



## **AGENDA ITEM 8B**

**MEETING:** July 15, 2026  
**TO:** Humboldt LAFCo Commissioners  
**FROM:** Colette Santsche, Executive Officer  
**SUBJECT:** **Preview of Proposed Goodwill Response Area Annexation to the Ferndale Fire Protection District**

The Commission will receive a preview of a proposal submitted by the Ferndale Fire Protection District requesting annexation of approximately 45,456 acres (71 square miles) of territory generally located south, southeast and southwest of the District's existing boundary, commonly referred to as the Goodwill Response Area. The proposed annexation would formalize the District's responsibility for providing fire protection and emergency response services within the area and support the District's ability to pursue additional funding for those services. This item is informational only. No Commission action is requested at this time.

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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 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.

### **BACKGROUND**

Proceedings for this annexation were initiated by resolution of application adopted by Ferndale Fire Protection District (FFPD). The District has requested that LAFCo expand its jurisdictional boundary to include its historic out-of-district goodwill response area located generally south, southeast, and southwest of the existing boundaries including the Capetown, Upper Bear River Road, and Bunker Hill Road areas.

The annexation area totals approximately 45,456 acres (316 parcels) located within Ferndale FPD's adopted Sphere of Influence (SOI) and contiguous to the District's existing boundary. Annexation would establish clear and enforceable District boundaries, defining service responsibility for the benefit of land use authorities, residents, and other service providers within the area. Annexation would also establish a sustainable funding framework to support services provided.

No development is proposed as part of this annexation. Development within the annexation area would not be influenced by the annexation and would be expected to continue to occur at historic rates because Planning and Building permit approvals are based on the ability of the proposed project to meet General Plan, Zoning, and Fire Safe

Regulations standards, which do not include standards relating to fire protection districts or local fire department capabilities.

All matters that involve discretionary action are subject to the applicable provisions of the California Environmental Quality Act (CEQA). FFPD has determined that the proposed annexation is exempt from CEQA per CEQA Guidelines Section 15061(b)3 as it can be seen with certainty that there is no possibility that the activity in question will have a significant effect on the environment – where the activity is establishment of a local district boundary to include areas that already receive “goodwill” service from the district, and that does not involve development or a change in the manner in which an existing service is provided.

## **DISCUSSION**

### **Description of Annexation Area**

The proposed annexation area is located generally south, southeast and southwest of the existing FFPD boundary, including Capetown, Upper Bear River Road, and Bunker Hill Road areas. The territory is located within the remote Wildcat area, where Mattole Road provides the primary transportation corridor connecting Ferndale to Capetown. The proposed annexation area is approximately 45,455 acres (71 square miles) and has a population of approximately 149 residents. See Figure 1.

### **Land Use and Growth Planning**

The parcels in the annexation area are subject to the Humboldt County General Plan. Current land use designations include Agricultural Exclusive (AE), Agricultural Exclusive Grazing (AEG and AEG(2)), Agricultural Grazing (AG), Residential Agriculture (RA5-20), Timberland (T), and Coastal Commercial Timberland (TC). These designations reflect the rural and remote nature of the area.

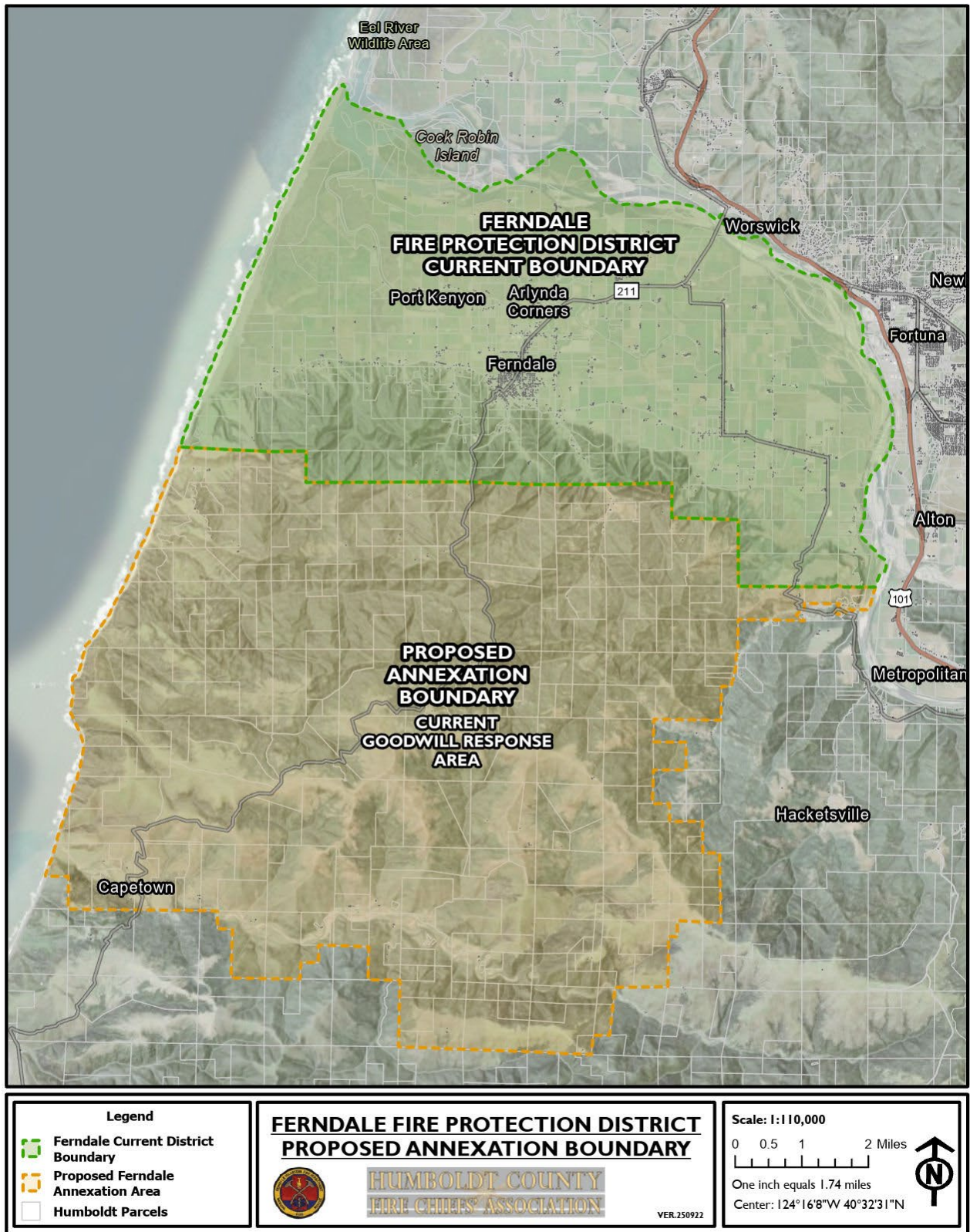
### **Municipal Services**

Currently, there is no designated local fire protection service provider for the proposed annexation area. The area is served on a goodwill response basis, with FFPD and neighboring agencies responding to emergencies as staffing, availability, and resources allow. Upon annexation, FFPD would be officially designated as the fire service provider for the area with the ability to manage services and collect fees to support the provision of services.

To support the proposed annexation, Ferndale FPD prepared a Plan for Services (see Attachment A) pursuant to Government Code §56653. The Plan describes how the District would formalize fire protection and emergency response services currently provided on a goodwill basis, identifies the proposed financing mechanisms, and confirms that no new development or public infrastructure improvements are proposed as part of the annexation.

Upon receiving the annexation application, LAFCo staff issued a Notice of Filing and distributed referral materials to affected and interested agencies on July 2, 2026 (see Attachment B). Any responses received will be incorporated into the administrative record and addressed in the public hearing staff report. As of the date of this preview report, no comments have been received.

Figure 1: Ferndale FPD Annexation Area



California State Parks, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, USDA, USFWS, Esri, NASA, NGA, USGS, Earthstar Geographics

All other public services, including law enforcement, road maintenance, utilities, solid waste, water, wastewater, stormwater, and schools, would continue to be provided by their existing agencies or providers. The proposed annexation would not alter those service responsibilities.

### **Proposed Terms and Conditions**

The proposed annexation is requested to be subject to the following terms and conditions, as submitted by Ferndale FPD:

1. Ferndale FPD requests that LAFCo condition annexation upon voter approval of the District's special tax as established in Ordinance No. 2026-1. If the special tax is not approved, the annexation shall not become effective.
2. Ferndale FPD requests that the proposed annexation be subject to the approval of an agreement with the Humboldt County Board of Supervisors regarding the exchange of ad valorem property tax pursuant to tax exchange agreement Offer Number 2 authorized by the Humboldt County Board of Supervisors on April 9, 2019.

LAFCo consideration of the annexation is expected to occur in close coordination with the District's efforts to secure voter approval of a new special tax at the November 3, 2026 election. Initial estimates indicate that, if approved, the special tax would generate approximately \$116,500 annually in revenue within the existing district and annexation area, including approximately \$106,000 from properties within the existing district and approximately \$10,500 from properties within the proposed annexation area. The measure would repeal and replace the District's existing assessment, which currently generates approximately \$33,000 annually within the existing district. The proposed special tax includes an annual inflationary adjustment provision and hardship exemption process for qualifying low-income property owners.

Revenue generated through the proposed special tax, together with the Property Tax Exchange Agreement, would provide a reliable and sustainable funding source to support the District's long-term service objectives within both its existing territory and the proposed annexation area. The District has identified the special tax as its preferred funding strategy and has requested that LAFCo condition the annexation upon voter approval of the special tax. Conditioning an annexation upon approval of a proposed funding measure has been a common and successful approach in prior LAFCo proceedings to ensure that adequate revenue is available before expanded service responsibilities are assumed.

Staff notes, however, that this proposal differs from prior annexations because FFPD already has a previously authorized benefit assessment that could be extended to the annexation territory through the applicable statutory procedures. While the proposed special tax would provide a more robust and sustainable funding source, the existing assessment may provide an alternative funding mechanism if the special tax is not approved. Consistent with Government Code Sections 56886(s)(2) and 56886(t), the Commission may condition approval of the annexation upon implementation of either the proposed special tax or the extension of the District's previously authorized benefit assessment to the annexation territory, as authorized by applicable law. Staff seeks

Commission direction on whether this alternative should be further evaluated in the final staff report.

### **Property Tax Exchange Agreement**

Section 99 of the California Revenue and Taxation Code requires affected local agencies to negotiate an exchange of property tax revenues before a jurisdictional change becomes effective. On April 9, 2019 (File No. 19-501), the Humboldt County Board of Supervisors adopted a policy establishing standardized property tax exchange offers for fire protection districts that improve financial sustainability, administrative capacity, and long-term service planning through annexation, formation, or consolidation.

FFPD has requested that the proposed annexation be eligible for Tax Exchange Agreement Offer No. 2, which is intended for districts that:

- Establish new and or update revenue sources;
- Annex realistic out-of-district response area;
- Commit to planning for the future;
- Unwilling to pursue reorganization/consolidation.

If the above expectations are met the county will:

- Transfer a portion of the county's share of the base property tax revenue to the fire district equal to 50% of the district's average tax allocation factor (TAF), multiplied by the 1% property tax revenue for the current year within the annexation area. The fire district's property tax base would increase by the amount transferred; the county's base would be reduced by the same amount.
- In addition, the fire district would receive 100% of its TAF applied to growth in property tax in the annexation area; the County' share of property tax growth would then be reduced by that amount.

Based on current assessed values, implementation of Offer No. 2 is estimated to result in a permanent transfer of approximately \$13,409 in annual base property tax revenue from the county to FFPD beginning in FY 2027-28, and approximately \$670 in first-year property tax increment, with annual growth expected to increase over time as assessed values within the annexation area increase.

Approval of the property tax exchange agreement by the Humboldt County Board of Supervisors is required before the annexation may become effective.

### **Environmental Review**

The proposed annexation is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), the common sense exemption. It can be seen with certainty that there is no possibility the proposed annexation will have a significant effect on the environment because:

1. The proposal formalizes Ferndale FPD's jurisdictional responsibility for providing fire protection and emergency response services within an existing goodwill response area that is already served by the District and does not authorize new development, changes in land use, or physical improvements.

2. Any proposed property tax exchange agreement, benefit assessment, or special tax associated with the annexation constitutes a governmental funding mechanism and does not, by itself, authorize or commit the District to any specific project or physical activity that may have a significant effect on the environment.

## **RECOMMENDATION**

Staff recommends that the Commission receive this report as an informational item, discuss the proposed annexation and preliminary terms and conditions, and provide direction to staff regarding any issues or policy considerations to be addressed in the final staff report. Following completion of the property tax exchange process, staff will return to the Commission with a final staff report and recommendations for consideration and potential action on the proposed annexation.

## ***Attachments***

Attachment A: Plan for Services  
Attachment B: Notice of Filing (Referral)  
Attachment C: Notice of Property Tax Exchange



## **FERNDALE FIRE PROTECTION DISTRICT ANNEXATION PLAN FOR PROVIDING SERVICES**

Ferndale Fire Protection District (FPD) has provided fire protection and emergency response services to its out-of-district goodwill response area for many years and now proposes to formally annex this territory into its jurisdictional boundaries. This Plan for Providing Services addresses the statutory requirements of Government Code §56653 by describing the services to be provided, the level and range of those services, how services will be financed, and confirming that no new development or infrastructure improvements are proposed as a result of the proposed annexation.

### **SERVICES TO BE PROVIDED**

56653 (b) (1) An enumeration and description of the services to be extended to the affected territory.

56653 (b) (3) An indication of when those services can feasibly be extended to the affected territory.

Ferndale Fire Protection District (FPD) provides fire protection services, as enumerated in California Health and Safety Code Section 13862 “a” through “f”, excluding “e” (ambulance services), which includes the following: fire protection services; rescue services; emergency medical services; hazardous material emergency response services; and any other services relating to the protection of lives and property.

Ferndale FPD has provided fire protection and emergency response services to its out-of-district goodwill response area for many years and now proposes to formally annex this territory into its jurisdictional boundaries. The proposed annexation encompasses approximately 45,455 acres, and is located generally south, southeast and southwest of the existing Ferndale FPD boundaries, including the Capetown, Upper Bear River Road, and Bunker Hill Road areas.

The proposed annexation would establish clear and enforceable District boundaries, defining service responsibility for the benefit of land use authorities, residents, and other service providers within the area. Currently, the goodwill response area receives fire protection services from Ferndale FPD on an informal basis, without a defined service obligation or dedicated funding source, as no other fire protection provider serves the area. Annexation would formalize Ferndale FPD’s responsibility for service delivery and establish a sustainable funding framework.

Existing revenue sources are insufficient to support the long-term, sustainable delivery of services across the District’s full response area, including both the current District boundary and the goodwill response area. Ferndale FPD is therefore proactively pursuing voter approval of a new special tax,

which would repeal and replace the District's existing benefit assessment. If approved, annexation would allow the District to receive a share of property tax revenues and, consistent with Government Code Sections 56886(t) and 57330, apply the voter-approved special tax within the annexed territory upon the effective date of annexation, thereby supporting ongoing, reliable fire protection services.

## **SERVICE UNITS AND CAPACITY**

56653 (b) (2) The level and range of those services.

Similar to portions of the existing Ferndale FPD boundaries, the proposed annexation area consists primarily of rural residences and agricultural or farm dwellings interspersed among timbered and grazing lands, with no defined residential communities or concentrated commercial areas. Fire protection and emergency response services within the existing District are provided at a rural level of service that reflects the physical characteristics of the area, including limited water availability outside hydranted areas, extended travel distances and response times, and challenging terrain and access conditions. The Ferndale FPD currently responds to emergencies within the proposed annexation area on a longstanding goodwill basis and would continue to provide a comparable level and range of rural fire protection, emergency medical, and rescue services following annexation, consistent with the existing service model, operational capabilities, and risk profile of the area.

## **PROPOSED SERVICE INFRASTRUCTURE**

56653 (b) (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.

The proposed annexation does not include or authorize any new development, population growth, or land use changes within the affected territory. The Ferndale FPD does not propose any improvements or upgrades to structures, roads, sewer, water, or other public or private facilities as a condition of annexation. Annexation would not alter existing land use designations, zoning, or development regulations, and would not result in changes to water availability, roadway standards, or utility infrastructure. The annexation is intended solely to establish clear service responsibility and a sustainable funding mechanism for fire protection and emergency response services currently provided on a goodwill basis.

## **FINANCING OF SERVICES**

56653 (b) (5) Information with respect to how those services will be financed.



Ferndale FPD is currently funded through a combination of ad valorem property tax revenue and a benefit assessment levied on parcels within the existing District boundary. Property tax revenues provide approximately \$236,000 annually, while the existing assessment generates approximately \$32,000 per year, for a total average annual revenue of \$268,000 to support District operations.

The District's existing assessment has not been updated since 1996 and is based on a unit-of-benefit methodology that no longer reflects current service demands or costs. Under the existing assessment, vacant parcels are assessed one unit of benefit (\$5 annually); single-family residences within hydranted areas are assessed four units (\$20 annually); rural residences are assessed six units (\$30 annually); and commercial uses are assessed between eight and twelve units (\$40–\$60 annually). Properties within the proposed annexation area currently pay ad valorem property taxes but do not contribute assessment revenue to support the fire protection services they receive, as none of those taxes are allocated to the Ferndale FPD.

An updated and more equitable revenue source is necessary to support the District's ability to sustainably provide fire protection and emergency response services across its full response area, including both the existing District and the goodwill response area. Increased funding is needed to support firefighter training, personal protective equipment, emergency medical and firefighting equipment, apparatus replacement, and overall operational capacity, including response reliability in rural service areas.

Accordingly, the District requests that the proposed annexation be conditioned upon voter approval of a new special tax, as established in Ordinance No. 2026-1. If the special tax is not approved by two-thirds of the qualified electors of the District at the November 3, 2026 Statewide General Election, the annexation shall not become effective. Initial estimates indicate that, if approved and applied within the annexation area upon the effective date of annexation, the special tax would generate approximately \$116,000 annually. Approval of the special tax would repeal and replace the existing assessment, eliminating the current \$32,000 annual assessment revenue and replacing it with a more stable funding mechanism.

In addition, annexation would allow the District to receive a share of ad valorem property tax revenue from the annexation area pursuant to a property tax exchange agreement consistent with Offer Number 2, authorized by the Humboldt County Board of Supervisors on April 9, 2019. Under this framework, the District would receive 50 percent of the District's tax allocation factor for base year revenues and 100 percent of the tax allocation factor for post-annexation growth. It is estimated that this property tax exchange would generate approximately \$14,660 annually to support fire protection services. This revenue would be derived from property taxes already paid by landowners within the

annexation area and would not increase property tax rates or reduce revenues for properties within the existing District.

## **CONDITIONS OF SERVICE**

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

- a. Ferndale FPD requests that LAFCo condition annexation upon voter approval of the District's special tax as established in Ordinance No. 2026-1. If the special tax is not approved, the annexation shall not become effective.
- b. Ferndale FPD requests that the proposed annexation be subject to the approval of an agreement with the Humboldt County Board of Supervisors regarding the exchange of ad valorem property tax pursuant to tax exchange agreement Offer Number 2 authorized by the Humboldt County Board of Supervisors on April 9, 2019.

## **ORGANIZATION ALTERNATIVES TO BE CONSIDERED**

Ferndale FPD has considered annexation of the goodwill response area for many years. Historically, annexation was not feasible due to the County's unwillingness to share ad valorem property tax revenue with fire districts. The County's adoption of a property tax exchange policy in 2019, including standardized offers and additional incentives, has made annexation financially feasible and beneficial for both fire districts and the County.

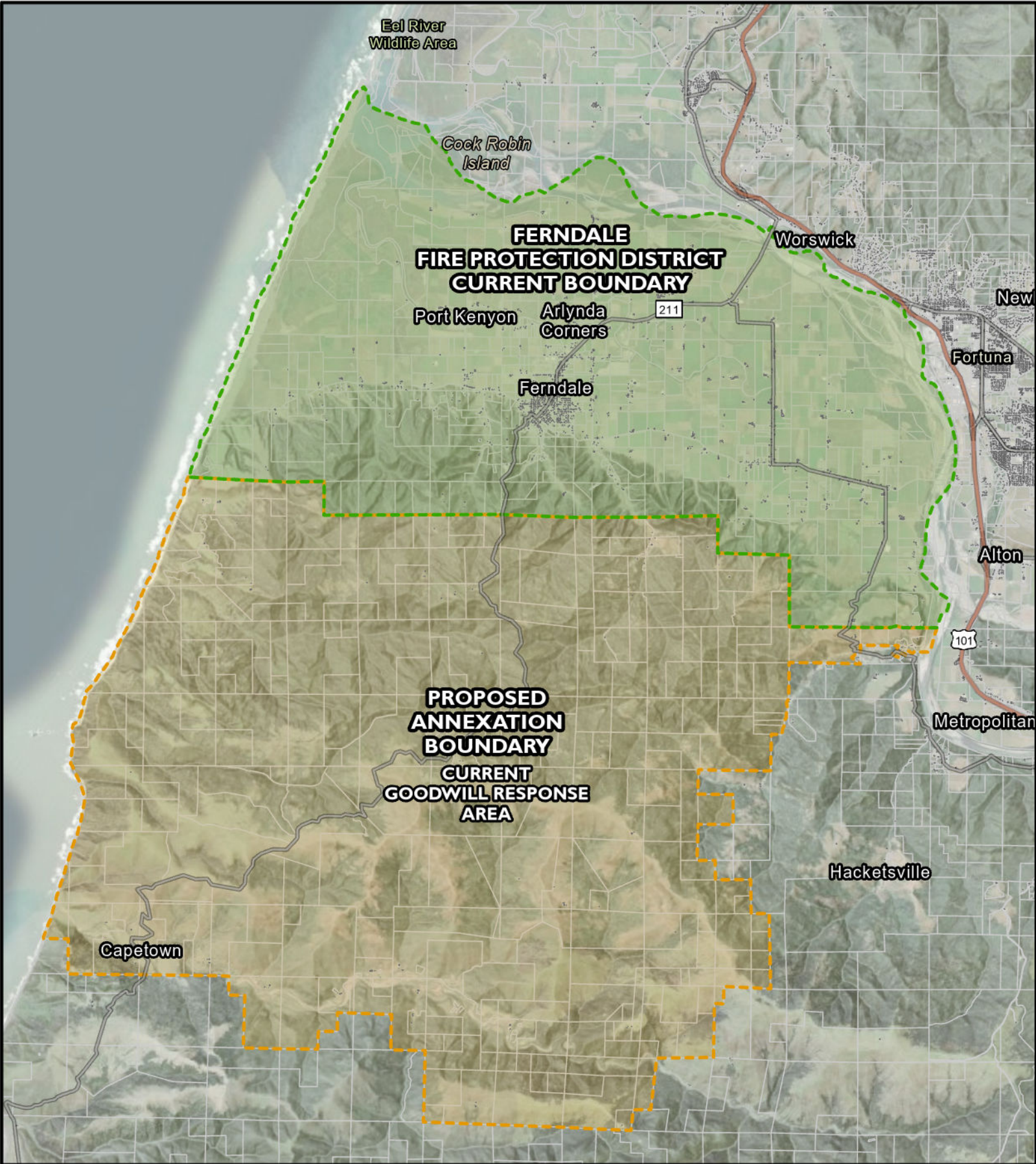
Alternative organizational options were considered but were determined to be less efficient, more costly, or impractical when compared to the proposed annexation. These alternatives include the following:

- **Formation of a County Service Area.** One alternative would be the formation of a County Service Area (CSA) for fire protection, under which Humboldt County would assume responsibility for providing services by contracting with CAL FIRE or a neighboring fire protection district, such as the Ferndale FPD or Rio Dell FPD. Humboldt County has indicated that it does not intend to form additional CSAs for fire protection services, making this option infeasible.
- **Annexation by an Adjacent Fire Protection District.** Rio Dell FPD borders portions of the proposed annexation area to the east, while the Petrolia FPD lies further south. Petrolia FPD is currently pursuing a broader reorganization involving the Telegraph Ridge FPD, Honeydew Fire Company, and potentially the Whitethorn FPD, with the intent of forming a reorganized district

proposed to be named the Mattole Fire Protection District. That effort includes plans for a separate special tax election in November 2026, followed by a LAFCo reorganization application and dissolution of existing districts. Given the scale, timing, and uncertainty of that reorganization, as well as the lack of an existing service relationship with much of the proposed annexation area, annexation by another district is not a practical near-term alternative.

- **Larger Regional Reorganization or Consolidation.** Ferndale FPD has participated in discussions with other Eel River Valley fire agencies, including Loleta, Fortuna, Carlotta, and Rio Dell FPDs, regarding potential consolidation or regional reorganization. While there is general recognition of the potential long-term benefits of regionalization and cost savings, there is no current interest among the agencies in pursuing consolidation or reorganization at this time.

Based on these considerations, annexation of the goodwill response area into the Ferndale FPD represents the most efficient, timely, and practical organizational option to formalize service responsibility and establish sustainable funding for fire protection and emergency response services.



**Legend**

- Ferndale Current District Boundary
- Proposed Ferndale Annexation Area
- Humboldt Parcels

**FERNDALE FIRE PROTECTION DISTRICT  
PROPOSED ANNEXATION BOUNDARY**

**HUMBOLDT COUNTY**

**FIRE CHIEFS' ASSOCIATION**

VER.250922

**Scale: 1:110,000**

0 0.5 1 2 Miles

One inch equals 1.74 miles

Center: 124°16'8"W 40°32'31"N





## NOTICE OF APPLICATION FILING

**DATE:** July 2, 2026

**TO:** Humboldt County Fire Chiefs Association  
CAL FIRE – Humboldt Del Norte Unit  
City of Ferndale  
Del Oro Water Company  
Riverside Community Services District  
Ferndale Unified School District  
Redwoods Community College District  
Humboldt Bay Harbor, Recreation, and Conservation District  
Humboldt County Flood Control District (Zone 05)  
Humboldt County Roads (District No. 01)  
Humboldt County Resource Conservation District  
Humboldt County Office of Education  
Humboldt County Administrative Office  
Humboldt County Assessor's Office  
Humboldt County Auditor-Controller's Office  
Humboldt County Sheriff's Office  
Humboldt County Elections Office  
Humboldt County Environmental Health  
Humboldt County Office of Emergency Services  
Humboldt County Planning and Building Department  
Humboldt County Public Works Department

**Cc:** Rick Nicholson, Fire Chief, Ferndale Fire Protection District  
Jack Smith, Chair, Ferndale Fire Protection District

**FROM:** Krystle Brogna, LAFCo Senior Analyst  
Colette Santsche, LAFCo Executive Officer

**SUBJECT:** APPLICATION RECEIVED – FERNDAL FIRE PROTECTION DISTRICT GOODWILL RESPONSE AREA ANNEXATION

### APPLICATION INFORMATION

**Project:** Goodwill Response Area Annexation

**Applicant:** Ferndale Fire Protection District (FFPD)

**Location:** South, southeast and southwest of the existing FFPD boundary, including Capetown, Upper Bear River Road, and Bunker Hill Road areas (See Exhibit A)

**APNs:** 316 parcels – see Exhibit B

**Notice:** The above-referenced application has been submitted to LAFCo, and this Notice of Filing is being issued in accordance with Government Code Section 56658(b)(1). Agencies and interested parties wishing to receive a copy of the

application and supporting documents may contact LAFCo staff at [colette@humboldtlafo.org](mailto:colette@humboldtlafo.org).

The application is currently under review by LAFCo and is anticipated to be presented to the Commission for an informational preview at its July 15, 2026, meeting, with a public hearing tentatively scheduled for September 16, 2026. Meeting agendas and additional information are available on the LAFCo website.

LAFCo requests that agencies and interested organizations review the proposal and submit any comments, recommended conditions, or recommendations no later than **July 31, 2026**.

### Proposal Overview

The Humboldt Local Agency Formation Commission (LAFCo) has received an application from the Ferndale Fire Protection District (FFPD or District) for annexation of 45,456 acres (71 square miles) of land located generally south, southeast and southwest of the existing FFPD boundary, including the Capetown, Upper Bear River Road, and Bunker Hill Road areas. FFPD has provided fire protection and emergency response services to this out-of-district goodwill response area for many years and now seeks to formally include the territory within its jurisdictional boundaries.

### Reasons for Proposal

The reasons listed by FFPD for this proposed annexation are as follows:

- a. To formalize fire protection and emergency response services long provided to residents in the goodwill response area;
- b. To ensure equitable and sustainable funding for services provided; and
- c. To align jurisdictional boundaries with actual service responsibilities for the benefit of neighboring fire service providers, land use authorities, and other service providers.

### Description of Annexation Area

The proposed annexation area is located generally south, southeast and southwest of the existing Ferndale FPD boundary, including Capetown, Upper Bear River Road, and Bunker Hill Road areas. The territory is located within the remote Wildcat area, where Mattole Road provides the primary transportation corridor connecting Ferndale to Capetown.

### Provision of Services

Currently, there is no designated local fire protection service provider for the proposed annexation area. The area is considered a goodwill response area, where FFPD and neighboring agencies respond to emergencies as staffing, availability, and resources allow. Upon annexation, FFPD would be officially designated as the fire service provider for the area with the ability to manage services and collect fees to support the provision of services.

Water and wastewater services are generally provided by individual onsite systems. Law enforcement services are provided by the Humboldt County Sheriff's Office, road maintenance and drainage are provided by Humboldt County Public Works, and ambulance transport services are provided by City Ambulance of Eureka, with air ambulance services available through Cal Ore Life Flight.

## Land Use Designations

The parcels in the annexation area are subject to the Humboldt County General Plan. Current land use designations include Agricultural Exclusive (AE), Agricultural Exclusive Grazing (AEG and AEG(2)), Agricultural Grazing (AG), Residential Agriculture (RA5-20), Timberland (T), and Coastal Commercial Timberland (TC). These designations reflect the rural and remote nature of the area.

## Property Tax Exchange

Section 99 of the California Revenue and Taxation Code requires affected local agencies to negotiate an exchange of property tax revenues before a jurisdictional change becomes effective. On May 9, 2019 (File No. 19-501), the Humboldt County Board of Supervisors directed that different tax exchange agreements be offered in exchange for fire protection districts improving other sources of revenue, improving administrative capacity, and pursuing annexation/formation/consolidation. The FFPD proposes that they are eligible for Tax Exchange Agreement Offer No. 2 which requires the district to meet the following expectations.

The annexing district is willing to:

- Establish new and or update revenue sources;
- Annex realistic out-of-district response area;
- Commit to planning for the future;
- Unwilling to pursue reorganization/consolidation.

If the above expectations are met the county will:

- Transfer a portion of the county's share of the base property tax revenue to the fire district equal to 50% of the district's average tax allocation factor (TAF), multiplied by the 1% property tax revenue for the current year within the annexation area. The fire district's property tax base would increase by the amount transferred; the county's base would be reduced by the same amount.
- In addition, the fire district would receive 100% of its TAF applied to growth in property tax in the annexation area; the County's share of property tax growth would then be reduced by that amount.

The proposed annexation will be requesting use of the County's Tax Exchange Agreement Offer No. 2 set by the County Board of Supervisors on April 9, 2019.

## Special Tax

LAFCo consideration of the annexation is expected to occur in close coordination with the District's efforts to secure voter approval of a new special tax at the November 3, 2026 election. Initial estimates indicate that, if approved, the special tax would generate approximately \$116,500 annually in revenue within the existing district and annexation area, including approximately \$106,000 from properties within the existing district and approximately \$10,500 from properties within the proposed annexation area. The measure would repeal and replace the District's existing assessment, which currently generates approximately \$33,000 annually within the existing district. The proposed special tax includes an annual inflationary adjustment provision and hardship exemption process for qualifying low-income property owners.

Revenue generated through the proposed special tax, together with the Property Tax Exchange Agreement, would provide a reliable and sustainable funding source to support the District's long-term service objectives within both its existing territory and the proposed annexation area. The District has identified the special tax as its preferred funding strategy to support the



annexation. However, because approval of the special tax requires a two-thirds vote of the electorate, the outcome remains uncertain, and the District may need to rely on expanding its existing assessment to the annexation area as a fallback funding mechanism.

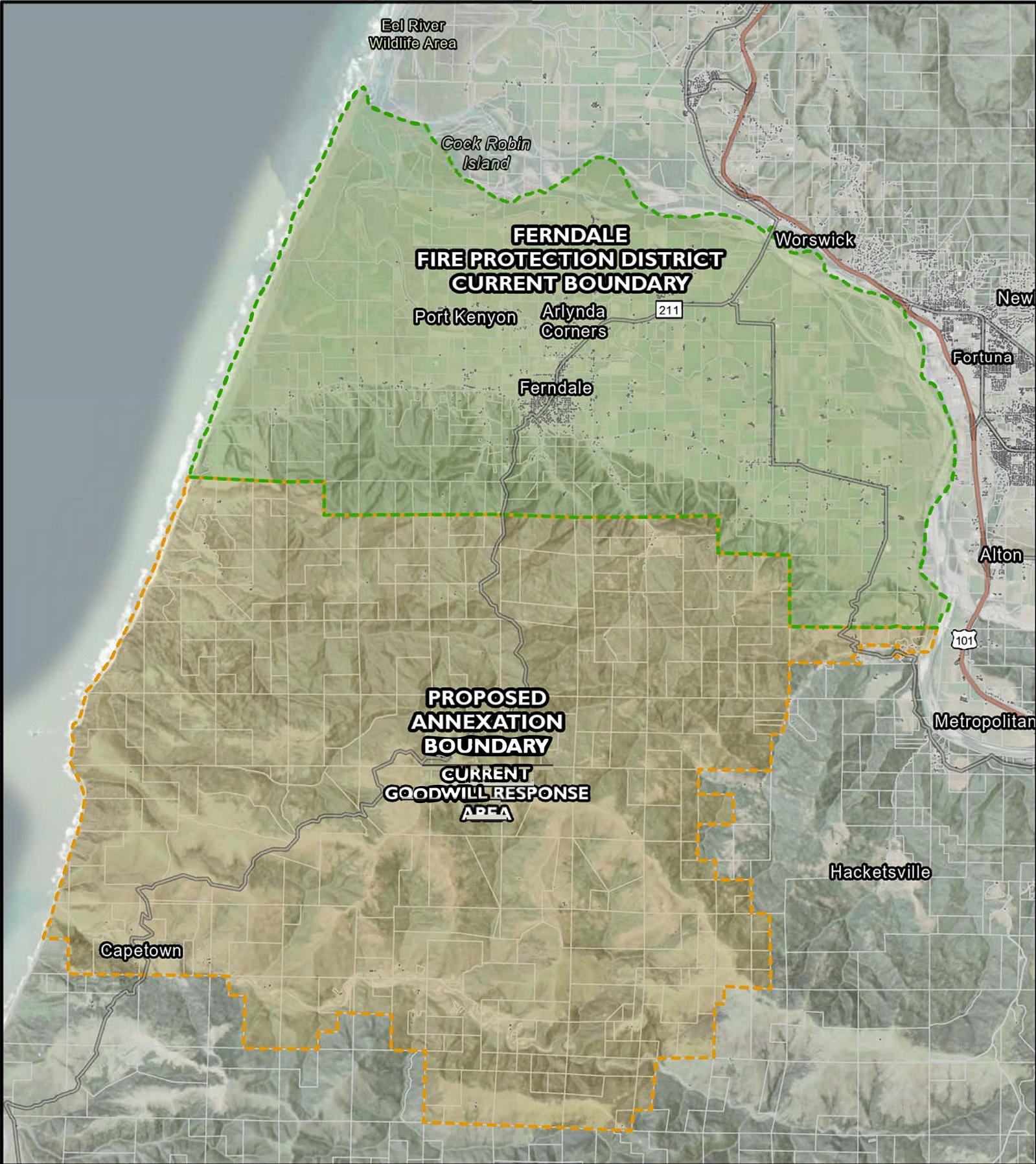
#### Environmental Review

All matters that involve discretionary action are subject to the applicable provisions of the California Environmental Quality Act (CEQA). FFPD has determined that the proposed annexation is exempt from CEQA per CEQA Guidelines Section 15061(b)3 as it can be seen with certainty that there is no possibility that the activity in question will have a significant effect on the environment – where the activity is establishment of a local district boundary to include areas that already receive “goodwill” service from the district, and that does not involve development or a change in the manner in which an existing service is provided.

The application described above is currently under review by LAFCo and is anticipated to be presented to the Commission for an informational preview at its July 15, 2026, meeting, with a public hearing tentatively scheduled for September 16, 2026. **Interested agencies are invited to review the proposal and provide any comments to LAFCo by July 31, 2026.**

If you have any questions, please contact LAFCo at (707) 445-7508 or via email at [colette@humboldtlaftco.org](mailto:colette@humboldtlaftco.org).

Exhibit A: Map of Proposed Annexation Area



**Legend**

- Ferndale Current District Boundary
- Proposed Ferndale Annexation Area
- Humboldt Parcels

**FERNDALE FIRE PROTECTION DISTRICT  
PROPOSED ANNEXATION BOUNDARY**

**HUMBOLDT COUNTY**

**FIRE CHIEFS' ASSOCIATION**

VER. 250922

**Scale: 1:110,000**

0   0.5   1   2 Miles

One inch equals 1.74 miles

Center: 124°16'8"W 40°32'31"N





## NOTICE OF PROPERTY TAX EXCHANGE

**DATE:** July 2, 2026

**TO:** Howard LaHaie, Humboldt County Assessor  
Mychal Evenson, Humboldt County Auditor-Controller

**Cc:** Elishia Hayes, County Administrative Officer  
Sean Quincey, Deputy County Administrative Office  
Joel Campbell-Blair, Deputy County Counsel  
Rick Nicholson, Fire Chief, Ferndale Fire Protection District  
Jack Smith, Chair, Ferndale Fire Protection District

**FROM:** Colette Santsche, LAFCo Executive Officer  
Louis Choy, LAFCo GIS Analyst

**SUBJECT:** PROPERTY TAX EXCHANGE – FERNDALE FIRE PROTECTION DISTRICT ANNEXATION

Pursuant to Revenue and Taxation Code Section 99 (b), the Humboldt Local Agency Formation Commission (LAFCo) hereby provides notice that it has received an application for the **Ferndale Fire Protection District Goodwill Response Area Annexation**.

Revenue and Taxation Code Section 99(b) establishes the process for negotiating an exchange of property tax revenues associated with jurisdictional changes. Specifically, the statute requires the County Assessor and County Auditor to determine the assessed valuation and estimated property tax revenues within the affected territory, identify the allocation of those revenues among the affected local agencies, and facilitate negotiations regarding the exchange of property tax revenues.

On April 9, 2019, the Humboldt County Board of Supervisors approved a funding allocation strategy intended to address long-standing fire service gaps and capacity needs through the strategic exchange of property tax revenues in conjunction with local governance and revenue enhancements (File No. 19-501). It is LAFCo's understanding that the proposed property tax exchange for this annexation will be evaluated under Offer No. 2 of that policy framework.

Under Offer No. 2, the annexing district is expected to:

- Establish new and/or update local revenue sources;
- Annex a realistic out-of-district response area;
- Commit to planning for the future;
- Elect not to pursue reorganization or consolidation.

If the above expectations are satisfied, the County's offer provides for:

- A transfer of base property tax revenue equal to 50% of the District's average tax allocation factor (TAF), multiplied by the current year 1% property tax revenue generated within the annexation area. The transferred amount would become part of the fire district's permanent property tax base, with a corresponding reduction to the county's base.
- A transfer of 100% of the District's TAF applied to future growth in assessed value (annual tax increment) within the annexation area, with a corresponding reduction to the county's share of future property tax growth.

Consistent with Revenue and Taxation Code Section 99(b), LAFCo respectfully requests that the County initiate the property tax exchange process for the proposed annexation.

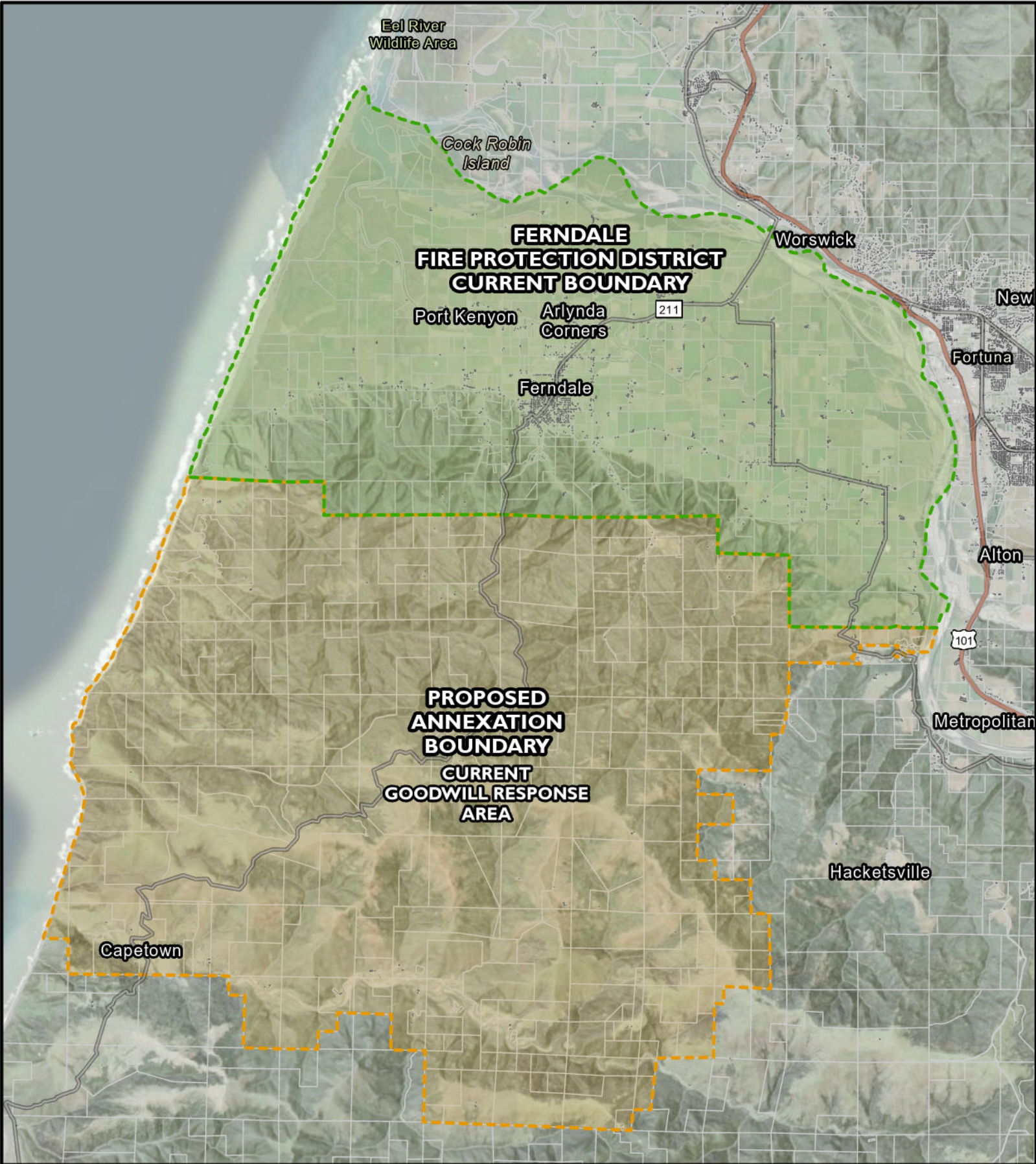
The proposed annexation area consists of approximately 45,456 acres (316 parcels) generally located south, southeast, and southwest of the existing Ferndale FPD boundary, including the Capetown, Upper Bear River Road, and Bunker Hill Road areas. The annexation area is located entirely within Tax Rate Area 083-002.

Based on parcel data provided by the Humboldt County Assessor's Office, the total assessed value within the proposed annexation area, net of applicable property tax exemptions, was used to estimate the property tax revenues available for exchange under Offer No. 2. A complete listing of the affected parcels and supporting calculations is included in the enclosed Property Tax Exchange Worksheet.

If you have any questions or require additional information, please do not hesitate to contact me at 707-445-7508 or [colette@humboldtlaico.org](mailto:colette@humboldtlaico.org).

Enclosures:

- Annexation Area Figure
- Ferndale FPD Property Tax Exchange Proposal
- Property Tax Exchange Worksheet



**Legend**

- Ferndale Current District Boundary
- Proposed Ferndale Annexation Area
- Humboldt Parcels

**FERNDALE FIRE PROTECTION DISTRICT  
PROPOSED ANNEXATION BOUNDARY**

 **HUMBOLDT COUNTY  
FIRE CHIEFS' ASSOCIATION**

VER.250922

**Scale: 1:110,000**

0 0.5 1 2 Miles

One inch equals 1.74 miles

Center: 124°16'8"W 40°32'31"N

