

Blue
Sky

CONSULTING GROUP

LOWER RUSSIAN RIVER GOVERNANCE STUDY

OPTIONS FOR IMPROVING SERVICE DELIVERY IN THE REGION

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Prepared by

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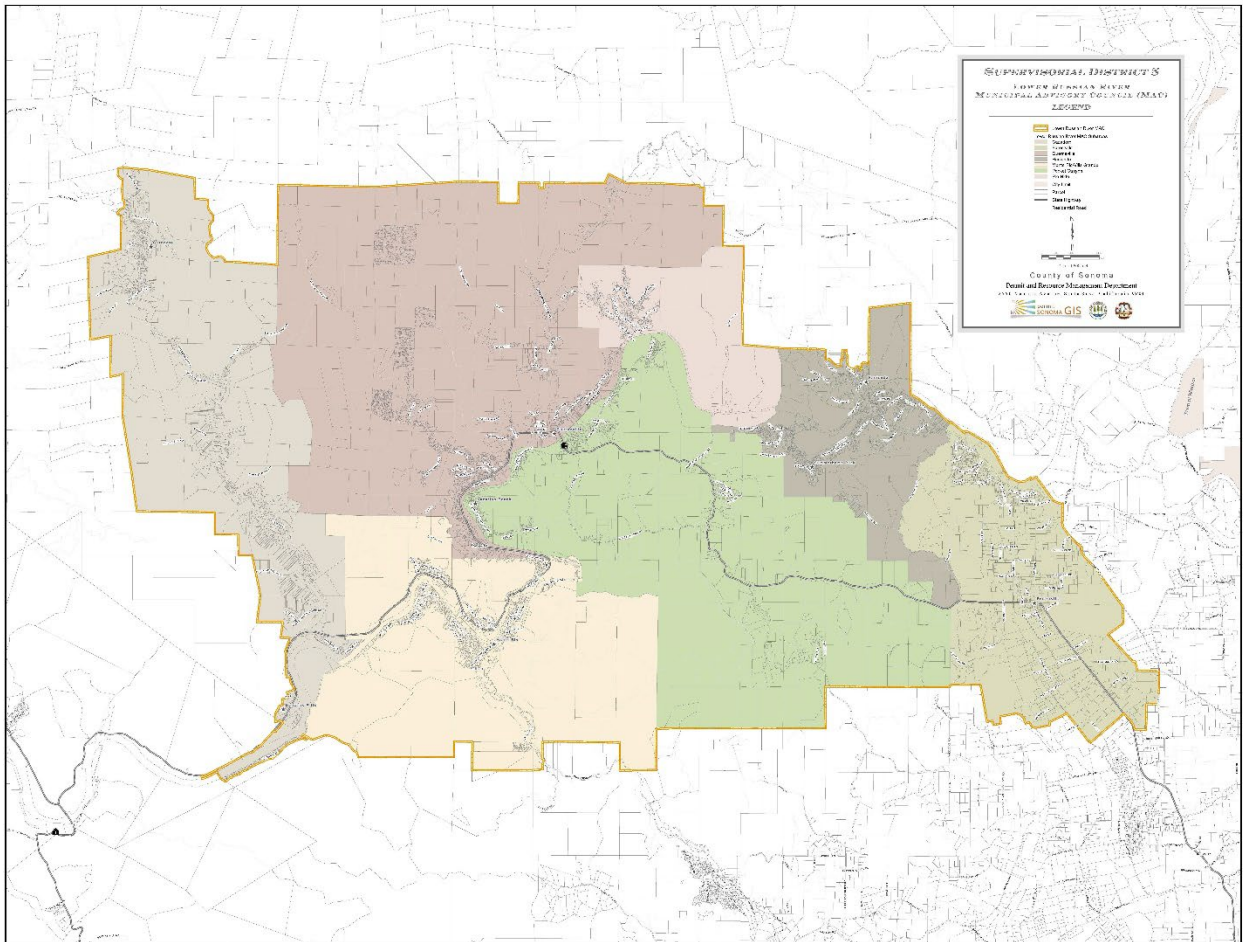
3 OVERVIEW

In the summer of 2022, Sonoma County issued a Request for Proposals (RFP) to conduct a “Lower Russian River Local Governance Options Study.” The RFP identified the overall goal of the study: “to improve the delivery of government services in the lower Russian River.” The study also seeks to “engage and inform community members and participating organizations of the existing challenges faced with the current governance structures and identify potential solutions.”

3.1 Defining the Region

The Lower Russian River (LRR) region consists of several unique communities spread along the Russian River in western Sonoma County; communities include Forestville, Hacienda, Rio Nido, Guerneville, Monte Rio, Villa Grande, and Cazadero. Figure 1 presents a map of the LRR region.

FIGURE 1: MAP OF THE LOWER RUSSIAN RIVER AREA



3.2 Municipal vs Countywide Services

Residents of the Lower Russian River area receive services from multiple local governmental entities. These services can broadly be categorized into (a) municipal services and (b) countywide services.

3.2.1 Municipal services

In general, municipal services are those services typically provided by a city. These services include public safety; fire protection; public works including street and road maintenance; parks and libraries; community development including land use planning, code enforcement, and building permit issuance; and water and wastewater. For residents in the unincorporated area of a county (such as the Lower Russian River area), the county government provides municipal services that are not otherwise provided by a special district, such as an independent park or fire district.

3.2.2 Countywide services

In addition to municipal services, local residents receive services from the county government. These services are available to all county residents, regardless of whether they live in a city or the unincorporated part of the county. These services include prosecution (district attorney) and criminal defense (public defender); property tax administration (assessor); and health and human services, among others.

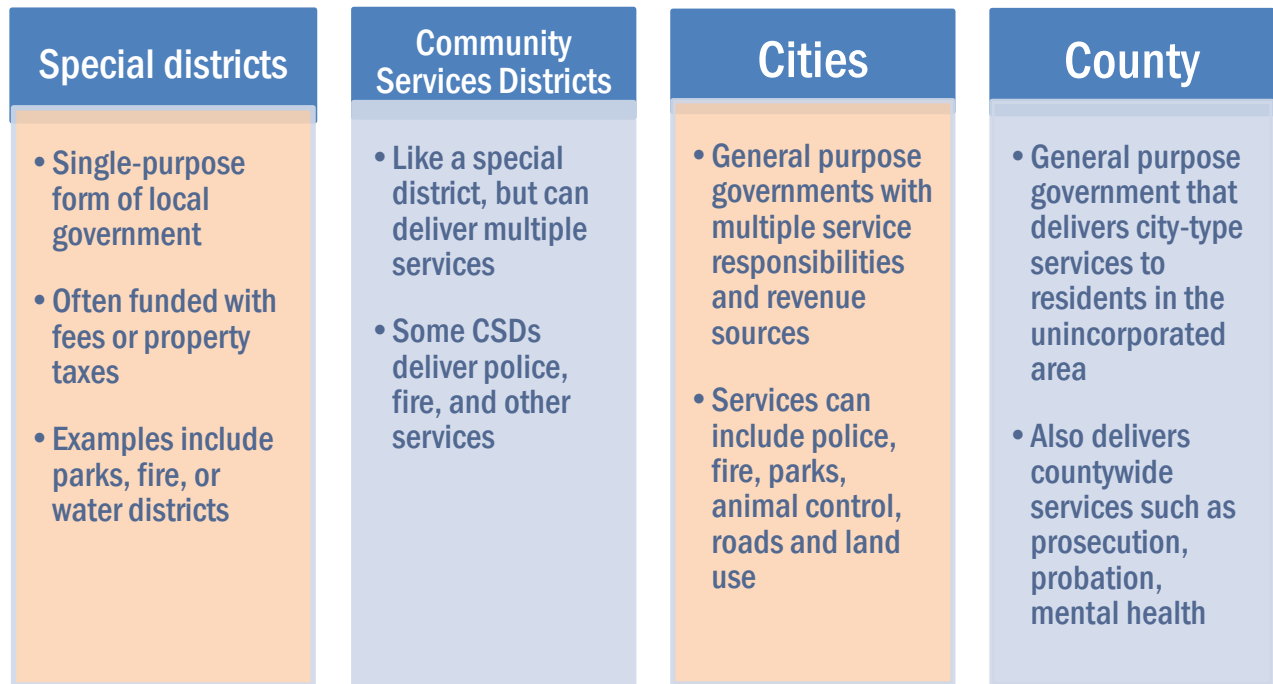
3.2.3 Local Governments in the Region

The LRR region is served by multiple local government entities:

1. Sonoma County
2. Cazadero Community Services
3. Forestville County Water
4. Monte Rio Fire Protection
5. Monte Rio Recreation & Park
6. Russian River County Sanitation District
7. Russian River County Water
8. Russian River Recreation & Park
9. Sweetwater Springs County Water

In addition, as a means of aiding the community in identifying important issues and communicating those issues to the Sonoma County Board of Supervisors, the region is served by a Municipal Advisory Council or MAC. Specifically, the Lower Russian River MAC was established to “advise the Board of Supervisors and other County decision-makers on local planning and management decisions relating to the Lower Russian River region; to provide a regular forum for citizen participation in the formation of advisory recommendations on those decisions; and to provide a bridge for communication between the County and residents, businesses, and the general public on local government decisions affecting the Lower Russian River.”

FIGURE 2: TYPES OF GOVERNMENTAL ENTITIES IN THE LRR



Finally, a number of non-governmental entities have formed to help organize and serve the community, in addition to the region’s local governments. These entities include the following:

1. Lower Russian River Municipal Advisory Committee
2. Friends of Rio Nido
3. Forestville Planning Association
4. West County Community Services
5. River to Coast Children's Services
6. Friends of Villa Grande
7. Friends of Monte Rio
8. Firesafe Guerneville
9. Russian River Alliance
10. Hacienda Improvement Association

4 ISSUES CONFRONTING THE REGION

In order to identify the most important issues confronting the region, members of the community were engaged through three main avenues: (a) interviews with community leaders, (b) participation in community workshops and (c) submission of feedback via an online form.

4.1 Community Leader Interviews

Interviews were conducted with more than 20 community leaders. (Please see Appendix 1: Stakeholder Interviews for a complete list of individuals interviewed.) These meetings were designed to identify the most important issues confronting the region. Meetings were conducted in person and virtually during January – February 2023.

4.2 Community Workshop #1

On February 4th, 2023, a community workshop was held at the Guerneville School. All members of the community were invited to participate, and the proceedings were conducted in English and Spanish. More than 130 members of the community participated. During the workshop, participants worked in small breakout groups to identify priority services that were not working well or were needed but not yet provided. Participants ranked the top priority needs and issues and reported these results to the broader workgroup.

In addition to the community workshop, which was conducted in English with a simultaneous translation into Spanish, a Spanish-only focus group meeting was conducted on November 4, 2023.

4.3 On-line community input

In addition to the stakeholder interviews and community workshop, members of the community were invited to offer their suggestions and insights via an online form. More than 135 responses to the online form were received.

4.4 Presentation to the Lower Russian River Municipal Advisory Council

Community members also had the opportunity to learn about the Governance Study and to ask questions about the report at a meeting of the LRR MAC conducted on December 14, 2023.

4.5 Summary of Issues Confronting the Region

Reflecting the residents and communities in the region, the feedback received was broad and diverse. Not all members agreed about the most important issues to address, and some community members disagreed about how to address certain problems, such as the response to homelessness or the enforcement of vacation rental policies or building code violations. And, with a community as diverse as the LRR region, no single list can adequately capture all of the depth and breadth of the concerns and suggestions raised. The following list, however, provides a consolidated summary of the concerns raised by the community. Each item on the list was raised by at least two community leaders, two breakout groups at the community meeting, or multiple online responses; many of these issues were raised by a majority of the stakeholders and community members.

Throughout the community engagement process, one clear theme emerged: the community feels it lacks a voice. Many stakeholders and members of the community expressed frustration with a perceived lack of responsiveness from and effective communication with Sonoma County decision makers. Multiple stakeholders and community members expressed the view that the

County Board of Supervisors appears more focused on events in Santa Rosa or the Highway 101 corridor than on addressing concerns of the LRR region. Indeed, this overarching perception colored many of the comments and concerns raised throughout the community engagement process.

FIGURE 3: CONSOLIDATED LIST OF COMMUNITY CONCERNS

Need	Description
Public safety/enhanced sheriff's patrols	Long response times, lack of enforcement of public drug dealing, poor response to homelessness; lack of enforcement of traffic safety violations (e.g., speeding).
Lack of responsiveness, poor service from Permit Sonoma	Residents and businesses must travel to Santa Rosa for service; permit costs are high; concern that inspectors are overzealous in conducting inspections. Some reported poor code enforcement; others expressed concern about overzealous code enforcement.
Poor road condition	Roads are in poor repair; many roads have not been repaved in many years; some repairs made by the county are shoddy and fail soon after repair is made. Need for more sidewalks and crosswalks.
Poor responsiveness from county public works	County fails to communicate with residents about community needs or planned work.
Vacation rental impacts	Many communities have a large number of vacation rentals that cause noise, congestion, and other adverse impacts. Community does not have an effective means to reform/change vacation rental policies or increase enforcement actions for violations of existing regulations.
Lack of services/activities for youth	Community lacks sufficient activities for area youth; too few park facilities such as skate parks.
Poor cell and broadband service	Limited cell service in many communities; limited choice of broadband providers. Impacts the ability to respond to natural disasters.
Trash collection in towns	Limited/no trash pick-up in Guerneville.
Economic Development	Limited resources for economic development. Perception that county economic development is more interested in promoting other areas of the county, such as the City of Sonoma.
Streetscape, Aesthetics, Development	Limited resources for improving public spaces
Public Restrooms	Few public restrooms for residents and visitors.

Need	Description
Affordable housing	Lack of affordable housing; increasing costs; perception that vacation rentals are taking rental properties off the market.
Poor emergency response, evacuation plans	Poor emergency preparedness; few resources for community available in Spanish.
Water/Wastewater	Many communities not served by county/district provided water or wastewater. Many septic systems are in poor repair; hinders ability to develop properties in the region. Wastewater polluting river due to poor septic systems.
Mental health services (including youth, adults, bilingual)	Lack of available mental health services in the region; affects both youth and adults. Need for additional bilingual mental health resources.
SUD services	Lack of available substance use disorder treatment services in the region.
Homeless services	Lack of services for homeless; lack of housing, shelter, safe parking areas for individuals experiencing homelessness. Perception that homelessness is a crisis, especially in Guerneville.
Transit	Poor transit services. Only covers major arteries; infrequent service.
Food insecurity	Few resources for the food insecure.
Bilingual support	Lack of bilingual support for accessing government services. Need for ESL classes, interpreters at schools and health clinic, etc.
Lack of urgent care in LRR	Limited urgent care in the LRR region. Many residents drive to Santa Rosa for care.
Lack of primary care	Few physicians in the region; some providers not accepting new patients
Lack of specialty care physicians	Few physicians in the region.
Lack of affordable dental care	Few dentists in the region.
Need teen health programs	Lack of available primary/specialty care in the region, especially for youth.

5 ADDRESSING COMMUNITY CONCERNS

The LRR community has identified a need for improvements across a very broad array of government services and issue areas (see Figure 3). Each of these concerns represents an important area for improvement raised by multiple stakeholders or community members. Depending on the issue raised and the governmental entity responsible for delivering the service, a different type of response may be appropriate. For example, some issues relate to countywide services, and potentially affect residents in both unincorporated and incorporated areas throughout the county. These countywide issues may be best addressed by highlighting the specific concerns with the board of supervisors, working cooperatively with other communities in the county, or engaging with advocates and service providers to improve service delivery. In other cases, efforts to address a concern or issue are already underway; in these cases, it may be best to continue to work within the existing processes to build on past efforts and ensure that these processes have the best chance for success. For other issues, however, the best solution may well be a change to the way the service is delivered – that is through a change to the way the region is governed.

FIGURE 4: POTENTIAL RESPONSE TO CONCERNS RAISED BY THE LRR COMMUNITY

Issue	Best means of addressing
Countywide service (e.g. mental health, SUD, transit, food insecurity, lack of health care resources in the LRR)	Highlight community concern with BOS
Issues subject to existing improvement efforts (e.g. fire district consolidation; water and waste water district consolidation or expansion)	Support existing process
Issues that have been (partially) addressed (e.g. recent expansion of road funding)	Provide input and feedback to county as road repairs are undertaken; develop strengthened lines of communication between region and County
Municipal services that could be improved (e.g., land use/building permits/zoning, vacation rental impacts, affordable housing, public safety, public works, parks/services for youth, trash pick-up/restrooms/streetscape, cell/broadband service, economic development)	Explore governance solution

5.1 Governance Options

Several options exist to improve governance in the LRR, ranging from a strengthening of existing institutions to an expansion of their role and scope of services to formation of a new governmental entity such as a community services district or even a new city.

5.1.1 Strengthening existing institutions

The LRR region currently receives services from several special districts (see “Special Districts Serving the Lower Russian River Region” on page 26). In addition, the region has a municipal advisory counsel or MAC, which helps with communicating the region’s needs and concerns to the Sonoma County Board of Supervisors. And, there are a range of non-governmental organizations that also serve the region. Strengthening these organizations could take many forms, all with the potential to improve service delivery while minimizing community effort and financial risk.

5.1.1.1 ENHANCED MAC

One potential option for improving local control and tailoring service needs to locally identified needs and preferences is to pursue an enhanced MAC. One option for increasing the relevance and importance of the MAC would be to seek authority from the board of supervisors to develop a discretionary budget for the region. Under such an approach, the board would set aside a share of the county general fund budget to be allocated according to the preferences and priorities identified by the MAC. Because the MAC consists of unelected representatives, the budget recommendations made by the MAC would be just that, recommendations. However, this mechanism would allow the community to have more direct input into the needs and priorities of the community.

5.1.1.2 LRR COUNCIL OF GOVERNMENTS

Another option for strengthening existing institutions is the formation of a LRR Council of Governments. This council would consist of representatives from all the local governmental entities that deliver services to the region or neighboring areas, including Sonoma County, special districts, the City of Sebastopol and possibly other entities. Participation would be voluntary, but by convening regular meetings among representatives of the region’s local governments, there would be the potential to improve coordination, benefit from economies of scale in service delivery, and improve responses to region-wide issues such as tourism impacts, disaster preparedness, road repairs and other issues.

5.1.1.3 IMPROVE EXISTING SPECIAL DISTRICTS

Finally, as with any organization, there is the potential to improve the existing special districts serving the region. Improved communication with the community could help to ensure that the highest priority community needs are being met while enhanced community participation in local elections and board meetings can help to improve governance.

5.1.2 Consolidate existing special districts

Beyond improvements to existing institutions, service delivery in the LRR could potentially be improved through consolidation of existing special districts. While consolidation risks diluting local control, it also offers the advantage of economies of scale and improved coordination on regional issues.

District consolidation has the potential to improve service delivery by lowering costs and ensuring that the best available local talent is available to participate on boards and to manage organizations. All special districts are required to hold regular meetings, comply with state

reporting requirements, prepare financial statements, and respond to legal issues that arise. By consolidating, these costs can be shared among a single larger entity, allowing any savings to be utilized for purposes identified by the community or district board. And, consolidated special districts can help to better manage regional issues, such as tourism impacts or traffic, better than could multiple smaller districts operating in isolation. Finally, a larger district will be able to better manage budgetary fluctuations as a result of having a more diversified (larger) revenue base.

District consolidation would need to be approved by each community, and risks losing a degree of (micro) local control. However, in some cases the benefits may outweigh the costs.

Existing park and recreation, water, wastewater and community services districts are all potential beneficiaries of the economies of scale and other benefits that result from consolidation.

5.1.3 Create a new community services district

While consolidating existing special districts offers many advantages, existing special districts are limited in the types of services they can offer. A new community services district has the potential to expand service delivery beyond those services already delivered by special districts in the region. Such a district, if approved by the Local Agency Formation Commission (LAFCO)¹ and authorized by local voters, could deliver a wide range of municipal services, including parks and recreation, trash collection and downtown beautification, and even law enforcement and road maintenance. In fact, a community services district can do most of what a city government can do, with the notable exception of policies affecting land use and zoning.

Creating a new community services district would involve a substantial effort on the part of the local community to organize and identify the highest priority needs, raise needed funds to pursue an application with the LAFCO (e.g., for legal fees, mapping, and financial analysis), and manage the formation process up through the time of a local election, among other requirements.²

If a new district would take over responsibility for a service currently provided by Sonoma County, the organizers of the community effort would need to negotiate with the county to determine the extent to which the new district would lower costs for the county and the amount of resources that would be transferred to the new district to cover these costs. In general, such a transfer would result in a “revenue neutral” shift of resources, such that the reduction in county costs would result in a shift of an equivalent amount of resources, with the new district having at its disposal the same amount of resources that the county had previously spent on serving the region.

While a new community services district would not necessarily have at its disposal more resources to provide local services, it could nevertheless improve service delivery by ensuring that services are well tailored to locally identified needs and preferences. Service levels could

¹ The LAFCO is a local entity tasked with regulating boundaries of local governments and overseeing the process of creating new local governments in the county.

² For additional information on forming a new special district, see the “Special District Formation Guide” available at <https://calafco.org/resources/calafco-publications/special-district-formation-guide>.

also be enhanced if local voters approved additional revenue sources for the district, for example by increasing the hotel tax, adding a local parcel tax, or charging a fee for services such as beach access or parking or neighborhood beautification and trash collection. In addition, a new district would potentially be eligible to apply for and receive revenue from state or federal grant programs.

Because community services districts have a potentially very broad scope of services, it would be possible for local voters to authorize a new district to provide a wide range of services, such as law enforcement and road maintenance, but direct the local board to begin operations with a smaller mandate to, for example, take over responsibility for local county parks and downtown trash collection and other beautification activities. To the extent the new district is successful, it could seek to expand its scope of services in the future.

5.1.3.1 SOME EXAMPLES OF OTHER CSDS THROUGHOUT THE STATE

Throughout the state there are numerous examples of community services districts with a broad portfolio of services. These districts often function as a quasi “town government” for unincorporated communities, providing many of the services that cities provide. For example, in Tuolumne County, the Twain Harte CSD provides water, sewer, fire protection and parks to the unincorporated community of Twain Harte near Sonora. In FY 22-23, the district’s budget was \$7.4 million, with revenue coming primarily from service charges, taxes and assessments, and grant and donation revenue.

In Placer County, the community of Olympic Valley receives services from the Olympic Valley Public Services District. The District provides water, emergency services, and sewer and garbage collection as well as a limited amount of snow removal. In FY 23-24, the district’s budget was \$9.5 million, with revenue primarily from rate payers and property taxes.

In Contra Costa County, the unincorporated community of Kensington receives services from the Kensington Police Protection and Community Services District, which provides law enforcement, recreation, and garbage services, and the Kensington Fire Protection District, which contracts with the city of El Cerrito to provide fire protection services. In FY 23-24 the two districts’ combined budgets were approximately \$10 million, with revenue coming primarily from property taxes and voter approved special assessments.

These are just a handful of the many examples of community services districts that provide municipal-type services to unincorporated communities throughout the state.

5.1.4 Other types of entities that can enhance service delivery

In addition to formation of a new multi-service community services district, the community may wish to consider formation of a smaller, special purpose entity to deliver a more narrowly focused set of services. One example would be the formation of a Business Improvement District (BID). A BID is a type of special assessment district in which affected businesses pay an additional tax with the resulting revenue used for a variety of purposes, including beautification or trash collection in downtown areas, as well as business promotion or marketing, among other potential uses of funds. While the scope of services delivered by a BID is more limited than that of a CSB, it may also be easier to form (simply requiring a majority vote of affected tax payers) and therefore has the potential to make a target improvement in service delivery.

5.1.5 Form a new city

Finally, the governance solution with the greatest potential to improve local control (and thereby ensure that the highest local needs are met) is the formation of a new city. A newly formed city would have responsibility for (and the ability to improve) the full range of municipal services, including land use and zoning (including control over policies surrounding vacation rentals), law enforcement, public works including streets and roads, trash collection, and animal control.³

To fund these services, which are currently provided by Sonoma County, the leaders of the community effort to form the new city would need to negotiate with the county to determine the savings to the county associated with transferring these responsibilities to the new city and the corresponding amount of revenue to transfer to fund the new city's service delivery. In general, this transfer would be revenue neutral and so would not result in an enhanced level of services. In other words, the new city would have available the same amount of resources that the county is currently spending to deliver services to the region. In some cases, the amount of money transferred to a new city could exceed this revenue neutral amount; specifically, if responsibility for infrastructure such as government buildings or roads were to be transferred to a new city, but the negotiations regarding this transfer revealed that these facilities were in disrepair or otherwise had been subject to underinvestment, the negotiations could – in theory – result in a payment to the new city to compensate for the costs the new city would incur to upgrade transferred infrastructure. In general, however, to the extent that locally generated tax revenues (e.g., from property, sales, and hotel taxes) exceed the amount of revenue transferred by the county, these additional revenues would be retained by the county to fund countywide services benefitting the region, such as prosecution and probation, court security and jails, and county administration.

Any enhancements in service delivery would come from improved local control, which can help ensure that the highest priority local needs are addressed or (potentially) a new revenue source such as a higher local sales tax, business license tax, or hotel tax. In addition, a new city would potentially be eligible to apply for and receive revenue from state or federal grant programs. However, a new city would also face substantial additional costs for things such a hiring municipal staff and funding needed financial reserves. Because the new city would be smaller than the county, it would not benefit to the same extent from economies of scale, with the result that the new city's costs to maintain the same level of services would be (somewhat) higher. As a result of these considerations, many new cities have struggled financially, and no new city has been formed in the state for more than 10 years. Indeed, many local finance experts believe that formation of a new city is not financially feasible under current state laws governing municipal incorporations.⁴

³ Note that, of the governance options presented here, only a newly formed city would have the ability to control land use and zoning, building permit issuance, and vacation rentals.

⁴ For more information on forming a new community services district, please see Appendix 2: Forming a new governmental entity.

5.1.5.1 OTHER SMALL CITIES

Throughout California there are many cities that are comparable in size to the Lower Russian River region. For example, there are 104 cities in the state with populations between 5,000 and 15,000. These cities include Cotati (population 7,512), Sebastopol (7,512), Cloverdale (9,029), Sonoma (10,755), and Healdsburg (11,174) in Sonoma County as well as communities that, similar to the LRR, rely on tourism for a large share of their economic activity, including Morro Bay (10,638), Pacific Grove (14,942), and Half Moon Bay (11,462), to name just a few. Budgets for small cities vary from less than \$1 million annually to almost \$40 million; as identified in the section “Financial Analysis” on page 18, if the LRR were a city its general fund budget would likely fall squarely within this range.

5.1.6 Comparing Governance Solutions

Each of these options has a different potential to improve local control, requires a different amount of effort from the local community, and carries a different level of risk to the community.

FIGURE 5: COMPARING GOVERNANCE SOLUTIONS

	Strengthen Existing Institutions	Consolidate Existing Special Districts	New Community Services District	Form a New City
Local Control	Limited	Some	More	Highest
Community Effort	Least	Some	Higher	Highest
Degree of Risk	Lowest	Limited Risk	More	Highest

As shown in Figure 5, strengthening existing institutions offers the most limited improvements in local control, but also requires the least community effort and carries the lowest amount of risk. In contrast, forming a new city offers the highest degree of local control but also requires the most community effort and carries the greatest degree of risk.

Improved **local control** means that the entity responsible for delivering local services is responsive to local needs and preferences. If the entity delivering the services is small in scale, focused on serving the local community, and is managed by locally elected representatives, the potential for a high degree of local control exists.

Because strengthening existing institutions would not change the entity responsible for delivering services, its potential to improve local control is limited. In contrast, forming a new community services district or a new city has the potential to significantly improve local control by assuming responsibility for services currently delivered by Sonoma County.

The **community effort** needed to achieve improvements in local control results from steps required to form a new governmental entity (or consolidate existing special districts). While these tasks vary depending on the type of entity to be formed and the scope of services to be

performed, in general formation of a new governmental entity requires a significant effort from the local community to do the following tasks:

1. *Organize a group of community members to lead the district formation or municipal incorporation effort.* Self government starts with the need to organize the community to explore forming a new district or new city.
2. *Raise needed funds to conduct financial and mapping analyses and analyze legal issues.* In order to form a new district or city, the community will need to precisely identify the boundaries of the new governmental entity, which generally requires hiring a mapping consultant to draw the needed maps. In addition, it is usually necessary to hire a consultant to perform a fiscal analysis to demonstrate that the new entity will be fiscally viable and to engage lawyers for purposes of drafting needed legal documents. Each of these activities requires a funding source, which generally includes money raised from the community.
3. *Negotiate with Sonoma County and prepare and submit application materials to the LAFCO.* TO form a new governmental entity, the community will need to prepare and submit an application to the local entity known as Sonoma County Local Agency Formation Commission (<https://sonomalafco.org/>). The LAFCO determines whether the new entity is viable and conducts a hearing on the proposal.
4. *Run for office and participate in governance of the new entity.* Finally, community members will need to govern the new entity, whether serving on the board of a CSD or on the council for a new city.

More information about forming a new district can be found in a publication prepared by the California Special Districts Association entitled “Special District Formation Guide.”⁵

The ***degree of risk*** refers to the financial and managerial risks of self-government. While enhanced local control can improve service delivery, it also carries an increased risk to the community. Economic downturns, natural disasters, or unexpected cost over-runs are all the responsibility of the entity delivering the service. And, while not common, municipal bankruptcy filings do in fact occur. For example, the cities of Vallejo, Stockton, Mammoth Lakes, and San Bernardino have all filed for bankruptcy at some point.

In addition to financial risk, local governments face managerial risk (i.e., the risk that local government managers do not perform well, mismanage resources, or otherwise fail to deliver on the promise of improved service delivery). Currently, Sonoma County bears the majority of these risks on behalf of the LRR community. If a new entity is formed, it will have the responsibility to manage these risks.

5.1.7 Community Workshop #2

On July 15, 2023, a second community workshop was conducted at the Guerneville School. During this workshop, the county staff and consulting team presented to the community a series

⁵ See “Special District Formation Guide” available at <https://calafco.org/sites/default/files/documents/2016%20Formation%20Guide%20WEB.PDF>.

of potential governance solutions followed by a question and answer session with community members in attendance.⁶

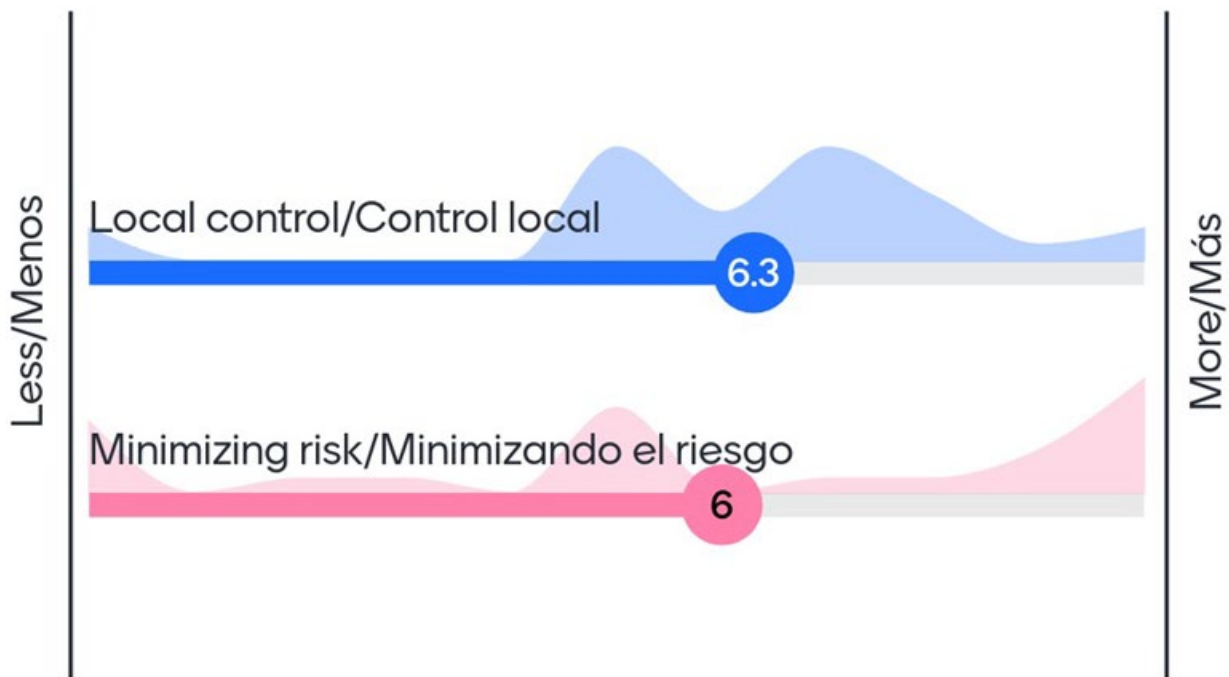
Community members engaged in a discussion of the various governance options (presented above) as well as the benefits and potential costs of each.

Participants at the workshop participated in a poll at the conclusion of the meeting. And, while these results are not a random sample of the community, the responses from the survey can nevertheless provide some insight into the views of those who participated in the workshop (and benefitted from the education and community engagement that occurred).

The results from the survey of workshop participants indicated that many participants wanted to see services improve, but also felt that building on existing institutions had some merit. When asked, “what do you think about current service delivery in the LRR?” 27% said “dramatic change is needed” while 73% said “improve what we have.”

When asked whether it was more important to improve local control or minimize risk, participants were relatively evenly split, with a preference for local control earning an average score of 6.3 on a 10-point scale, and minimizing risk earning a score of 6.0, as shown in Figure 6.

FIGURE 6: COMMUNITY WORKSHOP #3 SURVEY RESULTS



Workshop participants were also asked about their views of potential local leaders as compared to their confidence in Sonoma County officials. As shown in Figure 7, workshop participants had more confidence in local leaders than they did in Sonoma County officials.

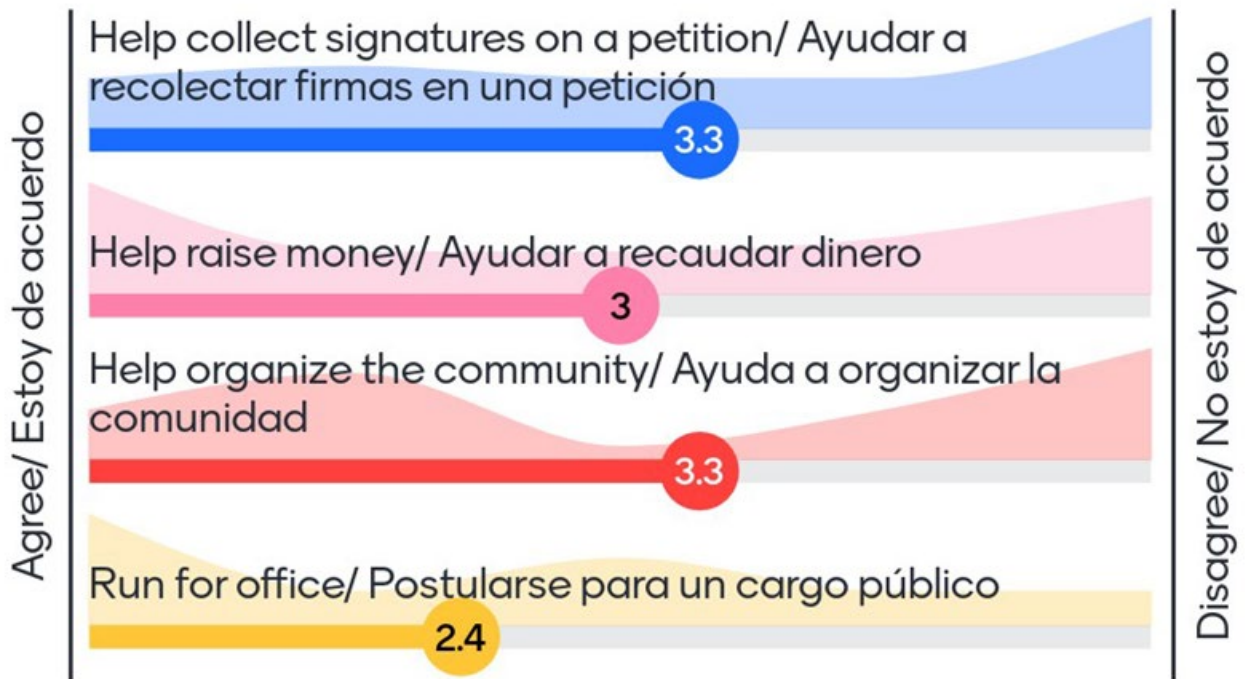
⁶ Approximately 30 community members attended the workshop.

FIGURE 7: COMMUNITY WORKSHOP #3 SURVEY, CONT.



Workshop participants were also asked about their willingness to engage in the community organizing and other activities needed to pursue a governance solution. When asked about the extent to which they agreed or disagreed with specific statements regarding these tasks, workshop participants expressed some willingness to help gather signatures, raise money, and organize the community (all measures scored a 3 or higher on a five-point scale as shown in Figure 8). Only willingness to run for office and to help govern a new governmental entity scored below a 3.

FIGURE 8: COMMUNITY INTEREST IN GOVERNANCE ACTIVITIES



While not necessarily representative of the entire LRR community, these results suggest that a governance solution that builds on existing institutions, minimizes risk, and employs local managers and board members would potentially meet with success.

5.1.8 Community Workshop #3

On January 27, 2024, a third community workshop was conducted at the Guerneville School. During this workshop, the project team presented to the community a summary of the project timeline and milestones and the recommendations contained in the draft governance study. The presentation was followed by a question and answer session in which community members had an opportunity to ask questions about the governance study process, the draft report and the recommendations.

Participants at the workshop asked a range of questions and expressed a variety of views about potential governance solutions. Several community members were interested in the risks and benefits of municipal incorporation as an alternative to formation of a community services district. Community members also inquired about the steps required to form a city or new special district as well as about whether or not increased taxes would be required for either option. Some community members also asked about the level and extent of revenues generated in the Lower Russian River region and whether this level of revenues would be sufficient to fund services within a new community services district or new city.

6 FINANCIAL ANALYSIS

This section presents data and analysis regarding revenues and service expenditures in the Lower Russian River region. Currently Sonoma County is the municipal service provider for most services in the LRR region; therefore, this analysis focuses on estimates of revenues generated

for and municipal service expenditures by Sonoma County in the LRR region. The results presented here can provide an indication of the resources potentially available to fund service delivery in the region and the current level of county general fund expenditures in the region. The actual budget for a new community services district or new city would be subject to negotiation with Sonoma County.

6.1 Revenue Sources

The Lower Russian River generates revenues for the County from several important sources, including property taxes, sales taxes and transient occupancy taxes (also known as TOT or hotel tax).

FIGURE 9: GENERAL FUND PLUS FEE REVENUE GENERATED IN THE LRR - FY 22-23

Revenues by Source	Amount
Property Taxes	6,860,419
Sales Taxes (including In-Lieu)	1,379,449
Transient Occupancy Taxes	6,143,446
Document Transfer Tax	321,801
Utility Franchise Fees	313,779
(Former) Redevelopment Area Revenues	1,113,819
Other Taxes	50,823
Park Revenues	139,196
Permit and Planning Fees	444,083
Cannabis taxes	37,135
Animal License Fees/Animal Svc Charges	26,006
Total Revenue Generated in LRR	16,829,955

As shown in Figure 9, the Lower Russian River generates approximately \$16.8 million annually for Sonoma County from general purpose tax revenues as well as fee revenues generated in the LRR region. Figure 9 includes only locally generated revenues, and does not include state or federal subventions, or other revenue sources that are not geographically targeted.

Property taxes are the largest revenue source, generating nearly \$6.9 million annually. Property taxes generated in the LRR were estimated based on a report prepared by the Sonoma County Auditor Controller Treasurer Tax Collector (ACTTC), which determined the total amount of County general purpose property taxes generated from all parcels in the LRR region.⁷

Sales taxes are allocated based on the jurisdiction in which the sale occurred. According to a report from HDL, a consultant to Sonoma County, 413 LRR businesses were responsible for generating \$1,140,942 in general purpose sales tax in calendar year 2022 and \$1,032,110

⁷ This estimate was derived from a list of all addresses in the LRR region and was adjusted for transfers to schools via the Educational Revenue Augmentation Fund (ERAF). These estimates do not contemplate impacts from adjustments due to Vehicle License Fees (VLF), RDA's unsecured revenues, supplemental revenues, Unitary, assessment appeals, other roll corrections or Property Tax Admin Fee (PTAF). Amounts collected by schools and special districts are in addition to the amounts shown above.

calendar year 2021, or an estimated \$1,086,526 in fiscal year 21-22 (based on the average of the two years).⁸ In addition to situs-based sales, LRR businesses and individuals also generate a share of the sales taxes the County received from online sales. Based on budget data from Sonoma County, total sales tax revenue generated in the unincorporated area was \$23,702,000 in FY 21-22; HDL data indicates that an estimated \$19,676,602 in situs-based sales taxes were collected in FY 21-22, with the remaining \$4,025,398 generated in online or non-situs-based sales taxes. By taking the LRR region's share of situs-based sales, we can estimate the share of online sales generated in the region. LRR individuals and businesses generated about 4.6% of situs-based sales in FY 21-22; applying this fraction to online sales results in an estimated \$184,529 in additional sales taxes from online sales in the region in FY 21-22. Finally, to develop an estimate for LRR sales taxes in FY 22-23, we applied the unincorporated area-wide sales tax growth rate for FY 22-23 (8.5%) to estimate the total LRR sales tax revenue in FY 22-23 of \$1,379,449.

Transient Occupancy Taxes are the second largest source of revenue generated by the LRR at more than \$6.1 million annually. The amount of TOT revenues generated in the region was estimated based on (a) data from the ACTTC for entities that report directly to the County and (b) estimates prepared by the Blue Sky Consulting Group for the LRR's share of revenue from AirBnB, which reports only aggregated figures to the County. Specifically, based on ACTTC data for the first three quarters of FY 22-23, the Blue Sky Consulting Group estimated that \$3,192,869 was generated from LRR hotels and vacation rental providers that report directly to the County. In addition, the Blue Sky Consulting Group estimated revenue generated from AirBnB hosts in the LRR based on the region's share of AirBnB properties in the County. According to the ACTTC, there were 562 properties that were exclusive AirBnB vacation rental providers in the unincorporated area. Of these, 29.4% or 165 are in the LRR. In total, AirBnB rentals in the unincorporated part of the County generated an estimated \$10,049,842 in FY 22-23. Taking 29.4% of this amount results in an estimated LRR share of AirBnB revenues of \$2,950,576, and total TOT revenues of \$6.1 million from the LRR region in FY 22-23.

Document Transfer Tax is paid when properties sell or transfer. Transfer tax revenues generated in the LRR were estimated based on an analysis of data from the Sonoma County Clerk Recorder with information on all parcels that paid the transfer tax during the previous three calendar years. Each record was matched by assessor parcel number (APN) to a list of APNs in the LRR region. Total revenue collected was then summed for all parcels in the LRR and grouped by fiscal year, with the most recent year being FY 21-22. Because these revenues have been historically volatile, the estimated FY 22-23 amount was based on the average of revenue collected in FY 21-22 (\$348,857) and FY 20-21 (\$294,746), resulting in an estimated \$321,801 in documentary transfer tax revenue in FY 22-23.

Utility Franchise Fees and Other Taxes were estimated based on a per capita allocation in which total revenues collected were divided by the unincorporated area population. This figure was then multiplied by the LRR region's population to develop an estimate of the LRR region's share of total revenues collected.

(Former) Redevelopment Area revenues are property tax revenues collected by the former redevelopment agency and reallocated back to the County once all existing obligations of the

⁸ HDL report dated May 15, 2023 provided via email from Maggie Luce.

former redevelopment agency have been met. Revenues from this source were estimated based on the historical share of residual revenues attributable to the LRR during the three-year period from FY 17-18 through FY 20-21, which was 67.7%. According to the ACTTC, total RDA residual payments were \$1,956,601 in FY 22-23. Applying the historical share of these revenues from the LRR (67.7%) results in an estimated \$1,113,819 in RDA revenue attributable to the LRR in FY 22-23.

Park revenues reflect day use fees and annual membership revenue from park visitors. The amount of fees attributable to parks in the LRR for FY 22-23 were provided by Sonoma County Regional Parks.

Permit and Planning Fees were estimated based on the LRR share of building permit applications as reported by Permit Sonoma.⁹ Specifically, Permit Sonoma reported \$24,566,664 in fee revenue; the LRR accounted for 1.8% of permit applications resulting in an estimated \$444,083 in fee revenue from the LRR region.

Cannabis tax revenue totaled \$37,135. Amounts were provided by the ACTTC based on tax collections from businesses in the LRR region in FY21-22.

Animal License Fee revenue of \$26,006 was estimated based on the LRR region's share of total animal license fee revenue (4.4%) as provided by Sonoma County Animal services.

6.2 Expenditures

Expenditures for municipal services by Sonoma County in the LRR region largely consist of expenditures for planning and building permits, law enforcement, and road maintenance. In addition, the county provides a range of countywide services that provide benefits to the LRR region, including criminal prosecutions, finance and tax collection, human services, probation, and others.¹⁰

Many of these services are funded in part by state and federal subventions and other non-county General Fund sources. However, a substantial portion of these services are funded by the General Fund or by fees generated specifically in the LRR region. Figure 10 presents estimated county expenditures in the LRR region funded by these sources.

⁹ Reported in meeting on 3/29/2023 with the Blue Sky Consulting Group and Scott Orr from Permit Sonoma.

¹⁰ Because the region has been participating in an ongoing consolidation of fire districts, fire services have not been included in this analysis.

FIGURE 10: COUNTY EXPENDITURES IN THE LRR FUNDED BY GENERAL FUND AND FEES FY 22-23

Expenditures by Department	Amount
Planning and Permits	781,916
Public Works - Roads	4,810,109
Animal Control	293,770
Law Enforcement	6,307,872
Emergency Services	240,000
Parks & Recreation	428,907
Total General Fund Expenditures	12,862,575
Countywide programs and services	7,459,412
Community Investment Fund/Measure L Programs	997,930
Total Countywide and CIF/Measure L	8,457,341
Total Expenditures (incl countywide and CIF)	21,319,916

As shown in Figure 10, the County spent an estimated \$12.9 million on direct service provision to the LRR in FY 22-23, including \$4.8 million for roads and \$6.3 million for law enforcement. In addition, the LRR region received an additional estimated \$1.7 million in services from Permit Sonoma, animal control, emergency services, and parks and recreation. (Note that total spending for these functions was significantly higher, but the figures presented above reflect just estimated County General Fund and fee-supported spending.)

Law Enforcement expenditures comprise the largest category of expenditure, with an estimated \$6.3 million in service cost funded by the County General Fund. Total expenditures for the LRR region are estimated at \$13.3 million, with 47.5% or \$6.3 million funded by the General Fund.

To estimate law enforcement expenditures in the LRR, total reported Sheriff’s Office law enforcement expenditures for FY 22-23 of \$102 million were reduced by the expenditures for activities that did not relate directly to the LRR or provided a countywide benefit, including \$6.9 million for law enforcement services for Windsor, \$4 million for law enforcement services in Sonoma, \$3.3 million for the coroner, and approximately \$1.6 million for court security, search and rescue and other activities. The resulting amount, \$86.4 million reflects total estimated unincorporated area law enforcement expenditures. This amount was adjusted to reflect a share of Sheriff’s Office administration (\$13.4 million), based on the unincorporated area law enforcement’s share of total Sheriff’s Office expenditures (i.e., \$86.4 million out of \$218.4 million or 39.5%). The result was a total estimated unincorporated area law enforcement expenditure of \$91.6 million, including \$5.3 million in administration (i.e., 39.5% of total administration of \$13.4 million).

To estimate how much of the \$91.6 million in estimated unincorporated law enforcement expenditures are attributable to the LRR, the LRR region’s share of total arrests was calculated. Arrests were calculated based on data provided by the Sheriff’s Office for 2021 and 2022. The Sheriff’s Office data contained a location for each arrest (latitude and longitude). Using this data, the Blue Sky Consulting Group identified the arrests that occurred within the LRR region based on GIS analysis. In 2021, 289 arrests out of a reported total of 1,923 (15%) took place within the

LRR; in 2022, 235 out of 1,691 (13.9%) occurred within the LRR. Over the combined 2-year period, 14.5% of arrests made by the Sonoma County Sheriff’s Office occurred within the LRR.

Applying this 14.5% share to the \$91.6 million total estimated unincorporated area law enforcement spending results in estimated LRR law enforcement spending of \$13.3 million for FY 22-23.

Finally, to estimate the share of these expenditures funded by the General Fund, the share of the entire Sheriff’s Office budget attributable to the General Fund (47.5% of \$218.4 million) was applied to the estimated LRR expenditures to develop an estimate of the LRR General Fund spending for law enforcement, which is \$6.3 million. Figure 11 presents the calculations used to develop this estimate.

FIGURE 11: ESTIMATED LRR LAW ENFORCEMENT EXPENDITURES

Description	Amount
Total Law Enforcement Expenditures	102,195,832
Unincorporated area adjustments:	
Windsor Contract	(6,866,370)
Sonoma Contract	(4,048,796)
Coroner	(3,308,681)
Courts - County General Fund Only	(614,148)
Civil	(951,416)
Search & Rescue	(41,858)
Estimated Unincorporated Law Enforcement [a]	86,364,563
Estimated Unincorporated Administration	
Gross Departmental Expenditures [b]	218,371,365
Total Administration [c]	13,359,308
Unincorporated area share of administration ([a]/[b])	39.5%
Estimated Admin Expenditures - Unincorp ([a]/[b]*[c])	5,283,526
TOTAL UNINCORPORATED LAW ENFORCEMENT [d]	91,648,089
LRR Share of Arrests [e]	14.5%
Estimated total Law Enforcement Expenditures ([d]*[e])	13,288,212
Unincorporated Law Enforcement funded by GF	
Total Budget	218,371,365
General Fund Contribution	103,660,198
GF %	47.5%
LRR Law Enforcement - General Fund component	6,307,872

Public Works – Roads is the next largest category of roads funding, with an estimated General Fund spending amount of \$4.8 million. The County spent a total of \$125.8 million on roads in FY 22-23, including capital outlay, administration, and all other road-related expenditures. Total spending for just road maintenance was approximately \$31.5 million countywide, including \$26

for services and supplies and other expenditures, and an estimated \$5.1 million for salaries and employee benefits.¹¹ The County uses various funding sources to pay for roads, with the General Fund contribution accounting for \$21,041,375 in FY 22-23. The estimated LRR share of this spending was 22.9% based on historical spending for the Guerneville Road Yard as a share of all road yard maintenance spending. This results in an estimated \$4.8 million in General Fund support for roads in the LRR.¹²

Planning and permits spending in the LRR region funded by the General Fund and locally generated fees was an estimated \$781,916. Much of the spending for planning and permits (Permit Sonoma) is funded by fees from individuals and businesses seeking building and other permits. In addition, Permit Sonoma conducts statewide planning functions that benefit the region. The \$781,916 in expenditures consists of LRR generated fee revenue plus a share of the General Fund support provided to Permit Sonoma based on the LRR region's share of the unincorporated population of the county.

Animal Control spending of \$293,770 in the LRR region was estimated based on calculating the LRR region's share of the County's total spending for this function of \$6,703,559. The LRR share was based on an analysis of calls for service to the region as a fraction of all calls for services. In FY 21-22, the LRR region accounted for 4.4% of all calls for service.

Emergency Services spending of \$240,000 was estimated by the Sonoma County Department of Emergency Management, which had a total budget of \$2.4 million in FY 22-23. The Department's baseline assumption is that each of the County's five districts received roughly 20% or \$480,000 in benefits; however, because of higher preparedness and response activity in District 5 which encompasses the LRR, the department estimated that District 5 received a larger share (25%) of the services/benefits, or a total of \$600,000. The Department further estimated that the LRR accounted for 40% of District 5's benefits, or \$240,000.

Parks & Recreation spending was estimated by the Department of Parks and Recreation at \$428,907.

Countywide programs and services spending was estimated by the Blue Sky Consulting Group based on total expenditures for FY 22-23 for countywide services funded by the General Fund. These services include county administration, District Attorney's Office, Clerk Recorder Assessor, Department of Health Services, Human Resources, Probation, Public Defender, Jail, and other countywide functions. In total, General Fund expenditures for these countywide services was \$294.8 million. Based on the LRR region's share of the countywide population (2.5%), the LRR's share of these expenditures was \$7.5 million in FY 22-23 for countywide services. Figure 12

¹¹ Salaries and employee benefits are grouped together in the Public Works budget across all areas, including administration and capital outlay. To estimate the road maintenance share of salaries and benefits, the road maintenance share of total spending excluding salaries (25%) was multiplied times the total salary spending (\$20.6 million).

¹² Note that the allocation for road funding to the LRR region was recently adjusted from one based largely on a proportionate share to each supervisorial district to one based on the number of road miles in each community. This shift in funding has resulted in an increase in road funding for the LRR region.

shows the programs that provide a countywide service and the corresponding amounts from the Sonoma County FY 22-23 adopted budget.¹³

FIGURE 12: COUNTYWIDE PROGRAMS THAT SERVE THE LRR

Department/Program/Initiative	FY 2022-23 Adopted
Agricultural Commissioner	\$2,362,106
Auditor-Controller-Treasurer-Tax Coll.	6,421,842
Clerk Recorder Assessor	14,801,496
County Administrator/Bd of Supervisors	10,868,868
County Counsel	1,050
Court Support/Grand Jury	9,118,429
Department of Health Services	8,532,651
District Attorney's Office	19,642,153
General Services	19,876,505
Human Resources	10,338,776
Human Services	27,923,634
Independent Office of Law Enf Review	2,020,415
Information Systems	1,553,883
Office of Equity	958,318
Probation	36,226,832
Public Defender	12,888,613
Sheriff's Office (Jail and Court Security)*	45,608,586
UC Cooperative Extension	1,206,214
Funding for Specific Programs	15,002,556
Capital Project Plan Contribution	5,500,000
Deferred Maintenance Fund	22,233,597
Community Development Commission	4,225,119
Employee Programs	4,753,048
Non-Departmental County Expenses	7,174,635
Pension Obligation Bond 2003B Interest	537,600
Water Security Fund	5,000,000
Total Countywide	\$294,776,926
LRR Share of Countywide population	2.53%
Est LRR share of Countywide services	\$7,459,412

Community Investment Fund and Measure L programs are funded by a portion of the TOT. To estimate the share of these programs that benefit the LRR, the LRR region's share of unincorporated population was applied to the total spending for relevant program components, including Sonoma County Tourism, Economic Development Board, local events, fire fuels reduction, district formation, office of resiliency and recovery, tax collections, housing, tourism promotion, veterans' programs, and code enforcement. In total these programs accounted for

¹³ Note that Sheriff's Office jail and court security expenditures were estimated by the Blue Sky Consulting Group based on subtracting unincorporated law enforcement expenditures from the total Sheriff's Office budget and applying the share of total Sheriff Office expenditures funded by the General Fund.

countywide expenditures of \$10.8 million of which an estimated \$997,930 benefitted the LRR based on the region’s share of the unincorporated area population.

6.3 Special Districts Serving the Lower Russian River Region

In addition to Sonoma County, multiple special districts provide services to the Lower Russian River Region, including parks and recreation, water, sanitation, and fire protection districts. Several of these districts are community services districts, meaning that they are authorized to provide multiple services. Together, these entities collect and spend more than \$20 million annually in the region. Figure 13 shows the total expenditures for the special districts serving the region for fiscal year 2021.¹⁴

FIGURE 13: SPECIAL DISTRICTS IN THE LRR

Entity	Total Expenditures
Cazadero Community Services District	\$ 685,548
Forestville Water District	\$ 2,044,914
Monte Rio Fire Protection District	\$ 994,374
Monte Rio Recreation and Park District	\$ 288,447
Russian River County Sanitation District (Sonoma)	\$ 7,273,679
Russian River County Water District	\$ 742,886
Russian River Recreation and Park District	\$ 348,295
Sweetwater Springs Water District	\$ 3,315,836

Cazadero Community Services District (<https://www.cazadero-csd.org/>) provides fire protection, streetlighting, recreation and park services to Cazadero and is funded primarily by property taxes.

The Forestville Water District (<https://www.forestvillewd.com/>) provides water and sewer service to central Forestville and Mirabel Heights and is funded primarily by revenues from rate payers.

The Monte Rio Fire Protection District (<https://monteriofire.org/>) extends from Northwood to Jenner, and includes the coast from Shell Beach to Myers Grade Road. The district is funded by property taxes and a voter approved assessment.

The Monte Rio Recreation and Park District (<https://www.mrrpd.org/>) serves the Monte Rio community (and visitors to Monte Rio) and is funded primarily by property taxes. The district has a beach and community center, among other amenities.

The Russian River County Sanitation District (<https://www.sonomawater.org/rrcsd>) is a special district serving Rio Nido, Guerneville, Guerneville Park, and Vacation Beach with sewer services. The district is funded by service charges from customers.

¹⁴ Source: State Controller’s Office, “Special Districts Financial Data” accessed at: <https://districts.bythenumbers.sco.ca.gov/#!/year/default>. Note that in addition to the districts listed above, the region is served by the Marin/Sonoma Mosquito and Vector Control District. This district was not included above because this it has a service territory much larger than the LRR; as a result the budget figures are not comparable.

The Russian River County Water District (<https://rrcwater.org/>) serves residents of Forestville, providing water for household use and fire protection. Revenues come from charges paid by rate payers.

The Russian River Recreation and Park District (<https://www.russianriverrecpark.org/>) includes the communities of Guerneville, Rio Nido, Guerneville Park, and Vacation Beach and provides parks, tennis courts, a community garden, river access, and a dog park. The district is funded primarily with property taxes.

The Sweetwater Springs Water District (<https://www.sweetwatersprings.com/>) provides water service to the communities of Guerneville, Monte Rio, Rio Nido, and Villa Grande. Revenues come from charges paid by rate payers.

More information about the special districts serving the region can be found in a publication prepared by the Sonoma County LAFCO entitled “Guide to Special Districts.”¹⁵

7 CONCLUSIONS AND RECOMMENDATIONS

The LRR is a diverse and vibrant community, and one that has a strong desire to see services improve and local control enhanced. Achieving the goal of improved service delivery, however, will come at a cost in terms of needed community effort and increased financial risks. Balancing these competing issues will require a solution that many may view as a compromise, but ideally most will view as a positive step forward.

Below we present a series of potential governance solutions that our analysis suggests are worthy of consideration by the community based on the community and stakeholder input received during this study.

7.1 Recommendations

1. **Strengthen existing institutions.** Regardless of which additional governance solutions (if any) are adopted, working to strengthen existing institutions has the potential to improve services at the lowest cost to the community. Specifically, we recommend that the community pursue two specific strategies:
 - a. Work with Supervisor Hopkins to seek approval from the Sonoma County Board of Supervisors for a MAC budget allocation. The amount of any such allocation would be subject to approval by the board and could change over time as the MAC and community prove themselves as good stewards of the community’s resources.
 - b. Form a LRR council of governments. Creation of a council of governmental entities serving the LRR, including representatives from Sonoma County, the special districts serving region, and neighboring cities has the potential to improve regional coordination, benefit from economies of scale and, ultimately, improve service delivery in the region.

¹⁵ Available online here:

https://sonomalafco.org/Microsites/LAFCO/Documents/Archive/Documents/guide_to_special_districts_20151215.pdf

2. **Form a new community services district** with the authority to engage in a broad range of services, including roads and law enforcement. If authorized by the voters to do so, this entity could begin by providing a smaller initial set of services and then work in future years to expand the scope of services (with approval by the local governing board and a successful negotiation with Sonoma County). For example, a new CSD could begin by taking over responsibility from Sonoma County for management of county parks and recreation activities in the LRR, downtown trash collection and downtown beautification (such a district could also be consolidated with one or more of the existing parks districts serving the region). If successful, the district could expand to provide a broader array of services, including law enforcement and road maintenance. Such a metered strategy would provide an opportunity for the district to gain experience and for the community to gain confidence in the ability of the new district to manage its resources and services competently and could even serve as a stepping stone to ultimate formation of a new city.¹⁶

7.2 Next Steps

The next steps in the process of improving governance in the LRR region must be taken by the community itself. This report presents the results of a community engagement process that identified service needs that could potentially be addressed with a governance solution. The recommendations described above have the potential to improve service delivery and local control, but it will be up to the community to advocate for itself with the Sonoma County Board of Supervisors to improve countywide services. More importantly, the community will need to organize itself if it wishes to pursue a governance solution, such as formation of a community services district.

¹⁶ For more information on forming a new community services district, please see Appendix 2: Forming a new governmental entity.

8 APPENDIX 1: STAKEHOLDER INTERVIEWS

The following individuals were interviewed as part of the stakeholder engagement process:

Date	First Name	Last Name	Entity
1/30/23	Roberto	Esteves	Friends of Villa Grande
1/27/23	Mark	Bramfitt	Sonoma County LAFCO
12/14/23	Sarah	Yardley	Hacienda Improvement Association
1/9/23	Soledad	Figuroa	River to Coast Children's Alliance
1/28/23	Rhian	Miller	Friends of Monte Rio
1/25/23	Randy	Nelson	Hacienda Improvement Association
1/23/23	Kimberly	Burr	Russian River Utility
12/12/22	Lucy	Hardcastle	Forestville Planning Association
12/14/23	Kyla	Brooke	Friends of Villa Grande
12/14/22	Rich	Holmer	Sweetwater CSD
12/12/22	Marina	McTaggart	Monte Rio Rec and Park
12/12/22	Herman J	Hernandez	Los Cien
12/12/22	Timothy	Miller	West County Community Services
12/14/22	Bryan	Hughes	Russian River Alliance
12/12/22	Nance	Jones	Friends and Residents of Guerneville
12/14/22	Pip	Marquez de la Plata	Friends of Rio Nido
12/12/22	Michael	Nicholls	Cazadero

9 APPENDIX 2: FORMING A NEW GOVERNMENTAL ENTITY

The steps for forming a new special district, community services district or city have many similarities. This section, based on the report “Special District Formation Guide” provides a brief overview of the steps needed to form a new district.¹⁷

Steps in forming a special district or community services district:

1. Identify community needs
2. Organize and seek support from stakeholders
3. Raise needed funds for consultant and legal fees
4. Prepare financial feasibility analysis to determine cost of services and available resources (and document feasibility); if services are to be taken over from county, negotiations regarding the transfer will be required
5. Prepare and submit an application to the Local Agency Formation Commission (LAFCO)
6. Conduct elections to authorize district and elect directors.

¹⁷ See Special District Formation Guide” available at <https://calafco.org/sites/default/files/documents/2016%20Formation%20Guide%20WEB.PDF>.

10 APPENDIX 3: UNINCORPORATED GOVERNANCE AD HOC

The Board of Supervisors established the Unincorporated Governance Ad Hoc committee on January 1, 2023, to explore governance solutions for unincorporated areas of Sonoma County. The desired outcome of the Unincorporated Governance Ad Hoc Committee, comprised of Supervisor Gorin and Supervisor Hopkins, is to identify strategies for local areas to gain more access and/or funding for municipal services. On February 6, 2024, the Board of Supervisors directed staff to include requests in the FY24/25 Budget workshops to fund the eight work efforts recommended by the Ad Hoc Committee. The chart on the following page briefly describes each of these work efforts.

#	Name	Description	Key Activities	Lead Department(s)	Estimated Cost
1	Regional Enhanced Infrastructure Financing Districts (EIFD)	Explore options for recommending the creation of region-specific EIFD(s) where appropriate	~Confirm geographic area(s) for potential EIFD(s) ~Policy recommendations for the Board of Supervisors (BOS)	CAO	\$ 650,000
2	New County Service Area zone of benefit for parks and plazas	Explore establishing new zone of benefit within County Service Area (CSA) 41 to finance neighborhood parks and plazas.	~Identify geographic area(s) for potential new CSA 41 zone of benefit and scope of services ~Determine financing mechanism ~Community engagement ~Recommendation to BOS ~Public hearings	CAO/CC/ Regional Parks	\$ 148,000
3	Legislation advocacy to remove barriers to incorporation	Identify legislation advocacy options for improving current laws around incorporation to increase options for unincorporated communities that want to incorporate	~Work with Legislative staff to add to the next cycle of the County's legislative platform	CAO	\$ -
4	Municipal Advisory Council Best Practice Implementation & Knowledge Sharing	Review the County's current Municipal Advisory Councils (MAC) practices, identify improvements, & establish quarterly all-MAC convenings	~Research MAC best practices ~Review of existing MAC practices ~Recommendations for process improvements for MACs ~Quarterly knowledge sharing convenings of MAC representatives ~Annual update to the BOS on MAC activities	CAO	\$ 25,000
5	Enhance outdoor recreation facilities at public schools	Explore options to fund improvements to outdoor recreation facilities at local schools and increase community access	~Reach out to school districts to determine interest ~If applicable, scope funding options ~Community engagement ~Recommendation to BOS on funding options	Regional Parks or Ag + Open Space	\$ 50,000
6	Current County services inventory	Inventory of the existing services and the geographic distribution of the County services, with focus on Safety Net services	~Scope project ~Create inventory	CAO/DHS /HSD	\$ 50,000
7	Grant technical assistance for community organizations	Develop recommendations for strategies to increase grant capacity for community based organizations (CBOs) serving underserved communities	~Track grant technical assistance currently provided by the County ~Identify opportunities to build on current level of technical assistance	CAO	\$ -
8	Navigator job classification	Continue assessing options for Navigator job classification	~Scope classification options & identify position qualifications ~Work with departments to continue to consider needs for navigator positions	HR	\$ -
			TOTAL		\$923,000

CAO: County Administrator's Office; CC: County Counsel; DHS: Department of Health Services HSD: Human Services Department; HR: Human Resources