

# San Rafael Area Municipal Service Review & Sphere of Influence Update

Prepared by Marin LAFCo



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## **ABOUT LAFCO**

### **Authority and Objectives**

Local Agency Formation Commissions (LAFCos) were established in 1963 and are considered regional subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCo’s authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) with principal oversight provided by the Assembly Committee on Local Government.

### **Regulatory Responsibilities**

LAFCos’ principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities and most special districts. CKH defines “special district” to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCo oversight, with the following exceptions: school districts, community college districts, assessment districts, improvement districts, community facilities districts, and air pollution control districts. LAFCos are also tasked with overseeing the approval process for cities, towns, and special districts to provide new or extended services beyond their jurisdictional boundaries by contracts, agreements, or annexation. LAFCos also oversee special district actions to either activate new service functions and service classes or divest existing services. LAFCos generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH also authorize and encourage LAFCos to initiate jurisdictional changes to form, consolidate, and dissolve special districts consistent with community needs.

### **Planning Responsibilities**

LAFCos inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence (SOI) determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCos since 1971 and effectively serve as the Legislature’s version of “urban growth boundaries” with regard to cumulatively delineating the appropriate interface between urban and non-urban uses within each county.

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Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and are intended to inform, among other activities, sphere determinations. The Legislature mandates, notably, that all sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCoS are effectively aligning governmental services with current and anticipated community needs.

### Sphere of Influence

Since 1972, LAFCoS in California have been responsible for determining and overseeing the sphere of influence for local government agencies. An SOI is defined as “a plan for probable physical boundaries and service area of a local agency, as determined by the Commission.” Consistent with Commission SOI policies, an SOI can be: a) coterminous to agency boundaries as the ultimate foreseen configuration of the agency in anticipation of no future growth, b) extended beyond the agency boundaries in anticipation of future growth, c) be smaller, indicating the need to detach areas from the agency boundaries, d) be designated a “zero sphere”, which indicates a potential dissolution of the agency, or e) sphere of influence “in common” to designate two or more contiguous single-service special districts that the Commission believes should be combined through consolidation or another reorganization process. In order to amend the sphere of influence boundaries, formal approval from the Commission is required. Factors considered in an SOI include current and future land use, capacity needs, and any relevant areas of interest, such as geographical terrain, location, and any other aspects that would influence the level of service.

Per Government Code Section 56425, an SOI shall consider and prepare a written statement of its determinations of the following factors:

1. Present and planned land use in the area, including agricultural and open space lands;
2. Present and probable need for public facilities and services in the area;
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or

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structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The purpose of an SOI is to ensure efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services. On a regional level, LAFCo considers the orderly development of a community by reconciling differences between different agency plans. This is intended to ensure that the most efficient urban service arrangements are created for the benefit of area residents and property owners.

### Disadvantaged Unincorporated Communities

As part of the municipal service review (MSR) process, Marin LAFCo considers the impact of the SOI related to disadvantaged unincorporated communities. A disadvantaged unincorporated community (DUC) is defined by Government Code Section 56033.5 as an area of inhabited territory located within an unincorporated area of a county within a “disadvantaged community”. A disadvantaged community is defined in Water Code Section 79505.5(a) as a community with an annual median household income that is less than 80 percent of the statewide median household income. Government Code Section 56046 defines “inhabited” as territory within which there are 12 or more registered voters.

Marin LAFCo designated the DUCs in the County using 2019 – 2023 American Community Survey Census data, meaning any unincorporated area wherein the median household income is less than \$94,480.

### Sphere of Influence Updates and LAFCo Policy

From time to time, an SOI may be modified as determined by LAFCo; the procedures for making sphere amendments are outlined in CKH, and in some cases, further refined by a commission’s own guidelines. Pursuant to Government Code Section 56430, a commission must first conduct a municipal services review prior to updating or amending an SOI. Marin LAFCo has adopted sphere of influence policies, which provide a framework for SOI updates to be considered after an MSR is completed. The policies define four types of SOIs for cities and special Districts:

1. **Larger or Smaller Sphere of Influence:** Such a designation will be accompanied by a map showing the agency’s present boundary. The areas between the present and planned boundaries define the territory in which Marin LAFCo anticipates the territory to be annexed or detached.

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2. **Coterminous sphere of influence:** This designation indicates that Marin LAFCo does not anticipate any change to the agency's boundary (annexations or detachments) or organization (consolidation, dissolution) in the next 5-10 years.
3. **Zero Sphere of Influence:** This designation indicates Marin LAFCo's determination that, after consideration of all factors in Government Code 56425, that the agency should cease to exist and that its public service responsibilities should be reallocated to another unit of local government through consolidation, dissolution, or establishment as a subsidiary district. This designation encompasses no territory.
4. **Sphere of Influence In Common:** Where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated a sphere of influence in common to include the areas served by both districts. This designation may be assigned where Marin LAFCo believes that the particular service would be most efficiently provided to multiple communities by a single special district. This designation indicates Marin LAFCo's determination that two or more districts should be combined through a consolidation or reorganization process.

The spheres for each of the agencies involved in this study are analyzed and discussed within each agency's profile.

### Municipal Service Review Requirements

Section 56425(g) of CKH requires that LAFCos evaluate a given SOI every five years, as necessary; the vehicle for doing this is known as a Municipal Service Review (MSR). Prior to or in conjunction with SOI reviews, an MSR must be prepared pursuant to Government Code section 56430. MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. Pursuant to Government Code Section 56430, MSRs are to make determinations considering the seven required topics based on CKH. These seven areas include:

1. Growth and population projections for the affected area;
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s);
3. Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure needs, or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged

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unincorporated communities within or contiguous to the sphere of influence;

4. Financial ability of agencies to provide services;
5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including government structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.

The focus of an MSR is to describe how public services are being carried out and to determine if the residents of the community are receiving the highest level of service possible, while also discouraging urban sprawl and the premature conversion of agricultural lands. If an MSR determines that certain services are not being carried out to an adequate standard, LAFCo can recommend changes such as sphere changes, as well as consolidation or dissolution of service providers to provide the best service possible to the population.

## LAFCo Decision Making

LAFCo decisions are legislative in nature and, therefore, are not subject to an outside appeal process; only courts can overturn LAFCo decisions. LAFCos also have broad powers with respect to conditioning regulatory and planning approvals, so long as not establishing any terms that directly affect land use density or intensity, property development, or subdivision requirements.

LAFCos are generally governed by a board comprised of county supervisors, city council members, independent special district members<sup>1</sup>, and representatives of the general public, with an alternate member for each category. Marin LAFCo is governed by a 7-member board comprising of two county supervisors, two city council members, two independent special district members, one representative of the general public, and an alternate member for each category. All members serve four-year terms and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCo members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCos are independent of local government with their own staff. All LAFCos, nevertheless, must appoint their own Executive Officers to manage agency activities and

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<sup>1</sup> Just over 50% of LAFCos have special district members on the Commission, while the remaining do not.

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provide written recommendations on all regulatory and planning actions before the Commission. In addition, all LAFCoS must also appoint their own legal counsel.

## Marin LAFCo

*Table 1 Marin LAFCo Commissioners and Staff*

### Regular Commissioners

Barbara Coler (Chair)	City Member
Dennis Rodoni (Vice-Chair)	County Member
Lew Kious	Special District Member
Steve Burdo	City Member
Eric Lucan	County Member
Craig Murray	Special District Member
Larry Chu	Public Member

### Alternate Commissioners

Stefanie Moulton-Peters	County Member
Cathryn Hilliard	Special District Member
Roger Smith	Public Member
Rachel Farac	City Member

### Staff

Jason Fried	Executive Officer
Jeren Batchelder-Seibel	Deputy Executive Officer
Claire Devereux	Clerk/Jr. Analyst
Mala Subramanian	Legal Counsel

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### Contact Information

Marin LAFCo's office is located at 1401 Los Gamos Drive, Suite 220, in the City of San Rafael. The LAFCo office is open for drop-ins during regular business hours on Wednesdays, and open by appointment on Mondays, Tuesdays, Thursdays, and Fridays to discuss proposals or other matters, and can be scheduled by calling (415)-448-5877, or by emailing [staff@marinlafco.org](mailto:staff@marinlafco.org). Additional information is also available online by visiting [marinlafco.org](http://marinlafco.org).

## MSR AND SPHERE STUDY

### Overview

This report represents Marin LAFCo's scheduled municipal service review for the City of San Rafael (City) and the Marinwood Community Services District (MCSD), located on the eastern side of Marin County's central Highway 101 Corridor. The report has been prepared by staff consistent with the requirements of the CKH Act. The purpose of this report is to produce an independent assessment of the municipal services in this area over the past five years relative to the Commission's regional growth management duties and responsibilities as established by the State Legislature. This includes evaluating the current and future relationship between the availability, demand, and adequacy of municipal services within the service areas of each of the agencies, as subject to the Commission's oversight. The information generated as part of this report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

The period for collecting data to inform the Commission's analysis and related projections on population growth and service demands has been set to cover any major updates and changes since the last time the MSR was conducted in 2019. The financial analysis has been set to cover the last five-year audited fiscal year period. The timeframe for the report has been generally oriented to cover the next five to six-year period, with the former serving as the analysis anchor.

The document outline serves to inform all the state-mandated requirements in government code sections 56430 and 56425. Written determinations for each agency have been included within their respective agency profile.

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#### **Methodology**

Marin LAFCo worked with staff from each of the included agencies throughout this MSR. Key tasks and activities in completing this MSR include data collection, interviews with agency staff, agency profile development, determination analysis, public review of the MSR, and adoption of the final MSR.

#### **Data Collection**

To fully understand key factors and current issues involving the agencies, Marin LAFCo staff conducted initial interviews with agency staff members to establish the project scope and formalize the overall MSR objectives, schedules, policy and fiscal criteria, service standards, and roles and responsibilities. The MSR began with a complete and thorough review of available data and documents, including adopted budgets, comprehensive financial reports, capital improvement plans, strategic plans, and the General Plan. These documents were assessed to develop a comprehensive overview of the agencies. In addition, various reports and documents were utilized from the Association of Bay Area Governments (ABAG), the California Department of Finance, the California Department of Tax and Fee Administration, the California State Auditor, the United States Census Bureau, and ESRI.

#### **Agency Profiles**

Following interviews and data collection, Marin LAFCo staff developed agency profiles based on the criteria noted previously and required for the completion of the MSR per CKH. The profiles include key characteristics such as services offered, staffing levels, population growth, service providers, infrastructure, financial condition, boundary/sphere of influence areas, and other related maps.

## **KEY FINDINGS/RECOMMENDATIONS**

The following items represent Marin LAFCo staff’s primary findings and subsequent recommendations as a result of this municipal service review. Following each item is a “Status Update”. The status updates are provided to add additional context for the reader as to whether that item is something new that this study produced, or if it was an item that was mentioned in the previous instance of these agencies receiving reviews.

- 1) Marin LAFCo recommends that Flood Control Zone 6 within the Marin County Flood Control and Water Conservation District be dissolved and all of the zone’s assets and responsibilities be transferred to the City of San Rafael.**

Since the last MSR, the District and City staff have agreed on terms for the transfer of Zone 6 to the City; however, the Zone 6 Advisory Board is yet to endorse them. Measures should be included to ensure all current and future funds are properly transferred to the City and that the City has measures in place to ensure that all of those funds are strictly allocated for services within Flood Zone 6. Having said that, the District (until transfer of services is completed), City, and Advisory Board should discuss, as needed, when projects fall outside the boundary of the zone, but will help deal with flood control issues within the boundary. It could be prudent to use some funds on these types of projects if they end up benefiting and supporting the system that Zone 6 is responsible for. While LAFCos have the authority to perform an MSR for flood control districts, they do not have oversight of the formation, change to, or elimination of individual zones within them. However, if requested by both the District and City, LAFCo staff can assist with this process.

The Advisory Board for Zone 6 held a public meeting on July 16<sup>th</sup>, 2025, to discuss the possibility of the transfer. The Advisory Board expressed concerns that should be reviewed by the District and City staff to determine if they can be met and how to proceed. Their concerns included ensuring that ongoing Zone 6 revenue continues to be set aside for local drainage purposes within its boundaries, and a citizens' advisory committee continues to guide that work.

In addition to the District and City, staff should coordinate with the Sonoma-Marín Area Rail Transit (SMART) staff. Currently, SMART runs its own programs to ensure the safety of the rail line that runs through the Zone 6 area. Similar to the discussion above about District funds being used for projects just outside of its boundary, SMART may get similar benefits by working with Zone 6 to help use some of its funds outside of its direct efforts, as it may be possible to help divert water earlier in the system, so the rail line is better protected. For example, in 2019, an Advisory Board member for Zone 6 pointed out that SMART

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modifications in the area may have impacted drainage and erosion patterns in some parts of the zone. County and City staff have worked with SMART staff, but more collaboration may be needed by SMART when performing work in this zone to ensure work done by any group does not impact the efforts of the others. A memorandum of understanding (MOU) between the three groups would help facilitate this.

**Status Update:** In the 2019 San Rafael Area MSR, Marin LAFCo made this recommendation. Since the last MSR, both the City and the District have worked out details but have yet to finalize a deal. In June 2025, the citizens advisory committee for Flood Control Zone 6 expressed issues that Marin LAFCo would like to see addressed. The creation of a designated restricted special fund within the City's budget solely for Flood Zone 6 activities would show a good faith effort by the City to help alleviate a large portion of the advisory committee's issues. The City and District should look to see if those items can be addressed before finalizing the transfer of services.

- 2) Marin LAFCo recommends that a concerted effort be made towards the formal consolidation of the Marinwood Community Services District's provision of fire and emergency medical services to the City of San Rafael. Over the course of this study window, the district averaged over 60% of its calls for service within the jurisdictional boundary of the City of San Rafael, with an average of just over 20% of the calls for service in that time to areas within its own jurisdictional boundary. The agreements for shared services between the two agencies have been in place for what is nearing fifty years now, and in that time have continued to evolve to meet the growing needs of the community within the district, as well as the surrounding areas of both north San Rafael, CSA 13, and southern Novato.

With the San Rafael Fire Chief serving as the de facto chief for the City, Marinwood CSD, CSA 19, and CSA 13, in many ways, the City is already functionally the fire service provider for the entire study area. While the current arrangements have been successful, continued sustainability should be addressed through the consideration of long-term agency reorganization options. The combination of the district's difficulties in staffing and employee retention, the cost of service provision anticipated to continue to rise in the foreseeable future, and the necessitation of expanded service levels due to probable new developments both in the District and the surrounding area that it serves, the District's ability to provide these services at or exceeding their current levels into the future could become unsustainable.

**Status Update:** Shortly after the 2019 San Rafael Area MSR was completed, LAFCo, the City, and MCSD had some discussion about formally consolidating services, but after review, not all parties were interested in continuing discussions, so they stopped. In 2025, both sides

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reengaged in discussion on ways to help Marinwood deal with staffing issues. As part of those discussions, LAFCo staff mentioned the full consolidation of fire services. All sides said they would be willing to review this issue once the staffing issues were addressed. LAFCo recommends and is happy to facilitate further discussions as soon as possible between the City and the District, as well as with the Marin County Supervisor for District 1, where both jurisdictions are located.

- 3) Marin LAFCo recommends that after further review of recommendation 2, should it be deemed by one or both parties that there is no feasible path forward towards the consolidation of Marinwood Community Services District's fire protection and emergency response service to the City of San Rafael, Marinwood CSD should seek alternative regional partners for the consolidation of this service. Should an alternative partner be identified, a feasibility study by a private consulting firm would aid in identifying the most suitable path forward for the District.

Status Update: This is a new recommendation.

- 4) A housing development permit for a new development at 1501 Lucas Valley Road has recently been approved by the County of Marin (though the application to subdivide the property into 36 residential lots is still subject to a discretionary approval). The parcel (APN 164-280-35) is 60 total acres with only 7.5 acres approved for development, and has a contiguous southern boundary with an area of the City of San Rafael's jurisdictional boundary and sphere of influence. The parcel is in unincorporated territory and is currently within Marin County Service Area No. 31. It also shares a contiguous northern boundary area with the jurisdictional boundary of Marin County Service Area No. 13, to which the Marinwood CSD provides fire protection and emergency response services. As this development progresses, discussions will need to be held to determine which agency will ultimately provide services to this area, in particular, fire protection and emergency response services. At this time Marin LAFCo recommends that each of the agencies that could be impacted by this including the City of San Rafael, the County of Marin (acting on behalf of both CSAs 13 and 31), and the Marinwood CSD work proactively in collaboration with one another to outline the organized service delivery to this area that makes the most sense for all agencies involved. Should this parcel be moved from CSA 31 to one of the other agencies, then an application to amend both boundaries and SOI would be needed. Marin LAFCo has determined that each of them have the capacity to service this new development.

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Status Update: This is a new recommendation

- 5) While the proposed Senate Bill 777, which would define an abandoned endowment care cemetery and make conforming changes, has been amended to relieve immediate concerns for the City of San Rafael and County of Marin and their relationship to the Mount Tamalpais Cemetery, Marin LAFCo recommends that the City and County take a proactive role to ensure they maintain an active voice in the planned stakeholder working group that the bill would convene should it be approved and signed into law.

Status Update: This is a new recommendation

- 6) Based on the State Legislature desire that “islands” be removed when possible to ensure efficient service deliver Marin LAFCo recommends that the City of San Rafael continue, whenever feasible, to encourage the annexation of the numerous unincorporated islands throughout the City’s boundaries in order to enable a more organized and equitable delivery of services to those areas. While Marin LAFCo encourages unincorporated island annexations to cities/towns when there is resident interest, the Commission will not attempt to push an annexation that has the majority of people opposed within the community.

Status Update: In the 2019 San Rafael MSR, Marin LAFCo stated that we would not move an island annexation without the support of the residents of the island. Unfortunately, none of the islands at that time were in support of annexation.

- 7) Along the border of the City of San Rafael and the Town of San Anselmo, a number of parcels are split, putting areas of each parcel into both jurisdictions, which can cause confusion in service delivery as well as present possible issues with taxation and elections. In the coming months, Marin LAFCo staff will work with staff from both the City of San Rafael and the Town of San Anselmo to try to rectify any possible mapping issues that are currently presenting themselves in this area and get confirmation on which jurisdiction is providing the services, receiving taxation, and allowing for participation in local elections for each parcel in question. In addition, in some of the unincorporated islands, homes may be on multiple parcels, some of which are split between the City and unincorporated Marin County. A review should be done to determine which parcels these are and how to adjust boundaries, so homes are not split between both jurisdictions.

Status Update: This is a new recommendation

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- 8) Within its website, the County of Marin has created a page<sup>2</sup> specifically dedicated to the inventory of sites where housing could be proposed in its current Housing Element to meet the Regional Housing Needs Allocation (RHNA). The website displays the full site inventory by breaking the sites into regional clusters, as well as providing an interactive GIS mapping tool that allows users to view the different sites and their proposed units for development. Given that the City of San Rafael's RHNA unit total is similar to that required of unincorporated Marin County, Marin LAFCo recommends that the City of San Rafael explore the feasibility of incorporating a similar asset into its own website, with development sites broken into different neighborhood areas of the City. This tool would allow residents to have a clearer picture of both current and possible developments that have been identified within the City's updated housing element.

Status Update: This is a new recommendation

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<sup>2</sup> [Marin County Housing Element Sites](#)

## MARINWOOD COMMUNITY SERVICES DISTRICT

*Table 2 Marinwood CSD At A Glance*

### AGENCY AT A GLANCE

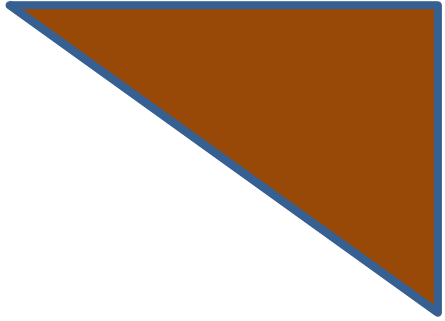
Agency Name	Marinwood Community Services District
Formation Date	February 23, 1960
Administrative Office Location	775 Miller Creek Rd, San Rafael, CA
Website	<a href="http://www.marinwood.org">www.marinwood.org</a>
District Manager	Eric Dreikosen
Employees	18 FTE
Public Meetings	The Marinwood CSD Board of Directors meets on the 2 <sup>nd</sup> Tuesday of each month at 7:00 p.m., with special meetings scheduled on an as-needed basis.
Governing Body	Five-member Board of Directors; each elected to a four-year term
Municipal Services Provided	Fire Protection, Emergency Medical, Parks and Recreation, Open Space Management, Street Lighting
Jurisdictional Area Size	3.09 Square Miles
Population Estimate	5,119 <sup>3</sup>

<sup>3</sup> Estimate based upon U.S. Census Block Group Data from U.S. Census Tract 1070, Block Groups 1, 3, 4, and 5.

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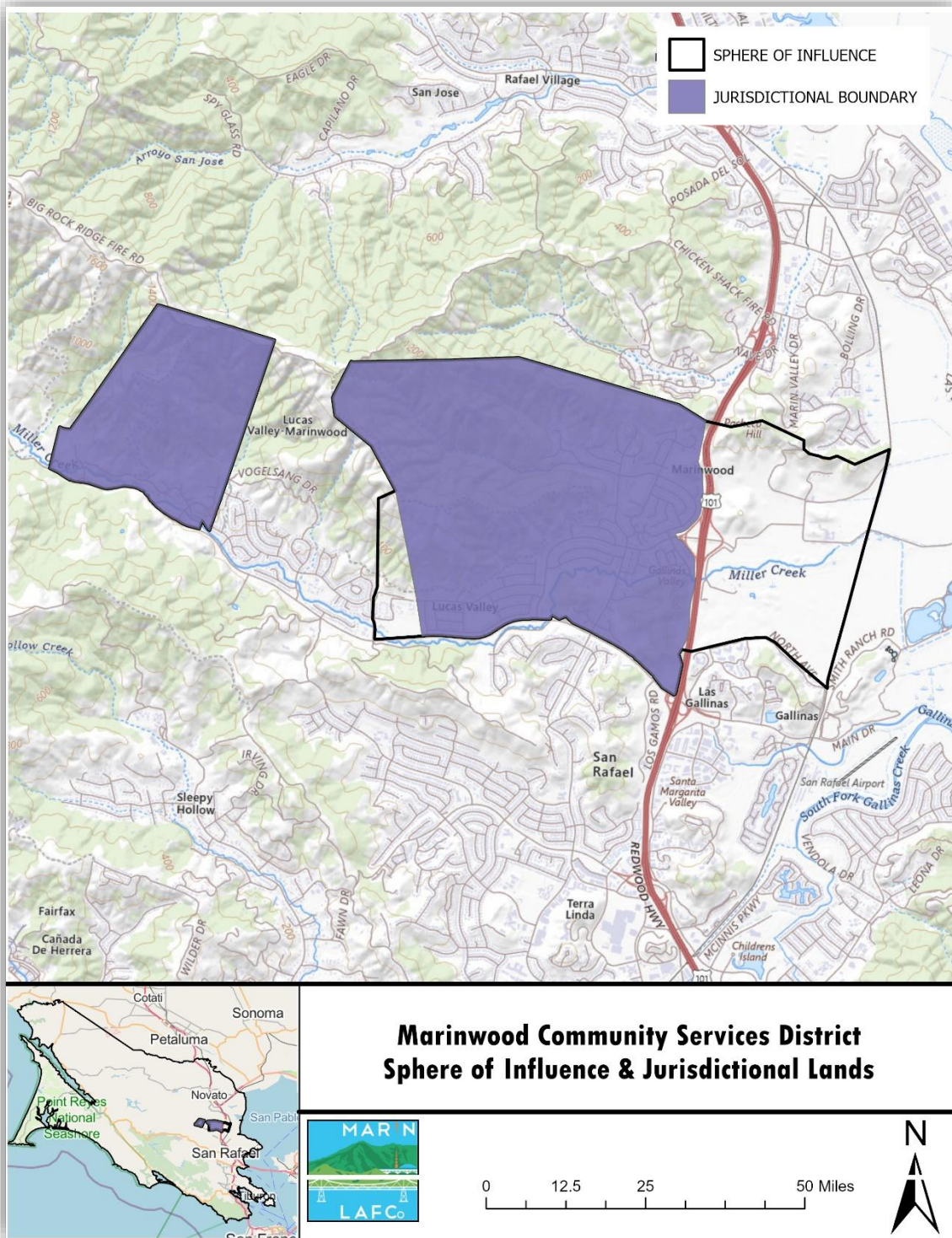


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### AGENCY MAP

Figure 1 Marinwood CSD Agency Map



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## Agency Profile – Marinwood CSD

The Marinwood Community Services District (MCSD) is centrally located on the eastern side of Marin County, just west of Highway 101. The entirety of the district’s jurisdictional lands and sphere of influence are situated within Marin County Supervisor District 1. The district shares a border to the south with the City of San Rafael, as well as to the north with the City of Novato. Marinwood CSD is home to approximately<sup>4</sup> 5,119 residents, which accounts for 9% of Marin County’s unincorporated population, making it Marin County’s second-largest community services district based on total population<sup>5</sup>. The district was formed as an independent, multi-purpose special district organized pursuant to California Government Code Section 61000 on February 23, 1960, following an election of registered voters within the proposed boundary on February 16, 1960. The district was formally created in accordance with Resolution No. 6155 of the Marin County Board of Supervisors.

Marinwood CSD’s jurisdictional boundary encompasses an area of approximately 1,984 acres (3.09 square miles), with the district’s sphere of influence (SOI) is roughly 36% larger at 2,704 acres (4.23square miles). Marinwood CSD’s sphere of influence was originally established by Marin LAFCo in 1982 and was most recently reaffirmed in 2019.

The Table below presents a demographic and land use profile of Marinwood CSD in comparison to Marin County as a whole.

*Table 3 Demographic and Land Use Profile*

	<b>Marinwood CSD</b>	<b>Marin County</b>
Population as of 2010	4,939	252,409
Population as of 2025	5,119	254,550
Annual Pop. Growth Since 2010	0.24%	0.056%
Total Housing Units	2,098	113,062
Persons Per Housing Unit	2.45	2.25
Land Area (Square Miles)	3.9	520
Single-Family Units	2,049	80,639
Multi-Family Units	49	30,532
Mobile Homes	0	1,891
Persons Per Square Mile	1,657	490
Median Household Income	\$200,938	\$142,785

<sup>4</sup> This approximation is due to the fact that a small area of Census Block Group 4 includes a populated area that is outside of the district’s jurisdictional boundary.

<sup>5</sup> Marinwood CSD is Marin County’s largest community services district based on total jurisdictional lands.

## **SAN RAFAEL AREA**

### **MSR & SPHERE OF INFLUENCE STUDY**

#### **CURRENT AND PROPOSED SPHERE OF INFLUENCE**

Marinwood CSD's sphere of influence (SOI) extends 1.14 square miles beyond its jurisdictional boundary and includes the unincorporated neighborhoods of Marinwood, Lucas Valley Estates, Casa Marinwood, Roundtree, Miller Creek Gardens, Miller Creek Ranch, Lucas Valley Estates, and Las Gallinas Ranch. The SOI was originally established by Marin LAFCo in 1982 and was subsequently updated in 2006 to remove the District from the SOI of the City of San Rafael, as well as add the St. Vincent's area<sup>6</sup> on the eastern side of Highway 101 to the district's SOI in anticipation of the redevelopment of the area. This SOI was most recently reaffirmed in 2019. While discussions were had with district staff regarding a potential development at 1501 Lucas Valley Road, which is adjacent to the district's SOI, there are further discussions to be had with the County of Marin and City of San Rafael regarding this area before any significant SOI decisions can be made for the property. Beyond this, staff for the district did not provide any identified areas that they desire to add to the SOI at this time; therefore, no areas specifically requested by the district are being studied for possible inclusion into the Marinwood CSD SOI.

#### **EXTRATERRITORIAL SERVICES**

Government Code Sections 56133 and 56134 set forth LAFCo's out-of-agency services oversight role. The Marinwood CSD currently provides fire and emergency response services by contract outside of its jurisdictional boundary and within its SOI to County Service Area (CSA) No. 13, which provides structural fire protection to the unincorporated community of Upper Lucas Valley. The district also contracts with the City of San Rafael to provide primary response to service calls in the northern neighborhoods of the City, giving faster response times for San Rafael residents in the area. This service provision agreement is both outside of the district's jurisdictional boundary as well as its SOI. The district maintains one additional contract with the County of Marin to provide fire protection services to the area referred to as the "Juvenile Hall Site" on Jeanette Prandi Way. The area includes the juvenile hall, court and community schools, Marin County Open Space District facilities, and Rotary Valley Senior Village. This agreement lies outside of the District's jurisdictional boundary but within the District's SOI.

#### **GOVERNANCE AND STAFFING**

The Marinwood CSD is governed by a five-member Board of Directors. Members of the board must be residents of Marinwood CSD and are elected at-large to four-year terms. The Marinwood CSD board has chosen to receive no compensation for its service. The Board acts collectively to establish policies, provide oversight, and set a vision for the district. Regular meetings are held at 7:00 p.m. on the second Tuesday of each month at the Marinwood Community Center at 775 Miller Creek Road.

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<sup>6</sup> The area added includes APN #s 155-011-29, 155-011-30, 155-011-28, 155-011-08, and 155-011-04.

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

The district also appoints two separate citizens advisory boards in the Fire Commission and the Parks and Recreation Commission. The Fire Commission consists of five regular members and two alternate members. Four of the regular members, as well as one alternate, are residents of Marinwood CSD and are appointed by the Marinwood CSD Board, while one regular member and one alternate are residents of CSA 13 and are appointed by CSA 13's governing body. The Fire Commission recommends policies to the board regarding the operation and management of the Marinwood Fire Department. Commissioners serve two-year terms.

The Parks and Recreation Commission consists of five regular members and one alternate member. All members must be residents of Marinwood CSD. The Parks and Recreation Commission recommends policies to the Marinwood CSD Board on the operation and management of the Marinwood Community Center, Marinwood Community Parks, Marinwood Community Pool, open space, and recreation programs. Commissioners serve two-year terms.

*Table 4 Marinwood CSD Board of Directors*

Marinwood CSD Board Members		
President	Christopher Case	Term Exp. – December 2028
Director	Kathleen Kilkenny	Term Exp. – December 2028
Director	Sivan Oyserman	Term Exp. – December 2026
Director	Lisa Ruggeri	Term Exp. – December 2028
Director	William Shea	Term Exp. – December 2026

The Board of Directors appoints a District Manager to serve as the administrative head of the district, responsible for the day-to-day operations. The District has 18 FTE employees, but throughout the course of any given year will also fill upwards of 200 part-time, seasonal, and volunteer positions.

## ACCOUNTABILITY

As of the writing of this study, all Form 700 financial disclosures are current for each of the required participants within the district. Additionally, all required participants within the district have current certifications for Assembly Bill 1234 (AB 1234)<sup>7</sup> and Assembly Bill 1661 (AB 1661)<sup>8</sup>. The district maintains an up-to-date website that contains contact information for district officials and staff, Board of Directors records/agendas/minutes, financial transaction reports, and a wealth of other information. At this time, the district is in compliance with Senate Bill 272 (SB 272) and is also in compliance with Senate Bill 929 (SB 929)<sup>9</sup>.

<sup>7</sup> State mandated ethics training for public officials. As none of the Marinwood CSD Board members receive any type of compensation, they are not bound by this statute. Nevertheless, each has completed it.

<sup>8</sup> State mandated sexual harassment training.

<sup>9</sup> Requiring all independent special districts to have a website.

## **SAN RAFAEL AREA**

### **MSR & SPHERE OF INFLUENCE STUDY**

#### **DISADVANTAGED UNINCORPORATED COMMUNITIES**

In 2011, Senate Bill 244 (SB 244) made changes to the Cortese-Knox-Hertzberg (CKH) Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination number five listed above in the Planning Responsibilities section. Disadvantaged unincorporated communities, or “DUCS,” are inhabited territories (containing 12 or more registered voters) where the annual median household income (MHI) is less than 80 percent of the statewide annual median household income.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo<sup>10</sup>. The legislative intent is to prohibit selective annexations by cities of tax-generating land uses while leaving out underserved, inhabited areas with infrastructure deficiencies and a lack of access to reliable potable water and wastewater services.

According to the California Department of Housing and Community Development, the median household income in California in 2025 is \$118,100, with 80% of that amount being \$94,480. According to the most current available data, there are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Marinwood Community Services District at this time.

#### **SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA**

A community of interest (COI) is a geographically contiguous population that shares common social, cultural, economic, or historical interests relevant to public policy and fair political representation. This concept is central to redistricting under California’s FAIR MAPS Act and the State Constitution. Within the sphere of influence of the Marinwood Community Services District, there is one community that Marin LAFCo deems to be a social and economic community of interest: the Upper Lucas Valley neighborhood. While not technically an “unincorporated island” as no municipality is involved in surrounding the area, this neighborhood does create a divide between two separate areas of jurisdictional lands for the district (as can be seen in the previous map of the district).

Upper Lucas Valley has remained an unincorporated community since its development in 1961 as one of Joseph Eichler’s last projects, keeping itself separate from Marinwood CSD and the City of San Rafael’s jurisdictional boundary. The neighborhood is comprised of 538 single-family homes and has its own clubhouse, pool, and tennis courts. The community has strong Covenant Conditions and Restrictions (CC&Rs) as well as its own zoning district to incorporate strict design guidelines to keep the architectural character of the Eichler homes preserved. For

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<sup>10</sup> CKH Act Section 56375(a)(8)(B) does allow for exemptions for a DUC to be annexed.

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

Marinwood CSD, this community represents a social and economic community of interest, as many of the residents are socializing, recreating, and traversing within the district’s jurisdiction as part of their daily lives. In addition, the district’s emergency response staff are the first responders to calls for service in this community.

### PRESENT AND PLANNED LAND USE

The Marinwood Community Service District’s land use is guided by the Marin Countywide Plan, as well as the Marin County Housing Element. Marin County categorizes all of the lands within both the district’s boundary and sphere of influence as part of the Las Gallinas planning area, which includes Lucas Valley, Marinwood, St. Vincent’s and Silveria, Santa Veneita, and Los Ranchitos.

The table below displays the acreage breakdown for major land use categories within district boundaries (excluding undesignated areas):

*Table 5 Marinwood CSD Land Use*

Land Use Category	Acres	% of Total Land
Open Space (MCSD-owned)	812	40.9%
Residential (R1-Single Family)	868	43.75%
Residential (R1:BLV- Lucas Valley)	174	8.7%
Medium and High Density Residential	52	2.62%
Agriculture	43	2.16%
Public Facilities	19	0.96%
Commercial/Mixed Use	16	0.80%
Total	1,984	

The County of Marin’s 2023-2031 Housing Element identifies the need for the development of 3,569 housing units in unincorporated Marin County to meet its Regional Housing Needs Allocation (RHNA) mandate from the Association of Bay Area Governments (ABAG), including 1,734 units for low and very-low-income households. Within the Housing Element, a number of sites have been identified with their planned unit counts for development. The site inventory strategy relies primarily on commercial property conversions and mixed-use development as opposed to greenfield development on vacant lots. While the land that is zoned for development within the boundary of Marinwood CSD is approximately 96% built out, Marin County has designated two sites within the boundary for possible development. The sites, Marinwood Plaza and Miller Creek District Properties, if developed, would create a projected total of 146 new units within the District.

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

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#### SERVICES PROVIDED

In January of 2006, Senate Bill 135 (SB 135) took effect and revised state laws governing community services districts (CSD). SB 135 consolidated the provisions for CSDs into a list of 31 services and facilities and changed the definition of latent powers. The old CSD Principal Act from 1955 required voter approval of latent powers and predated the statewide creation of LAFCo in 1963. With SB 135, all powers authorized for CSDs but not being exercised became latent powers, regardless of the initial formation petition. SB 135 redefined latent powers as those services and facilities authorized by the new CSD Principal Act that a CSD did not provide before January 1, 2006, as determined by LAFCo. Therefore, SB 135 effectively grandfathered in all services and facilities that CSDs provided before January 1, 2006.

Government Code § 56425 (i) provides that “When adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.” Government Code § 56050.5 defines a latent service or power as “those services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, as determined by the commission pursuant to subdivision (i) of Section 56425.” Therefore, once the Commission has established what services are being provided, all other services, functions, and powers become “latent services or powers” by operation of law.

The last time the Commission adopted an SOI and MSR update for the district in 2019, Marinwood CSD’s activated service powers included fire protection, emergency medical response, street lighting, and parks and recreation. Animal control, solid waste/refuse, wastewater collection, wastewater treatment and disposal, water, police, housing, code enforcement, library, landscape maintenance, streets maintenance, stormwater drainage, and electricity/natural gas are primarily provided by other government agencies, contractors, or private entities. This section provides information on the services that the district is currently authorized to provide. The table below presents municipal services provided by the district and associated service providers within Marinwood CSD.

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

Table 6 Service Providers Within Marinwood CSD

Public Service	Responsible Agency Type	Service Provider
Law Enforcement	County	County of Marin
Fire Protection	District	Marinwood CSD
Emergency Medical	District	Marinwood CSD
Building/Planning	County	County of Marin
Housing	County	County of Marin
Code Enforcement	County	County of Marin
Animal Control	County	Marin Humane Society
Parks and Recreation	District	Marinwood CSD
Library	County	County of Marin
Landscape Maintenance	County	County of Marin
Lighting	District	Marinwood CSD
Streets/Road Maintenance	County	County of Marin
Solid Waste	District	Las Gallinas Valley Sanitary District
Stormwater Drainage	County	County of Marin
Water	Special District	Marin Municipal Water District
Wastewater	Special District	Las Gallinas Valley Sanitary District
Wastewater Treatment & Disposal	Special District	Las Gallinas Valley Sanitary District

#### *Fire and Emergency Medical Response Services*

Marinwood CSD operates a single fire station located at Miller Creek Drive near the Lucas Valley Road intersection and provides a full range of fire protection services, including fire suppression, rescue, advanced life support (ALS) and emergency medical services, hazardous material control, and fire prevention services. The station has a local designation as Station 58, fitting within the broader Bay Area regional fire station numbering system that helps coordinate mutual aid and emergency response across multiple jurisdictions. The projected expenditure budget for fire services in FY 2024-25 is \$3.2 million<sup>11</sup>, which represents an approximately 20% increase over the course of this study window from the FY 20-21 fire services expenditure budget of \$2.65 million.

The district employs nine full-time paid fire personnel and contracts for a Fire Chief. Over the past 3 years, the District has averaged 1,449 calls for service annually, with the significant

<sup>11</sup> This amount represents 47% of the district's operating budget expenditures for FY 2024-25

## SAN RAFAEL AREA

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majority of these calls being for emergency medical response. The district owns and maintains both a Type 1 Fire Engine and a Type 3 Wildland Fire Engine to respond to calls as necessary.

On November 30, 2020, Marinwood Community Services District was awarded a Class 02/2x Public Protection Classification (PPC) rating by the Insurance Services Office (ISO), an organization that independently evaluates municipal fire-protection efforts throughout the United States. Ratings range on a scale of 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the fire suppression program does not meet ISO's minimum Criteria. While many communities receive a single number classification, many smaller and more rural communities receive a split classification to reflect the risk of loss more precisely. In the case of a split classification, the first number refers to the classification of properties within 5 road miles of a fire station and within 1,000 feet of a creditable water supply. The second number, with either the X or Y designation, applies to properties within 5 road miles of a fire station but beyond 1,000 feet of creditable water supply (i.e., fire hydrant). The majority of insurance agencies throughout the country use the PPC classification for underwriting and calculating premiums on residential, commercial, and industrial properties. Of the approximately 49,000 fire agencies eligible for certification, the district is in the top 3% with this current rating.

The district currently maintains a shared services agreement with the City of San Rafael, which represents a multi-decade collaboration rooted in regional efficiency and operational integration. The partnership began with informal mutual aid arrangements in the early 1970s and formalized through structured agreements in 2014. This initial Joint Exercise of Powers Agreement established, among other things, automatic aid protocols for fire and emergency response across jurisdictional boundaries, personnel sharing between departments allowing temporary assignments of firefighters and officers, a unified operational area encompassing both agencies' service territories, and financial terms for overtime reimbursement. In 2018, in anticipation of Marinwood Community Service District's long-time Fire Chief's looming retirement, the two agencies agreed to a leadership integration amendment to the agreement, which significantly expanded the partnership to include:

- San Rafael Fire Department (SRFD) assumes oversight of Marinwood Fire Department's administrative and operational leadership;
- San Rafael began providing Fire Chief services to Marinwood CSD under a five-year renewable contract;
- Updated agreement included a 90-day cancellation clause for flexibility.

Other key components of the agreement include the following:

- Unified Command Structure: SRFD Chief Officers manage day-to-day operations, including incident response coordination, personnel scheduling, and equipment maintenance protocols;

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

- Cross-staffing Protocols: Marinwood CSD maintains 9 firefighters across three shifts, and SRFD provides Chief Officer oversight for each shift;
- Shared training facilities at Station 52;
- Joint use of Fire Station 58 at 777 Miller Creek Road.

In 2021<sup>12</sup>, an additional agreement was formed for wildfire prevention services. With the establishment of the Marin Wildfire Prevention Authority (MWPA) in 2020 and the approval by the voters of Marin County of Measure C to leverage a tax assessment to provide defensible space funding to fire agencies throughout Marin County, both the City and the District agreed that coordinating services within the unified operational area would provide simplified and unified public service by eliminating duplicated costs realized in wildfire prevention activities. The District projects to receive \$73,450 in defensible space monies and \$73,450 in local projects monies in FY 2024-25 in Measure C revenue as a member agency of MWPA. The funds from the tax measure are allocated to the 17 member agencies around the county for defensible space and wildfire prevention and mitigation projects.

Marinwood CSD also contracts for fire protection and emergency services to the residents of Marin County Service Area No. 13 (CSA 13) by way of an annual agreement between the two agencies. CSA 13 encompasses the majority of the Upper Lucas Valley community, which is maintained by the Lucas Valley Homeowners Association. The contract for service stipulates that Marinwood CSD agrees to provide fire protection and emergency services to the residents and property owners of CSA 13 in the same manner that it does throughout its district boundary. In Fy 2024-25, Marinwood CSD projected revenue for the contracted services at \$753,096. The contracted fee total is adjusted annually using an agreed-upon formula based on the building square foot percentage within CSA 13 as compared to the combined Marinwood CSD and CSA 13 square footage.

The district has one other contract for service with the County of Marin to provide fire protection and emergency services to the small area between the eastern boundary of CSA 13 and the district's jurisdictional boundary. This area, comprised of 3 parcels totaling 85.25 acres, are referred to as the "Juvenile Hall Site". For FY 2024-25, the agreement appropriated \$115,984 to be paid to the district by the County of Marin and Marin County Office of Education for the services provided.

#### *Parks, Recreation, and Open Space*

Marinwood CSD maintains three public parks that serve as the cornerstone of community recreation. The flagship Marinwood Community Park on Miller Creek Road houses the fire station, community center, and aquatic facility, creating a centralized recreational complex. Las Gallinas Park, located on Las Gallinas Avenue adjacent to Miller Creek School, provides

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<sup>12</sup> [Marinwood CSD Meeting Materials; May 11, 2021](#)

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

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neighborhood-focused recreational opportunities. Creekside Park in Lucas Valley Estates offers additional green space for residents. The district offers a number of facilities for community or private rentals, including the reception hall, swimming pool, classroom, and various picnic and park areas.

Beyond these developed parks, the district owns just over 800 acres of open space, including much of the Miller Creek corridor, the ridges overlooking the community, and Blackstone Canyon. This extensive open space network provides numerous opportunities for hiking on fire roads and trails, contributing significantly to the community's character and quality of life. The proximity to natural areas offers residents easy access to outdoor recreation, ranging from easy family-friendly walks to more challenging intermediate hikes. The district also performs minor street landscaping to the Miller Creek Road center medians immediately affronting Marinwood Park, and maintains the landscaped berms in Lucas Valley Estates and the pedestrian lanes connecting many of Marinwood's streets.

The Marinwood Aquatic Facility represents one of the district's premier recreational offerings. This outdoor facility features a 25-yard main pool with depths ranging from 3.5 to 12 feet, complemented by two 12-foot waterslides and a 1.5-foot deep wading pool. The facility operates seasonally from spring through late fall, offering multiple access options including pool memberships, punch passes, and daily drop-in rates. The district operates the Marinwood Swim Academy, a comprehensive swim lesson program serving ages 3 and older. The program emphasizes that swimming is a life skill rather than just a recreational activity, and offers group, private, and semi-private swim lesson options. Utilizing this facility, the district is also able to offer the community essential CPR, First Aid, and Lifeguard Training classes throughout the year.

The district is well known for its summer camps and wide array of youth programming offering opportunities for nature hikes, swimming, sports, games in the park, and various arts and crafts. In the fall of 2025, the district plans to launch "Kick It! Marinwood's After-School Hangout", providing after-school programming for 1<sup>st</sup> through 6<sup>th</sup> graders on Tuesdays, Wednesdays, and Thursdays.

The district also offers a wide array of adult and community recreation programming, as well as community events.

#### *Street Lighting*

Marinwood CSD owns, operates, maintains, and funds the cost of street lighting within the community. Notably, Lucas Valley Estates does not have any street lighting facilities, which was an intentional design of the original developer. Street lighting services are funded through a \$15 per parcel special assessment. The assessment only applies to parcels with lighting. Expenditures incurred for services beyond the assessment revenues, such as large maintenance needs, come out of the general fund.

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

#### FISCAL HEALTH

The sections that follow evaluate the district's fiscal health, inclusive of revenue sources and major expenditure categories.

##### *Annual Audit Findings*

Marinwood CSD is required to undergo an annual financial audit, with the results published in an Annual Financial Report, in which the auditors are required to issue a report of whether the financial statements of the district accurately present the financial position of the district. The Annual Financial Reports from the current study window range from Fiscal Year Ending (FYE) June 30, 2020, to FYE June 30, 2024. These reports did not present any findings and each stated, "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Marinwood Community Services District and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America."

The table below shows the actual historical General Fund revenues and expenditures from FY 2019-20 through FY 2023-24.

*Table 7 Study Window Revenues and Expenditures Marinwood CSD*

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Actual Revenues Governmental Funds</b>					
Taxes	\$1,996,363	\$2,226,414	\$2,260,525	\$2,354,319	\$2,447,664
Special Assessments	\$1,556,665	\$1,596,194	\$1,629,480	\$1,698,851	\$1,786,498
Measure A	\$96,311	\$91,294	\$102,042	\$60,285	\$127,109
Charges for Services	\$2,280,524	\$1,661,304	\$2,353,334	\$2,664,184	\$2,713,320
Investment Earnings	\$79,226	\$85,871	\$3,772	\$82,203	\$272,664
Other Revenues	\$176,713	\$256,922	\$576,807	\$215,236	\$377,114
<b>Total Revenues</b>	<b>\$6,185,802</b>	<b>\$5,917,999</b>	<b>\$6,925,960</b>	<b>\$7,075,078</b>	<b>\$7,724,369</b>
<b>Actual Expenditures</b>					
Park	\$810,624	\$633,241	\$715,726	\$831,503	\$1,021,521
Recreation	\$1,843,245	\$1,253,958	\$1,816,829	\$2,281,995	\$2,275,632
Public Safety	\$2,332,760	\$2,457,402	\$2,728,727	\$2,560,197	\$3,359,873
Street Lighting	\$20,440	\$22,962	\$23,872	\$25,252	\$25,011
Measure A	\$25,924	\$115,264	\$319,323	\$106,669	\$81,305
MWPA		\$23,240	\$140,641	\$46,115	\$98,115
Capital Outlay			\$847,611	\$373,419	\$277,808
Debt Service	\$61,350	\$60,306	\$60,301	\$116,408	\$116,402
<b>Total Expenditures</b>	<b>\$5,094,343</b>	<b>\$4,566,373</b>	<b>\$6,653,030</b>	<b>\$6,341,558</b>	<b>\$7,255,667</b>
<b>Net Spending</b>	<b>\$1,091,459</b>	<b>\$1,351,626</b>	<b>\$272,930</b>	<b>\$733,520</b>	<b>\$468,702</b>

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

During the course of the study window, the district's governmental funds averaged approximately \$783,647 in excess revenues over expenditures. The most significant anomaly during the review period was the COVID-19 pandemic's impact on operations, particularly in 2020 and 2021. During that time, the district experienced substantial reductions in recreation program participation, decreased fee-based revenue streams, and operational restrictions affecting service delivery. Despite these challenges, the district demonstrated remarkable resilience through effective cost management and maintained essential services.

#### *Operating Revenues*

On average, during the course of the study window, tax revenues made up approximately 65% of General Fund revenues, inclusive of property tax and Educational Revenue Augmentation Fund (ERAF) tax, as well as special assessments including fire, park maintenance, and street lighting, as well as supplementation from Countywide assessments such as Measure A and Measure C (MWPA). The district's second largest revenue source is charges for service, which include revenues from fees for recreational programs, as well as contracted agreements for service with outside agencies.

For FY 2024-25, the Marinwood CSD Board of Directors adopted an operating budget that is supported by projected revenues of \$7,162,369, as well as an available fund balance at the start of the fiscal year of \$7,981,988. In FY 2023-24, the district's operating revenues totaled approximately \$1,509 per capita. Over the course of the study window, the district showed a total revenue growth of approximately 24%.

#### *Operating Expenditures*

The Marinwood CSD's budgeted operating expenditures for FY 2024-25 totaled \$6,758,135. This amount represents a decrease from the prior year's total operational actuals, which were \$7,255,667. The district's largest expenditure category is personnel, which includes staff salaries and benefits, at approximately 54% of all budgeted expenditures<sup>13</sup>. For FY 2024-25, the total amount budgeted for personnel expenditures across all departments was \$3,627,854, which was a 3.7% increase from the previous year.

## PERFORMANCE STANDARDS

Marin LAFCo utilized four different methodologies to evaluate the Marinwood Community Service District's fiscal performance. The four approaches to evaluating performance include a review of reserve fund balances, pensions/other post-employment benefits (OPEB), debt ratio, and evaluation of revenue and expenditure trends (see above). The methodologies and findings are outlined below.

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<sup>13</sup> This is inclusive of budgeted allocations for Acting Pay, Holiday Pay, FLSA Pay, and Overtime Pay.

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

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#### *Reserve Fund Balance*

The district has maintained a Capital Reserve Fund in an attempt to eliminate or reduce the need for financing of anticipated required maintenance, replacement, or acquisition of capital assets. By way of Resolution No. 2018-10, the Board of Directors established an annual financial target of \$100,000 to be deposited into a separate interest-bearing account.

As of June 30, 2024, the district had accumulated \$700,000 in its Capital Reserve Fund. Additionally, the district's restricted reserves at that time, which consist of Measure A and Measure C funds, totaled \$298,155. The district's unrestricted fund balance was \$6,983,833, giving the district a total fund balance of \$7,981,988. The unrestricted fund balance represents approximately 12.3 months of annual revenue, which significantly exceeds the Government Finance Officers Association's recommended minimum of 2-3 months for special districts. This strong reserve position provides excellent financial flexibility and emergency preparedness.

#### *Pension and OPEB Obligations*

The district's defined benefit retirement plan is administered by the California Public Employees' Retirement System (CalPERS). CalPERS operates as a cost-sharing, multiple-employer defined benefit plan for the district and numerous other participating employers across the state.

Net pension liability is the amount owed to a defined benefit pension plan based on the actuarial present value of the projected benefit payments for plan members and their beneficiaries, less the plan's net position. Essentially, it represents the portion of the pension obligation that is not covered by the plan's assets, indicating an unfunded liability. This liability is reported by employers who sponsor defined-benefit pension plans. As of June 30, 2024, the Marinwood Community Services District carried a net pension liability of \$6,427,441.

A pension funded ratio is a metric that expresses the value of a pension plan's assets divided by its liabilities. It indicates the extent to which a pension plan has sufficient funds to cover its future obligations to retirees. A funded ratio of 100% means the plan is fully funded, while a ratio below 100% indicates unfunded liability. As of June 30, 2023, the district's pension funded ratio<sup>14</sup> was 69.9%<sup>15</sup>. As of June 30, 2023, the average funded ratio for independent special districts in California participating in CalPERS was 72.3%.<sup>16</sup>

The district also provides certain health care benefits for retired employees and their spouses under an Agent Multiple-Employer Defined Benefit Plan (also known as other post-employment benefits or OPEB). Employees who meet the vesting criteria become eligible for these benefits if they receive a retirement benefit from CalPERS within 120 days of retirement from district

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<sup>14</sup> This is ratio combines both the miscellaneous and safety components of the district's unfunded liabilities.

<sup>15</sup> [CalPERS Summary of Valuation Results Overview](#)

<sup>16</sup> [CalPERS Annual Comprehensive Financial Report, 2023-24](#)

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

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employment. The district maintains an established irrevocable trust for OPEB funding per its reserve policy, requiring a minimum of \$60,000<sup>17</sup> to be annually contributed to the trust. As of the most recent measurement date of June 30, 2023, the district's OPEB plan consisted of 17 active members and 14 inactive employees or beneficiaries currently receiving benefit payments. As of June 30, 2024, the district carried a net OPEB liability of \$5,046,308.

#### *Debt Ratio*

The debt ratio is a fundamental financial metric that measures the proportion of an agency's assets that are financed through debt, calculated by dividing total liabilities by total assets. This ratio reveals the extent to which a local government relies on borrowed funds versus owned resources, providing critical insights into its financial structure and overall fiscal health. For special districts, maintaining appropriate debt levels is essential as excessive debt can constrain future financial flexibility and potentially lead to fiscal stress or even bankruptcy.

Unlike the pension funded ratio, which specifically measures the percentage of pension liabilities covered by pension assets, the debt ratio offers a broader perspective on an agency's overall financial position by examining its entire liability structure relative to its asset base. The debt ratio serves as one of several critical indicators that collectively portray an agency's fiscal condition. The following aspects are typically considered when evaluating public agency financial health in relation to the debt ratio:

#### **1. Short-term Financial Stability**

The debt ratio helps assess an agency's ability to meet immediate financial obligations by indicating the level of leverage in its capital structure. A lower debt ratio suggests greater financial flexibility and capacity to address short-term needs without additional borrowing.

#### **2. Long-term Fiscal Sustainability**

By examining the relationship between debt and assets, the ratio provides insights into an agency's long-term financial trajectory and its ability to sustain service levels while meeting future obligations. Agencies with lower debt ratios generally have more capacity to invest in infrastructure and respond to emerging community needs.

#### **3. Financial Flexibility and Resilience**

The debt ratio directly impacts an agency's financial flexibility—its ability to respond to economic downturns, emergencies, or changing service demands. An agency with a high debt ratio has less "fiscal space" to maneuver during challenging times, as more of its revenue must be dedicated to debt service rather than operational needs or new initiatives.

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<sup>17</sup> Over the course of the study window, the district has annually contributed \$100,000 to the OPEB Trust.

## SAN RAFAEL AREA

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As of June 30, 2024, the district had a debt ratio of just 4.05%. This debt ratio is offered purely from the perspective of the inclusion of only traditional debt obligations, which, in the case of the district, is inclusive of a fire truck lease and California Special District Associations (CSDA) lease. This ratio calculation is shown below:

#### Total Long-Term Liabilities Summary:

- Fire Truck Lease: \$41,511
- CSDA Lease: \$531,742

**Total Long-Term Liabilities: \$573,252**

**Total Assets (Primary Government): \$14,166,859**

**Debt-to-Assets Ratio: 4.05%** (calculated as  $\$573,252 \div \$14,166,859$ )

While the district's debt ratio would increase substantially with the inclusion of its Net Pension Liability and OPEB, for small special districts, rating agencies such as Moody's, Fitch, and Standard and Poor's all concur that though bonded debt and retirement liabilities are evaluated together in the overall rating, they should remain separate sub-metrics for clarity and stability.

Additionally, the Government Finance Officers Association (GFOA) and industry standards suggest that annual debt service<sup>18</sup> should generally not exceed 7-10% of operating revenues<sup>19</sup>. For California local governments, debt service as a percentage of General Fund revenues is a key metric, with the State Treasurer's Office reporting that the state's ratio was 3.71%<sup>20</sup> in FY 2022-23. In FY 2023-24, the Marinwood Community Services District had a total debt service amount of \$116,402. In comparison to total operating revenues for the same fiscal year, the district's debt service ratio was 1.51%.

## DETERMINATIONS

### *Service Review Determinations per Government Code Section 56430*

As set forth in Section 56430(a) of the CKH Act, "In order to prepare and to update the SOI in accordance with Section 56425, the Commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the Commission. The Commission shall include in the area designated for a service review the county, the region, the sub-region, or any other geographic area as is appropriate for analysis of the service or services to be reviewed and shall prepare a written statement of its determinations with respect to each of the following." Pursuant to Government Code Section 56430, the requisite CKH

<sup>18</sup> Debt service is the amount of interest and sinking fund payments due annually on long-term debt.

<sup>19</sup> [GFOA Publication, "How Much Debt is Too Much?"](#)

<sup>20</sup> [State of California ACFR 2023](#)

## SAN RAFAEL AREA

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determinations for this municipal service review for the Marinwood Community Services District are presented below:

#### 1) Growth and population projections for the affected area

- a. Currently, the estimated population of Marinwood CSD is 5,119. As the developable area within the district's boundary is 96% built out based on current zoning regulations, future growth within the district's current boundary is anticipated to be minimal. There are currently two sites within the district's boundary, Marinwood Plaza and Miller Creek School District Properties (Marinwood Plaza adjacent), that have been designated by the County of Marin within its most recent housing element as possibilities for future development to help meet the County's RHNA requirements. These two sites, if developed as currently anticipated, would create 135 new units. Given the current persons per household ratio within the Lucas Valley-Marinwood Census Designated Place of 2.56, these developments would potentially show an increase in population within the District of approximately 346 residents.

While not within the district's boundary, yet still within the current sphere of influence, the County of Marin has also identified the site of St. Vincent's as another possible area for development to meet RHNA requirements. Should the site be developed as currently projected, it would add a total of 680 new units within the district's sphere of influence. Given the current person-per-household ratio within the Lucas Valley-Marinwood Census Designated Place of 2.56, this development would potentially show an increase in population within the district's sphere of influence of 1,741 residents.

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

- a. There are currently no identified disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Marinwood Community Services District

#### 3) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

- a. Fire Protection | Marinwood CSD is authorized to provide fire protection service as it is described in Government Code section 61100(a). Marinwood CSD is an All-Risk Department servicing district residents as well as providing automatic aid to the adjacent unincorporated areas, the City of Novato, and the City of San Rafael. The district has an agreement with and relies upon the City of San Rafael for administrative and operational leadership, including Fire Chief services, as well as the use of training facilities, among other things.

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While the District is able to sustain its current level of service and operation for the foreseeable future, staff retention and recruitment have been a hardship in recent years. Additionally, the vast majority of the district's calls for service responses are outside of its boundaries. Over the course of the study window, on average, only 22.3% of the total calls for service annually were for responses within the district's boundaries. In order to continue to serve the broad area of response that the district has been maintaining, district staff have expressed interest in exploring the possibility of other governmental structures for its fire protection service. Further analysis is necessary to determine the feasibility and the most sensible alternative governmental structure to ensure the uninterrupted delivery of this service in the future. Marin LAFCo determines that Marinwood CSD has capability and capacity to adequately provide fire protection service at the same level that it currently is, however, as population grows and utilization rates increase both within the district's own sphere of influence as well as the surrounding areas that it responds to, additional staffing and improvements to capital facilities and equipment may be necessary to improve the delivery of services to the district.

- b. Parks and Recreation | Marinwood CSD is authorized to provide parks and recreation services as it is described in Government Code section 61100(e). Marinwood CSD currently owns, operates, and maintains the Marinwood Community Park, Las Gallinas Park, and Creekside Park, as well as approximately 800 acres of protected open space. Marin LAFCo determines that Marinwood CSD has the capability and capacity to continue providing parks and recreation services within its boundaries at the current service levels.
- c. Street Lighting | Marinwood CSD is authorized to provide street lighting service as it is described in Government Code section 61100(g). This service is facilitated by way of a special assessment that only applies to parcels within the district that are provided with lighting. Marin LAFCo determines that Marinwood CSD has the capability and capacity to continue providing street lighting services within its boundaries at the current service levels.

#### 4) Financial ability of agencies to provide services

- a. Marinwood CSD appears to have adequate annual revenue and fund balance to continue to provide its authorized services at current service levels. The district has shown adequate revenues to provide for expenditures throughout the course of the study window, with revenues outpacing expenditures in FY 2023-24 by \$468,702.
- b. Marinwood CSD's net position has shown a significant turnaround over the course of the study window, going from a negative net position in FY 2019-20 to a positive net position

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at the end of FY 2023-24 of \$2,371,685. Overall, Marinwood CSD has shown itself to be financially stable despite increasing costs, particularly those related to fire services. The district has built significant fund balances to be able to weather unforeseen financial hurdles for the foreseeable future.

#### **5) Status of and, opportunities for, shared facilities.**

- a. The district currently utilizes the training facilities of the San Rafael Fire Department at Station 52. The district also utilizes the facilities of the Miller Creek Middle School for programming, as well as the tennis courts owned by the Lucas Valley Home Owners Association.
- b. The district's current agreement with the City of San Rafael is an exemplary case of the value of shared facilities and services. Both agencies benefit greatly from the services and facilities/equipment that the other provides.

#### **6) Accountability for community service needs, including governmental structure and operational efficiencies**

- a. Marinwood CSD is governed by a five-member Board of Directors that is elected to four-year terms. Regularly scheduled monthly Board meetings are held, and all meetings are open to the public and are publicly noticed a minimum of 72 hours prior to the meeting in accordance with the Brown Act.
- b. Marinwood CSD maintains an up-to-date website that contains district information, documents, and updates.
- c. Marinwood CSD has demonstrated accountability and transparency in its disclosure of information and cooperation during the process of this municipal service review. The district cooperated in a timely manner with all document requests and staff questions.
- d. Marin LAFCo determines that Marinwood CSD is currently meeting or exceeding all of the thresholds set forth by the State for community services districts for accountability and transparency.

#### **7) Any other matter related to effective or efficient service delivery**

- a. There are no other matters related to the efficiency of services.

#### *Sphere of Influence Determinations per Government Code Section 56425*

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

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determine the sphere of influence of each local agency, as defined by Government Code section 56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the Commission shall consider and prepare a written statement of its determinations with respect to the following:

**1) Present and planned land uses in the area, including agricultural and open space lands**

- a. Land uses within Marinwood CSD's existing SOI include Low Density Residential, Open Space, Medium and High Density Residential, Commercial, Public Facility, and Rural Residential, and Agricultural. The majority of the district's current sphere is essentially built out at this time, particularly the apportionment of the sphere that is also within jurisdictional boundaries. The most significant future development opportunity within the sphere is presented in Marin County's identified RHNA site of St. Vincent's. If developed as currently projected, it would stand to increase the population total within the sphere by approximately 34% with all things remaining equal elsewhere within the sphere.
- b. The SOI is expected to remain unchanged, with no expansions or reductions for Marinwood CSD at this time.

**2) Present and probable need for public facilities and services in the area**

- a. There is an anticipated need for service within the existing SOI area.
- b. The SOI is expected to remain unchanged, with no expansions or reductions for Marinwood CSD.
- c. If the continued provision of fire protection service within and around the existing SOI eventually presents an unsustainable strain on the district, the Commission should consider all possibilities for alternative governmental structures to aid in relieving the district of this service duty.
- d. A plan for a new development at 1501 Lucas Valley Road has recently been approved by the County of Marin for a housing development permit (though the application to subdivide the property into 36 residential lots is still subject to a discretionary approval). The parcel (APN 164-280-35) is 60 total acres with only 7.5 acres approved for development, and has a contiguous southern boundary with an area of the City of San Rafael's jurisdictional boundary and sphere of influence. The parcel also shares a contiguous northern boundary area with the jurisdictional boundary of Marin County Service Area No. 13, to which the Marinwood CSD provides fire protection and emergency response services. As this development progresses, discussions will need to be had to determine which agency will ultimately provide services to this area, in particular, fire protection and emergency response services. While no amendments to the district's sphere of influence are recommended at this time, the district has the capacity and capability to extend services to this area with the understanding that the current agreement with the City of San Rafael

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

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remains in place.

- 3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**
  - a. Marinwood CSD has the capability and capacity to adequately meet existing service demand and some level of increased future service demand within the existing SOI area. With this said, it is important to note that the combination of difficulties in maintaining fire department staffing levels in conjunction with possible increased future service demand within the SOI could lead to difficulties in maintaining service levels.
  
- 4) Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency**
  - a. The community of Upper Lucas Valley has been identified as a social and economic community of interest for the district.
  
- 5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**
  - a. No disadvantaged unincorporated communities have been identified either in or contiguous to the district's current sphere of influence. As the SOI is expected to remain unchanged at this time, should any future annexations or service extensions be proposed, special consideration will be given to any disadvantaged unincorporated communities affected by the annexation, consistent with Government Code section 56375(8)(A) and Marin LAFCo local policy.

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

# CITY OF SAN RAFAEL

## AGENCY AT A GLANCE

Table 8 City of San Rafael At A Glance

Agency Name	City of San Rafael
Formation Date	February 18, 1874
Administrative Office Location	1400 Fifth Avenue, San Rafael, CA 94901
Website	<a href="http://www.cityofsanrafael.org">www.cityofsanrafael.org</a>
City Manager	Cristine Alilovich
Employees	416.34 FTE <sup>21</sup>
Public Meetings	The San Rafael City Council meets on the 1 <sup>st</sup> and 3 <sup>rd</sup> Mondays of each month at 6:00 p.m., with special meetings scheduled on an as-needed basis.
Governing Body	Four City Council members and one elected Mayor, each elected to four-year terms
Municipal Services Provided	Law Enforcement, Fire Protection, Emergency Medical, Building/Planning, Code Enforcement, Parks and Recreation, Library, Landscape Maintenance, Streets/Road Maintenance, Stormwater Drainage
Jurisdictional Area Size	22.5 Square Miles
Population Estimate	59,855 <sup>22</sup>

<sup>21</sup> [City of San Rafael 2024 ACFR; pg. 179](#)

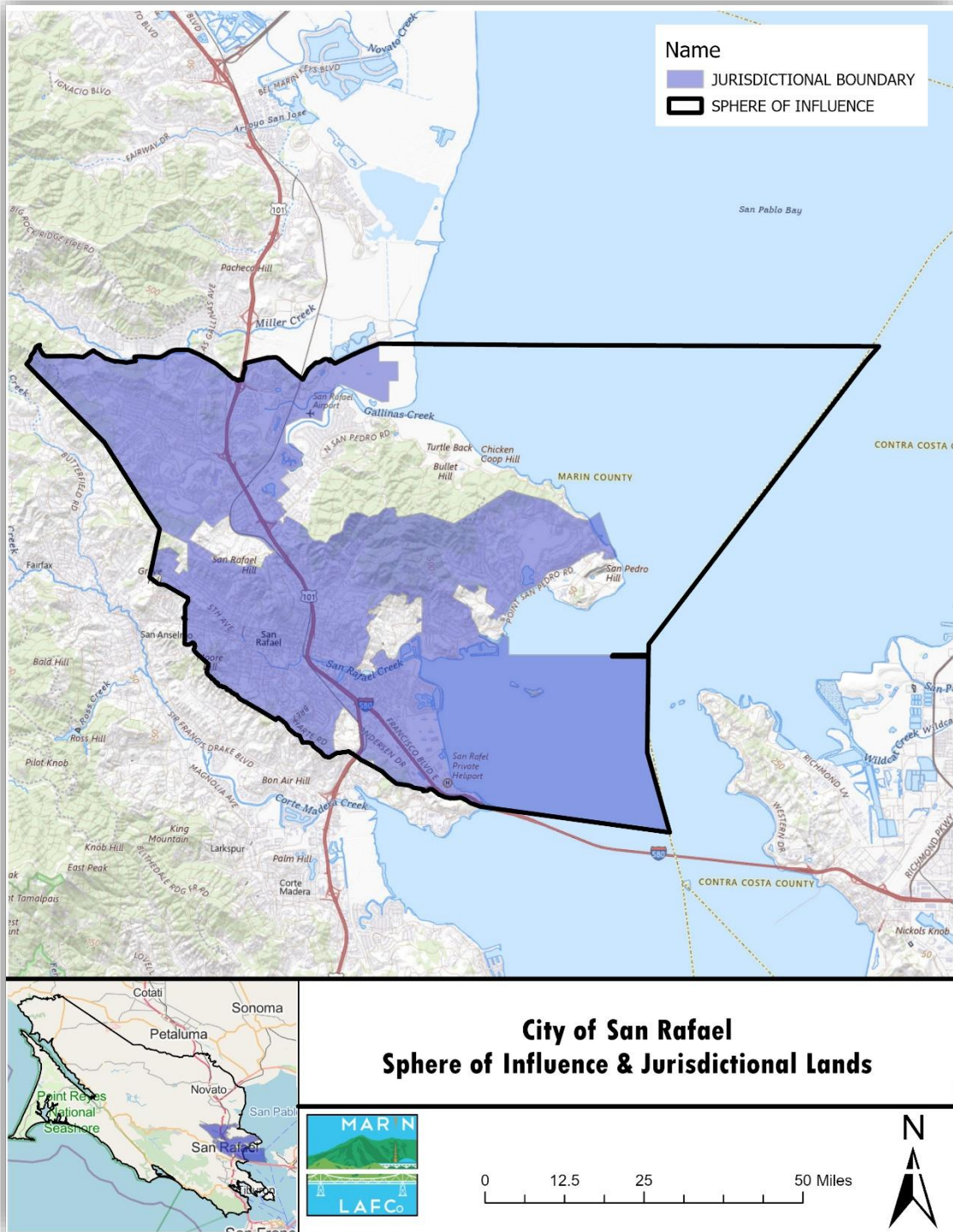
<sup>22</sup> [California Department of Finance 2024 Estimate](#)

# SAN RAFAEL AREA

## MSR & SPHERE OF INFLUENCE STUDY

### AGENCY MAP

Figure 2 City of San Rafael Agency Map



## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

## Agency Profile – City of San Rafael

The City of San Rafael is centrally located on the eastern side of Marin County, bisected by Highway 101. It is situated within three different Marin County supervisorial districts: 1, 2, and 4. The City shares a border to the south with the City of Larkspur, as well as to the west with the Town of San Anselmo and the Town of Ross. San Rafael is home to 59,885 residents<sup>23</sup>, making it Marin County’s largest city and the county seat. The City was incorporated as a general law city in 1874, but in 1912, the voters approved the change to a charter city<sup>24</sup>.

San Rafael’s jurisdictional boundary encompasses an area of approximately 14,383 acres (22.5 square miles), with the City’s sphere of influence (SOI) nearly doubling that size at 26,199 acres (40.9 square miles). San Rafael’s sphere of influence was originally established by Marin LAFCo in 1982 and was most recently updated in 2019.

*Table 9 Demographic and Land Use Profile*

	<b>San Rafael</b>	<b>Marin County</b>
Population as of 2010	57,713	252,409
Population as of 2025	59,885	254,550
Annual Pop. Growth Since 2010	0.25%	0.056%
Total Housing Units	24,784	113,062
Persons Per Housing Unit	2.35	2.35
Land Area (Square Miles) <sup>25</sup>	22.5	520
Single-Family Units	14,002	80,639
Multi-Family Units	10,389	30,532
Mobile Homes	393	1,891
Persons Per Square Mile	2,662	490
Median Household Income	\$109,317	\$142,785
Projected Population 2035 <sup>26</sup>	65,550	277,316
Annual Proj. Growth 2025-2035	0.91%	0.86%
Projected Population in 2040 <sup>27</sup>	66,880	275,223
Annual Proj. Growth 2025-2040	0.74%	0.52%

<sup>23</sup> [California Department of Finance](#)

<sup>24</sup> [City of San Rafael Website](#)

<sup>25</sup> [2024 U.S. Gazetteer Files](#)

<sup>26</sup> [ABAG Plan Bay Area 2040](#)

<sup>27</sup> [ABAG Plan Bay Area 2040](#)

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

Between 2010 and 2025, San Rafael experienced a total population increase of 3.76%. According to the Association of Bay Area Governments (ABAG) Growth Forecast, the population of the City is expected to grow by just 0.74% annually over the next 15 years. This is a slightly higher projected increase in population than what is anticipated for the County as a whole.

Despite the projected growth, both the State of California and the County of Marin<sup>28</sup> have seen an overall decrease in population over the course of the past decade, brought about by a variety of factors, including an aging population, declining birth rates, impacts of Covid-19, high costs of living, and an increase in domestic migration to other areas.

While the City of San Rafael is largely urbanized, as far as total land use designations are concerned, a majority of the City's jurisdictional lands (52%) are designated as parks or open space. As far as the total developed lands within City limits, approximately 44% are residential areas, 18% commercial and mixed-use, and 8% public or quasi-public. The City's most recent Housing Element was adopted by the City Council on May 15, 2023. This 2023-2031 Housing Element was subsequently certified by the California Department of Housing and Community Development on July 5, 2023, confirming its compliance with State law.

The five largest employers within the City<sup>29</sup> are the County of Marin (2,505 FTE), BioMarin Pharmaceutical Inc. (950 FTE), Kaiser Permanente (902 FTE), San Rafael School District (700 FTE), and the City of San Rafael (416 FTE). The workforces employed by these five entities comprise approximately 4.3% of the total number of employed individuals within the City.

### CURRENT AND PROPOSED SPHERE OF INFLUENCE

The City of San Rafael's sphere of influence (SOI) extends 18.5 square miles beyond its jurisdictional boundary and includes the unincorporated neighborhoods of Santa Venetia, Bayside Acres, Los Ranchitos, California Park, Country Club, as well as large areas of the San Pablo Bay. The SOI was originally established by Marin LAFCo in 1982 and was subsequently updated in 2006, which removed the areas of Lucas Valley, Marinwood, and St. Vincent's from the SOI. This SOI was most recently reaffirmed in 2019. Staff for the City did not provide any identified areas that they desire to add to the SOI at this time; therefore, no areas specifically requested by the City are being studied for possible inclusion into the City SOI.

### EXTRATERRITORIAL SERVICES

Government Code Sections 56133 and 56134 set forth LAFCo's out-of-agency services oversight role. The City of San Rafael currently provides fire and emergency response services by contract outside of its jurisdictional boundary and within its SOI to County Service Area No. 19, which

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<sup>28</sup> [Marin County has seen a total population decline of approximately 4,574 residents over the course of the past decade, seeing its peak in 2020 of 261,306.](#)

<sup>29</sup> [City of San Rafael 2024 ACFR](#)

## SAN RAFAEL AREA

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provides 911 all-risk fire and paramedic emergency medical services to the unincorporated communities of McNear’s Beach, Bayside Acres, Country Club, California Park, Sun Valley, Merrydale-Los Ranchitos, San Pablo-Tarrant Circle area, and Santa Venetia. An important part of the agreement is the land lease for Fire Station 57 across from the Marin County Civic Center. Through additional agreements, the City provides a full range of chief officer, administrative, fire prevention, and support services to the Marinwood Community Services District. This service provision agreement is both outside of the City’s jurisdictional boundary as well as its SOI. Both of these agreements are discussed in greater detail later in this profile.

### GOVERNANCE AND STAFFING

The City of San Rafael operates under a council-manager system guided by its 1912 Charter, with a separately elected Mayor and four district-based<sup>30</sup> council members overseeing policy direction. Councilmembers are required to live in the district they represent and are elected only by the registered voters of that district. Councilmembers serve staggered four-year terms, with elections for Districts 1 and 3 next held in 2028, and Districts 2 and 4 next held in 2026. The Mayor, most recently elected at-large in 2024, presides over meetings but holds no veto power. The current Mayor and City Council members can be seen in the table below.

*Table 10 San Rafael City Council*

San Rafael City Council		
Mayor	Kate Colin	Term Exp. – December 2028
District 1	Maika Llorens Gulati	Term Exp. – December 2028
District 2	Eli Hill	Term Exp. – December 2026
District 3/Vice Mayor	Maribeth Bushey	Term Exp. – December 2026
District 4	Rachel Kertz	Term Exp. – December 2028

City Council duties include establishing legislation and policies governing the City; adopting all ordinances, resolutions, and major contracts; approving and modifying annual budgets; making appointments to advisory boards, commissions, and committees; and appointing the City Manager. The City Clerk and City Attorney are also elected positions within the City of San Rafael. San Rafael City Council meetings are scheduled on the first and third Mondays of each month at 6:00 p.m. at the San Rafael City Hall Council Chambers at 1400 Fifth Avenue, in San Rafael.

The City Council appoints a City Manager to serve as the administrative head of the City government, responsible for the day-to-day operations of the City. The City Manager is an at-will employee and administers the City of San Rafael’s departments. The City is organized into several

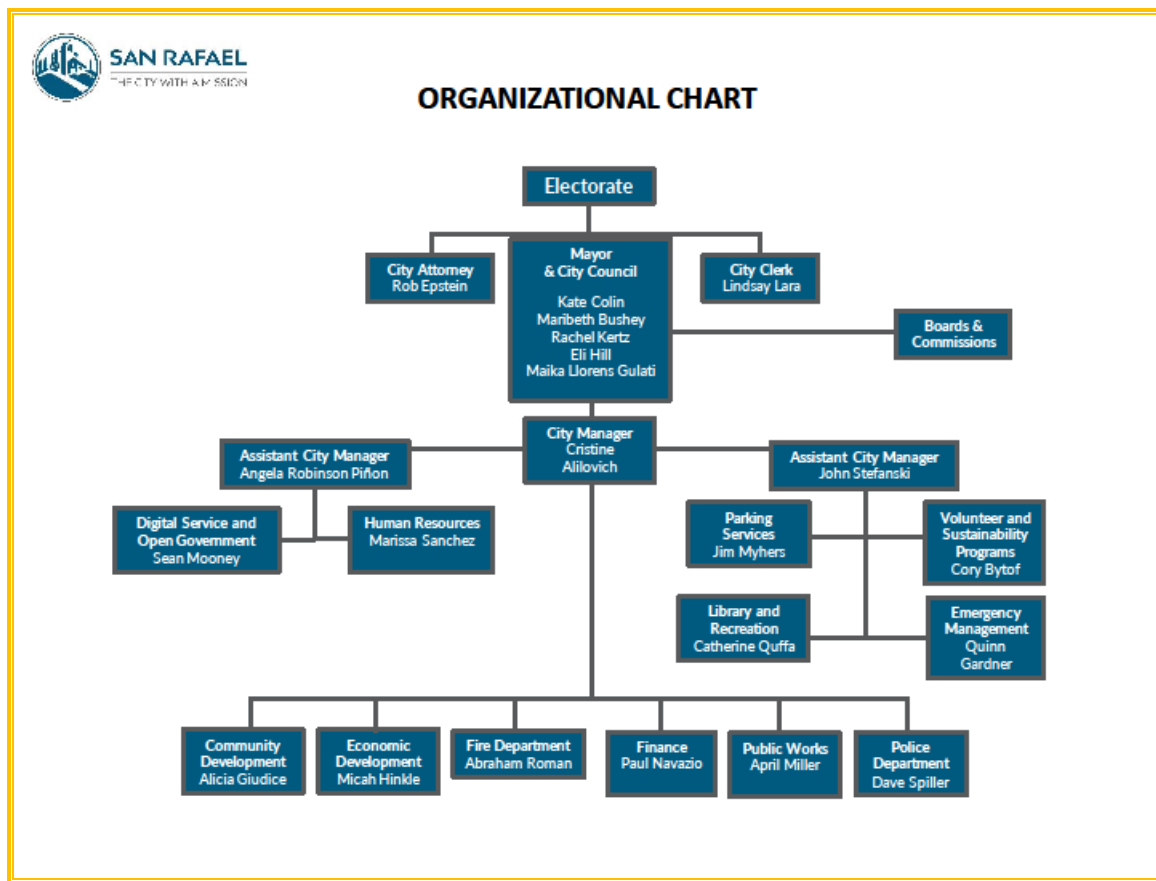
<sup>30</sup> The City moved to district-based Councilmember elections in 2020.

## SAN RAFAEL AREA

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departments operating under the direction of the City Manager, including Community and Economic Development, Finance, Public Works, Fire, and Police. Two Assistant City Managers oversee the City's branches of Human Resources, Digital Service and Open Government, Parking Services, Library and Recreation, Volunteer and Sustainability Programs, and Emergency Management. As of June 30, 2024, the City employed a total of 416.34<sup>31</sup> full-time equivalent (FTE) employees. The City's organizational chart can be seen below.

Figure 3 City of San Rafael Organizational Chart



## ACCOUNTABILITY

As of the writing of this study, all Form 700 financial disclosures are current for each of the required participants within the City. Additionally, the City maintains records of Assembly Bill 1234 (AB 1234) and Assembly Bill 1661 (AB 1661) compliance. The City maintains an up-to-date website that contains contact information for City officials and departments, Council records/agendas/minutes, financial transaction reports, compensation reports, and a wealth of other information. At this time, the City is in compliance with Senate Bill 272 (SB 272), and,

<sup>31</sup> [City of San Rafael ACFR 2024; Pg. 179](#)

## SAN RAFAEL AREA

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while not directly applicable to cities, is also in compliance with Senate Bill 929 (SB 929). The City is not yet in compliance with Assembly Bill 1637, but has until January 1, 2029, to comply.

The City recently adopted a new strategic plan that emphasizes a commitment to greater transparency. The planning document, which will guide the City's work over the next three years, is designed to align with the City Council's priorities and the community's needs. The plan outlines 26 goals and 100 objectives within seven priority areas. The targets are measurable and will be tracked on a performance dashboard available online for public review. The dashboard can be viewed at [cityofsanrafael.org/performance-metrics](http://cityofsanrafael.org/performance-metrics).

### DISADVANTAGED UNINCORPORATED COMMUNITIES

In 2011, Senate Bill 244 (SB 244) made changes to the Cortese-Knox-Hertzberg (CKH) Act related to "disadvantaged unincorporated communities," including the addition of SOI determination number five listed above in the Planning Responsibilities section. Disadvantaged unincorporated communities, or "DUCS," are inhabited territories (containing 12 or more registered voters) where the annual median household income (MHI) is less than 80 percent of the statewide annual median household income.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo<sup>32</sup>. The legislative intent is to prohibit selective annexations by cities of tax-generating land uses while leaving out underserved, inhabited areas with infrastructure deficiencies and a lack of access to reliable potable water and wastewater services.

According to the California Department of Housing and Community Development, the median household income in California in 2025 is \$118,100, with 80% of that amount being \$94,480. Census Tract 1121, Block Group 1, comprises a portion of the unincorporated neighborhood of California Park, which is outside of the City of San Rafael's jurisdictional boundary (albeit substantially surrounded by it), but within the City's sphere of influence. This Census Block Group has an estimated median household income of \$77,625, giving it the designation of a disadvantaged unincorporated community.

As the DUC is surrounded on all sides by either the City of San Rafael or the City of Larkspur, an annexation of more than 10 acres by the City of San Rafael that is contiguous to this DUC is highly unlikely. With that in mind, should Marin LAFCo in the future receive such an application, it will work with the community to determine if it is in the best interest of those living within the DUC to be annexed. If it is not in the community's best interest, then they would not be included in that application.

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<sup>32</sup> CKH Act Section 56375(a)(8)(B) does allow for exemptions for a DUC to be annexed.

## SAN RAFAEL AREA

### MSR & SPHERE OF INFLUENCE STUDY

#### SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA

A community of interest (COI) is a geographically contiguous population that shares common social, cultural, economic, or historical interests relevant to public policy and fair political representation. This concept is central to redistricting under California's FAIR MAPS Act and the State Constitution. Within the sphere of influence of the City of San Rafael, there are a number of communities that Marin LAFCo classifies as unincorporated islands. An unincorporated island is an unincorporated area that is substantially surrounded by a municipality and, in many cases, can only be accessed by way of that municipality's streets.

For the City of San Rafael, these unincorporated islands represent social and/or economic communities of interest, as many of the residents are working, socializing, recreating, and traversing within the City's jurisdiction as part of their daily lives. In addition, the City's emergency response staff are the first responders to calls for service in these areas. Below is a summary of the communities of interest within the City's SOI:

- **Santa Venetia** – Santa Venetia is a 1,200-acre neighborhood of over 1,600 homes centrally located in unincorporated Marin County immediately to the east of Highway 101, and is bordered by the City of San Rafael to the north, south, and west. The community is surrounded by a variety of natural features and open space areas, primarily composed of county-managed open space and China Camp State Park. Although primarily residential in character, the community supports several small commercial areas as well as educational and religious uses.

Santa Venetia has its own community plan, adopted by the County in 2017. Much of Santa Venetia was built out by the 1980s and the potential for additional development in the community is limited. San Rafael's General Plan 2040 states, "Developed and undeveloped areas of Santa Venetia are not expected to be annexed to the City within the time frame of the plan due to flood risks and existing county governance structures." It goes on to say, "The City will work with the County to ensure Santa Venetia residents have access to emergency services, transit, and infrastructure improvements without formal annexation." The Santa Venetia neighborhood is currently receiving fire protection services through CSA No. 19. Santa Venetia receives wastewater service from Las Gallinas Valley Sanitary District.

- **Los Ranchitos** - Los Ranchitos is located west of Highway 101 and north of San Rafael Hill. It is a contiguous island exclusively accessible from city streets. The unincorporated 225-acre Los Ranchitos community features single-family homes on 1-acre minimum lots zoned for agricultural uses, including horses and other livestock. The current Marin County General Plan allows low-density development, designating the neighborhood as single-family residential at 1 unit per 1 to 5 acres, and planned residential at 1 unit per 1

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to 10 acres. The community is nearly completely built out.

The hilly terrain of Los Ranchitos, near the ridgeline, is under the County's Ridge and Upland Greenbelt (RUG) overlay. The Marin Countywide Plan designates these areas as "visually prominent ridgelines" and considers them "community separators". Preservation is encouraged in these areas to help maintain contiguous greenbelt areas.

The Los Ranchitos Improvement Association (LRIA), established in 1952, represents the homeowners and residents of the Los Ranchitos community. The LRIA's mission is to maintain the spirit of the neighborhood and to help its residents preserve their very special way of life. The LRIA has continually expressed interest in preventing annexation to the City of San Rafael, citing that Los Ranchitos acts as an urban separator between the City and the Terra Linda Valley/Sleepy Hollow Open Space. A 2015 proposal to LAFCo clearly indicates LRIA's objective to maintain Los Ranchitos as an unincorporated community separate from the City of San Rafael. In 2018, as the Commission was initiating the San Rafael Area MSR, the LRIA leadership met with staff to reiterate their interest in not being incorporated into the City of San Rafael. Additionally, the San Rafael General Plan 2040 states, "Developed and undeveloped areas of Los Ranchitos are not expected to be annexed to the City within the time frame of the plan due to flood risks and existing county governance structures." It continues on to say, "The City will continue collaborating with the County on flood mitigation in Los Ranchitos but does not anticipate assuming jurisdictional responsibility."

- **Point San Pedro** - Point San Pedro is a 300-acre unincorporated area located on the east side of Highway 101 down Point San Pedro Road along the San Pablo Bay Peninsula. It is contiguous with the city on one side with the rest of the area being bordered by San Pablo Bay. The primary uses in the area are the San Rafael Rock Quarry and McNear's Brickyard site. Both are currently operational; however, the Marin County General Plan designation intends for the ultimate reclamation of the San Rafael Rock Quarry and McNear's Brickyard site at the time the quarrying operations cease. The reclamation and operations of the quarry have been extended to cease in 2044.

The City states within its General Plan 2040, "Developed and undeveloped areas of Point San Pedro are not expected to be annexed to the City within the time frame of the plan due to flood risks, environmental constraints, and existing county governance structures." The General Plan identifies Point San Pedro as part of the San Rafael Planning Area but notes its location in a 100-year floodplain, proximity to the San Rafael Rock Quarry, and reliance on County-maintained infrastructure (such as Point San Pedro Road) as factors making annexation in the short term impractical. The Marin

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Countywide Plan emphasizes interagency coordination with the City of San Rafael but does not propose transferring jurisdictional control. For example, the Point San Pedro Road Pilot Project is a joint effort between the County and the City to improve safety and infrastructure without altering boundaries.

- **Bayside Acres** - Bayside Acres is an unincorporated subdivision along Point San Pedro Road, primarily developed with large single-family homes on hillside lots. Homes located west of Point San Pedro and along the Bay are developed on smaller lots. It is a contiguous island and accessible by city streets. A few Bayside Acres properties have been annexed into San Rafael over the years. This area is about 149 acres in area and is considered one of San Rafael's less dense neighborhoods.

The Bayside Acres subdivision was created from a ranch in the 1910s. The Bayside Acres Homeowners Association (HOA) currently serves the subdivision. The HOA was formed when the subdivision was established, and all parcel owners were required to be members. However, the mandatory requirement was dropped, and it became voluntary in 1957.

Bayside Acres is currently receiving City fire protection services through CSA No. 19 and wastewater through the San Rafael Sanitation District. However, there are some parcels not hooked up to the wastewater system and instead utilize on-site septic systems. The County Sheriff's office provides law enforcement services, with the San Rafael police department responding to calls as needed. The San Rafael General Plan 2040 notes that growth in this unincorporated area is not expected and that while some Bayside Acres parcels were annexed into San Rafael in prior decades, the Plan emphasizes that the remaining unincorporated areas face unique challenges, including environmental vulnerabilities and jurisdictional complexity, which make annexation unlikely.

- **California Park** - California Park is an unincorporated neighborhood located east of the Bret Harte neighborhood in the southern portion of the San Rafael area. Though substantially surrounded by incorporated San Rafael, this region's southern border is the City of Larkspur. The 99-acre California Park neighborhood consists of single-family homes, mobile homes, and apartments. It includes the undeveloped Schuetzen Subdivision, which is located along Auburn Street and consists of very small lots within a wetland area.

The San Rafael General Plan 2040 notes that this area is not expected to be annexed to the City within the time frame of the plan. During the General Plan 2040 process, California Park residents expressed a desire to preserve their rural identity and avoid

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potential tax increases or regulatory changes associated with annexation. California Park is currently receiving city fire protection services through CSA No. 19 and wastewater through the San Rafael Sanitation District. The County Sheriff's office provides law enforcement services, with the San Rafael police department responding to calls as needed.

- **Country Club** - The Country Club neighborhood is located within San Rafael, east of Highway 101 off Point San Pedro Road. It is a contiguous island exclusively accessible from city streets. The neighborhood features large single-family homes on hillside lots, with unincorporated portions along the San Rafael Creek that are developed with single-family homes and multi-family development. Consisting of 298 acres, with an estimated 300 homes, as an older, fully developed neighborhood, minimal future growth is anticipated.

This neighborhood currently receives city fire protection services through CSA No. 19 and sewer services through the San Rafael Sanitation District. However, the residences in the area predominantly utilize on-site septic systems. The County Sheriff's office provides law enforcement services, with the San Rafael police department responding to calls as needed. The San Rafael General Plan 2040 notes that annexation of the community is unlikely within the Plan's timeframe due to the area's proximity to ecologically sensitive spaces and its role as a "community separator" between San Rafael and other unincorporated areas, which further discourages jurisdictional changes.

- **Upper Sun Valley** - The unincorporated portion of the Sun Valley neighborhood centers around the Mount Tamalpais Cemetery. The cemetery itself was incorporated into San Rafael in 2010, which left the remaining unincorporated Sun Valley territory within San Rafael's SOI split into two small islands, one north and one south of the cemetery. Additional unincorporated territory is contiguous with the abovementioned southern Sun Valley island; however, it is included within San Anselmo's SOI.

The southern island (within San Rafael's SOI) is comprised of two parcels, both of which are zoned multi-family residential but are currently undeveloped. The northern island consists of 6 primarily undeveloped parcels also designated for multi-family residential development. Sun Valley receives City fire protection services through CSA No. 19 (northern portion) and CSA No. 31 (southern portion). The County Sheriff's office provides law enforcement services to the entirety of the area, with the San Rafael police department responding to calls as needed. The Marin Countywide Plan does not make any proposal that the area should be annexed to the City, but rather emphasizes

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collaborative governance to address service needs and environmental challenges while maintaining the community's unincorporated status.

## PRESENT AND PLANNED LAND USE

The City of San Rafael's land use is guided by General Plan 2040, which strives to balance urban development with environmental preservation. General Plan 2040 prioritizes managed growth, climate resilience, and equitable development. Some of the key strategies formulated within the updated plan include:

### 1. Housing Density and Affordability

- Target: 3,220 new housing units by 2031, with 1,349 designated for very low and low-income households.
- Focus Areas:
  - Downtown Precise Plan: Up to 2,200 units in mixed-use developments near SMART stations.
  - Northgate Mall Redevelopment: 1,422 residential units with retail.
  - Accessory Dwelling Units (ADUs): average of 25+ permitted annually.

### 2. Open Space Preservation

- 45.9% of the Planning Area (8,111 acres) remains protected as parks, open space, or conservation land.

### 3. Economic and Industrial Zones

- Canal District: Retains light industrial zoning but encourages mixed-use transitions.
- San Rafael Rock Quarry: Mining extended to 2044 under the updated reclamation plan.

### 4. Climate Adaptation

- Wildfire Mitigation: Enhanced defensible space requirements in hillside zones.
- Long-Term Flood Risk Mitigation: Collaboration with the County of Marin and community partners to reduce risks from subsidence and flooding.

### 5. Equity and Inclusion

- Anti-Displacement Policies: Protect vulnerable communities in the Canal District.
- Service Equity: Expand infrastructure in underserved neighborhoods.

Some of the key changes from previous general plans include:

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- Downtown Zoning: Shift from auto-centric to pedestrian-oriented design with form-based codes.
- Hillside Protections: Stricter limits on grading and density in hillside residential zones.

The table below displays the acreage breakdown for major land use categories within city limits (excluding water and undesignated areas):

*Table 11 City of San Rafael Land Use*

Land Use Category	Acres	% of Total Land
<b>Residential</b>	3,834	41.5%
Hillside Resource	194	2.1%
Hillside	642	6.9%
Very Low Density (1-10 units/acre)	82	0.9%
Low Density (15-32 units/acre)	2,149	23.3%
Medium Density (up to 65 units/acre)	527	5.7%
<b>Public/Open Space</b>	4,302	46.6%
Parks/Open Space	3,455	37.4%
Public/Quasi-Public (schools/government)	676	7.3%
Conservation Areas	171	1.9%
<b>Commercial/Mixed Use</b>	576	6.3%
Downtown	163	1.8%
Community Commercial	193	2.1%
Neighborhood Commercial	35	0.4%
Office	185	2.0%
<b>Industrial</b>	419	4.5%
General Industrial	103	1.1%
Light Industrial/Office	316	3.4%
<b>Miscellaneous</b>	68	0.7%
Airport/Recreation	68	0.7%
<b>Total Land Area</b>	9,238	100%

The City of San Rafael's 2023-2031 Housing Element identifies the need for the development of 3,220 housing units to meet its Regional Housing Needs Allocation (RHNA) mandate from the Association of Bay Area Governments (ABAG), including 1,349 units for low and very-low-income households. Within the Housing Element, a number of sites have been identified with their planned unit counts for development. The site inventory strategy relies on underutilized commercial properties, vacant lots, and mixed-use redevelopment to meet 95% of the RHNA. In total, the Housing Element identifies sites that would allow for 4,658 total units to be constructed, offering the City a surplus buffer of 1,438 units beyond what the RHNA has

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mandated. The table below shows how those units are broken out between site categories and income groups.

Table 12 City of San Rafael RHNA

Site Category	Income Group			TOTAL
	Lower	Moderate	Above Moderate	
Development Pipeline	196	4	582	782
Proposed but not Entitled	114	134	927	1,175
Low/Medium Density Residentially Zoned	3	88	56	147
High-Density Residentially Zoned	336	82	42	460
Mixed-Use Sites Outside of Downtown	353	57	74	484
Downtown mixed-use sites	611	288	711	1,610
TOTAL	1,613	653	2,392	4,658
RHNA	1,349	521	1,350	3,220
Surplus Capacity	264	132	1,042	1,438

The City cleared a major hurdle on its path toward meeting its RHNA requirements on December 2, 2024<sup>33</sup>, when the City Council approved the Northgate Town Square Redevelopment at 5800 Northgate Drive. The project will provide 1,422 residential units, including 143 affordable housing units, of which 14 will be for-sale townhomes, and 129 will be available for rent.

## SERVICES PROVIDED

The City provides a majority of the municipal services by way of City staff. Animal control, solid waste/refuse, wastewater collection, wastewater treatment and disposal, water, and electricity/natural gas are primarily provided by other government agencies, contractors, or private entities. The table below presents municipal services provided and associated service providers within San Rafael.

<sup>33</sup> City of San Rafael Resolution No. 15360

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Table 13 Service Providers Within City of San Rafael

Public Service	Responsible Agency Type	Service Provider
Law Enforcement	City	San Rafael Police Department
Fire Protection	City	San Rafael Fire Department
Emergency Medical	City	San Rafael Fire Department
Building/Planning	City	City of San Rafael Staff
Housing	City	City of San Rafael Staff
Code Enforcement	City	City of San Rafael Staff
Animal Control	City (Contract)	Marin Humane Society
Parks and Recreation	City	City of San Rafael Staff
Library	City	City of San Rafael Staff
Landscape Maintenance	City	City of San Rafael Staff
Lighting	City	City of San Rafael Staff
Streets/Road Maintenance	City	City of San Rafael Staff
Solid Waste	City (Contract)	Marin Sanitary Service
Stormwater Drainage	City	City of San Rafael Staff
Water	Special District	Marin Municipal Water District
Wastewater	Special District	San Rafael Sanitation District/Las Gallinas Valley Sanitary District
Wastewater Treatment & Disposal	Joint Powers Authority	Central Marin Sanitation Agency/Las Gallinas Valley Sanitary District

#### *General Government Services*

General government services are primarily provided by elected officials and City management. The City's elected officials are responsible for all legislative and policy functions that establish the quality of City services. In addition to the City Council, the City enlists its residents to compose a number of commissions and citizen advisory committees, including (but not limited to) the Planning Commission, Park and Recreation Commission, Fire Commission, and the Voter-Approved Tax Oversight Committee. The elected City Clerk and City Attorney provide support to the City's legislative bodies.

The City's website provides information about City Council meetings, public meetings, and general services provided by or facilitated by the City. The City's website is easily translated into a variety of languages. The City broadcasts City Council meetings using Zoom as well as being streamed live on the City's YouTube channel. The City is also active on Facebook, Instagram, and Twitter.

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#### *Police Services*

Despite the City not formally incorporating until 1875, the San Rafael Police Department (SRPD) has provided police services to the City of San Rafael since 1855<sup>34</sup>. The San Rafael Police Department's headquarters are located at 1375 Fifth Avenue at the City of San Rafael's Public Safety Center. The SRPD responds to emergency calls for service, conducts preliminary investigations of crime, enforces traffic laws, conducts traffic collision investigations, implements crime prevention strategies, and dispatches the Specialized Assistance for Everyone (SAFE) Team. SRPD provides public safety administration services, including planning and coordination with event organizers to ensure public safety during events.

SRPD has demonstrated consistent operational capacity despite fluctuating service demands. Between 2023 and 2024, total incidents increased by 1.02%, rising from 44,024 to 44,473, with officer-initiated activity (e.g., traffic stops, pedestrian checks) rising by 13.76%<sup>35</sup>. In that time span, response times remained stable, averaging 5 minutes 39 seconds for Priority 1 calls in 2024, reflecting a 2.87% improvement over 2023. Staffing challenges persisted, with sworn officer vacancies reaching nine positions (13% of budgeted roles) by 2024, despite hiring three trainees slated for 2025 deployment. Within the department's service area, Police Reports declined by 8.4% year-over-year in 2024. Since the investment in and implementation of Automated License Plate Readers (ALPR), the City has seen vehicle theft totals fall by over 44%. Total calls for service have decreased by just over 16% over the course of the past decade<sup>36</sup>.

SRPD's funding structure relies primarily on municipal general funds and is supplemented by grants and asset forfeiture proceeds. The City's 2024 budget allocated \$28.5 million to police services, representing 28% of the City's general fund expenditures. Staffing costs dominated expenses, with sworn personnel salaries accounting for 68% of the police budget. Technology investments included \$450,000 for 18 Flock Safety automated license plate readers in 2024, funded through a combination of asset forfeiture (\$318,447 in 2023) and municipal bonds. The Mental Health Services Act (MHSA) provided \$1.2 million annually to support the SAFE Team, which handled over 8% of the total calls for service (3,025) in 2024.

SRPD has implemented strategies to optimize resource allocation. The SAFE Team, launched in March 2023, reduced police responses to mental health crises by 32% within its first year. Predictive policing algorithms analyzed 165,563 regional dispatch events to deploy patrols, contributing to a 44% reduction in vehicle thefts following ALPR expansion. Staff completed 7,984 hours of training in 2024, emphasizing de-escalation and cultural competency. Transparency mechanisms for the department include biannual public reports and a Police Advisory & Accountability Committee (PAAC) reviewing 33 complaints in 2024. Use-of-force

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<sup>34</sup> [SRPD Communications Training Manual; Pg. 14](#)

<sup>35</sup> [SRPD 2024 Annual Report; Pg. 5](#)

<sup>36</sup> [City of San Rafael 2024 ACFR; Pg. 180](#)

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incidents decreased by 32% from 2023 to 2024. Policy manuals are publicly accessible online, covering critical areas like body-worn cameras and bias-free policing.

#### *Fire and Emergency Medical Response Services*

The San Rafael Fire Department operates as a career fire agency serving the City's residents with a total workforce of 82 full-time personnel<sup>37</sup>. With a projected General Fund expenditure budget in FY 2024-25 of \$24.1 million<sup>38</sup>, the department maintains a staffing model with 23 personnel on duty daily across its six fire stations, ensuring comprehensive coverage throughout its service area. The department's leadership structure includes the Fire Chief, along with Deputy Fire Chiefs and Battalion Chiefs who provide 24-hour command coverage. The organization has demonstrated commitment to professional development and operational excellence, evidenced by its achievement of an Insurance Services Office (ISO) Public Protection Classification (PPC) of a Class 1 certification. The ISO certification was upgraded from a Class 3 in 2016. The upgraded status was a product of the City's commitment to making adjustments and improvements in its response capabilities, equipment, dispatch, water system, shared services, and fire prevention efforts. Of the approximately 49,000 fire agencies eligible for certification, the department is 1 of only 146 that are Class 1.

The department responded to 12,004 calls for services in 2024, representing a significant increase from the 9,088 calls in 2021 and 7,041 calls in 2012, indicating steady growth in service demand over the past decade. Approximately 70% of the Department's service calls are to provide emergency medical services, reflecting the evolution of fire departments into comprehensive emergency service providers over the past couple of decades. The department's response capabilities are anchored in its response apparatus that includes six frontline Type 1 engines, one 105-foot Pierce aerial ladder truck, four ambulances (two full-time staffed and two cross-staffed), two wildland fire apparatus, and one fireboat. This equipment configuration demonstrates an above-average level of redundancy and specialized capability, which is particularly noteworthy given that many fire agencies throughout California struggle with limited unit redundancy and can respond to only one incident at a time. The department's strategic positioning allows for mutual aid coordination with neighboring agencies while maintaining adequate resources for simultaneous emergency responses within San Rafael.

One of the most significant examples of this coordination is the City's longstanding agreement with the County of Marin, specifically in the form of Marin County Service Area No. 19 (CSA 19). This agreement, dating back to 1976, provides all-risk fire protection and emergency medical services to the unincorporated neighborhoods comprising CSA 19, including Santa Venetia, Los Ranchitos, Country Club, Bayside Acres, and California Park. SRFD responds to calls for service within CSA 19's jurisdiction, and Marin County leases land at 3530 Civic Center Drive, which is

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<sup>37</sup> As of the end of FY 2023-24

<sup>38</sup> This amount represents 23.6% of the City's General Fund expenditures for FY 2024-25

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the site of Station 57, to the City. The lease agreement and the fire protection services agreement were each last renewed in 2016.

As part of the renewed Station 57 lease agreement, the City also agreed to grant the County of Marin an option to purchase City-owned property at 30 Joseph Court in northern San Rafael, which was originally used by the City as its Fire Station 53. However, by 2016, the property was being used only to house the San Rafael Fire Department's Medic Unit 53. In planning to rebuild Station 57, the Fire Department planned to move Medic Unit 53 to the new station and determined that it would no longer need 30 Joseph Court for Fire Department purposes after the new Fire Station 57 was completed and occupied. A purchase agreement for the property was approved by the Marin County Board of Supervisors and signed by the President of the Board of Supervisors and the City Manager on July 20, 2021. The projected revenue to the City for fire services in CSA 19 for FY 2024-25 was \$2,591,262<sup>39</sup>. The amount increases each year by the same salary increase percentage set by the firefighter collective bargaining agreement. Station facilities and renovation costs are split between the two agencies.

The City also has a shared services agreement with the Marinwood Community Services District, which represents a multi-decade collaboration rooted in regional efficiency and operational integration. The partnership began with informal mutual aid arrangements in the early 1970s and formalized through structured agreements in 2014. This initial Joint Exercise of Powers Agreement established, among other things, automatic aid protocols for fire and emergency response across jurisdictional boundaries, personnel sharing between departments allowing temporary assignments of firefighters and officers, a unified operational area encompassing both agencies' service territories, and financial terms for overtime reimbursement. In 2018, in anticipation of Marinwood Community Service District's long-time Fire Chief's looming retirement, the two agencies agreed to a leadership integration amendment to the agreement, which significantly expanded the partnership to include:

- SRFD assumes oversight of Marinwood Fire Department's administrative and operational leadership;
- San Rafael began providing Fire Chief services to Marinwood CSD under a five-year renewable contract;
- Updated agreement included a 90-day cancellation clause for flexibility.

Other key components of the agreement include the following:

- Unified Command Structure: SRFD Chief Officers manage day-to-day operations, including incident response coordination, personnel scheduling, and equipment maintenance protocols;

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<sup>39</sup> [City of San Rafael FY 24-25 General Fund Budget](#)

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- Cross-staffing Protocols: Marinwood CSD maintains 9 firefighters across three shifts, and SRFD provides Chief Officer oversight for each shift;
- Shared training facilities at Station 52;
- Joint use of Fire Station 58 at 777 Miller Creek Road.

In 2021<sup>40</sup>, an additional addendum was added for wildfire prevention services. With the establishment of the Marin Wildfire Prevention Authority in 2020 and the approval by the voters of Marin County of Measure C to leverage a tax assessment to provide defensible space funding to fire agencies throughout Marin County, both the City and the District agreed that coordinating services within the unified operational area would provide simplified and unified public service by eliminating duplicated costs realized in wildfire prevention activities.

The Department has undergone a significant recent infrastructure modernization program. The department completed the construction of three entirely new fire stations (51, 52, and 57) and major renovations of two additional facilities (54 and 55) between 2016 and 2020. Station 51, the department's headquarters, was incorporated into the new Public Safety Center that opened in 2020, housing not only fire administration and apparatus but also the police department and Office of Emergency Services, demonstrating an innovative multi-agency facility sharing. Station 52, opened in April 2019 at 52 Union Street, serves the outer downtown area and Dominican College, while Station 57, opened in November 2019 at 3530 Civic Center Drive, provides coverage for the northern service area and includes specialized equipment for China Camp State Park responses.

The San Rafael Fire Department provides Advanced Life Support (ALS) emergency medical services with paramedics stationed on all engine companies, reflecting the department's adaptation to the reality that 70% of emergency responses involve medical emergencies. The department operates four ambulances with cross-staffing arrangements: two units (Medic 52 and Medic 57) are staffed full-time, while two additional units (Medic 55 and Medic 56) are cross-staffed by engine company personnel and can be deployed when primary ambulances are committed to other calls. This configuration provides significant EMS redundancy compared to many agencies, where limited ambulance availability creates service gaps. EMS patients are transported to the hospital of their choice unless the call is urgent, indicating patient-centered service delivery. The 2019 Marin County EMS Plan documents the department as operating within PSA "B" response zone with written contracts and 24-hour system availability, contributing to a coordinated county-wide emergency medical response network.

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<sup>40</sup> [Marinwood CSD Meeting Materials; May 11, 2021](#)

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#### *Library and Recreation*

The City of San Rafael's Library and Recreation Department oversees 23 municipal parks totaling 99 acres<sup>41</sup>, including regional assets like Albert Park and Shoreline Park, three community centers, one cultural center, three library locations, two preschools, and five school-aged childcare centers. In the six years that have passed since the City was last included in a municipal service review, this department has arguably experienced the most significant change out of all of the City's departments.

On July 15, 2019, the San Rafael City Council authorized the reorganization of what was, at that time, the Community Services Department and the Library, aiming to streamline operations, enhance programmatic collaboration, and optimize resource allocation for community-centric initiatives. The City stated that, "The merger reflects broader trends in local governance toward integrated service models that prioritize accessibility, equity, and innovation." The City Council's discussions on the matter emphasized the need for a "user-centered approach" to service design, mirroring broader municipal reforms like the 2018 creation of the Department of Digital Service and Open Government Department from the former Information Technology Division. Some of the key drivers behind the City's push to reorganize these departments included:

1. **Operational Efficiency:** Combining administrative functions reduced redundancies in budgeting, staffing, and facility management.
2. **Programmatic Synergy:** Joint initiatives, such as after-school literacy and recreation hubs, became feasible under a unified structure.
3. **Equity and Access:** The merger aimed to bridge service gaps in underserved neighborhoods, particularly the Canal District, where Pickleweed Library and Community Center already operated as a dual-purpose facility.

The San Rafael Public Library system operates three facilities serving the community. The flagship Downtown Library, originally built in 1901 as a Carnegie library, serves as the central hub located at 1100 E Street. The system also includes the Pickleweed Branch Library and the Northgate Mall Location. Recently (and currently nearing completion), the Downtown Library has been undergoing a comprehensive \$3 million modernization project. This critical safety and infrastructure update includes roof repairs, plumbing and electrical upgrades to meet current codes, fire alarm system installation, ADA accessibility improvements, HVAC system repairs, and minor design enhancements. The project is funded through \$2 million in California State Library grants and \$1 million in memorial funds donated specifically for library improvements.

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<sup>41</sup> City of San Rafael 2024 ACFR; pg. 183

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Throughout the renovation process<sup>42</sup>, the library temporarily relocated to a pop-up location at 1009 4<sup>th</sup> Street in order to maintain services in the same general vicinity.

The Library and Recreation Department is also overseeing two other major facility renovations. First, the Pickleweed Park Enhancement Project represents a substantial recreation infrastructure investment in the Pickleweed Park facility at 50 Canal Street. Key improvements include replacement of the existing sports field with an all-weather turf field usable year-round, installation of a new outdoor basketball court, addition of playground features for children under five, installation of adult fitness equipment, construction of a new gazebo with shaded seating, replacement of the park restroom building, and improved lighting, among other things. This project was made possible by a \$4.24 million grant from the National Park Service Land and Water Conservation Fund, as well as supplementation by local City funding. This community priority project is the culmination of over 15 years of community outreach and planning. The project began construction in September 2024 and is expected to be completed in summer 2025. At the completion of this project, the City plans to commence the Pickleweed Branch Library renovation project, which is funded by a \$1 million Building Forward Grant from the State Library Foundation and \$1 million in memorial funds donated specifically for library improvements. The project will expand public space, enhance accessibility, and improve safety.

In November of 2024, the residents of San Rafael voted to approve Measure P, a citizen's initiative which established a tax of \$0.145 per square foot of improved building area per year and \$75 per vacant parcel per year within the City, which is estimated to bring in \$6.37 million in revenue annually for 30 years, or while bonds remain outstanding. The tax revenues are appropriated for the construction of a new library and community center at Albert Park<sup>43</sup>. This project will be a multi-year effort.

In April 2023, following a two-year development process that integrated community input, infrastructure assessments, and alignment with the City's General Plan 2040<sup>44</sup>, the City of San Rafael adopted its Citywide Parks and Recreation Master Plan (CPRMP). The process was initiated in July of 2021 when the City Council appointed a 15-member Steering Committee representing diverse stakeholders throughout the City.<sup>45</sup> This document offers the City a comprehensive framework to address evolving recreation needs, equity gaps, and infrastructure modernization in order to better position the City to meet future demands through strategic prioritization and collaborative governance.

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<sup>42</sup> Renovation efforts began September, 2024.

<sup>43</sup> Proceeds from the tax are also approved to be used for improvements and expansion at San Rafael's branch libraries.

<sup>44</sup> In addition to General Plan 2040, the CPRMP incorporated the Downtown Precise Plan 2021, Climate Change Action Plan 2019, San Rafael Bicycle and Pedestrian Master Plan, 2018, and the Canalfront Conceptual Design Plan and Guidelines.

<sup>45</sup> [San Rafael City Council Agenda Report; February 21, 2023](#)

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The City's CPRMP exemplifies how mid-sized cities can balance growth pressures with equity imperatives. By anchoring decisions in community feedback and leveraging cross-sector partnerships, the plan provides a replicable framework. The CPRMP underscores the necessity of flexible governance structures, robust public engagement mechanisms, and proactive maintenance budgeting to sustain recreational ecosystems amid demographic and environmental shifts.

#### *Public Works*

The City of San Rafael's Department of Public Works (DPW) is responsible for planning, building, and maintaining the City's core infrastructure to ensure public safety, support daily operations, and improve quality of life. DPW has executed \$48.3 million in capital projects over the past five years while managing 173 miles of roadway, 25 public buildings, a fleet of over 200 City vehicles, 70 pieces of heavy equipment, 58 miles of storm drains, and 12 stormwater pump stations. The Department employs 68 FTE employees across eight separate divisions: Capital Improvement, Traffic, Land Development, Administration, Streets Maintenance, Parks Maintenance, Facilities Maintenance, and Vehicle Maintenance. The Department's current Capital Improvement Program (CIP) for FY 2025-26 to FY 2027-28 prioritizes multimodal transportation upgrades and aging infrastructure replacement through \$62.3 million in planned investments. The following are ten of the most significant projects completed within this study window (past 5 years):

- 1. Fire Stations 54 & 55 Replacement**
- 2. Third Street Rehabilitation and Safety Projects**
- 3. Digital Asset Management System Implementation**
- 4. B Street Culvert Replacement and Resurfacing**
- 5. Fiscal Year 2021-22, 2022-23, and 2023-24 Major Pavement Maintenance Project**
- 6. Grand Avenue Cycle Track**
- 7. Francisco Boulevard East Sidewalk Widening and Resurfacing Projects**
- 8. Southern Heights Boulevard Bridge**
- 9. Vehicle Fleet Electrification**
- 10. Pickleweed Library Roof Replacement**

The following are major new projects identified in the current CIP, which spans FY 2024-25 through 2026-27 and allocates \$62.3 million<sup>46</sup> towards the City's infrastructure improvements:

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<sup>46</sup> Notably, 63% of funding derives from state/federal grants requiring local matches, emphasizing competitive grant acquisition strategies.

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- 1. Albert J. Boro Community Center HVAC and Roof Repair (Total Cost Estimate \$2.4 million)**
- 2. Downtown Library Modernization (Total Cost Estimate \$3.15 million)**
- 3. Pickleweed Branch Library Redesign (Total Cost Estimate \$2.1 million)**
- 4. Pickleweed Park Enhancement and Field Renovation (Total Cost Estimate \$9.3 million)**
- 5. San Quentin Pump Station Reconstruction (Total Cost Estimate \$8.5 million)**
- 6. Canal Neighborhood Active Transportation Enhancement (Total Cost Estimate \$6.7 million)**
- 7. Second St and Fourth St Intersection Improvements (Total Cost Estimate \$4.7 million)**
- 8. Canal St Powerline Undergrounding (Total Cost Estimate \$8.2 million)**
- 9. South Merrydale Road/Civic Center Connector Pathway (Total Cost Estimate \$3.7 million)**
- 10. Citywide Storm Drain Plan (Total Cost Estimate \$887,900)**

### **FISCAL HEALTH**

The sections that follow evaluate the City's fiscal health, inclusive of revenue sources and major expenditure categories.

#### *Annual Audit Findings*

San Rafael is required to undergo an annual financial audit, with the results published in an Annual Comprehensive Financial Report (ACFR), in which the auditors are required to issue a report of whether the financial statements of the City accurately present the financial position of the City. The ACFRs from the current study window range from Fiscal Year Ending (FYE) June 30, 2020, to FYE June 30, 2024. These ACFRs did not present any findings and each stated, "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America."

The table below shows the actual historical General Fund revenues and expenditures from FY 2019-20 through FY 2023-24.

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Table 14 Study Window Revenues and Expenditures

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Actual Revenues</b>					
Taxes and Special Assessments	\$69,242,196	\$76,771,466	\$84,324,467	\$86,808,092	\$88,564,312
Licenses & Permits	\$3,047,144	\$3,000,666	\$3,077,355	\$3,002,122	\$3,614,566
Fines & Forfeitures	\$349,563	\$219,030	\$296,300	\$228,966	\$259,792
Use of Money and Properties	\$371,231	\$156,398	(\$1,969,810)	\$684,150	\$3,377,438
Intergovernmental	\$3,229,127	\$4,819,890	\$20,393,799	\$3,521,419	\$4,830,166
Charges for Services	\$3,105,656	\$2,789,005	\$2,880,711	\$2,843,882	\$3,245,323
Other Revenue	\$942,435	\$946,294	\$786,766	\$1,010,712	\$1,054,355
<b>Total Revenues</b>	<b>\$80,287,352</b>	<b>\$88,702,749</b>	<b>\$109,789,588</b>	<b>\$98,099,343</b>	<b>\$104,945,952</b>
<b>Actual Expenditures</b>					
General Government	\$16,119,613	\$10,795,698	\$17,214,009	\$13,114,356	\$15,483,609
Public Safety	\$41,615,327	\$44,558,789	\$46,824,239	\$47,070,997	\$47,275,482
Public Works and Parks	\$12,349,130	\$12,221,102	\$13,516,875	\$14,602,997	\$14,395,860
Community Development	\$5,276,887	\$5,520,129	\$5,377,625	\$5,174,237	\$5,514,463
Culture and Recreation	\$2,689,531	\$2,604,071	\$2,989,038	\$3,201,698	\$3,088,241
Capital Outlay			\$372,147		\$2,232,278
Debt Service	\$3,101,094	\$5,007,187	\$5,344,572	\$5,286,426	\$5,860,425
<b>Total Expenditures</b>	<b>\$81,151,582</b>	<b>\$80,706,976</b>	<b>\$91,635,505</b>	<b>\$88,450,480</b>	<b>\$93,850,358</b>
<b>Net Spending</b>	<b>(\$864,230)</b>	<b>\$7,995,773</b>	<b>\$18,154,083</b>	<b>\$9,648,863</b>	<b>\$11,095,594</b>

During the course of the study window, the City's General Fund averaged approximately \$9.2 million in excess revenues over expenditures. The only year that expenditures outpaced revenues, FY 2019-20, was primarily caused by a combination of COVID-19 pandemic impacts on revenues, expenditure overruns (particularly in general government due to increased liability claims), and significant net transfers out to other funds. The pandemic's emergence in the final quarter of the fiscal year created an unexpected economic shock that significantly reduced tax revenues, particularly sales tax and transient occupancy tax.

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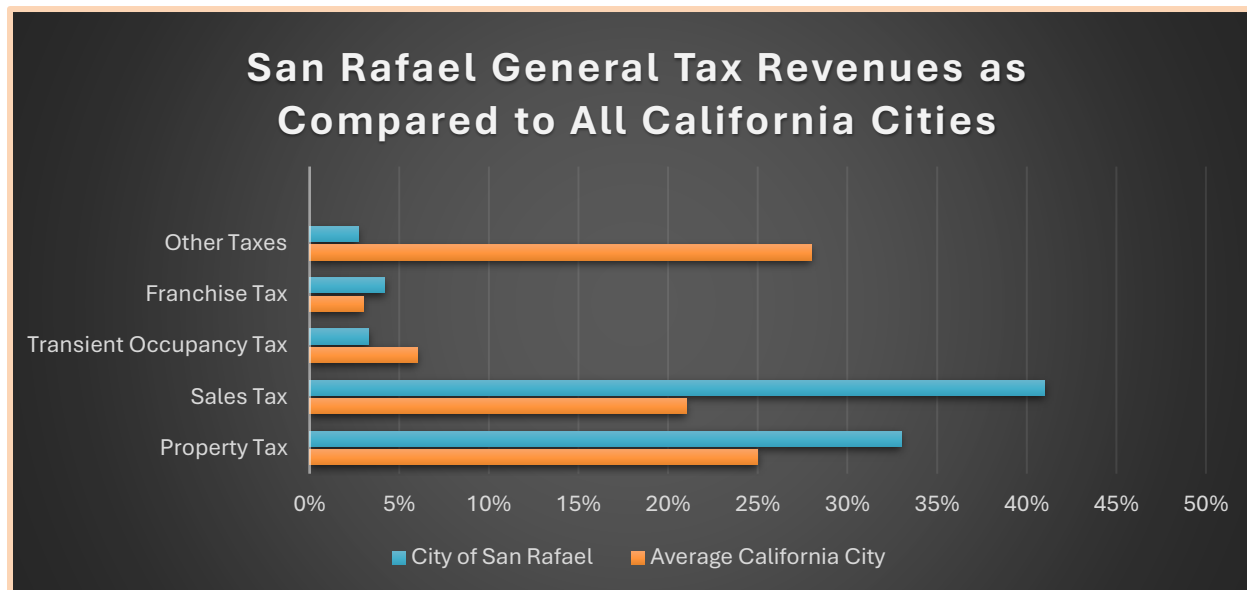
#### *Operating Revenues*

On average, during the course of the study window, tax revenues made up approximately 85% of General Fund revenues, inclusive of property tax, sales tax, paramedic tax, transient occupancy tax, and a number of other taxes. The City's second largest revenue source is intergovernmental revenues, which include revenues from Federal, State, and other local governments. Grants, shared revenues, and other types of intergovernmental payments are included in this category. The figure below compares five of the City's general tax revenue categories based on all of the tax types that the City collects with the general tax revenues of all cities in California.<sup>4748</sup>

The City of San Rafael has a fairly unique general tax revenue profile. The City relies more heavily on sales tax<sup>49</sup> and property tax revenues than the majority of other municipalities in the State, based on the sum total of all tax types collected.

For FY 2024-25, the City Council adopted a General Fund budget that is supported by estimated General Fund revenues of \$101,282,204, transfers in of \$2,508,306, and an available fund balance of \$8,501,247. The adopted budget projects revenues for all funds citywide of \$190,528,845. In FY 2023-24, the City's General Fund revenues totaled approximately \$1,753 per capita.

*Figure 4 San Rafael General Tax Revenues Comparison*



<sup>47</sup> [City of San Rafael 2024 ACFR; Pg. 11](#)

<sup>48</sup> [California State Controller's Office; Municipalities Revenues Comparison](#)

<sup>49</sup> The City's larger sales tax revenues are due in large part to revenues from the Measure E Transactions & Use Tax, as well as the Measure R Transactions and Use Tax, both of which apply to most local retail sales, and adds an additional combined one percent to all transactions.

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#### *Operating expenditures*

The City of San Rafael’s budgeted General Fund expenditures for FY 2024-25 total \$112,291,757.<sup>50</sup> This amount is a 12.2% increase from the prior year’s total General Fund uses of \$100,041,140. The City’s largest expenditure category is personnel, which includes staff salaries and benefits. For FY 2024-25, the total amount budgeted for personnel expenditures across all departments was \$71,096,255, which was a 3.7% increase from the previous year. The table below displays the City’s budgeted expenditures (both personnel and operational) for all departments in both FY 2023-24 and FY 2024-25.

*Table 15 City of San Rafael Expenditures By Department*

	Expenditures by Department			
	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>% Change</i>	<i>\$ Change</i>
	<i>Adopted Budget</i>	<i>Adopted Budget</i>		
<i>Finance</i>	\$3,033,755	\$2,628,380	-13.4%	(\$405,375)
<i>Non-Departmental</i>	\$10,678,384	\$11,843,287	10.9%	\$1,164,903
<i>City Manager/City Council</i>	\$3,247,605	\$3,945,027	21.5%	\$697,422
<i>City Clerk</i>	\$581,169	\$783,037	34.7%	\$201,868
<i>Digital Service</i>	\$1,949,021	\$2,209,402	13.4%	260,381
<i>Human Resources</i>	\$724,561	\$720,095	-0.6%	(\$4,466)
<i>City Attorney</i>	\$1,211,301	\$1,330,633	9.9%	\$119,332
<i>Community Development</i>	\$6,686,645	\$7,099,121	6.2%	\$412,476
<i>Police</i>	\$26,818,491	\$28,482,454	6.2%	\$1,663,963
<i>Fire</i>	\$23,570,766	\$24,097,859	2.2%	\$527,093
<i>Public Works</i>	\$15,125,015	\$15,399,570	1.8%	\$274,555
<i>Library</i>	\$3,392,971	\$3,494,392	3.0%	\$101,421
<i>Economic Development</i>	\$814,456	-	-100%	(\$814,456)
<b>Total Expenditures</b>	<b>\$97,834,140</b>	<b>\$102,033,257</b>	<b>4.3%</b>	<b>\$4,199,117</b>

### PERFORMANCE STANDARDS

Marin LAFCo utilized four different methodologies to evaluate the City of San Rafael’s fiscal performance. The four approaches to evaluating performance include a review of reserve fund balances, pensions/other post-employment benefits (OPEB), debt ratio, and third-party fiscal health evaluations. The methodologies and findings are outlined below.

<sup>50</sup> This amount is inclusive of planned transfers out to multiple funds totaling \$10,258,500.

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#### *Reserve Fund Balance*

The City has maintained an emergency uncertainty fund balance for General Fund reserves, requiring 10 percent of operating expenditures to be held in reserve. This 10 percent would represent approximately 60 days of expenditures and would provide for economic uncertainties, local disasters, other financial hardships, downturns in the local or national economy, contingencies for unseen operating or capital needs, unfunded liabilities, institutional changes, and cash flow requirements.

For FY 2024-25, the City Council updated the City's General Fund Reserve Policy from 10% to 15% of operating expenditures, which projected a total General Fund Reserve of \$15.27 million as of June 30, 2025. The increased reserve level better aligns with generally accepted best practices<sup>51</sup>. The updated reserve level is allocated with 5% for economic uncertainty to buffer against volatility in revenues during economic downturns/recessions, and 10% for emergency reserve to provide for unexpected/unplanned expenditures. In addition, the City also adopted an increase to the Capital Reserve for the current fiscal year, increasing the previous reserve level of \$600,000 to \$1,000,00 to serve as a buffer against unanticipated capital projects that may require supplemental support from the General Fund.

#### *Pension and OPEB Obligations*

The City's defined benefit retirement plan is administered by the Marin County Employees' Retirement Association (MCERA). MCERA operates as a cost-sharing, multiple-employer defined benefit plan for the City and eight other participating employers. As of June 30, 2024, the City had 335 active employees within its MCERA plans, as well as 314 retirees/beneficiaries<sup>52</sup> receiving benefits.

Net pension liability is the amount owed to a defined benefit pension plan based on the actuarial present value of the projected benefit payments for plan members and their beneficiaries, less the plan's net position. Essentially, it represents the portion of the pension obligation that is not covered by the plan's assets, indicating an unfunded liability. This liability is reported by employers who sponsor defined-benefit pension plans. As of June 30, 2024, the City of San Rafael carried a net pension liability of \$99,372,215.

A pension funded ratio is a metric that expresses the value of a pension plan's assets divided by its liabilities. It indicates the extent to which a pension plan has sufficient funds to cover its future obligations to retirees. A funded ratio of 100% means the plan is fully funded, while a ratio below 100% indicates unfunded liability. As of June 30, 2024, the City's pension funded

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<sup>51</sup> The Government Finance Officers' Association recommends 17%.

<sup>52</sup> City of San Rafael 2024 ACFR; Pg 97.

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ratio was 76.3%. As of June 30, 2023, the average funded ratio for California cities participating in public pension systems is 72.3%.<sup>53</sup>

The City also provides certain health care benefits for retired employees and their spouses under an Agent Multiple-Employer Defined Benefit Plan (also known as other post-employment benefits or OPEB). Employees who meet the vesting criteria become eligible for these benefits if they receive a retirement benefit from the Marin County Employees' Retirement Association within 120 days of retirement from City employment. As of the most recent measurement date of June 30, 2023, the City's OPEB plan consisted of 340 active members, 370 inactive employees or beneficiaries currently receiving benefit payments, and 85 inactive employees entitled to but not yet receiving benefit payments. As of June 30, 2024, the City carried a net OPEB liability of \$20,850,000.

#### *Debt Ratio*

The debt ratio is a fundamental financial metric that measures the proportion of a municipality's assets that are financed through debt, calculated by dividing total liabilities by total assets. This ratio reveals the extent to which a local government relies on borrowed funds versus owned resources, providing critical insights into its financial structure and overall fiscal health. For municipalities, maintaining appropriate debt levels is essential as excessive debt can constrain future financial flexibility and potentially lead to fiscal stress or even bankruptcy.

Unlike the pension funded ratio, which specifically measures the percentage of pension liabilities covered by pension assets, the debt ratio offers a broader perspective on a municipality's overall financial position by examining its entire liability structure relative to its asset base. The debt ratio serves as one of several critical indicators that collectively portray a municipality's fiscal condition. The following aspects are typically considered when evaluating municipal financial health in relation to debt ratio:

#### **1. Short-term Financial Stability**

The debt ratio helps assess a municipality's ability to meet immediate financial obligations by indicating the level of leverage in its capital structure. A lower debt ratio suggests greater financial flexibility and capacity to address short-term needs without additional borrowing.

#### **2. Long-term Fiscal Sustainability**

By examining the relationship between debt and assets, the ratio provides insights into a municipality's long-term financial trajectory and its ability to sustain service levels while meeting future obligations. Municipalities with lower debt ratios generally have more capacity to invest in infrastructure and respond to emerging community needs.

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<sup>53</sup> [Annual Review of Funding Levels and Risks FYE 2023](#)

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#### 3. Financial Flexibility and Resilience

The debt ratio directly impacts a municipality's financial flexibility—its ability to respond to economic downturns, emergencies, or changing service demands. A municipality with a high debt ratio has less "fiscal space" to maneuver during challenging times, as more of its revenue must be dedicated to debt service rather than operational needs or new initiatives.

As of June 30, 2024, the City of San Rafael had a debt ratio of 40.5%. This ratio calculation is shown below:

#### Total Long-Term Liabilities Summary:

- Long-term debt: \$47,040,777
- Net pension liability: \$99,372,215
- Net OPEB liability: \$20,850,000
- Compensated absences: \$4,573,151
- Lease liabilities: \$6,405,391
- Subscription liabilities: \$2,418,280
- Claims payable: \$14,501,862

**Total Long-Term Liabilities: \$195,161,676**

**Total Assets (Primary Government): \$482,017,905**

**Debt-to-Assets Ratio: 40.5%** (calculated as  $\$195,161,676 \div \$482,017,905$ )

Additionally, the Government Finance Officers Association (GFOA) and industry standards suggest that annual debt service<sup>54</sup> should generally not exceed 7-10% of operating revenues<sup>55</sup>. For California local governments, debt service as a percentage of General Fund revenues is a key metric, with the State Treasurer's Office reporting that the state's ratio was 3.71%<sup>56</sup> in FY 2022-23. In FY 2023-24 the City of San Rafael had a total debt service amount of \$5,992,213. In comparison to total operating revenues for the same fiscal year, the City's debt service ratio was 3.98%.

In November 2024, Fitch Ratings upgraded the City of San Rafael's Issuer Default Rating (IDR) to AA+ from AA. In their announcement, Fitch Ratings noted that the upgrade of the IDR is driven by the City's AAA financial resilience assessment and the implementation of Fitch's new U.S.

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<sup>54</sup> Debt service is the amount of interest and sinking fund payments due annually on long-term debt.

<sup>55</sup> [GFOA Publication, "How Much Debt is Too Much?"](#)

<sup>56</sup> [State of California ACFR 2023](#)

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Public Finance Local Government Rating Criteria. The Financial resilience assessment reflects the City’s “limited” budgetary flexibility and maintenance of general fund reserves at or above 25% of spending; the City’s reserves, which include General Fund and other available funds, have been consistently maintained above 40% of spending. Additionally, the rating incorporates the City’s strong demographic and economic levels, midrange long-term liability composite, balanced against a declining population trend. The rating also reflects the City’s population size and diverse local economy that benefits from its location within the greater Bay Area labor market.

#### *California Policy Center Fiscal Health Evaluation*

In 2019, the California State Auditor completed an audit of local governments in the State to determine which cities may be facing fiscal challenges by assessing the risk associated with ten various fiscal indicators. The fiscal health analysis examined general fund reserves, debt burden, liquidity position, revenue trends, pension costs, pension funding, pension obligations, OPEB obligation, OPEB Funding, and unrestricted net position relative to government-wide revenues. The Auditor ranked all 431 cities in California on each fiscal indicator, with 1 being the highest risk and 431 being the lowest risk.

The State Auditor continued producing this information annually by way of a dashboard on its website until 2023, at which time it was discontinued due to insufficient staffing to continue to maintain it. At that time, the educational non-profit organization, California Policy Center, replicated the State Auditor’s interactive dashboard tool on its website and has continued to publish these findings annually, mirroring the methodology<sup>57</sup> and publicly available information utilized by the State Auditor previously.

For the fiscal year 2023-24, the City of San Rafael received a fiscal strength score of 71 out of 100, categorizing the City as “low risk of financial distress”. The City received its highest categorical scoring in General Fund Reserves, Liquidity, and Pension Funding. The City’s lowest categorical score was in Pension Costs, which measures the fraction of the revenues that is consumed to fund pension obligations and thus the fiscal burden that pension costs exert. The City has scored in the “low risk of financial distress” range for the past three fiscal years.

## SUSTAINABILITY

The City of San Rafael has established itself as a regional leader in climate action and sustainability over the past decade, with comprehensive efforts spanning greenhouse gas reduction, adaptation planning, and community engagement. In 2006, San Rafael was among the early signatories to the U.S. Conference of Mayors Climate Protection Agreement, committing to work toward meeting the Kyoto Protocol goals. The city adopted its first Climate

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<sup>57</sup> [Local Fiscal Health Dashboard Methodology](#)

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Change Action Plan in 2009, setting ambitious targets of 25% greenhouse gas reduction by 2020 and 80% reduction by 2050. These early commitments laid the foundation for San Rafael's recognition as the first-ever winner of the Beacon Award for Local Leadership Toward Solving Climate Change in 2013, achieving silver-level accomplishments, including 19.2% agency greenhouse gas reductions and 8.1% community greenhouse gas reductions between 2005-2010.

#### *Major Climate Benchmarks Achieved*

San Rafael has achieved remarkable progress in reducing greenhouse gas emissions, with community-wide emissions dropping from approximately 475,000 metric tons of CO<sub>2</sub> equivalent in 2005 to 315,111 metric tons in 2022—a reduction of 34% below 2005 levels and 22% below estimated 1990 levels. The city has earned multiple Beacon Awards, including Gold level recognition in 2019 and Platinum level community greenhouse gas reductions of 27% by 2021. The City Council adopted an updated Climate Change Action Plan 2030 in 2019, elevating the importance of social equity and economic development in the City's climate action efforts. In 2021, San Rafael unanimously adopted a Climate Emergency Resolution that aligned the City's policies with California's greenhouse gas reduction targets of 40% below 1990 levels by 2030 and carbon neutrality by 2045. The city's efforts have been supported by partnerships with regional organizations, including the Marin Climate and Energy Partnership (MCEP) launched in 2007, and participation in the Marin Energy Authority, which provides residents with 60-100% renewable electricity options.

#### *General Plan 2040 and Climate Integration*

San Rafael's General Plan 2040, adopted in August 2021, features an expanded Conservation and Climate Change Element that addresses natural resource management and climate action as a guiding principle throughout the plan. The Conservation and Climate Change Element is organized around five broad goals: supporting natural communities, clean air, clean water, sustainable energy management, and reduced greenhouse gas emissions. The plan recognizes that effectively responding to climate change is fundamental to the City's future, with climate action themes integrated across all elements rather than confined to a single section. General Plan 2040 also identifies the need for future specialized plans, including a Sea Level Rise Adaptation Plan, which acknowledges the City's vulnerability to climate impacts, particularly in low-lying areas like the Canal neighborhood.

#### *Sea Level Rise Adaptation and Vulnerable Communities*

San Rafael has prioritized climate adaptation planning, particularly for sea level rise impacts in the Canal neighborhood, which represents one of the Bay Area's most vulnerable communities to climate change. Southeastern San Rafael sits on low-lying land that is already lower than the Bay with nearly \$4 billion at risk of flooding. The Canal neighborhood has the densest

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population in the Bay Area outside of downtown San Francisco<sup>58</sup>, with residents who are primarily non-native English speakers, immigrants, lower-income, and renters. In 2022, the city secured a \$762,000 grant from the State Coastal Conservancy and Marin Community Foundation, and later secured \$644,000 from the Governor's Office of Land Use and Climate Innovation for the Canal Community Resilience Planning Project, a three-year equity-guided study of sea level rise adaptation options. This collaborative effort includes partnerships with UC Berkeley, Canal Alliance, and the Multicultural Center of Marin to engage residents in co-creating adaptation solutions and building community capacity.

#### *Current Initiatives and Building Sustainability*

San Rafael has implemented comprehensive building sustainability measures, including amendments to Title 12 (Building Regulations) in 2024 that promote energy efficiency, electrification, and green building standards. The city has encouraged renewable energy adoption through partnerships with MCE, which achieved 95% greenhouse gas-free electricity by 2022, and has supported local solar installations, including a 972-kilowatt solar project at San Rafael Airport that became Marin's largest solar installation. The city maintains over 54,000 street trees and has continued its Tree City USA designation since the early 1980s, recognizing the importance of urban forestry for carbon sequestration and climate adaptation. San Rafael has also developed substantial electric vehicle infrastructure, with 322 public charging stations within 15 kilometers, 21% of which offer free charging.

#### *Future Plans and Next Five Years*

Looking toward the next five years, San Rafael is implementing its Climate Change Action Plan 2030, which targets a 42% reduction in greenhouse gas emissions below 1990 levels by 2030, requiring an additional reduction of 76,630 metric tons of CO<sub>2</sub> equivalent. The city's future climate efforts include completing the Canal Community Resilience Planning Project with specific infrastructure recommendations for sea level rise protection, implementing Senate Bill 1383 requirements for organic waste composting and food recovery, and developing an Electric Vehicle Adoption Strategy and Building Electrification Roadmap. San Rafael will continue its quarterly climate action community forums and work through regional partnerships like MCEP and Green Cities California to achieve its ultimate goal of net-zero emissions by 2045, which will require reducing greenhouse gas emissions approximately 85% below 1990 levels while employing carbon sequestration strategies for the remaining emissions.

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<sup>58</sup> [Bay Adapt Publication, January 19, 2024](#)

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## DETERMINATIONS

### *Service Review Determinations per Government Code Section 56430*

As set forth in Section 56430(a) of the CKH Act, “In order to prepare and to update the SOI in accordance with Section 56425, the Commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the Commission. The Commission shall include in the area designated for a service review the county, the region, the sub-region, or any other geographic area as is appropriate for analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following.” Pursuant to Government Code Section 56430, the requisite CKH determinations for this municipal service review for the Marinwood Community Services District are presented below:

#### **1) Growth and population projections for the affected area**

a. Currently, the estimated population of the City of San Rafael is 59,855. Between 2010 and 2025, San Rafael experienced a total population increase of 3.76%. According to the Association of Bay Area Governments (ABAG) Growth Forecast, the population of the City is expected to grow by just 0.74% annually over the next 15 years. This is a slightly higher projected increase in population than what is anticipated for the County as a whole. ABAG projects that San Rafael’s total population will increase to approximately 66,880 by 2040, with an average household size of 2.43.

The City’s land use is guided by General Plan 2040, which strives to balance urban development with environmental preservation. The City has always placed a strong value on the retention and protection of open space and parklands, with just over 45% of the City’s planning area remaining protected as parks, open space, or conservation land.

The City’s 2023-2031 Housing Element identifies the need for the development of 3,220 housing units to meet its Regional Housing Needs Allocation (RHNA) mandate from the Association of Bay Area Governments (ABAG), including 1,349 units for low and very-low-income households. Within the Housing Element, a number of sites have been identified with their planned unit counts for development. The site inventory strategy relies on underutilized commercial properties, vacant lots, and mixed-use redevelopment to meet 95% of the RHNA. In total, the Housing Element identifies sites that would allow for 4,658 total units to be constructed, offering the City a surplus of 1,438 units beyond what the RHNA has mandated.

#### **2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence**

a. Disadvantaged unincorporated communities, or “DUCs”, are inhabited territories

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(containing 12 or more registered voters) where the annual median household income (MHI) is less than 80 percent of the statewide annual median household income. The Cortese-Knox-Hertzberg (CKH) Act prohibits LAFCo from approving a City annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal unless an application to annex the DUC has been filed with LAFCo. The legislative intent is to prohibit selective annexations by cities of tax-generating land uses while leaving out underserved, inhabited areas, with infrastructure deficiencies and a lack of access to reliable potable water and wastewater services.

According to the California Department of Housing and Community Development, the median household income in California in 2025 is \$118,100, with 80% of that amount being \$94,480. Census Tract 1121, Block Group 1, comprises a portion of the unincorporated neighborhood of California Park, which is outside of the City of San Rafael's jurisdictional boundary (albeit substantially surrounded by it), but within the City's sphere of influence. This Census Block Group has an estimated median household income of \$77,625, giving it the designation of a disadvantaged unincorporated community.

As the DUC is surrounded on all sides by either the City of San Rafael or the City of Larkspur, an annexation of more than 10 acres by the City of San Rafael that is contiguous to this DUC is highly unlikely. With that in mind, should Marin LAFCo in the future receive such an application, it will work with the community to determine if it is in the best interest of those living within the DUC to be annexed. If it is not in the community's best interest, then they would not be included in that application.

### **3) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies**

**a. Fire Protection** | San Rafael Fire Department is an All-Risk Department servicing City residents as well as providing automatic aid to the unincorporated island areas throughout the City which make up Marin County Service Area No. 19. The City has an agreement with the Marinwood Community Services District to provide administrative and operational leadership, including Fire Chief services, as well as the use of training facilities, among other things. The agreement produces significant benefits to the City, with Marinwood Fire's Engine 58 averaging over 60% of its calls for service to locations within City limits (outside of the District's own boundary) throughout the course of this study window.

The City has made significant investments in the Department's infrastructure over the course of the study window, with five separate fire stations seeing major renovations, including the opening of the City's Public Safety Center. The Fire Department's current facilities are more than adequate to meet service needs now and into the future. The

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Department continually replaces necessary equipment and vehicles through the City's budget process each year. The City maintains a robust Capital Improvement Plan (CIP) and the department's needs, as outlined within the CIP, are generally met through the City's long-range financial planning.

Marin LAFCo determines that the City of San Rafael has the capability and capacity to continue providing fire protection and emergency medical response services within its boundaries at the current service levels, with the understanding that the current agreement with Marinwood Community Services District remains in place. Should the agreement be discontinued for any reason, the department would have a significant number of annual calls for service that Marinwood responds to annually, to try to backfill with responses from other firehouses in the City.

**b. Parks and Recreation/Library |** San Rafael's Library and Recreation Department oversees 23 municipal parks totaling 99 acres, three community centers, one cultural center, and three library locations. This department was part of a larger departmental reorganization in 2019, combining what was then the Community Services Department and the Library Services Department into the Library and Recreation Department.

Over the course of the study window, the City has invested heavily in library-related infrastructure projects, including the renovation of the City's Carnegie Library and Pickleweed Branch Library, as well as the planning and funding acquisition for the construction of a new library at Albert Park. The City also invested in the Pickleweed Park Enhancement Project, which included replacement of the existing sports field with an all-weather turf field usable year round, installation of a new outdoor basketball court, addition of playground features for children under five, installation of adult fitness equipment, construction of a new gazebo with shaded seating, replacement of the park restroom building, and improved lighting, among other things.

In April of 2023, following a two-year development process, the City adopted its Citywide Parks and Recreation Master Plan (CPRMP). The document offers the City a comprehensive framework to address evolving recreation needs, equity gaps, and infrastructure modernization in order to better position the City to meet future demands through strategic prioritization and collaborative governance. The CPRMP offers the City a guiding document for shaping the future of the City's parks, recreation facilities, and programs, creating a framework for services in San Rafael's recreation network for years to come.

Marin LAFCo determines that the City of San Rafael has the capability and capacity to continue providing parks, recreation, and library services within its boundaries at the current service levels.

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**c. Police** | The City of San Rafael Police Department (SRPD) maintains a vast array of divisions, units, and services that support residents and visitors to the City. These services are well-managed and staffed with adequate equipment and facilities. Department staff completed 7,984 hours of training in 2024, emphasizing de-escalation and cultural competency. Transparency mechanisms for the department include biannual public reports and a Police Advisory & Accountability Committee reviewing 33 complaints in 2024. Use-of-force incidents decreased by 32% from 2023 to 2024. SRPD receives its policy framework from Lexipol, the recognized expert in police policy, which is utilized by the vast majority of police agencies in California. In addition, the SRPD reviews policies and procedures on a continuous basis.

The Police Department's existing facilities are adequate to meet service needs now and into the future. The Department continually replaces necessary equipment and vehicles through the City's budget process each year. The City maintains a robust Capital Improvement Plan (CIP) that sets forth the City's capital improvements for the next five years. The Police Department's needs, as outlined in the most recent CIP, are generally met through the City's long-range financial planning. Though the Department meets all response time goals for all priority call types for all years studied, staff expressed the need to increase staffing to continue to meet growing needs.

Marin LAFCo determines that the City of San Rafael has the capability and capacity to continue providing police services within its boundaries at the current service levels.

**d. Public Works** | The City of San Rafael's Public Works Department has executed \$48.3 million in capital projects over the past five years while managing 173 miles of roadway, 25 municipal buildings, a fleet of over 300 City vehicles, 58 miles of storm drains, and 12 stormwater pump stations. The Department operates with four separate divisions of streets, parks maintenance, facilities maintenance, and vehicle maintenance. The current Capital Improvement Program (CIP) for FY 2024-25 through FY 2026-27 prioritizes seismic resilience, multimodal transportation upgrades, and aging infrastructure replacement through \$62.3 million in planned investments. While the City has the financial capability to continue to provide these services at their current levels, staff have expressed concern over the possibility of the loss of some federal grant funding due to recent cuts that were allocated towards public works and transportation. Staff is continuing to monitor any possible impacts of the federal reallocation of funds.

Marin LAFCo determines that the City of San Rafael has the capability and capacity to continue providing public works services within its boundaries at the current service levels.

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#### **4) Financial ability of agencies to provide services**

**a.** The City's publicly accessible Finance Department webpage includes budgets, audits, and financial information relevant to the City. The City's budget process and financial procedures are in accordance with all applicable standards of the Government Accounting Standards Board (GASB), Generally Accepted Accounting Principles (GAAP), and the City's internal financial policies.

**b.** For FY 2019-20 through FY 2023-24, the City's revenues exceeded expenditures for all years studied except for the City's FY 2019-20, which was significantly impacted by the COVID-19 pandemic. Fire and Police services account for approximately 50% of the City expenditures, with costs for these services only likely to continue to rise. The City's net pension liability and its unfunded accrued liability continue to pose a challenge; however, the City has made great strides to reduce these liabilities in recent years. The City's financial management practices provide a financial safety net for the City and include building reserves, financially sound rules on how surplus is spent, and rules that support fiscal sustainability. The City is well-managed and has adequate staff to maintain and plan for future services.

**c.** With continued strong management of financial resources and proactive measures to locate alternative funding sources, the City will likely maintain its high level of existing services and have the capacity to serve both current residents and accommodate the minimal growth anticipated through the life of this report.

#### **5) Status of and, opportunities for, shared facilities**

**a.** The City participates in regional agreements, as well as agreements with neighboring agencies for the provision of municipal services. The City takes proactive measures to reduce costs and improve service efficiency overall and within each City department. The City generally takes advantage of opportunities for shared facilities with neighboring entities. Additional opportunities within the City's numerous unincorporated islands should be explored with the County of Marin.

**b.** The City's current agreement with the Marinwood Community Services District is an exemplary case of the value of shared facilities and services. Both agencies benefit greatly from the services and facilities/equipment that the other provides.

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#### **6) Accountability for community service needs, including governmental structure and operational efficiencies**

a. The City of San Rafael is governed by a five-member City Council (including one separately elected Mayor) that is elected to four-year terms. Regularly scheduled City Council meetings are held, and all meetings are open to the public and are publicly noticed a minimum of 72 hours prior to the meeting in accordance with the Brown Act.

b. The City of San Rafael maintains an up-to-date website that contains district information, documents, and updates.

c. The city of San Rafael has demonstrated accountability and transparency in its disclosure of information and cooperation during the process of this municipal service review. The City cooperated in a timely manner with all document requests and staff questions.

d. Marin LAFCo determines that the City of San Rafael is currently meeting or exceeding all of the thresholds set forth by the State for municipalities for accountability and transparency.

#### **7) Any other matter related to effective or efficient service delivery**

a. Flood Zone 6 was established prior to the City of San Rafael's annexation of the area. While the MOU between the Flood Control District and San Rafael has worked well, it may be time for the Flood Control District to transfer the remaining work it does for the district to the City of San Rafael. The City has the ability to do the work the Flood Control staff does now within the zone. The work that would need to be transferred should include general administration, which includes such items as the permitting process for maintenance to the creeks and oversight of the Advisory Board, including keeping the current Board members to ensure continuity and history of the zone.

Since the last MSR, the District and City staff have agreed on terms for the transfer of Zone 6 to the City; however, the Zone 6 Advisory Board is yet to endorse them. Measures should be included to ensure all current and future funds are properly transferred to the City and that the City has measures in place to ensure that all of those funds are strictly allocated for services within Flood Zone 6. Having said that, the District (until transfer of services is completed), City, and Advisory Board should discuss, as needed, when projects fall outside the boundary of the zone, but will help deal with flood control issues within the boundary. It could be prudent to use some funds on these types of projects if they end up benefiting and supporting the system that Zone 6 is responsible for. While LAFCos have the authority to perform an MSR for flood control districts, they do not have oversight of the formation, change to, or elimination of individual zones within them. However, if requested by both the

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District and City, LAFCo staff can assist with this process.

The Advisory Board for Zone 6 held a public meeting on July 16<sup>th</sup>, 2025, to discuss the possibility of the transfer. The Advisory Board expressed concerns that should be reviewed by the District and City staff to determine if they can be met and how to proceed. Their concerns included ensuring ongoing Zone 6 revenue continues to be set aside for local drainage purposes within its boundaries, and a citizens' advisory committee continues to guide that work. The creation of a designated restricted special fund within the City's budget solely for Flood Zone 6 activities would show a good faith effort by the City to help alleviate a large portion of the advisory committee's issues.

In addition to the District and City, staff should coordinate with the Sonoma-Marín Area Rail Transit (SMART) staff. Currently, SMART runs its own programs to ensure the safety of the rail line that runs through the Zone 6 area. Similar to the discussion above about District funds being used for projects just outside of its boundary, SMART may get similar benefits by working with Zone 6 to help use some of its funds outside of its direct efforts, as it may be possible to help divert water earlier in the system, so the rail line is better protected. For example, in 2019, an Advisory Board member for Zone 6 pointed out that SMART modifications in the area may have impacted drainage and erosion patterns in some parts of the zone. County and City staff have worked with SMART staff, but more collaboration may be needed by SMART when performing work in this zone to ensure work done by any group does not impact the efforts of the others. A memorandum of understanding (MOU) between the three groups would help facilitate this

#### *Sphere of Influence Determinations per Government Code Section 56425*

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and determine the sphere of influence of each local agency, as defined by Government Code section 56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the Commission shall consider and prepare a written statement of its determinations with respect to the following:

- 1) Present and planned land uses in the area, including agricultural and open space lands**
  - a.** Land uses within the City of San Rafael's existing SOI include (but are not limited to) multiple forms of residential, public open space, multiple forms of commercial and mixed-use, and industrial. The majority of the City's current sphere is nearing build-out at this time, particularly the apportionment of the sphere that is also within jurisdictional boundaries. The most significant future development opportunity within the sphere is presented in the City's identified RHNA site of the Northgate Mall Redevelopment. If

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developed as currently projected, it would stand to increase the population total within the sphere by approximately 6% with all things remaining equal elsewhere within the sphere.

b. The SOI is expected to remain unchanged, with no expansions or reductions for San Rafael at this time.

#### **2) Present and probable need for public facilities and services in the area**

a. There is an anticipated need for service within the existing SOI area.

b. The SOI is expected to remain unchanged, with no expansions or reductions for the City of San Rafael.

c. The City of San Rafael provides a number of services and necessary facilities to provide those services to the residents and visitors within the City boundary. The City provides law enforcement, fire and emergency services, parks and recreation, library, building/planning, code enforcement, landscape maintenance, streets/road maintenance, and stormwater drainage. Other services include administrative and governmental services. The remaining public services are provided by existing special districts, the County of Marin, or by other agencies that operate in the region.

d. A plan for a new development at 1501 Lucas Valley Road has recently been approved by the County of Marin for a housing development permit (though the application to subdivide the property into 36 residential lots is still subject to a discretionary approval). The parcel (APN 164-280-35) is 60 total acres with only 7.5 acres approved for development, and has a contiguous southern boundary with an area of the City of San Rafael's jurisdictional boundary and sphere of influence. The parcel also shares a contiguous northern boundary area with the jurisdictional boundary of Marin County Service Area No. 13. As this development progresses, discussions will need to be had to determine which agency will ultimately provide services to this area, in particular, fire protection and emergency response services. While no amendments to the City's sphere of influence are recommended at this time, the City has the capacity and capability to extend services to this area with the understanding that the current agreement with Marinwood Community Services District remains in place.

#### **3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

a. The City of San Rafael has the capability and capacity to adequately meet existing service demand and some level of increased future service demand within the existing SOI area. As noted throughout the preceding agency profile, the City provides adequate to exceptional public services to residents and visitors within the City's existing boundary. City departments are properly staffed and funded, and the City is generally meeting local and regional benchmarks. Facilities for City services are adequate and meet existing needs.

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**4) Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency**

a. The following communities were identified as social or economic communities of interest of the City in the course of this study: Santa Venetia, Los Ranchitos, Point San Pedro, Bayside Acres, California Park, Country Club, and Upper Sun Valley.

**5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**

a. Census Tract 1121, Block Group 1, comprises a portion of the unincorporated neighborhood of California Park, which is outside of the City of San Rafael's jurisdictional boundary (albeit substantially surrounded by it), but within the City's sphere of influence. This Census Block Group has an estimated median household income of \$77,625, giving it the designation of a disadvantaged unincorporated community. Water service to the area is provided by the Marin Municipal Water District, wastewater collection is provided by the San Rafael Sanitation District, wastewater treatment is provided by Central Marin Sanitation Agency, and structural fire protection service is provided by the City of San Rafael by way of an agreement with Marin County Service Area No. 19. The need for these services at their current levels is expected to remain into the foreseeable future.

As the DUC is surrounded on all sides by either the City of San Rafael or the City of Larkspur, an annexation of more than 10 acres by the City of San Rafael that is contiguous to this DUC is highly unlikely. With that in mind, should Marin LAFCo in the future receive such an application, it will work with the community to determine if it is in the best interest of those living within the DUC to be annexed. If it is not in the community's best interest, then they would not be included in that application. As the SOI is expected to remain unchanged at this time, should any future annexations or service extensions be proposed, special consideration will be given to any disadvantaged unincorporated communities affected by the annexation, consistent with Government Code section 56375(8)(A) and Marin LAFCo local policy.