



SUMMARY REPORT

Agenda Date: 5/3/2022

To: Board of Supervisors

Department or Agency Name(s): County Administrator

Staff Name and Phone Number: Christel Querijero, 707-565-7071

Vote Requirement: 4/5th

Supervisory District(s): Second, Third, Fourth

Title:

District formation activities for unincorporated areas in north, south and central Sonoma County

Recommended Action:

- A) Receive information related to Supervisory Districts Two, Three and Four's requests to review current government services in their respective districts, in order to identify potential governance options and other opportunities for improved service delivery.
- B) Direct staff to dedicate time and resources to work with District staff, representatives of local jurisdictions, and others to pursue these potential governance options and opportunities for improved service delivery.
- C) Adopt a Resolution authorizing a budgetary adjustment to the FY 2021-22 Transportation and Public Works District Formation final budget in the amount of \$457,500; with \$130,000 coming from available fund balance and \$327,500 from FY 2021-22 General Fund Contingencies for district formation related activities.

(Second, Third and Fourth District)

Executive Summary:

This item requests that the Board of Supervisors approve funding and staff resources to support Districts Two, Three and Four's interests to explore services to unincorporated communities in south, central and north Sonoma County, respectively, in order to identify potential alternate governance and service options. This item requests the approval of a budget resolution to appropriate \$152,500 per district, for a total of \$457,500, in the District Formation fund to finance this work. Budgetary adjustments in the amount of \$152,500 per district for Districts One and Five were made on December 14, 2021. Therefore, upon approval of this Board action, all districts will have received equal levels of funding for work related to district formation.

Discussion:

On December 14, 2021, the Board of Supervisors approved funding and staff resources to support Districts 1 and 5 interests to engage consultants to analyze the provision of services to unincorporated communities in the Sonoma Valley and West County, respectively, in order to identify potential alternate governance and service options. The Board approved \$305,000 in District Formation funds split evenly between District 1 and District 5. At that time, the Board requested that staff return with an item to allocate equal amounts of funds to Districts Two, Three and Four for district formation activities.

This item recommends allocating \$457,500 split evenly between Districts Two, Three and Four for district

formation activities, including:

District Two - Southern Sonoma County

District Two is undertaking several projects to increase municipal services. These projects will require professional services to analyze various governance structures and revenue mechanisms. District Two will use the district formation funds to support district formation activities, including:

1. Administrative costs for a Penngrove Municipal Advisory Council and district formation studies recommended by the Council and approved by the District Two Supervisor;
2. Appropriate governance and financial analysis including revenue generating possibilities for a South County vegetation management and disaster preparedness effort;
3. Governance studies including financial analysis with revenue opportunities for Sonoma Proximity Housing Fund which would support workforce housing;
4. Studies to determine revenue-generating possibilities to support traffic improvements through major corridors.

District Three - Central Sonoma County

In recent years, community members and elected officials have discussed conducting an annexation study to explore the feasibility of various governance options and funding opportunities to improve health and safety services and community infrastructure in the unincorporated neighborhood of Moorland. There is a shared interest between the City of Santa Rosa and the County in undertaking this project. The Santa Rosa City Council advanced annexation of the Moorland area during their 2022 goal-setting meeting. City administration will begin its own studies and is prepared to engage holistically on the matter.

The County will hire a consultant to undertake an annexation study to evaluate service delivery to the Moorland Area and nearby populations stretching to the southern portion of Santa Rosa Avenue. (A map outlining the proposed areas is attached for reference.) Examples of expenses that may be analyzed in the review include expenses associated with law enforcement, fire and EMS, infrastructure, parks and recreation, maintenance, finance and administration. Examples of revenue that may be considered in the review include sales tax, property tax, transportation occupancy tax, and other fees for services. The consultant will engage the community to solicit input on topics that may include identifying priorities for the annexation study, developing solutions, and structures that support services in these areas. Permit Sonoma GIS will provide mapping support to identify the unincorporated geographic areas included in the scope of the review, including maps that overlay existing service areas such as water districts.

If approved by the Board, staff will issue a request for proposals (RFPs) for consultant(s) to explore the feasibility of annexing Moorland. The study will include a financial analysis of revenue and expenses. The consultant will use the financial analysis and input from the community and elected officials to produce a final report that identifies and evaluates options and opportunities for Moorland area governance and potential annexation.

District Three will utilize the \$152,500 for a consultant to complete the financial analysis of revenue and expenses, community engagement, and final report with options and opportunities for governance and annexation.

If the Board approves funding in May, 2022 then District Three will issue an RFP in the summer of 2022 and

aim to have an executed contract by the end of the year. The selected consultant will advise on the timeline for the work.

District Four - Northern Sonoma County

District Four's unincorporated suburban and semi-rural areas have a greater need for urban services than the County's highly rural areas. In some of these areas District Four has created Municipal or Citizen Advisory Councils to increase opportunities for local governance, including in the Geyserville, Mark West and Dry Creek areas.

District Four will use these funds to explore revenue-generating structures such as Community Service Districts for neighborhoods including Mark West, Alexander Valley, and Geyserville. The funds may be used for expenditure and revenue studies, community outreach, and navigating the Local Agency Formation Commission process.

District Four plans to begin studies for the Alexander Valley area in the summer of 2022, and anticipates exploring opportunities for the Geyserville and Mark West areas later in the calendar year.

Staffing Impacts

The Policy, Grants and Special Projects division of the County Administrator's Office will lead these projects with support from the District Offices, Auditor Controller Treasurer Tax Collector, County Counsel and Permit Sonoma. Staff is currently evaluating the workload associated with this item to determine staff capacity. Staff will comply with all County procurement guidelines and anticipate that each district will enter into multiple agreements for the consultant services described in this item.

Strategic Plan:

None

Prior Board Actions:

December 14, 2021: Governance Studies for Unincorporated Areas of Sonoma Valley and West County

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY22-23 Projected	FY 23-24 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$457,500		
Total Expenditures	\$457,500		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance	\$130,000		
Contingencies	\$327,500		
Total Sources	\$457,500		

Narrative Explanation of Fiscal Impacts:

Additional appropriations requested for FY 21-22 include \$457,500 for governance studies, which will provide a grand total of \$152,500 per supervisorial district for governance studies. \$305,000 was previously appropriated from District Formation fund balance for two districts on December 14, 2021. Funding for the remaining three districts totaling \$457,500 ($\$152,500 \times 3$) will utilize \$130,000 in available District Formation fund balance and the remaining \$327,500 will be funded with FY 2021-22 General Fund Contingencies. The current District Formation Fund Balance is approximately \$322,000. Of this amount, \$188,709 has been earmarked for fire annexation projects as specified in the fire agreements the Board of Supervisors approved on January 25, 2022, leaving approximately \$134,000 in available fund balance. This action will reduce the available fund balance to \$4,000.

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Budget Resolution

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

None