



# COUNTY OF SONOMA

575 ADMINISTRATION  
DRIVE, ROOM 102A  
SANTA ROSA, CA 95403

## SUMMARY REPORT

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**Agenda Date:** 10/22/2024

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**To:** Sonoma County Board of Supervisors

**Department or Agency Name(s):** County Administrator

**Staff Name and Phone Number:** Maggie Luce 565-1796, Christel Querijero 565-2431

**Vote Requirement:** Majority

**Supervisorial District(s):** Countywide

**Title:**

Unincorporated Governance Ad Hoc Committee Update

**Recommended Action:**

- A) Receive Unincorporated Governance Ad Hoc Committee update.
- B) Accept the Unincorporated Governance Ad Hoc Committee's recommendation to direct staff to develop a policy for allocating District Formation Funds to individual district formation efforts.
- C) Approve use of up to \$11,000 in FY 2024/25 General Fund Contingencies to fund a convening for Municipal Advisory Councils and Citizen Advisory Councils in early 2025.

**Executive Summary:**

This item is an update on the Unincorporated Governance Ad Hoc committee's work, including an overview of the scope and timeline for the District Formation Advisory Services work effort; plans for a virtual meeting with Municipal Advisory Council (MAC) and Citizen Advisory Council (CAC) representatives scheduled for October 29, 2024; and, as directed by the Board on [July 9 2024 <](#) <https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6741182&GUID=90A434B9-5383-4045-B20F-0D694208ACA5&Options=&Search=>>, an update on County activities associated with Enhanced Infrastructure Financing Districts (EIFDs) in unincorporated areas.

This item additionally presents the Ad Hoc Committee's recommendation to direct staff to develop a policy to allocate District Formation Funds for specific district formation activities. If the Board approves the recommendation, staff anticipates bringing a policy to the Board for consideration by early 2025. Lastly, staff requests the Board approve the use of \$11,000 in General Fund contingencies for an in-person convening of MAC and CAC members, as recommended by the Ad Hoc Committee, to share best practices, lessons learned from key projects and activities, and support organizational effectiveness.

**Discussion:**

District Formation Advisory Services

The Board of Supervisors established the Unincorporated Governance Ad Hoc committee on January 1, 2023, to provide direction to staff on exploring governance solutions for unincorporated areas of Sonoma County. The Unincorporated Governance Ad Hoc is comprised of Supervisor Gorin and Supervisor Hopkins.

During the FY2024/25 budget hearings, the Board approved \$150,000 to create a menu of district formation options to be presented to MACs and community organizations. With Ad Hoc Committee input, staff

developed a scope and timeline to implement this work effort, which in addition to creating a menu of district formation options will also provide technical assistance to communities interested in exploring district formation. The scope and timeline include the following highlights:

- November 2024 - Release a Request for Proposals for a consultant to provide technical assistance and community education
- January 2025 - Develop a guide including a summary of district formation options with local examples and experience to share with MAC members and community organizations
- February 2025 - Request Board approval of the selected bidder's contract
- March 2025 - Consultant conducts initial round of community education to gauge community interest in district formation
- April 2025 - Consultant identifies and develops district formation options based on community interest and preliminary feasibility analysis
- May 2025 - Consultant presents options to communities and provides guidance on next steps
- August 2025 - Board District Formation Update

#### MAC & Community Group Virtual Convening

The Ad Hoc Committee will host an online convening with representatives from MACs and community groups. Participants were recommended by Supervisorial district staff. The purpose of the meeting to be held on October 29, 2024, is to review the scope and timeline of the County's District Formation Advisory Services work effort and to present a summary of initial survey results related to best practices that were submitted by members of local MACs and CACs. See Attachment A for the meeting agenda.

This meeting will be a follow-up to the all-MAC listening session, which the Ad Hoc Committee hosted on August 16, 2023, with representatives from all five Supervisorial Districts. The input received from the August 2023 meeting identified the top needs for government services in various communities, which may benefit from a district formation solution.

#### EIFDs in Unincorporated Sonoma County

An EIFD is a type of special financing district that utilizes a portion of incremental property tax revenues in a specifically defined area to finance capital facilities or other specified projects of community-wide significance that provide benefits to the area within the EIFD or the surrounding community.

The Unincorporated Governance Ad Hoc Committee sees EIFDs as a potential district formation option that may fund infrastructure projects that improve government services in certain unincorporated areas. Supervisorial Districts 1 and 5 are currently exploring EIFD options. In West County, Supervisor Hopkins contributed \$50,000 of District 5 Infrastructure Funds to fund a City of Sebastopol EIFD consultant contract. The consultant, Kosmont Companies, has been evaluating potential boundary scenarios within the City of Sebastopol as well as portions of County Supervisorial District 5. On September 3, 2024, Kosmont Companies facilitated a discussion with the City Council on the projects and types of projects that the Council would like to include as part of the Infrastructure Finance Plan of potential Sebastopol EIFD. Kosmont also presented EIFD information at the September 25, 2024, Russian River MAC meeting. The project is still in the very early stages. The timeline for the Sebastopol and West County EIFD Feasibility Study process can be found in Attachment B.

In Sonoma Valley, Supervisor Gorin identified up to \$50,000 of District 1 District Formation Funds to explore EIFD opportunities, which on [December 14, 2021 the Board appropriated < https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5353336&GUID=F241FD15-FD92-423C-9F95-77797FD51F57&Options=&Search=>](#). Supervisor Gorin and staff presented information on EIFDs to the following entities:

- North Sonoma Valley Municipal Advisory Commission on January 16, 2024
- Sonoma Valley Municipal Advisory Commission on January 24, 2024
- City of Sonoma Council on August 7, 2024

The County is working with Kosmont Companies to explore the feasibility of an EIFD in Sonoma Valley. The initial scope of work includes evaluating potential district boundaries, tax increment analyses, and identification of infrastructure needs. City of Sonoma staff have been participating in these discussions as the City considers whether to participate in the EIFD formation at this time.

#### District Formation Funds Allocation Policy

The Ad Hoc Committee recommends the Board direct staff to develop a policy for allocating District Formation Funds. The County's Community Investment Program Policy allocates \$175,000 of Transient Occupancy Tax each year to the District Formation Fund. These funds may be used for professional services to establish Special Districts that enable communities to provide self-generated funding to address municipal challenges. There is no current policy to determine how these funds are allocated to projects. For the most recent fund allocation process (resulting in \$150,000 for each Supervisorial District in 2021 and 2022), staff brought funding requests to the Board for approval. The Ad Hoc Committee recommends streamlining the process and granting authority to the County Executive to review and approve the use of these funds to specific projects on a rolling application basis. If the Board accepts the Ad Hoc Committee's recommendation, staff will develop a policy for Board consideration.

#### 2025 MAC Convening

The Unincorporated Governance Ad Hoc Committee also recommends that the Board approves use of up to \$11,000 in FY 2024/25 General Fund Contingencies to fund an in-person convening for Municipal Advisory Councils and Citizen Advisory Councils in early 2025. This meeting would provide an opportunity for these groups, including the outgoing and newly incoming Chairs, to share best practices and examples of successful projects and activities. This desired outcome for this 2025 convening is to improve the effectiveness of Municipal Advisory Councils (MACs) in advising the Board of Supervisors on issues concerning the area served by each MAC. Staff received positive feedback after the all-MAC listening session in August 2023, including interest from participants in future opportunities to share information with other MAC representatives. This convening will provide an opportunity for MACs representatives to share resources, information, and strategies between the different MACs. The requested funds would cover costs including venue rental, facilitation, and interpretation.

The Unincorporated Governance Ad Hoc previously directed staff to submit a \$25,000 funding request during the FY 2024/25 budget hearings to fund the development of best practices recommendations for MACs and to host four quarterly MAC convenings. The \$25,000 request did not get funded. This item's \$11,000 funding recommendation reflects a similar goal of increasing MAC effectiveness through a reduced scope of one in-person convening.

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**Strategic Plan:**

n/a

**Racial Equity:**

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

No

**Prior Board Actions:**

[July 16, 2024: District Formation Fund Update <](https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6773553&GUID=31A58651-D157-48BB-B74F-54B098E4A511&Options=&Search=>)

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6773553&GUID=31A58651-D157-48BB-B74F-54B098E4A511&Options=&Search=>>

[February 6, 2024: Unincorporated Governance Ad Hoc Committee <](https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6499196&GUID=29F92884-8277-47D1-BF54-8467767C7232&Options=&Search=>)

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6499196&GUID=29F92884-8277-47D1-BF54-8467767C7232&Options=&Search=>>

[May 23, 2023: Review & Approve the Governance Solutions for Unincorporated Areas Charter <](https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6208102&GUID=BE5D3060-2A75-4110-BA8A-877708F25884&Options=&Search=>)

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6208102&GUID=BE5D3060-2A75-4110-BA8A-877708F25884&Options=&Search=>>

[July 11, 2023: District Formation Fund Update <](https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6277619&GUID=5E06EA53-DF41-4D83-ABEF-E3EA486AFE41&Options=&Search=>)

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6277619&GUID=5E06EA53-DF41-4D83-ABEF-E3EA486AFE41&Options=&Search=>>

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY24-25 Adopted</b>	<b>FY25-26 Projected</b>	<b>FY26-27 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested	\$11,000		
<b>Total Expenditures</b>	<b>\$11,000</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies	\$11,000		
<b>Total Sources</b>	<b>\$11,000</b>		

**Narrative Explanation of Fiscal Impacts:**

Staff estimate that it would cost up to \$11,000 to cover the costs of an in-person convening for Municipal Advisory Councils and Citizen Advisory Councils. These costs include venue rental, facilitation, interpretation, and meeting materials. If approved, funds would come from FY 2024/25 General Fund Contingencies.

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

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**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

Attachment A: 10/29/24 Virtual all-MAC Meeting Agenda

Attachment B: Sebastopol and West Sonoma County EIFD Fact Sheet

**Related Items "On File" with the Clerk of the Board:**

None