

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: CLARE HARTMAN, DIRECTOR
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
SUBJECT: SANTA ROSA ANNEXATION OPPORTUNITIES

AGENDA ACTION: STUDY SESSION

RECOMMENDATION

It is recommended by the City Manager's Office and the Planning and Economic Development Department that the Council hold a study session on annexation opportunities and provide direction to City staff on: 1) whether or not to proceed with a City initiated annexation at this time; 2) if annexation is to proceed, to provide direction on the boundary for annexation and key principles; and 3) whether staff should bring back a workplan and cost estimate for the annexation process.

EXECUTIVE SUMMARY

In February 2022, the Council set six goals for the 2022/2023 fiscal year, one of which is to "Deliver housing for all," and another is to "Promote economic and community vibrancy." One of the strategies noted for achieving these goals is to initiate annexation discussions with the County of Sonoma, including evaluation of areas within south Santa Rosa (Moorland Avenue, south Santa Rosa Avenue and the Todd Creek/"2010 area") as well as other unincorporated areas within the City's Urban Growth Boundary (UGB). At the study session, City staff will present the opportunities available for annexation and will seek Council direction on next steps. One option for next steps would be for the Council to accept the report but to take no action at this time. Another option would be to proceed with a city-initiated annexation now, with the Council setting proposed boundaries, identifying key principles and directing staff to come back with a work plan and budget for Council consideration.

BACKGROUND

In June 2022, the Council reviewed the City's Draft Housing Element and directed staff to continue with the City's Housing Element as drafted, and to continue conversations with the County on potential transfer opportunities for the County's Regional Housing Needs Assessment (RHNA) allocations through annexation and mutual agreement.

Since July 2022, City and County staff have been meeting to discuss annexation opportunities and the process related to annexing unincorporated lands within the UGB. For study purposes, staff reviewed the Roseland Annexation process that concluded in 2017 as an example of the process, time, and cost. Additionally, staff prepared two annexation boundary scenarios - "south Santa Rosa" and "all Santa Rosa" - to evaluate, at a high level, the opportunities for city-initiated annexation.

In August 2022, the City responded to an applicant-initiated annexation and development proposal titled, Todd Creek Annexation. The City held a Development Review Pre-Application meeting with the applicant, which provided an opportunity for City and the Local Agency Formation Commission (LAFCO) staff to review preliminary conceptual plans for a potential annexation of 282.5 acres in southeast Santa Rosa, representing the northerly portion of the area designated by the City's General Plan as the "area not to be developed prior to 2010." Staff provided early feedback on the proposal, particularly regarding process and next steps. No application has been filed to date.

In October 2022, the Council directed staff to add the prioritization and annexation of the Todd Creek / "2010 area" as a future Council agenda item.

Regional Housing Needs Allocation (RHNA):

The State of California requires each local government to plan for its share of the State's housing needs for residents of all income levels. Through the Regional Housing Needs Allocation (RHNA) process, every local jurisdiction is assigned a number of housing units representing its share of the State's housing needs for an eight-year period. The RHNA process identifies the total number of housing units, separated into four affordability levels, that every local government must plan to accommodate.

Santa Rosa is required to plan for 4,685 units during the 2023-2031 planning period: 1,919 units of which must be affordable to lower-income households, 771 units must be affordable to moderate-income households, and 1,995 for above moderate-income households.

Questions have been raised regarding whether annexation of unincorporated lands within the City's UGB, particularly areas in south Santa Rosa, would be necessary to achieve the City's RHNA requirements. Based on the analysis provided in the City's draft Housing Element, which is available on the City's website (santarosafoward.com/HE), the City *will* be able to accommodate its housing needs within the current City limits. Annexation of unincorporated land is not necessary for the City to meet its RHNA requirements.

In May 2022, as the City was finalizing its draft Housing Element, the County of Sonoma requested consideration by the City to absorb 1,800 units of the County's 3,881 RHNA allocations into the City's Housing Element.

In June 2022, the Council held a study session on the City's Draft Housing Element and directed staff to continue with the City's Housing Element as drafted – not to absorb the County's 1,800 units, but to continue conversations with the County on potential transfer opportunities through annexation and mutual agreement. Factors that supported this direction included the following findings: the City's Housing Element is progressing on schedule; the City can meet its RHNA target without rezoning new sites and without annexation; City allocations can occur within City Limits and within transit-oriented Downtown and Priority Development Areas; The City's capacity buffer is reasonable and allows for flexibility in implementation.

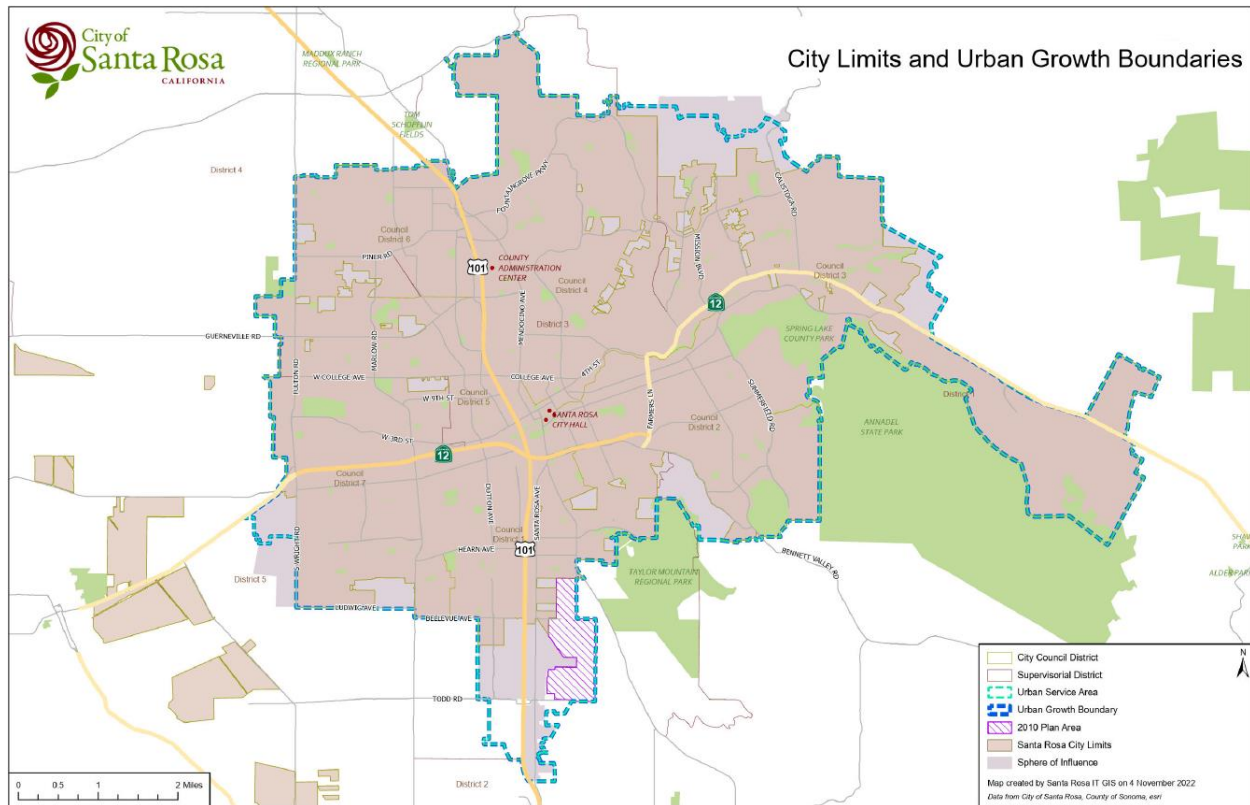
The City Council is scheduled to consider adoption of its Housing Element in February 2023 with certification by the California Department of Housing and Community Development (HCD) anticipated to take place soon thereafter.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

There are approximately 3,647 acres of unincorporated County land within Santa Rosa's UGB, which includes numerous small County islands (unincorporated areas that are completely surrounded by the City of Santa Rosa), as well as areas along the edges of the City in all four quadrants.



The map above illustrates where the City limit line, UBG line and Sphere of Influence (SOI) line are located. Below is an explanation of each of these lines:

- **City Limit Line.** City limits, or city boundaries, refer to the defined boundary or border of an incorporated city.
- **Urban Growth Boundary.** An urban growth boundary, or UGB, is a regional boundary that separates urban areas from the surrounding natural and agricultural lands. It places a limit on how far a city can expand. UGBs are often voter-approved, as is the case with Santa Rosa, and set for a specified period of time. Santa Rosa’s UGB was last adopted in 1996 for a period of 20 years, assuring that the current UGB would not be significantly changed until at least 2016.
- **Sphere of Influence.** A sphere of influence, or SOI, is defined as the probable physical boundary and service area of a local agency or city. Properties must be located within a city’s SOI to be considered for potential annexation to the city.

Typically, a city’s SOI and UGB will match, but not always. For Santa Rosa, there are areas along the south and southeast borders of the City where the UGB expands beyond the SOI (as shown in the map above). In order for the areas within the UGB (but outside of the SOI) to be considered for annexation, LAFCO must first adjust the SOI line, which requires a review of the City’s ability to provide services through the

preparation of a Municipal Services Report (MSR). The MSR would be prepared by LAFCO staff, in consultation with City staff, and would take place at the same time as the annexation analysis by the City. Action by LAFCO to amend the SOI would then precede action by LAFCO on the potential annexation.

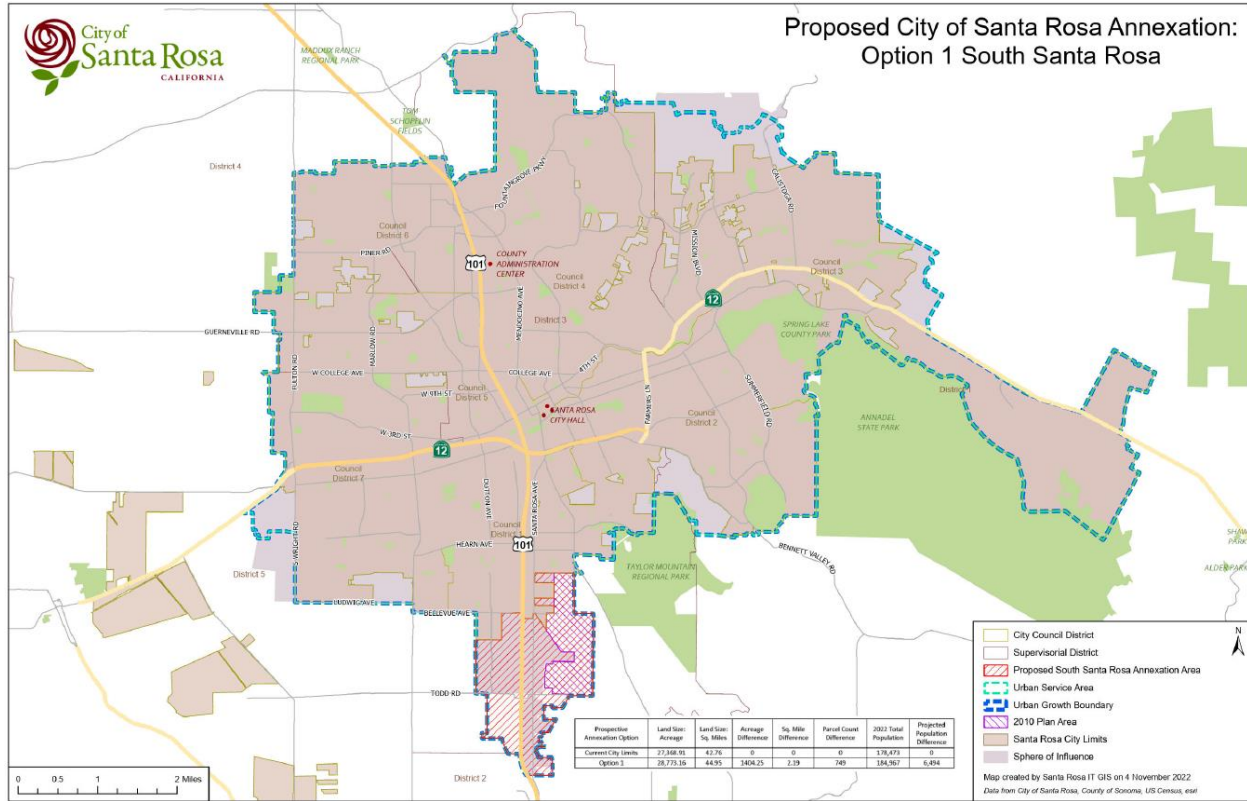
Also noted on the map, the diagonal purple striped area in southeast Santa Rosa is the area identified in the City's General Plan as the "Area Not to be Developed Before 2010," which covers approximately 453 acres.

Setting of Annexation Boundaries by the City Council:

The City Council is the authority for setting annexation boundaries. The Annexation Boundary scenarios described below provide two distinctly different potential annexation boundary options. These were selected by staff for the sake of focusing discussion and conducting a high-level evaluation. The Council is not bound by these boundary options. They are provided here to help inform the Council's consideration for a City-initiated annexation effort should the Council choose to move forward at this time.

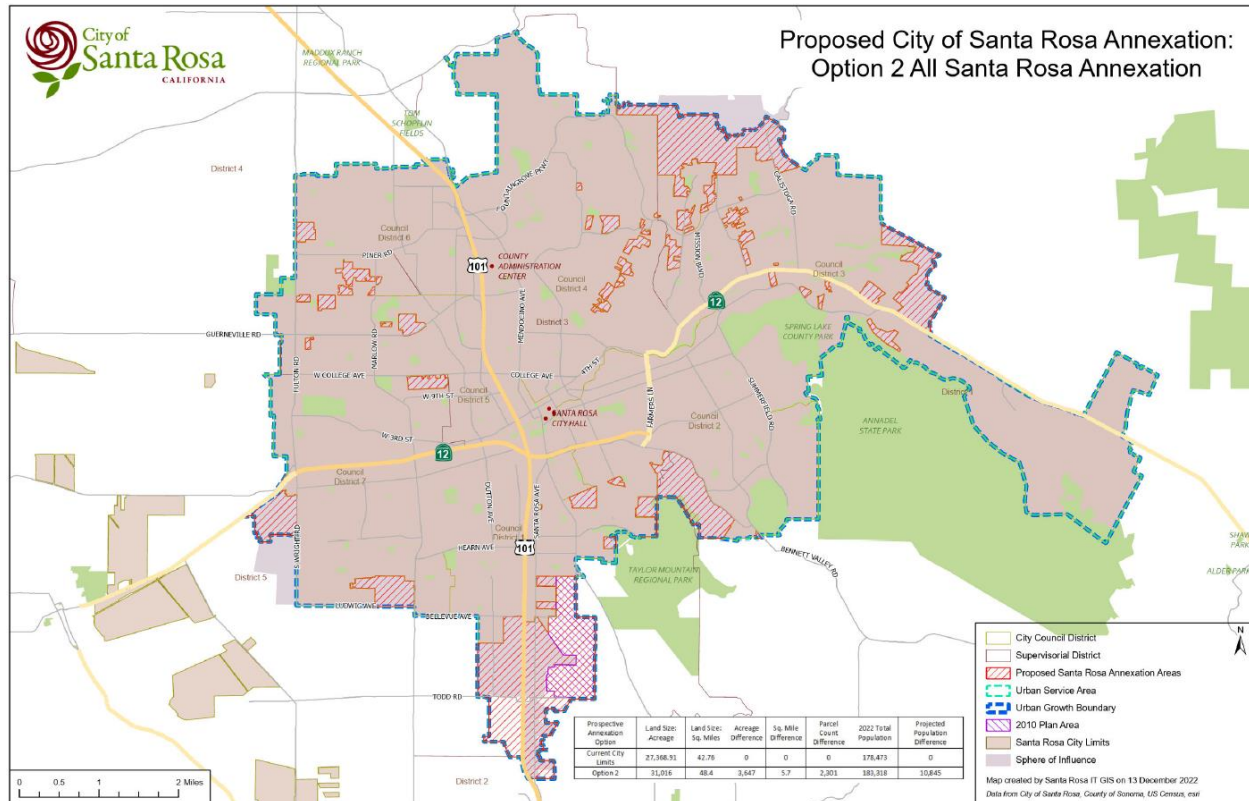
Annexation Boundary Option 1 – South Santa Rosa

The map below illustrates the first of the two potential boundary options for annexation. Option 1, South Santa Rosa, includes annexation of the unincorporated areas in south Santa Rosa, south of Hearn and Yolanda Avenues, along both the west and east sides of Hwy 101. This area includes the Moorland Avenue area, south Santa Rosa Avenue and Todd Creek / 2010 area that were identified by the Council in the 2022/2023 fiscal year goal setting. This boundary option also includes the area related to the recent applicant-initiated annexation/development project titled, "Todd Creek Annexation." Option 1 includes a total of approximately 1,404 acres.



Annexation Boundary Option 2 – All Santa Rosa

The map below illustrates the second of the two potential boundary options for annexation, which includes annexation of all of the unincorporated areas within Santa Rosa’s UGB. This area includes the above noted south Santa Rosa area, plus all other areas, including the many unincorporated County islands scattered throughout the City. Option 2 includes a total of approximately 3,647 acres.



Compliance with Santa Rosa General Plan Policy:

The following are Santa Rosa General Plan 2035 goals and policies that would be applicable to the annexation of unincorporated lands. There are also specific policies related to annexation of the Todd Creek / 2010 area:

- **LUL-A-2.** Annex unincorporated land adjacent to city limits and within the Urban Growth Boundary when the proposal is timely and only if adequate services are available. Ensure that lands proposed for annexation provide a rational expansion and are contiguous to existing urban development.
- **LUL-A-4.** Review the policy of providing city services to county areas prior to annexation. Evaluate the following:
 - Annexation prior to allowing development;
 - City and county development standards;
 - Payment of development impact fees; and
 - Agreements with county for provision of services.
- **LUL-H.** Foster development of the South Santa Rosa Avenue area – from Bellevue Avenue to just north of Todd Road – with a mix of retail and residential uses, and with development character that is hospitable to pedestrians and bicyclists.

- **LUL-H-1.** *Work with Sonoma County on appropriate zoning for sites in this unincorporated stretch of Santa Rosa Avenue that would limit expansion of existing single-use, auto-oriented commercial establishments.*
- **LUL-H-2.** *Require that development and/or redevelopment in this street corridor triggers installation of landscaping, medians, trees, sidewalks, and bike and pedestrian facilities designed to city standards.*
- **LUL I-6.** *Encourage upgrading of the area south of Todd Road to City of Santa Rosa standards prior to annexation. Discourage new development along Santa Rosa Avenue and Highway 101 until the area is annexed by the City, and ensure that it is sensitive to residential uses to the east.*
- **LUL I-7.** *Require a detailed land use plan for the area south of Todd Road (including the Santa Rosa Avenue corridor and area west of Highway 101) prior to any annexation to the city or provision of services. The plan shall consider development of rail facilities, provision of services, appropriate mix of land uses, and open space. The city entry for both rail and motor vehicles is sensitive and requires design guidelines. Amend the General Plan upon completion of this plan to reflect the results.*
- **GM-B-5.** *Require a detailed land use plan for the area east of Santa Rosa Avenue and north of Todd Road prior to annexation. The plan shall address specific land uses – including mobile homes – provision of services, circulation, parks and open space, and the impact of this development on downtown. The plan shall also include design guidelines, require project proponents to enter into a comprehensive development agreement that, at a minimum, addresses the financing of the Farmers Lane extension and Todd sewer trunk.*

As noted in General Plan policy GM-B-5, a detailed land use plan is required for the 2010 area prior to annexation. “Detailed land use plans” are typically considered to be general plans, community plans, neighborhood plans or specific plans. The reason a detailed land use plan is required is because the 2010 Area has never been comprehensively analyzed from a land use, circulation, infrastructure or environmental perspective. As such, City staff has consistently recommended the preparation of a specific plan for the south Santa Rosa area to fulfill compliance with GM-B-5.

Specific plans are planning documents that guide the development of a particular geographic area within a city or county. They are separate from, but must be consistent with, a jurisdiction’s adopted General Plan. Specific plans implement the General Plan by providing a special set of planning policies and development standards, also providing more detail regarding land use regulations, circulation and infrastructure needs for a specific area than the General Plan does. Any new developments or subdivisions within the defined area must be consistent with the specific plan. While specific plans vary in their level of detail, from providing broad policy frameworks to guiding every aspect of development and design, the distinguishing feature of a specific

plan is its focus on implementation.

Specific plans also provide the necessary environmental review for subsequent developments in the plan area, which provides for a streamlined and more predictable review under the California Environmental Quality Act (CEQA). Pursuant to CEQA, proposed residential or mixed-use developments that are consistent with a specific plan for which an Environmental Impact Report has been prepared are generally exempt from additional environmental review. Thus, a Specific Plan in this area would be an effective tool for streamlining development and public infrastructure following annexation.

As noted in the Time Estimate section of this report (below), the Roseland Specific Plan and Annexation were processed concurrently and took 3.5 years, of which the Specific Plan preparation itself took approximately 18 months. Staff anticipates a similar timing for the south Santa Rosa area and given the City's experience with processing specific plans and annexations, staff does not anticipate that the preparation of a specific plan for the 2010 area would add any additional time beyond the time needed to also process the annexation.

Staff also believes that a specific plan is a more appropriate document for this area given the significant CEQA and development streamlining benefits and specific analysis called for in General Plan policy GM-B-5.

Should annexation move forward with the Todd Creek/2010 area or south Santa Rosa area, the City should look at the opportunity to expand the scope of a Specific Plan to include the 453-acre Todd Creek / 2010 area, as well as the adjacent area along Santa Rosa Avenue to strategically integrate the economic opportunities of this area with infrastructure planning and to build up and broaden community engagement. An expansion of the boundary would allow the City to comprehensively address the full land use, circulation, infrastructure and environmental aspects of the area.

It should be noted here that the boundary setting as it pertains to south Santa Rosa will be impacted by state law regarding the protection of Disadvantaged Unincorporated Communities (DUCs). Should it be the City's and LAFCO's determination that the areas in this region qualify as a DUC, then any unincorporated areas that would meet the definition of a DUC should not be annexed without annexing all contiguous DUC qualified areas within the City's UGB. This would mean that the entire south Santa Rosa area within the UGB, on both sides of Hwy 101, would need to be annexed at one time - not just the Todd Creek area, or just Moorland, or just the 2010 area.

Compliance with SB 244 (Disadvantaged Unincorporated Communities):

On October 7, 2011, the Governor approved Senate Bill (SB) 244, which addresses disadvantaged unincorporated communities (DUCs). The purpose of SB 244 is to begin to address the complex legal, financial and political barriers that contribute to regional inequity and infrastructure deficits within DUCs. Including these communities in the

long-range planning of a city or county, as required by SB 244, will result in a more efficient delivery system of services and infrastructure. In turn, investment in these services and infrastructure will result in the enhancement and protection of public health and safety for these communities.

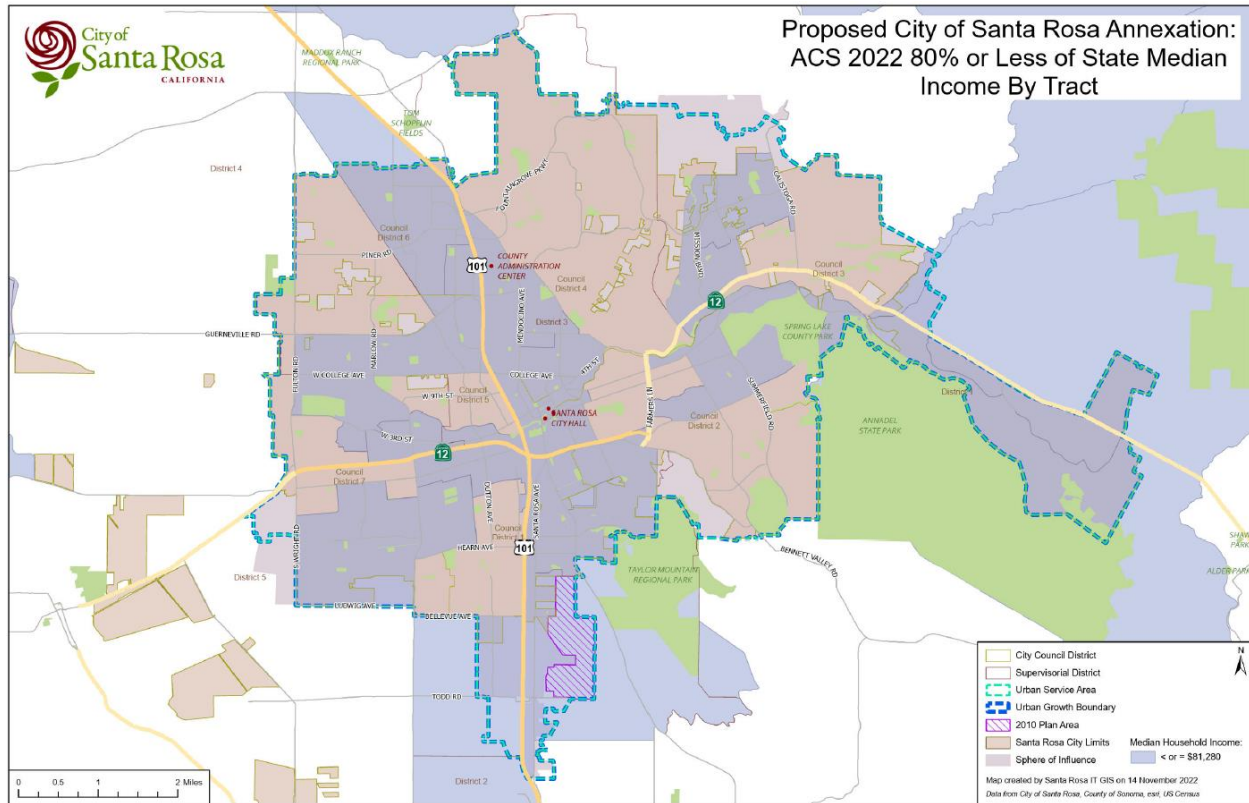
A “disadvantaged community” is defined as a community with an annual median household income that is less than 80 percent of the Statewide annual median household income. DUCs are defined as a territory that constitutes all or a portion of a disadvantaged community including 12 or more registered voters, or some other standard as determined by LAFCO. SB 244 affects LAFCO’s operations in three areas:

1. Municipal Service Reviews (MSR) Determinations;
2. Sphere of Influence (SOI) updates on or after July 1, 2012; and
3. Annexation approval restrictions of territory adjacent to DUCs.

SB 244 requires that LAFCO identify DUCs within the County, which are typically determined by census tract. October 2012 was the last time that Sonoma LAFCO updated its policy regarding DUCs. LAFCO staff has stated that in 2023 they will be conducting an update on DUCs in the County, and they expect that additional areas within the County will be identified, including unincorporated areas within Santa Rosa’s UGB.

SB 244 also requires cities and counties to update the Land Use Element of their General Plan to address DUCs inside or near their boundaries. As such, the City will be including identification of DUCs as part of the General Plan Update that is currently underway.

The map below (included as Attachment 3), illustrates the areas in and around Santa Rosa that have an annual median household income that is less than 80 percent of the Statewide annual median household income, by census tract. Based on this map, the unincorporated area in south Santa Rosa, which includes Moorland Avenue, south Santa Rosa Avenue and the Todd Creek/2010 area, meets the definition of a DUC.



SB 244 placed new restrictions on annexation practices that historically created DUC island communities (areas of unincorporated County that meet the definition of a DUC and are substantially surrounded by incorporated City land). Under SB 244, LAFCO can no longer approve annexations greater than 10 acres if a DUC is contiguous to the proposed annexation, unless the annexation includes the DUC.

Areas in south Santa Rosa appear to meet the state definition of a DUC. As such, it is possible that portions of this area could not be annexed without annexing the entire DUC eligible and contiguous area within the City's UGB. Therefore, the Moorland Avenue, Todd Creek area and 2010 areas, may not be able to be annexed individually without bringing in all of the unincorporated areas in south Santa Rosa, on both sides of Hwy 101.

Final Authority on Annexation Boundaries and Action by LAFCO:

LAFCO is the agency that takes final action on annexations. The City's role in annexation is to set the annexation boundary, complete community outreach, pre-zone the properties and complete environmental analysis, and, for City-initiated annexations, the City also prepares the Plan for Services and supporting documentation for the LAFCO application. The LAFCO Commission then takes final action on whether or not to annex.

City staff has met with LAFCO staff and understands that LAFCO would likely not support an application for annexation that did not include the entire south Santa Rosa area within the City's UGB. Communication with LAFCO on this issue will be ongoing.

Annexation Principles:

In addition to setting boundaries for the sake of evaluation and annexation, it is also critical for the Council to establish clear principles associated with the annexation. Key principles not only inform and help set expectations by the community for the annexation process and any subsequent City services, but these principles inform the scope, time, and cost estimates for the work plan. For the sake of discussion and to shape a high-level evaluation for timing and cost estimates staff looked to the Roseland Annexation principles as a model.

As part of the Roseland Area Annexation, the Council set the following two Annexation Principles:

1. New residents will receive the same level of service as current residents.
2. Existing service levels to current City residents will not be reduced in order to provide services to the Annexation Area.

These same principles could apply to the annexation of the remaining unincorporated areas within Santa Rosa – under either or any boundary option. The setting of principles is at the discretion of the Council.

Time Estimate:

Again, staff looked to the Roseland Area Annexation as a model from which to estimate the time it would take for a similarly scoped City-initiated annexation process to take. The Roseland Area Annexation, from acceptance of the workplan and appropriation of funds (April 2014) to annexation by LAFCO (November 2017) took 3.5 years. This timing included the preparation of the Roseland Area / Sebastopol Road Specific Plan and Environmental Impact Report (EIR), which covered both efforts.

Here is a summary of phases for Annexation with high level estimates on time:

Phase 1 – Confirm/Execute interest (6 months)

- Council direction
 - Consider Annexation Ad-Hoc Subcommittee with City staff
 - Provide high level direction on annexation boundary, key principles; engagement expectations, and work plan
- Direct staff to prepare and bring back work plan & budget
 - Council action
 - Adopt work plan and budget
 - Allocate funding

Phase 2 – Secure contracts, conduct studies & negotiate City/County cost sharing agreement (6 months)

Phase 3 – Implement Annexation, Specific Plan, Plan for Services, Pre-Zoning & Environmental Review Process (2.5 years)

Phase 4 – Process Annexation through LAFCO (6 months)

Phase 5 – Transfer jurisdiction/Implement memorandum of understanding (MOU) with County

Staff anticipates that Annexation Boundary Option 1 – South Santa Rosa would generally take the same amount of time as the Roseland process, while Option 2 – All Santa Rosa - could potentially take one additional year due to the larger area to be analyzed and the additional community outreach that would be necessary.

Both scenarios would include the preparation of a Specific Plan for the 2010 area, which would be processed concurrently with the annexation, as was done for the Roseland Annexation and Specific Plan. No additional time is needed to prepare the Specific Plan as the work would be performed concurrent with the analysis and engagement efforts needed to support the annexation process and plan for services.

It should be noted that taking up a City-initiated annexation effort at this time – either boundary – will have both an immediate and long-term impact to the City’s Work Plan. Roseland Annexation was prioritized as an “all hands effort” for 3.5 years, so staff resources and budget were consistently and deliberately assigned to complete the task.

Should the City Council direct staff to prepare a work plan and budget at this time, staff would pivot from current efforts outlined in the City’s 2022-2023 Work Plan to accommodate the effort. Staff time allocated to the preparation of a work plan and budget may impact/delay other items – some of which rely on resources that are time sensitive such as those funded by the American Rescue Plan Act (ARPA). It should also be noted that a project of this scale would span 3 years, thus needing it to be prioritized and accounted for through future Council Work Plans 2023-2024, 2024-2025 and 2025-2026.

Cost Estimate:

At this time, based on early review, it appears that the cost of annexation of either boundary option, as well as staff time for processing and analyses, would be significantly higher than the budget set aside for the Roseland Annexation. Should the Council direct staff to proceed with annexation, a detailed work plan and cost estimate would be prepared for the Council’s consideration and acceptance, along with options for funding the process. The following summary includes a cost analysis of the Roseland Annexation, followed by current summaries by City Departments on what can be expected with a City-initiated annexation at this time, under either boundary option.

Below is a summary of the work plan tasks, and associated staff and consultant hours and cost, from the Roseland Area Annexation effort, which is being provided as an

SANTA ROSA ANNEXATION OPPORTUNITIES
PAGE 14 OF 21

example. It should be noted that the Roseland Annexation area included 713 acres; far less acres than either Option 1 or 2 in this report. The chart below shows two phases to the annexation effort:

Phase	Roseland Area Annexation Work Plan Task	Hours	Staff Cost	Consultant Cost	LAFCO Application Cost
1	TASK 1: Establish staff management team; hire consultant resources.	92	\$8,317		
	TASK 2: Prepare revenue and cost estimates for services; coordinate findings with City department staff.	300	\$22,522	\$150,000	
	TASK 3: Prepare service plans and cost estimates for provision of City services.	2,840	\$197,136	\$54,000	
	TASK 4: Prepare estimate of needed capital improvements.	1,219	\$90,912		
	TASK 5: Gauge support for annexation.	286	\$20,310	\$50,000	
	TASK 6: Present findings to the City Council.	138	\$11,110		
	Phase 1 Sub-Total	4,875	\$350,307	\$254,000	
2	TASK 7: Establish the annexation boundary.	76	\$6,670	\$35,000	
	TASK 8: Prepare plan for services.	410	\$32,266	\$40,000	
	TASK 9: Complete the annexation process.	180	\$13,704		\$15,000
	Phase 2 Sub-Total	666	\$52,640	\$75,000	\$15,000
	Total (Phases 1 and 2)	5,541	\$402,947	\$329,000	\$15,000

With both the Roseland Area Annexation phases, plus the cost of a full-time Senior Planner to manage the process for 3 years (\$420,000), along with 50% of an Assistant City Manager for 2 years (\$237,000), and a contingency budget (\$50,000), the total budget for the Roseland analysis came to \$1.4 million. This funding was allocated out of the City's General Fund.

What was not included in the \$1.4 million was the cost of the associated Specific Plan and EIR, which was paid for through a grant from the Metropolitan Transportation Commission/Association of Bay Area Governments (MTC/ABAG). The Specific Plan was approximately \$447,000 and the EIR was approximately \$200,000. When added to the work plan budget, the overall cost for the Roseland Area Annexation and Specific Plan process was approximately \$2 million.

City staff has completed a high-level, preliminary review of the potential staff and consultant costs for annexation in Options 1 and 2. While specific budget estimates have not yet been prepared, given the City's knowledge following completion of the Roseland Area Annexation, and given that both options are significantly larger areas than Roseland (Option 1 is 691 acres larger, and Option 2 is 2,934 acres larger), staff anticipates the cost to complete either option to exceed the approximately \$2 million that was budgeted for Roseland. In addition, given the size and complexity of annexing all of the unincorporated areas with the City's UGB (Option 2), it is likely that such a process would require a larger budget than the process to annex only south Santa Rosa (Option 1).

Below are some current considerations for cost analysis of the two options, by City Department, considering what was budgeted for Roseland:

1. Project Management

As noted above, the Roseland Area Annexation budget included the cost of one full-time Senior Planner and one half-time Assistant City Manager to manage the project. Executive oversight was found to be needed during the preparation of the analysis of the annexation budget impacts, during the cost-sharing discussions between the City and County, in the preparation and presentation of workplan findings to the City Council, and in a high-level management of the process. One full-time Senior Planner was budgeted to manage the day-to-day process of both the Annexation and Specific Plan over the 3.5 year period.

It is anticipated that a similar budget for staffing would be needed to manage the processing of annexing Options 1 and 2, although the timeframe for Option 2 would likely be longer, necessitating additional budget, as noted in the Time Estimate section of this report.

2. Finance

The cost estimates relative to the Roseland Annexation would likely be consistent with what the Finance Department would expect for either Option 1 or 2, even with the larger acreage for each. Finance will rely on the other City departments to identify needs and associated costs, and staff would work with consultants to develop revenue estimates for sales tax, revenue projections and cost/benefit analyses. The cost for this analysis would likely be the same for either option.

It should be noted, there will likely be a significant amount of additional resources needed to carry out either annexation option, and the City does not currently have the capacity to pay for those resources. Current staff workload and workplans would also need to be considered. The City Council will need to address the potential costs as they relate to balancing the City's overall budget. Some costs may be mitigated by funding provided through other sources,

including potential assistance from the County and potential grant opportunities, but those sources would be temporary and would not cover all of the necessary costs.

3. Police

The Police Department analysis would include a review of the calls for service from both the Sonoma County Sheriff's Department and the California Highway Patrol. Currently, the Sonoma County Sheriff's Department is responsible for criminal complaints and pro-active policing in the unincorporated areas and the California Highway Patrol is responsible for traffic complaints and collision investigations.

Following the annexation of the Roseland community, the Santa Rosa Police Department recorded a 10% increase in police related responses to the area compared to the previous year when the area was still within the jurisdiction of the Sonoma County Sheriff's Department. This increase in police services was higher than projected and strained the ability of Santa Rosa's Police Department to provide an enhanced level of service.

The Police Department is committed to creating an atmosphere of neighborhood-oriented policing and prioritizing community policing strategies which will be a significant investment for these neighborhoods. It is an expectation that Santa Rosa Police Officers will be pro-actively serving in these neighborhoods to ensure a safe and vibrant community for all. This engaged level of policing requires the appropriate staffing to be able achieve this enhanced model of service.

Option 1 will require at least one additional police beat to be created and staffed 24/7 and Option 2 will require an adjustment of the City-wide police minimum staffing requirements. A detailed review of the current nine patrol beats would be required through an analysis of the Emergency Service Zones (ESZ). Additional assessments will be required to analyze the impacts to the 911 Dispatch Center, the records bureau, and the investigation teams which will all exceed their current capacity. Each of these staff additions will also impact training costs, purchases of additional patrol vehicles and staff equipment, and infrastructure expansions to properly accommodate the new staff positions.

4. Fire

From a strategic perspective, any of the options will increase the needs of the Fire Department from an operational and fire prevention perspective. For Option 1 - South Santa Rosa - the City may need to expedite the construction of Fire Station 9 and add nine full-time equivalent employees (FTE) to staff that station. Additionally, the City may need to add two FTE Fire Inspectors (at minimum) to absorb the fire inspection and fire prevention volume. For Option 2 (All Santa

Rosa), there are no additional operational needs other than those stated for Option 1. However, the City may need to add an additional two FTE Fire Inspectors to absorb the fire inspection and fire prevention volume to serve the additional area.

Operationally, there is a closest available resource deployment model, which means that there are occasions Santa Rosa Fire is the first due unit into responses in the unincorporated areas. There are times that the AHJ (Sonoma County Fire District) is closer and handles the response. From a Fire Prevention perspective, we do not currently provide service into the unincorporated areas, which is the reasoning behind having to add significant Fire Prevention staffing.

Ultimately, annexation would include detachment from the Sonoma County Fire District (formerly Rincon Valley Fire Protection District) and North Bay Fire District (formerly CSA 40).

Based on increases in employee costs and the larger size of the potential annexations, the costs associated with studying needs would be approximately \$20,000, plus an additional \$20,000 to assess the specific needs related to Fire Station 9.

5. Transportation and Public Works

The annexation analysis for Transportation and Public Works (TPW) would include reviewing general services provided in the area, including street improvement and transit needs. TPW would also oversee the preparation of the necessary annexation maps and legal description required for the LAFCO application, as well as the plan for services for upgrades of structures, roads, and sewer and water facilities.

Staff anticipates that additional budget, beyond what was allocated for the Roseland Area Annexation, would be needed for either Option 1 or 2. Following Roseland, it was found that the costs associated with the TPW analysis was actually more than anticipated, partially due to the information that was shared from the County related to the pavement conditions index (PCI), which is rated differently in the County than it is in the City. With the larger annexation areas, it will likely cost more to analyze the condition of the existing infrastructure. In addition, the City would need to analyze and determine potential new transit routes and incorporate those into existing services.

6. Water

The annexation analysis for Santa Rosa Water would include reviewing the South Park County Sanitation District (South Park) agreement between the City of Santa Rosa and the County of Sonoma regarding the transfer of South Park from the County to the City, reviewing the ability to provide water and sewer

service to the annexation areas if residents wish to extend service, and understanding the condition of storm drain infrastructure within the annexation areas. In addition, Santa Rosa Water would need to review Federal Emergency Management Agency (FEMA) flood maps and potential impacts to storm drain infrastructure.

Similar to TPW, Santa Rosa Water staff anticipates that significant additional budget, beyond what was allocated for the Roseland Area Annexation, would be needed for either Option 1 or 2. Following Roseland, it was found that the storm drain infrastructure condition was poorly understood, and improvements were inadequately identified as there was little information regarding the current condition of the storm drain infrastructure.

To better understand the storm drain infrastructure for either Option 1 or 2, it is recommended that condition assessments of the existing storm drain infrastructure be conducted prior to annexation to understand the costs of necessary upgrades, extensions, and ongoing maintenance. Specifically for Option 1, per FEMA flood maps and public information, Santa Rosa Avenue between Todd Creek/Hunter Creek and Wilfred Channel is known to have flooding issues, with little to no storm drain infrastructure. Options for addressing this issue will need to be explored. Specifically for Option 2, providing water and/or sewer services to those in the northern and eastern annexation areas that wish to connect to the City's system could prove challenging due to the topography.

7. Planning and Economic Development

The Roseland Area Annexation workplan included limited staff resources for the analysis of economic development and no resources towards code enforcement. Analysis is needed to assess infrastructure needs, and workforce and business development opportunities in relation to the General Plan/any future Specific Plan to best advance business expansion and attraction in the area. Given the potential for economic growth based on land availability and land use type in the south Santa Rosa area, additional budget beyond what was allocated for Roseland would be needed for either Option 1 or 2.

To strategically integrate City services with the newly incorporated area, an integrated land use and infrastructure plan is needed to plan for and support new development and would actively engage new community members within the City. A Specific Plan streamlines the planning and engagement process and its corresponding EIR will streamline development and public improvements consistent with that Plan.

The annexation of either boundary option, however, would offer the potential for economic and community growth, especially in south Santa Rosa, which would assist in the implementation of the City's General Plan. More analysis would be

needed to identify just how much economic, or housing growth is reasonably achievable in balance with infrastructure and community health.

8. Housing

Similar to economic development, limited staff resources were budgeted for the assessment of mobile home rental control and management of new rental assistance vouchers in the Roseland Area Annexation. Additional budget would be needed for this analysis for either Option 1 or 2, and it is likely that the larger the annexation area, the more budget would be needed. Further, there are more mobile home parks in the two potential options than are located in Roseland, in addition to new housing programs that would add complexities to the analysis, which would also increase budget needs.

For rental assistance, including Section 8/Housing Choice Vouchers (HCV) it was a relatively straightforward request for the Roseland Annexation to have the County provide the addresses receiving HCV within a distinct boundary. For the larger Option 2, with multiple County islands, those would be separate searches, and if the boundaries are more complex (e.g., one side of the street is already within City-limits, but the other side is proposed annexation) that will take more staff time to go through addresses one by one. Housing also has multiple voucher types with specific memorandums of understanding regarding administration across boundaries, and the vouchers will need to be verified. If it is a type of subsidy that the County already administers across jurisdictions, it will not need to transfer to the City, which would also add time to the analysis.

For mobile home parks, Option 1 has approximately 10 parks, and there do not appear to be additional parks located within the boundaries of Option 2. The mobile home estimates from Roseland Annexation were for one park, so the costs would increase for either option.

Additional funding for homeless services may be needed to expand the scope of services necessary for a larger municipal population and geographic area.

9. Parks

The annexation analysis for Parks would include evaluating existing park acreage, medians and back-on landscaping, as well as the cost of improving new parks/facilities and annual operation and maintenance costs. It is likely that the budget provided for similar work in Roseland would be sufficient if Option 1 is selected as the annexation boundary, but only if a specific plan is prepared concurrently to provide additional needed data to staff. Specifically, unlike Roseland where the City already operated, maintained and managed all the parks prior to annexation, the area in south Santa Rosa does not have any City maintained parks, and additional data would be needed. The City would also be adding on one new property, Andy's Unity Park, and would need to address the

maintenance budget to maintain the type of park the County developed and negotiated.

For Option 2, there are not as many additional issues/needs because the City is currently going through a thorough update of the General Plan for parks, and issues will be addressed through that process for the County islands and other under-parked areas within the City limits.

One additional item of note that could increase the necessary budget for Parks review is the roadway landscaping and low-impact development (LID) features that may transfer to Parks for maintenance with either option.

FISCAL IMPACT

There is no fiscal impact related to this item at this time. No further action or analysis will be taken by staff unless directed to do so. Should the Council direct to move forward with a City-initiated annexation process at this time, City staff will prepare a work plan and cost estimates for review and adoption by the Council. As for potential funding of the effort, the City is not in possession of any grants towards this effort and there are no assigned City funds allocated to the effort.

ENVIRONMENTAL IMPACT

This item is a study session to discuss the potential options of annexation of unincorporated County areas within the City's UGB, and as such is not a project pursuant to the California Environmental Quality Act (CEQA) Section 15378. Should the Council provide direction on development of a workplan and cost estimates for a future annexation, the annexation process would include necessary environmental analysis as required by CEQA.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Notification for a Council study session is not required. Should Council direct staff to proceed with annexation and preparation of a work plan, community engagement, which will include outreach to all properties within the boundary to gauge sentiment for annexation, will be included in the work plan.

ATTACHMENTS

- Attachment 1 – Santa Rosa City Limits and UGB Map
- Attachment 2 – Santa Rosa Annexation Option Maps

- Attachment 3 – 80% or Less of State Median Income by Tract Map

CONTACT

Clare Hartman, Director
Planning and Economic Development Department
(707) 543-3185
CHartman@srcity.org