

**Draft Resolution**

111 Santa Rosa Ave. Ste. 240  
Santa Rosa, CA 95404

**May 1, 2024**

Resolution of the Local Agency Formation Commission of the County of Sonoma, State of California, Making Findings and Determinations Related to Information Contained in the Municipal Service Review and Sphere of Influence Study for the City of Santa Rosa, Determining Exemption from the California Environmental Quality Act, Adopting the Determinations of the Municipal Service Review and Sphere of Influence Study, and Amending the Sphere of Influence of the Subject Agency.

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**RESOLVED**, that the Local Agency Formation Commission of the County of Sonoma (“the Commission”) hereby finds and determines as follows:

**1. Procedural History**

1.1 The City of Santa Rosa (“the Subject Agency”) requested that the Commission prepare a Municipal Service Review (“MSR”) to determine the feasibility of amending the sphere of influence (“SOI”) of the City pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code section 56000 et seq. (“the Cortese-Knox-Hertzberg Act”).

1.2 The Executive Officer considered the request and prepared, using consultant services, a municipal service review and sphere of influence study (“the MSR/SOI Study”).

1.3 The Executive Officer determined that the Commission would comply with California Environmental Quality Act (“CEQA”) and the State CEQA Guidelines by acting as the lead agency in its consideration of the MSR/SOI Study and proposed amendment of the Sphere of influence of the Subject Agencies (together “the MSR/SOI Study and Sphere of Influence Amendments”). The Executive Officer further determined that the MSR/SOI Study and Sphere of Influence Amendments is exempt pursuant to State CEQA Guidelines Sections 15306 and 15061(b)(3).

1.4 Following the preparation of the MSR/SOI Study, the Executive Officer set the matter for consideration by the Commission and provided notice thereof as provided in the Cortese-Knox-Hertzberg Act.

1.5 The Executive Officer considered written comments received on the MSR/SOI Study and prepared a staff report (“the Executive Officer’s Report”) which included a recommendation for the MSR/SOI Study and Sphere of Influence

Amendments. The Executive Officer furnished copies of the Executive Officer's Report to all persons entitled to copies under the Cortese-Knox-Hertzberg Act.

1.6 The Commission conducted a noticed public hearing to consider the MSR/SOI Study and Sphere of Influence Amendments on May 1, 2024. At the hearing, the Commission heard and received all relevant oral and written testimony and evidence presented or filed and considered the Executive Officer's Report and the MSR/SOI Study and Sphere of Influence Amendments. All interested persons were given the opportunity to hear and be heard. At the conclusion of public testimony, the Commission closed the public hearing and adopted the determinations in the MSR/SOI Study and voted to amend the sphere of influence of the Subject Agency.

1.7 The Commission has reviewed and considered this resolution and hereby finds that it accurately sets forth the intentions of the Commission regarding the determinations of the MSR/SOI Study and Sphere of Influence Amendments.

## **2. CEQA Compliance**

2.1 The Commission concurs with the Executive Officer and finds that the Commission is the lead agency for the preparation of the MSR/SOI Study and Sphere of Influence Amendments, pursuant to CEQA and the state CEQA Guidelines.

2.2 The Commission finds and determines that preparation of a Municipal Service Review consists largely of the collection of data and research through reports and/or interviews with those knowledgeable about the Agency studied, resulting in conclusions and recommendations. When such activities "do not result in a serious or major disturbance to an environmental resource," pursuant to Section 15306 of the State CEQA Guidelines, is exempt from CEQA.

2.3 The Commission finds and determines that amendment to the Sphere of Influence of the Subject Agency is exempt from CEQA pursuant to Section 15061 (b)(3) of the State CEQA Guidelines, which states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is not a possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

2.3 Amendment to the Sphere of Influence of the Subject Agency will not result in a physical change to the environment in and of itself. Any future actions for change of organization would be further subject to separate environmental determination.

2.3 The Commission has considered the potential environmental effects of the MSR/SOI Study and Sphere of Influence Amendments prior to reaching its decision. The Commission finds that, in doing so, it has fully discharged its responsibilities under CEQA.

### 3. Cortese-Knox-Hertzberg Act Compliance – Municipal Service Review

3.1 The Cortese-Knox-Hertzberg Act directs LAFCOs to review and update Agency Spheres of influence, as necessary, every five years and further to conduct municipal service reviews prior to, or in conjunction with such updates. With regard to the Agency's Request, the Commission makes the following determinations:

#### 3.2 Growth and population projections for the affected area:

The City has experienced a small increase in population since 2010, in comparison to a small decrease in the population of the County as a whole since 2010. There are currently 41 housing projects approved by Council which will add 3,233 dwelling units to the City. Based on the current household size per dwelling unit in the City of 2.6, these developments could add over 8,502 new residents to Santa Rosa.

#### 3.3 The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence:

The City's SOI does not contain any LAFCO-identified disadvantaged unincorporated communities. The SOI does contain a number of unincorporated islands, many of which receive some municipal services from the City, including emergency response services from the Fire Department and some water services on a parcel-by-parcel basis. Sonoma LAFCO is currently undertaking a DUC study, which may identify DUCs within Santa Rosa's SOI.

#### 3.4 The present and planned capacity of public facilities:

The City's present and planned facilities are generally sufficient to meet community needs and are designed to meet current and future planned uses although the City does require some significant capital investments in its street and aging storm drain systems. The City requires a new fire station in order to better serve residents in the southern portion of the City, which has been partially funded through the CIP process.

The City is currently operating out of a temporary fire station at the former Fire Station 5 site (Parker Hill Road), which was destroyed in the Tubbs fire in 2017. City Council approved a new Fire Station 5 to replace the station also destroyed in the Tubbs Fire on Newgate Court. An \$18.2 million design-build contract was approved in January 2023 for the 2.11-acre site, which will include an 8,690 square foot fire station building and a 10,295 square foot operations yard. The City is also in the process of relocating Fire Station 8, as partially funded through the CIP process.

- 3.5 Financial ability to provide services:  
The City experienced both increasing General Fund revenues and expenditures over the three years through FY 21-22. Revenues increased by eight percent during this period, while expenditures grew by 14 percent. The City's fiscal health is considered low risk by the State Auditor.

Santa Rosa is highly dependent on sales tax revenues, making the City vulnerable to changes in the retail landscape. One revenue source which is typically more stable for jurisdictions is property taxes. As the City has experienced more housing growth, the rate of property tax growth has also increased.

City staff noted that the City currently has a growing structural budget deficit that could reach unsustainable levels in the near future if not addressed. The deficit has been driven by inflationary pressures on goods, services, and employee expenses, which have outpaced revenue growth. The City also struggles to retain staff, who often leave for more competitive salaries in the private sector. Addressing this challenge will necessitate both increased revenue and strategic expenditure reductions. The City must additionally secure funding for large capital needs, as failing to do so could lead to infrastructure falling into disrepair and affecting operational efficiency.

- 3.6 Accountability for community service needs, including governmental structure and operational efficiencies:

The City Council is elected on a by-district basis. The City moved to district elections in 2018 following a demand letter that alleged violations of the California Voting Rights Act. In 2022, the City Council updated the district lines to better align the City with the California FAIR MAPS Act and to better distribute the population of the City across the districts.

Santa Rosa's website includes information about City Council meetings, other City services, and contact information for different departments. Public notices and the City newsletter are posted on the website. The City Council streams its meetings through Zoom, and the link is available online to the public. The City is active on at least two social media platforms.

The City utilizes technology and social media to share information with the public effectively. No issues with accountability in the City were identified.

- 3.7 Status of, and opportunities for, shared facilities:

The City is currently part of a multi-city wastewater treatment plan arrangement. In 2008, an agreement was established to transfer the Town of Windsor's recycled water via the Geysers Pipeline. The cities of Santa

Rosa, Rohnert Park, Sebastopol, and Cotati send their wastewater to the Laguna Treatment Plant and are part of a regional partnership that manages and pays for the operation, maintenance, and capital improvements of the regional system.

The City is in discussion with the Sonoma County Fire District to share fire facilities in the eastern part of the City. RSG did not identify opportunities for other shared services or facilities related to law enforcement, parks and recreation, water, or other municipal services.

3.8 Matters related to effective or efficient service delivery, as required by Commission policy:

No matters related to effective or efficient service delivery were required for review by LAFCO policy

**4. Cortese-Knox-Hertzberg Act Compliance – Sphere of Influence**

The Commission is ordering an amendment to the City of Santa Rosa’s sphere of influence to include all territory within its current Urban Growth Boundary.

With regard to requirements of the Cortese-Knox-Hertzberg Act for amendments of the Sphere of Influence of the Subject Agencies, the Commission makes the following determinations:

4.1 The present and planned land uses in the area, including agricultural and open space lands:

Development growth is constrained under present land uses within the City’s current boundary. There is an opportunity to extend the SOI to match the City’s UGB and ensure the planning goals of the City are consistent with both boundaries.

4.2 The present and probable need for public facilities and services in the area:

The City’s public facilities and services are generally sufficient to accommodate growth over the next decade, although some significant capital improvements are necessary to improve the quality of service.

The City's water and sewer infrastructure is well-equipped to support planned growth, especially due to a decrease in average daily water demand.

The City’s street infrastructure requires further investment in order to both maintain streets that are currently in good condition and to repair streets that are currently deteriorating. Without further investment, the City's

overall street network is at risk of further deterioration, which could impact crucial operations like public transit and emergency response due to decreased ride quality.

The Fire Department requires a new fire station in the southern portion of the City and has allocated funding for this project through the CIP.

4.3 The present capacity of public facilities and services:

No significant issues related to the present capacity of public facilities and services were identified. There are some street repairs and upgrades that are necessary, including repairs to streets that were damaged by the 2017 fires.

The City requires a new fire station in the southern portion of the City and has allocated funding through the CIP. The CIP does not indicate when construction will begin for the station. The City is additionally in the process of installing a temporary fire station at the site of the former Fire Station 5, which was destroyed in 2017. This temporary station is also being funded through the CIP. Council awarded an \$18.2 million design-build contract for this station in January 2023.

4.4 Social or Economic Communities of Interest:

According to the General Plan 2035, there are several disadvantaged communities within the incorporated area of the City, particularly in the southern part of the City along Highway 101. There are three contiguous census tracts, partially within City limits, that form a Senate Bill 235 Disadvantaged Community. The northernmost tract is partially within city limits, while the other two are immediately south. The neighborhoods just outside of the City to the southwest of the city have below-median household incomes and receive higher scores on CalEnviroScreen 4.0 than any census tracts within the City, meaning they face more environmental and socioeconomic challenges compared to other areas.

4.5 Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

The City's SOI does not currently contain and is not coterminous to any LAFCO-designated DUCs. Sonoma LAFCO is currently undertaking a study to identify any potential DUCs in the County, and it is highly likely that at least two DUCs will be identified in Santa Rosa after that time.

**NOW, THEREFORE**, based on the foregoing findings and determinations and the record of these proceedings, and pursuant to the Cortese-Knox-Hertzberg Act, the Commission hereby declares and orders as follows:

1. The foregoing findings and determinations are true and correct, are supported by substantial evidence in the record, and are adopted as hereinabove set forth.
2. The Commission has reviewed and considered the information contained in the final MSR/SOI Study for the City of Santa Rosa.
3. The Commission adopts the determinations made in the MSR/SOI Study for the Subject Agency and approves the amendments to the Spheres of Influence recommended in the MSR/SOI Study.
4. The Executive Officer is directed to file a Notice of Exemption, in accordance with CEQA and the State CEQA Guidelines.

The Clerk of the Commission is designated as the custodian of the documents and other materials that constitute the record of the proceedings upon which the Commission's decision herein is based. These documents may be found at the office of the Clerk of the Commission, 111 Santa Rosa Ave., Ste. 240, Santa Rosa, CA, 95404.

**THE FOREGOING RESOLUTION** was introduced at a regular meeting of the Commission on the 3rd day of April 2024 and ordered adopted by the following vote:

Commissioners:

AYES:

NOES:

ABSENT:

**WHEREUPON**, the Chair declared the foregoing resolution adopted and

**SO ORDERED.**

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Mark Bramfitt, Executive Officer

The within instrument is a true and correct copy of the original on file in this office.

ATTEST:

BY: \_\_\_\_\_  
Clerk

DRAFT