



SUMMARY REPORT

Agenda Date: 1/23/2024

To: Board of Supervisors

Department or Agency Name(s): County Administrator

Staff Name and Phone Number: Kay Lowtrip 707-565-2241

Vote Requirement: Majority

Supervisory District(s): Fifth District

Title:

District 5 Community Infrastructure Fund Grant to Support the feasibility of Enhanced Infrastructure Financing Districts (EIFD) with the City of Sebastopol

Recommended Action:

- A) Approve and authorize the County Administrator, or their designee, to execute a grant agreement with the City of Sebastopol to provide \$50,000 in District 5 Community Infrastructure Funds towards the purpose of executing a professional services agreement with a consultant to evaluate the feasibility of Enhanced Infrastructure Financing Districts (EIFD) encompassing both City and Unincorporated West County, and delegate authority to the County Administrator, or their designee, to execute minor amendments to the grant agreement, in a form approved by County Counsel and which do not increase the amount awarded under the grant agreement.
- B) Make a finding that the expenditures proposed in this Board item are in compliance with Government Code Section 26227, and that these expenditures are “necessary to meet the social needs of the population of the County.”

(Fifth District)

Executive Summary:

District Specific Community Infrastructure Funds were established during FY 2022/23 and 2023/24 budget hearings to address the infrastructure needs of each district.

District 5 is proposing to use a portion of its District Specific Community Infrastructure Funds for a grant to the City of Sebastopol towards efforts related to the feasibility of Enhanced Infrastructure Financing Districts in the west Sonoma County area.

Discussion:

An EIFD is a type of special financing district that utilizes a portion of tax increment revenue from a specifically defined area to finance capital facilities or other specified projects of community-wide significance that provide benefits to the area within the EIFD or the surrounding community. There are no new taxes with EIFDs, nor do they encumber existing revenue sources that are currently flowing to the City or County; instead, an EIFD allows a City and/or County to allocate all or a portion of its share of property tax growth generated by increased assessed values in the EIFD’s boundaries to the EIFD.

EIFDs are empowered to provide financing for a broad range of infrastructure work, including traditional public

works such as roads and highways, bridges, parking facilities, transit stations, sewage and water facilities, solid waste disposal, parks, libraries, childcare facilities, flood control and drainage projects. In addition, EIFDs may also finance the purchase, construction, expansion, improvement and/or seismic retrofitting of property and other items fitting a broader range of public uses for economic development purposes, including but not limited to brownfield restoration and environmental mitigation, affordable housing, transit-oriented development projects, and projects carrying out sustainable community strategies. Other capital projects with a useful life of at least 15 years are also eligible.

In 2023, the Sebastopol City Council formed an Ad Hoc Committee with the scope to collect the initial information needed for the City Council to decide whether pursuing the formation of an EIFD was a prudent decision, while working with the Sonoma County District 5 on potential funding opportunities.

The Ad Hoc reported an estimate of \$50,000 for consultant costs to cover the feasibility and initial stages of EIFD formation based on costs incurred by Santa Rosa during their EIFD process. The consultant will evaluate the feasibility of an EIFD(s) encompassing both City and Unincorporated West County, develop an Infrastructure Financing Plan specific to any EIFD(s) created, and assist with implementing the identified next steps should the study results determine that EIFDs are a feasible enterprise. This may include but is not limited to the development of EIFD boundaries, revenue study, bonding analysis, infrastructure needs, and a next steps memo with timeline and tasks, drafting of Public Financing Authority formation documents and an Infrastructure Financing Plan, property owner meetings, and completion of documents required by State Board of Equalization. Sebastopol's Ad Hoc estimates that the work of the consultant would likely be completed November 2025.

The grant agreement between the City and County requires that the study evaluate the feasibility of including all of District 5 (also referred to as West Sonoma County) in an EIFD(s) boundary. This does not require that any future EIFD encompass all of District 5 area, but District 5 must be included in the studied area. Further, this action and agreement does not commit the County to participation in any EIFD which the City may wish to pursue.

Funds will be dispersed upon execution of the agreement, and submission of documentation related to the use of funds to the County Administrator's Office for the total amount of the grant will be required.

Activities performed utilizing the Community Investment Program funds provide public benefit that serve important community needs under Government Code Section 26227.

Strategic Plan:

N/A

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

No

Prior Board Actions:

The District Specific Community Infrastructure Funds were established during the FY 2022/23 and 2023/24 budget hearings.

Agenda Date: 1/23/2024

FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
Budgeted Expenses	\$50,000		
Additional Appropriation Requested			
Total Expenditures	\$50,000		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance	\$50,000		
General Fund Contingencies			
Total Sources	\$50,000		

Narrative Explanation of Fiscal Impacts:

District-Specific Community Infrastructure Funds are included in the FY 23-24 budget. D5 has available fund balance for this grant.

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Grant Fund Agreement

Related Items “On File” with the Clerk of the Board:

N/A