



SUMMARY REPORT

Agenda Date: 10/28/2025

To: Board of Supervisors

Department or Agency Name(s): County Administrator's Office

Staff Name and Phone Number: M. Christina Rivera, Christel Querijero, Yoan Vivas 707-565-2431

Vote Requirement: Informational Only

Supervisory District(s): Countywide

Title:

District Formation Funding Update

Recommended Action:

Receive an update on Fiscal Year 2024-2025 District Formation Fund activities.

Executive Summary:

On December 14, 2021, the Board of Supervisors (BOS) approved use of District Formation Funds in the amount of \$152,500 for District 1 and \$152,500 for District 5. On May 3, 2022, the BOS allocated \$152,500 each for the remaining districts (2, 3, and 4) to be used for district formation related activities. This item provides an update on the status of these District Formation funded activities. At FY 24/25 fiscal year end, the District Formation Fund balance was \$1,217,453 with a maximum of \$764,421.98 available to be programmed in FY25/26, subject to Board approval.

Discussion:

Background and Historical Usage

The District Formation Fund, which is included in Sonoma County Public Infrastructure's department budget, was established in 1986 and initially used for various water/sewer projects. On April 16, 2019, the Board approved revisions to the County's Community Investment Fund Program Policy, including allocating \$175,000 each year from Transient Occupancy Tax revenue to support District Formation activities. This policy recognizes that rural areas of Sonoma County are experiencing an increased need for municipal services. District formation funds may be used for professional services to establish special districts that will enable communities to provide self-generated funding to address municipal challenges.

In 2021 and 2022, the Board allocated \$152,500 in one time funding for each Supervisory District to use on District Formation projects. On May 27, 2021, the Board allocated \$30,000 of District Formation Fund balance for proceedings to form an assessment district for Asti Bridge. On December 14, 2021, the Board approved \$152,500 from District Formation Fund balance for District 1 and District 5 (totaling \$305,000). On January 25, 2022, the Board allocated \$188,709 in District Formation Fund balance to cover annexation and mapping costs associated with Fire District consolidation efforts. On May 2, 2022, the Board approved \$152,500 in one time funding the remaining districts (D2, D3, and D4), totaling \$457,500. The \$457,500 was funded through a combination of District Formation Fund balance (\$130,000) and contingencies (\$327,500). On February 11, 2025, the Board approved \$7,500 for the County's share of the cost to develop and Enhanced Infrastructure Financing District Fiscal Impact Analysis.

District Formation Fund Activities in Fiscal Year 2024-2025 (FY24-25)

The following provides an update on the use of District Formation Funds during FY 24-25:

- 1) Asti Bridge: The County is advancing the permanent Asti Bridge project, approved by the Board on September 10, 2024. The Mitigated Negative Declaration has been approved. The Department of Public Infrastructure is currently in the planning, design, and environmental permitting phase and is moving forward to form a Special Bridge Financing District. In FY 24/25, \$15,775 from the District Formation Fund was spent on district consulting services for the Asti Bridge project. More information about the Asti Bridge project is available online at:
[https://sonomacounty.ca.gov/development-services/sonoma-public-infrastructure-\(formerly-](https://sonomacounty.ca.gov/development-services/sonoma-public-infrastructure-(formerly-)
- 2) District 1: In FY 2024-25, District 1 used \$2,539 from its District Formation Fund for a contract with Kosmont Companies to provide advisory services related to Enhanced Infrastructure Financing Districts (EIFD). District 1 has a remaining available balance of \$104,511.
- 3) District 2: No expenditures in FY 24/25. District 2 has a remaining available balance of \$152,500.
- 4) District 3: No expenditures in FY 24/25. District 3 has a remaining available balance of \$152,500.
- 5) District 4: In FY 24/25, District 4 spent \$9,480 on consulting services to assist the Mark West Area Municipal Advisory Council (MWAMAC) with administering a community survey to gauge interest in district formation. District 4 has a remaining available balance of \$126,858.
- 6) District 5: District 5 fully expended its available DFF allocation in FY 2023-2024. In FY 2024-2025, the Board allocated an additional \$7,500 in DFF funding to support the Sebastopol Enhanced Infrastructure Financing District (EIFD).

See Attachment A for details on District Formation expenses from FY 21/22 through FY 24/25.

At FY 24/25 fiscal year end, the District Formation Fund balance is \$1,217,453. Included as Attachment B is the District Formation Fund Balance Sheet which includes total revenues and expenditures.

FY24/25 District Formation Advisory Services: Funding Allocation and Project Progress

In June 2024, during FY24/25 budget hearings, the Board included \$150,000 in the FY24/25 budget at the recommendation of the Unincorporated Governance Ad Hoc Committee for District Formation Advisory Services. On March 25, 2025, the Board approved a contract for \$140,000 with RSG, Inc. to provide District Formation Advisory Services, to offer opportunities for unincorporated communities to explore if forming governance or finance districts could improve services in their communities. The remaining \$10,000 will be used for associated costs as part of the project, including facility rental for community meetings. See Attachment C for a report on progress to date.

Strategic Plan:

N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

Yes

Please see the attached Racial Equity Toolkit Analysis (Attachment D).

Prior Board Actions:

- February 11, 2025: City of Sebastopol/County of Sonoma Enhanced Infrastructure Financing District (EIFD) Update,
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=7129386&GUID=1433730C-1F0B-4AC2-BFD9->
- March 25, 2025: District Formation Advisory Services,
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=7266614&GUID=F4F25C4F-1E55-4CC6-94D5->
- September 10, 2024: Adoption of a Resolution for a Mitigated Negative Declaration and Approval of the Asti Permanent Bridge Construction Project, □
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6847068&GUID=FE90843C-715D-491C-BB08->
- July 16, 2024: District Formation Funding Update,
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6773553&GUID=31A58651-D157-48BB-B74F->
- July 11, 2023: District Formation Updates,
<https://sonoma-county.legistar.com/MeetingDetail.aspx?ID=1053817&GUID=3C5A25B0-C919-4128-94B8->
- May 3, 2022: District formation activities for unincorporated areas in north, south and central Sonoma County,
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5567425&GUID=61AE1D3D-5F7B-434E-AD4C->
- December 14, 2021: Governance for Unincorporated Areas of Sonoma Valley and West County,
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5353336&GUID=F241FD15-FD92-423C-9F95->
- April 16, 2019: Transient Occupancy Tax Policy,
<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=3916843&GUID=C59D0C40-53DC-43EC-9B1D->

FISCAL SUMMARY

Expenditures	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

This an information only item. The District Formation Fund FY24/25 ending fund balance is \$1,217,453. SoCoPI indicated that a maximum of \$764,421.98 remains in the non-committed District Formation balance and available to be programmed in FY25/26 with Board approval.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment A: District Formation Fund Expenses Table
Attachment B: District Formation Summary Fund Balance Sheet
Attachment C: RSG District Formation Advisory Services Update
Attachment D: Racial Equity Analysis

Related Items “On File” with the Clerk of the Board:

None.