

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: ANTHONY GOSSNER, FIRE CHIEF
ALAN ALTON, ACTING CHIEF FINANCIAL OFFICER
SUBJECT: APPROVE REQUEST TO REVISE THE LOCAL AGENCY
FORMATION COMMISSION ROSELAND ANNEXATION
RESOLUTION TO CALL FOR DISSOLUTION OF THE
ROSELAND FIRE PROTECTION DISTRICT

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by the Fire Department and the Finance Department that the Council, by motion, approve the proposal for revision to the Roseland Annexation Resolution to call for the dissolution of the Roseland Fire Protection District.

EXECUTIVE SUMMARY

Sonoma County (the "County") is requesting that the Sonoma County Local Agency Formation Commission ("LAFCO") amend its Resolution approving the Roseland Area Annexation to call for the dissolution of the Roseland Fire Protection District ("Roseland Fire District") instead of pursuing its reorganization as a subsidiary district of the City of Santa Rosa (the "City"). The dissolution of the Roseland Fire District is necessary to avoid changes to property tax allocations that would be inconsistent with the financial analysis and intent underpinning the Roseland Area Pre-Annexation Agreement entered into by and between the County and the City on November 29, 2016.

BACKGROUND

On November 29, 2016, pursuant to City Council Resolution No. 28886, the Council approved the Roseland Area Pre-Annexation Agreement with the County and adopted a resolution of application to submit to LAFCO. The City submitted the resolution of application for annexation of the Roseland Area to LAFCO. The Roseland Area Annexation was approved by LAFCO on August 2, 2017, pursuant to LAFCO Resolution No. 2676, which resolution called for the Roseland Fire District to be reorganized as a subsidiary district of the City within one year following the effective date of the annexation. The Roseland Annexation became effective as of November 1, 2017.

It was subsequently discovered that reorganization and dissolution of the Roseland Fire District was necessary to avoid changing the tax allocations within the Roseland Annexation Area in a manner inconsistent with the existing Master Tax Exchange Agreement with the County, and further necessary to comply with the limitation that subsidiary districts have at least 70% of their territory within the jurisdictional boundary of the controlling agency. The dissolution of the Roseland Fire District will result in those areas within the City boundaries to fall under the jurisdiction of Santa Rosa Fire and those areas outside the City will be attached to the Rincon Valley Fire Protection District.

PRIOR CITY COUNCIL REVIEW

On April 1, 2014, the Council adopted a resolution authorizing staff to proceed and appropriating funds for Phase 1 of a work plan for the Roseland Annexation.

On November 29, 2016, the Council approved the Roseland Area Pre-Annexation Agreement with the County and adopted a resolution of application to submit to LAFCO.

ANALYSIS

After many years of effort by City and County staff and elected officials, the annexation of the Roseland Area, formerly a large County island surrounded by City territory, became effective on November 1, 2017. Initially, it was anticipated that the Roseland Fire District, which lies both within the boundaries of the Roseland Annexation Area and also partly outside of the City and the Urban Growth Boundary, would be dissolved. During the Roseland Annexation application process, however, it was determined that reorganization of the Roseland Fire District to a subsidiary district of the City would be more beneficial, since the area would likely be served by the Santa Rosa Fire Department. The LAFCO resolution approving the Roseland Area Annexation (LAFCO Resolution No. 2676) calls for the reorganization of the Roseland Fire District to a subsidiary district of the City of Santa Rosa within one year after the effective date of the Roseland Area Annexation.

Subsequently, it was discovered that the reorganization of the Roseland Fire District as a Santa Rosa subsidiary district would (1) change the tax allocation for the Roseland Annexation Area such that it would be inconsistent with the Pre-Annexation Agreement entered into between the County and the City and would result in a windfall for the City, and (2) failed to meet the legally required threshold of at least 70% of the district being located within the City's boundaries. In order to address these issues, the County will be requesting that LAFCO approve an amendment to the Roseland Area Annexation to call for a dissolution of the Roseland Fire District. The areas of the Roseland Fire District located within the City's boundaries would simply become part of the City territory served by the Santa Rosa Fire Department. The areas outside of the City would be attached to the Rincon Valley Fire Protection District. The City would retain the remaining assets of the Roseland Fire District, property tax revenue from the parcels within the City would accrue to the City, and those of the outside area would accrue to the Rincon Valley Fire Protection District. The Santa Rosa Fire Department will continue to provide service to the outside area under mutual aid agreement and

would continue to work with Rincon Valley Fire Protection District to address ongoing issues.

If the Council moves to support this item, staff would send a letter supporting revisions to the LAFCO Roseland Annexation Resolution to call for dissolution of the Roseland Fire District in substantially the form attached at Attachment 4.

FISCAL IMPACT

This change would allow the tax allocations to be reported consistent with the existing Master Tax Agreements with the County and would not change the required payment under the Pre-Annexation Agreement.

ENVIRONMENTAL IMPACT

Approval of the Pre-Annexation Agreement and adoption of the Resolution of Application for Annexation were included in the Final Environmental Impact Report for the Roseland Area/Sebastopol Road Specific Plan and Roseland Area Annexation, certified by the City Council on October 18, 2016 (Final EIR). This action is wholly within the scope of the issues analyzed by the Final EIR and further would be exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

It is recommended by the Fire Department and the Finance Department that the Council, by motion, approve the proposal for revision to the Roseland Annexation Resolution to call for the dissolution of the Roseland Fire Protection District.

NOTIFICATION

City staff have notified the County and LAFCO staff about this Council item.

ATTACHMENTS

- Attachment 1 – Council Resolution No. 28886
- Attachment 2 – LAFCO Resolution No. 2676
- Attachment 3 – Letter from CA Cheryl Bratton, County of Sonoma
- Attachment 4 – Proposed revisions to the LAFCO Roseland Area Annexation Resolution with City staff revisions.

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