



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 2/27/2024

To: Sonoma County Board of Supervisors
Department or Agency Name(s): County Administrator's Office
Staff Name and Phone Number: Christel Querijero, (707) 565-2431
Vote Requirement: Majority
Supervisorial District(s): Countywide

Title:
Enhanced Infrastructure Financing District Policy

Recommended Action:

- A) Review and approve a County Enhanced Infrastructure Financing District Policy.
- B) Receive an update on Santa Rosa Downtown Business Corridor Enhanced Infrastructure Financing District activities.

Executive Summary:

This item introduces a draft County Enhanced Infrastructure Financing District (EIFD) Policy for the Board's review and approval. In July 2023, your Board appointed Supervisor Rabbitt and Supervisor Coursey to the Public Financing Authority for the proposed EIFD for the Santa Rosa Downtown Business Corridor (Santa Rosa EIFD). As the County explores the opportunity for a Santa Rosa EIFD, interest in EIFDs has grown relative to other areas of the County. In anticipation of proposals from other jurisdictions for the County's participation in EIFDs and because the County is a primary contributor of discretionary funds to these tax increment financing districts, staff recommends the Board adopt a policy to establish minimum requirements for County participation.

This item also provides a brief update on Santa Rosa EIFD activities.

Discussion:

Background. Senate Bill 628 (2014) authorized the formation of Enhanced Infrastructure Financing Districts (EIFDs), as an alternative to Redevelopment Agencies, which were disbanded in 2012. EIFD legislation is codified in California Government Code sections 53398.50-53398.88 (Enhanced Infrastructure Financing District (EIFD) Law).

An EIFD is a type of special tax increment financing (TIF) district that uses a portion of property tax increment revenues generated by the existing 1% ad valorem property taxes levied by counties under Section 1 of Article XIII A of the California Constitution (Prop 13). Tax increment can also be generated by community growth from within the boundaries of the proposed EIFD and can be used to finance public infrastructure and economic development projects of community-wide significance. Eligible projects typically have a useful life of at least 15 years and include, but are not limited to: roads, highways, streets/streetscapes, parking facilities, and transit facilities; affordable housing; internet access services; childcare facilities; libraries; parks and recreational facilities; brownfield restoration and other climate mitigation; sewer and water facilities; solid

waste and flood control facilities.

EIFD Policy. On January 30, 2024, the Board discussed options for a County EIFD Policy. Attachment A to this item is a draft County EIFD Policy for the Board’s review and approval. The purpose of the policy is to protect the County’s interests, to provide guidance to staff evaluating proposals requesting County participation in an EIFD, and to ensure fiscal due diligence prior to a staff recommendation to the Board to participate in an EIFD. The policy establishes minimum requirements for County participation.

Santa Rosa EIFD. The Santa Rosa EIFD Public Financing Authority (PFA), the governing body of the proposed Santa Rosa EIFD that authorizes, develops, and implements the Infrastructure Finance Plan (IFP), has convened four times since September 2023. PFA members have received presentations by Santa Rosa staff, who, along with Santa Rosa’s EIFD consultant, have shared information about the components of the primary work product of the PFA - the IFP, including preliminary project ideas. □

At this time, City of Santa Rosa and County staff agree that the IFP cannot be developed in time to establish 2023 as the base year for the Santa Rosa EIFD. (Tax increment is property tax revenue generated above an established “base year” value. For increment to be available, assessed values must increase over the base year value.) City and County staff will continue to work together to support the PFA and develop a timeline to ensure that if the Santa Rosa EIFD IFP is approved, 2024 can be used as the base year.

A detailed timeline for the IFP and next steps in the formation of the EIFD will be put together within the next few weeks. In the meantime, staff is planning an April workshop for the Board to hear from Santa Rosa City staff and the City’s EIFD consultant and to receive information about analyses in the IFP and proposed projects.

Strategic Plan:

N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

Yes

Due to time constraints, a racial equity analysis was not completed. A comprehensive analysis would require developing a plan and approach for understanding and analyzing available relevant data and conducting community engagement to determine impacts to affected communities. Strategies could include requiring application of the toolkit for EIFD projects proposed in any Investment Financing Plan.

Prior Board Actions:

1/30/2024 - Board directed staff to develop a draft County Enhanced Infrastructure Financing District policy for future consideration.

7/18/2023 - Board appointed Supervisor Coursey and Supervisor Rabbitt to the Santa Rosa EIFD Public Financing Authority.

FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
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Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

None.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

Attachment A - Draft County EIFD Policy Presentation

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

1. Los Angeles County Enhanced Infrastructure Financing District Policy
2. Orange County Enhanced Infrastructure Financing District Participation Policy