



AGENDA ITEM 7A

MEETING: September 3, 2025
TO: Humboldt LAFCo Commissioners
FROM: Colette Santsche, Executive Officer
SUBJECT: **Reconsideration Request for the Kneeland FPD Goodwill Annexation (Continued from August 20, 2025 Hearing)**

This item is a continuation of the noticed public hearing at the August 20, 2025 special meeting. The Commission will consider approving, approving with conditions, or denying a reconsideration request submitted by the Humboldt Redwood Company regarding the previously approved Kneeland Fire Protection District Goodwill Annexation and Sphere of Influence Amendment (Resolution No. 25-03).

LAFcos are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as special district annexations, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. LAFcos are authorized with broad discretion in amending and conditioning changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

A. BACKGROUND

On May 21, 2025, the Commission approved the Kneeland Fire Protection District (FPD) Goodwill Annexation and Sphere of Influence Amendment (Resolution No. 25-03), annexing approximately 61,846 acres (503 parcels). Within 30 days, Humboldt Redwood Company (HRC), through legal counsel, filed a request for reconsideration, objecting to inclusion of 17 HRC parcels in the annexation boundary.

At the August 20, 2025 special meeting, the Commission considered the reconsideration request, received testimony from HRC's counsel, Kneeland FPD representatives, and a member of the public, and engaged in extensive deliberation. The Commission ultimately continued the matter, recognizing the complexity of the legal and policy issues raised.

The reconsideration request argues that inclusion of commercial timberlands in State Responsibility Areas (SRAs) is unlawful under Health and Safety Code §13811 and the Forest Practice Act. While staff originally recommended approving the reconsideration request except for one developed parcel (APN 314-186-002), HRC's legal counsel testified that §13811 makes no distinction between improved or unimproved commercial timberlands, and therefore all HRC parcels must be excluded.

In light of HRC's testimony and the threat of litigation if their parcels are annexed, the Commission will first meet in closed session with legal counsel pursuant to Government Code §54956.9(d)(2) to discuss significant exposure to litigation.

B. DISCUSSION

The request for reconsideration raises a fundamental challenge for the Commission: how to reconcile statutory restrictions under Health and Safety Code §13811 with the practical realities of emergency service delivery in State Responsibility Areas (SRAs).

Legal Context

As discussed previously, §13811 prohibits the inclusion of "commercial forest lands which are timbered lands" within fire protection districts when located in SRAs. The *Mendocino Redwood Co. v. County of Mendocino* (2019) decision applied this exclusion narrowly but firmly, requiring refunds of parcel taxes levied on timberlands. Importantly, the court did not address the question of whether local districts may still provide or fund non-wildland services in SRAs, leaving ambiguity unresolved.

While staff believes the statute is ambiguous and in need of reform, the current legal framework provides little room to distinguish the authority of fire protection districts to provide structural fire protection, EMS, or rescue services from CAL FIRE's exclusive responsibility for wildland suppression. The statutory language of Health and Safety Code §13811, read in conjunction with the Public Resources Code §4125 et seq., does not explicitly authorize annexation of commercial timberlands within SRAs for the purpose of local emergency services. This lack of clarity makes it difficult to separate the District's legitimate community protection role from concerns about duplicative or conflicting regulation of timber operations or the state's wildland fire obligations.

Based on testimony from HRC's legal counsel, annexation of their parcels despite objection would present a significant likelihood of litigation, with an uncertain outcome.

Policy Implications

From a policy standpoint, the statutory exclusion of timberlands creates clear inequities:

- **Service Gaps:** CAL FIRE is responsible only for wildland suppression. It does not provide community structural protection, medical response, or rescue services, all of which fall to local districts like Kneeland FPD. Excluding large timberland areas leaves communities vulnerable to delayed or unclear service coverage.
- **Boundary Fragmentation:** Excluding timber parcels results in irregular, inefficient, and confusing jurisdictional lines, contrary to LAFCo's mandate to create logical and contiguous service areas.

- Tax Burden Inequities: Smaller landowners and rural residents bear the cost of sustaining local fire districts, while large industrial timberland owners remain exempt despite generating emergency service calls on public roads, rights-of-way, and adjacent properties.

Legislative Need

This reconsideration underscores the need for state-level reform of § 13811. As written, the statute commingles wildland fire suppression under CAL FIRE's jurisdiction with structural fire protection and EMS authority provided under Fire Protection District Law. The exclusion of commercial timberlands was intended to prevent duplication of wildland suppression services but due to unclear definition of commercial timber lands, now prevents districts from funding the very services they are responsible to provide.

Legislative clarification could resolve this contradiction by:

- Allowing annexation of commercial timberlands in SRAs for the limited purpose of structure fire, EMS, and rescue services.
- Affirming CAL FIRE's exclusive responsibility for wildland suppression.
- Ensuring fair and proportional compensation for local fire districts and improved emergency coverage.

C. RECOMMENDATION

While staff continues to see the policy benefits of including timberlands in district boundaries, the current statutory framework and HRC's opposition make exclusion the legally prudent and risk-averse course of action. Staff recommends that the Commission approve the reconsideration request, exclude all HRC parcels, and adopt Resolution No. 25-06. At the same time, staff recommends the Commission pursue opportunities and partnerships for statewide legislative reform to resolve this statutory ambiguity and ensure fair, sustainable funding for rural fire districts.

D. OPTIONS FOR COMMISSION ACTION

The Commission has the following options for action on the reconsideration request:

Option 1: Disapprove (deny) the reconsideration request

The Commission may deny the request for reconsideration. This action would affirm and retain the Commission's prior approval of the annexation proposal (Resolution No. 25-03), with no additional determinations required. Protest proceedings would then proceed in accordance with Government Code § 57050 et seq.

Suggested motion: "I move to disapprove the Humboldt Redwood Company request for reconsideration and reaffirm Resolution No. 25-03, thereby retaining all parcels within the Kneeland Fire Protection District Goodwill Annexation as approved by the Commission at its May 21, 2025 public hearing, and to direct the Executive Officer to complete protest proceedings."

Option 2: Approve the reconsideration request and Direct Legislative Advocacy (Recommended)

The Commission may approve the request for reconsideration and adopt Resolution 25-06, **Attachment A**, rescinding Resolution No. 25-03 and all subsequent proceedings and excluding all 17 HRC parcels from the annexation boundary. Protest proceedings would be scheduled in accordance with Government Code §57050 et seq.

This option responds to HRC's objection, reduces exposure to litigation, and allows the remainder of the Kneeland FPD Goodwill Annexation to move forward while also documenting the Commission's intent to advocate for statewide statutory clarification.

Suggested motion: "I move to adopt Resolution 25-06, approving the request for reconsideration to exclude all Humboldt Redwood Company parcels from the Kneeland Fire Protection District Goodwill Annexation; rescinding Resolution No. 25-03 and all subsequent proceedings; directing the Executive Officer to complete protest proceedings in accordance with Government Code §57050 et seq.; and further directing staff to return with opportunities for the Commission to pursue legislative clarification of Health and Safety Code §13811."

Attachments

Attachment A: Draft Resolution 25-06



RESOLUTION NO. 25-06

APPROVING THE REQUEST FOR RECONSIDERATION OF THE SPHERE OF INFLUENCE AMENDMENT AND ANNEXATION OF GOODWILL RESPONSE AREAS TO THE KNEELAND FIRE PROTECTION DISTRICT, AS MODIFIED TO EXCLUDE HUMBOLDT REDWOOD COMPANY PARCELS, AND RESCINDING RESOLUTION NO. 25-03

WHEREAS, the Humboldt Local Agency Formation Commission, hereinafter referred to as the "Commission," is responsible for regulating boundary changes affecting cities and special districts pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Kneeland Fire Protection District, hereinafter referred to as "Kneeland FPD" or "District," submitted an application by resolution requesting a sphere of influence amendment and annexation of approximately 61,846 acres (503 parcels) within the District's goodwill response area; and

WHEREAS, the subject territory is inhabited as defined in Government Code §56046; and

WHEREAS, on May 21, 2025, the Commission held a duly noticed public hearing on the proposal, considering the Executive Officer's report, the factors set forth in Government Code §56668, and all public comments received, and thereafter adopted Resolution No. 25-03, approving the annexation with conditions; and

WHEREAS, within 30 days of the adoption of Resolution No. 25-03, the Commission received a timely request for reconsideration pursuant to Government Code §56895 from Mannon, King, Johnson & Wipf, LLP on behalf of Humboldt Redwood Company (HRC), asserting that the inclusion of HRC-owned commercial timberland parcels within the annexation boundary is unlawful under Health and Safety Code §13811 and the Forest Practice Act; and

WHEREAS, the reconsideration request further asserted that (1) local fire districts lack jurisdiction over commercial timberlands located within State Responsibility Areas (SRAs), (2) the Forest Practice Act preempts local regulation and taxation of commercial timberlands, and (3) based on *Mendocino Redwood Company, LLC v. County of Mendocino* (2019), parcel taxes levied on such lands are invalid; and

WHEREAS, based on these assertions, HRC requested that all 17 of its commercial timberland parcels within the annexation area be excluded from the Kneeland FPD annexation, further noting that CAL FIRE retains responsibility for wildland suppression on lands classified as SRA within a local fire district; and

WHEREAS, notice of the reconsideration hearing was given in the time and manner required by law; and

WHEREAS, on August 20, 2025, the Commission conducted a public hearing on the request for reconsideration, received and considered all relevant evidence, testimony, and staff recommendations; and

WHEREAS, following deliberation, the Commission voted to continue the public hearing within 35 days of the initial reconsideration hearing; and

WHEREAS, on September 3, 2025, the Commission reconvened the public hearing to allow for further deliberation and additional public input on the request for reconsideration; and

WHEREAS, following deliberation, the Commission determined to approve the request for reconsideration to exclude all Humboldt Redwood Company parcels located within the State Responsibility Area from the annexation, thereby rescinding Resolution No. 25-03 and related proceedings, and approving the modified annexation with amendments and conditions as set forth herein.

NOW, THEREFORE, BE IT RESOLVED by the Humboldt Local Agency Formation Commission as follows:

1. Resolution No. 25-03, adopted May 21, 2025, together with all related actions and subsequent proceedings, is hereby rescinded in its entirety and replaced by this resolution.
2. The Commission adopts and incorporates by reference the information, findings, and analysis contained in the Executive Officer's reports presented on May 21, 2025, August 20, 2025, and September 3, 2025.
3. Acting as Responsible Agency under the California Environmental Quality Act (CEQA), the Commission finds that the sphere of influence amendment and annexation is exempt pursuant to CEQA Guidelines Section 15061(b)(3), because it can be seen with certainty that the annexation will not result in a significant environmental effect, for the following reasons:
 - The annexation formalizes the District's jurisdictional boundary to include areas outside of any fire protection district that are already served on a goodwill basis by the Kneeland FPD; and
 - The extension of existing taxes constitutes a governmental funding mechanism and does not commit the District to any physical project that may have a significant effect on the environment.
4. The Commission hereby approves the amendment of the Sphere of Influence for the Kneeland FPD to include the District's goodwill response area, which includes the Humboldt Redwood Company parcels excluded from annexation under this resolution, as depicted on the final approved map.

5. The Commission hereby approves the annexation of the Kneeland FPD goodwill response area, as modified to exclude all Humboldt Redwood Company parcels, subject to the following conditions to be completed to the satisfaction of the Executive Officer:
 - a) Completion of the 30-day reconsideration period provided under Government Code Section 56895, provided that no person or agency shall make any further request for the same change or a substantially similar change, as determined by the Commission.
 - b) Completion of conducting authority proceedings by Executive Officer.
 - c) Submittal of a final map and geographic description of the affected territory conforming to the requirements of the State Board of Equalization.
 - d) Payment of any outstanding fees as identified in the Commission's adopted fee schedule.
6. The proposal is assigned the following distinctive short-term designation:

Kneeland FPD Goodwill Annexation; 25-06
7. The annexation shall be effective upon recordation of the Certificate of Completion, which must be filed within one calendar year from the date of approval unless a time extension is granted by the Commission.
8. Upon the effective date, all parcels within the annexation shall be subject to Kneeland FPD's existing special tax and all other charges, fees, rates, rules, regulations, and ordinances lawfully enacted by the District for the provision of fire protection and emergency response services.
9. The Commission hereby determines that the statutory restriction in Health and Safety Code §13811 creates ambiguities between CAL FIRE's wildland fire suppression responsibilities in SRAs and local fire districts' responsibilities for structural fire protection, emergency medical response, and rescue services under the Fire Protection District Law of 1987, as applied to commercial timberlands regulated under the Forest Practice Act. The Commission further finds that this restriction is in conflict with the purposes and requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, which directs LAFCOs to promote logical boundaries, efficient service delivery, and the orderly formation and development of local agencies. To address this conflict, the Commission directs staff to return with opportunities for the Commission to pursue legislative clarification of Health and Safety Code §13811, in coordination with statewide associations including the California Association of Local Agency Formation Commissions (CALAFCO), the California Special Districts Association (CSDA), the Fire Districts Association of California (FDAC), as well as county officials, local fire districts, CAL FIRE, and state representatives.

PASSED AND ADOPTED at a meeting of the Humboldt Local Agency Formation Commission on the 3rd day of September 2025, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steve Madrone, Chair
Humboldt LAFCo
Attest:

Colette Santsche, Executive Officer
Humboldt LAFCo

EXHIBIT A

MAP AND BOUNDARY DESCRIPTION