (CDFA) as organic production was an estimated 487 acres (excluding rangeland) totaling an estimated gross production value of \$12,435,000 in 2022. Although acreage decreased by 20% for the 21 registered organic producers, gross value increased by about \$150K.

Direct sales from producers to consumers provide greater profits for farmers, reduce packaging and transportation, promote the local agricultural economy, and increase access to the freshest produce, flowers, and meat. These avenues include: Certified Farmers’ Markets (CFMs), Community Supported Agriculture (CSA), Farm Stands, and U-pick. In 2022, a total of 43 Certified producer’s certificates were issued in San Mateo County to sell at CFMs. There were also 18 active CFMs that were inspected 57 times.

Registered Organic Land Production & Value



**To find up-to-date locations of Certified Farmers’ Markets in San Mateo County, please visit:**

<https://www.smcgov.org/agwm/find-certified-farmers-market>

**For more information on Community Support Agriculture, Farm Stands and U-pick producers, please visit:**

<https://www.smccvb.com/fresh-as-it-gets/>



# WEIGHTS AND MEASURES

The other half of the Department’s namesake, Weights and Measures, is responsible for the preservation, maintenance, and enforcement of measurement standards (weight, volume, time, distance) necessary for value comparison by consumers and essential for fair competition within industry. This is accomplished by comparing the performance of weighing and measuring devices against certified standards, inspecting prepackaged products to verify label statements, conducting annual weighmaster audits, and verifying petroleum products meet the product label standards.



Devices	Inspected	Passed	Failed	Compliance
Gas Station Pumps	3,937	3,831	106	97%
Water, Gas, Electric Submeters	2,091+	1,787+	304+	-
Small Capacity Scales	1,366	1,339	27	98%
Propane Dispensers	30	29	1	97%

Weights and Measures officials conduct inspections at businesses within San Mateo County that use commercial weighing and measuring devices such as gas station pumps, water, gas, and electric submeters, scales, and propane dispensers. When these commercial weighing and measuring devices comply with all the state laws and regulations, each device is sealed by applying an official San Mateo County seal (see top-right). Each business that uses commercial point-of-sale systems to charge consumers for commodities is also required to be registered and inspected for pricing accuracy. Each of these businesses are required to post a notice (see bottom-right) to consumers at each point-of-sale checkout register stating consumers are entitled to the lowest advertised price by the store.



Price Verification	Total
Locations Inspected for Price Accuracy	294
Packages Scanned	9366
Overcharges	238
Undercharges	1

**ATTENTION CONSUMERS**  
**ATENCIÓN CONSUMIDOR**

You are entitled to the lowest advertised or posted price offered by this store. For information or complaints, you may contact the San Mateo County Sealer of Weights and Measures. **(650) 599-SCAN**

Tiene derecho al precio más bajo ofrecido por esta tienda. Para obtener información o quejas, puede comunicarse con el Departamento de Pesas y Medidas del Condado de San Mateo. **(650) 599-7483**

Koren J. Widdel, Sealer  
[smcgov.org/sgwm](http://smcgov.org/sgwm) | (650) 363-4700

**COUNTY OF SAN MATEO**  
**DEPARTMENT of**  
**AGRICULTURE/WEIGHTS & MEASURES**  
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