

Adopted 07/08/1986

Revised 10/02/2001; 10/08/2002; 09/12/2003; 02/03/2004; 04/18/2006; 04/17/2007; 05/10/2011; 03/27/2012; 6/10/2013; 9/16/2014; 2/10/2015; 5/3/2016; 6/13/2016; 10/3/2017; 6/5/2018; 4/16/2019; 8/6/2019; 6/13/2023; 6/10/2025

## Community Investment Fund Policy

### I. POLICY STATEMENT

The Sonoma County Transient Occupancy Tax (TOT or Hotel Bed Tax) was established in 1965 and is authorized under State Revenue and Taxation Code Section 7280. TOT, a general tax, is currently levied in Sonoma County at a rate of 12%, a rate established—in 2016 by the voter-s-approved Measure L, increasing TOT from 9% to 12%. This policy allocates TOT to the General Fund, Community Investment, and Measure L. TOT revenue is allocated 25% to the General Fund; 50% to the Community Investment Fund; and 25% to the Measure L Fund. This Policy allocates funding for both the Community Investment Fund and the Measure L Fund. The Board of Supervisors (Board) allocates one-third of the first 9% of TOT funds to the General Fund, and the remaining funds will be allocated per this policy.

The Community Investment Fund Program, established in 1986 as the Advertising and Promotions Program, allocates a portion of the Transient Occupancy Tax to encourage economic development, community engagement, and culture in the County through a variety of grant award and funding avenues. The program provides grants to community-based organizations for a wide range of activities including economic development, community and countywide events, and advertising and promoting the county as a visitor destination with the goal of advancing economic growth through tourism. Additionally, the program provides grants to address impacts on safety due to tourism and to enhance community services throughout the county. The program provides funding to the Regional Parks Department, the Economic Development Collaborative, and additional county activities.

### II. ~~COMMUNITY INVESTMENT~~ COUNTY DEPARTMENT FUNDING

See Table 1 for funding amount information.

#### A. ~~Economic Development~~

##### 1. Economic Development Collaborative —\$3,225,000 (variable)

Funds support the Economic Development Collaborative in their mission to enable local businesses to maintain or expand their operations, including \$125,000 for Creative Sonoma to award to the arts community. Effective July 1, 2023, the The Economic Development Collaborative will receive a contribution adjustment equivalent to that received by General Fund departments to account for changes to salary and benefits costs, contingent on funding availability in the Community Investment Fund.

##### 2. Permit Sonoma ~~Fuels Reduction and Landscape Resiliency Campaign~~ —\$900,000

Funding will support the Permit Sonoma ~~vegetation management program~~ including chipper program operations, and public education and outreach to promote landscape and community wildfire preparedness. ~~as approved by the Board of Supervisors.~~

##### 3. Regional Parks

Funding will support parks operations, maintenance, and improvements.

##### 4. County Administrator's Office ~~Strategic Initiatives Division~~ —\$300,000

Funding will support the ~~Strategic Initiatives Division of the County Administrator's Office to implement the Board's priorities within the Strategic Plan.~~

##### 5. Public Infrastructure Road Repair and Improvement Fund

Funding will support projects included in the Sonoma County Public Infrastructure Roads Plan adopted by the Board. 20% of Measure L revenue will fund the Road Repair and Improvement Fund.

~~District Formation Funds – \$175,000~~

~~Rural areas of Sonoma County are experiencing an increased need for municipal services. Funds may be used for professional services to establish Special Districts that will enable communities to provide self-generated funding to address municipal challenges.~~

6. Public Infrastructure Event Facilities Improvements

Funding will support operations, maintenance, and improvements of County owned facilities that enhance recreational activities, including, but not limited to Veterans Halls Buildings. The County Administrator’s Office will recommend identify funding priorities to the Board during the annual budget process as included in the Capital Projects recommended budget. 9% of Measure L revenue will fund Events Facilities Improvements.

7. Community Development Commission Affordable Housing Fund

Funding will support affordable housing projects. The Community Development Commission will recommend identify funding priorities to the Board during the annual budget process as included in the Department recommended budget. 13% of Measure L revenue will fund the Affordable Housing Fund.

1. Collections, Compliance, and Legal Services/Audit/Legal – \$550,000

Funding will support County Departments (Auditor-Controller-Treasurer-Tax Collector, County Counsel, and Permit Sonoma) and external contract services who provide revenue and tax collection services, grantee audit services, and legal advice, and support compliance. Funding includes \$550,000 from the Community Investment Fund and up to 8% of Measure L revenue.

~~1. Sonoma County Tourism – 1.25 percentage points of the first 9%~~

~~Funds will be allocated based on revenue to Sonoma County Tourism through a funding agreement approved by the Board of Supervisors to support advertising and promotional efforts.~~

III. DISTRICT PRIORITIES

See Table 1 for funding amount information.

~~B. Community Grants and District Priorities~~

1. Local Events, Organizations, District Priorities – \$500,000

Funds will may be allocated to events, organizations, and Supervisorial District priorities (see Appendix A for program requirements). Funding may be distributed through grants or assigned to County departments. See Appendix A for program requirements. The funds available for this category are divided equally among supervisorial districts. Unused funds will be accounted for by Supervisorial District and available for use in future years. Organizations may make their requests annually to each Supervisorial District.  
The funds available in this category include \$100,000 for each supervisorial district (\$500,000 total) from the Community Investment Fund and 10% of Measure L revenue to be allocated to each supervisorial district proportionate to the amount of Transient Occupancy Tax collected within the district in the previous fiscal year. Unused funds will be accounted for and available for use in future years. Organizations may make their requests directly to each Supervisorial District.

IV. COMMUNITY FUNDING

See Table 1 for funding amount information.

1. Sonoma County Tourism—1.25 percentage points of the first 9%

Sonoma County Tourism (a private, non-profit 501(c)6 organization) funding is 1.25 percentage points of the first 9% of collected Transient Occupancy Tax. Funds will be allocated through a funding agreement approved by the Board of Supervisors and will be used based on revenue to Sonoma County Tourism through a funding agreement approved by the Board of Supervisors for promoting overnight stays and creating a sustainable hospitality economy throughout the region, to support advertising and promotional efforts.

2. Chambers of Commerce—\$50,000

Funding will be provided to Chambers of Commerce serving unincorporated areas of Sonoma County or who provide countywide services. Chambers located in the unincorporated area of the county and those serving the entire county will be given priority and fully funded prior to funding consideration of municipal Chambers of Commerce. Allocation of funds will be based upon an up to 10% match of membership dues and private cash contributions that are discretionary revenue to the chamber and are not associated with a particular event, function, or position. Chambers located in the unincorporated area of the county and those serving the entire county will be given priority and fully funded prior to funding consideration of municipal Chambers of Commerce. Chambers of Commerce may make their requests annually to the Economic Development Collaborative.

3. Fire Services Project Fund—variable

Funding will support enhanced fire protection services in consolidated fire districts. Camping Transient Occupancy Tax collected by Regional Parks and 40% of Measure L revenue will fund the Fire Services Fund, will fund the Fire Services Project. Estimated at \$300,000 to \$400,000 annually.

4. Public Infrastructure District Formation Funds

Rural areas of Sonoma County may at times experience an increased need for municipal services. Funds may be used for professional services to establish Special Districts that will enable communities to provide self-generated funding to address municipal challenges.

C. Community Services

3. Fire Services Project—variable

Camping Transient Occupancy Tax collected by Regional Parks will fund the Fire Services Project. Estimated at \$300,000 to \$400,000 annually.

4.3 Fuels Reduction and Landscape Resiliency Campaign—\$900,000

Funding will support the vegetation management program as approved by the Board of Supervisors.

5.3 District Formation Funds—\$175,000

Rural areas of Sonoma County are experiencing an increased need for municipal services. Funds may be used for professional services to establish Special Districts that will enable communities to provide self-generated funding to address municipal challenges.

6. Regional Parks—\$2,650,000

Funding will support parks operations, maintenance, and improvements.

7.3 Strategic Initiatives Division—\$300,000

Funding will support the Strategic Initiatives Division of the County Administrator's Office to implement the Board's priorities within the Strategic Plan.

#### ~~D. Program Administration and Integrity~~

##### ~~1. Collections/Audit/Legal – \$550,000~~

~~Funding will support County Departments who provide revenue and tax collection services, grantee audit services, and legal advice.~~

#### V. County Center Modernization and Satellite Service Centers

See Table 1 for funding amount information.

##### ~~1. County Center Modernization and Satellite Service Centers – \$1,000,000~~

~~Funding will support costs of County county Center Mmodernization and satellite service centers.~~

#### VI. Community Investment Fund Balance

- ~~1. Allocate any fund balance of the first 9% from the Community Investment Fund to General Fund priorities determined annually by the Board of Supervisors during Budget Hearings.~~

#### ~~III. MEASURE L~~

~~Measure L funds are tracked separately. The categories established for Measure L funding are based on the educational information provided to voters as part of the Measure L campaign. Funding will be distributed based on revenue.~~

##### ~~A. Fire Services, 40%~~

~~Funding will support enhanced fire protection services as determined by the Board.~~

##### ~~B. Road Repair and Improvement, 20%~~

~~Funding will support projects included in the Sonoma County Public Infrastructure Roads Plan adopted by the Board.~~

##### ~~C. Affordable Housing, 13%~~

~~Funding will support affordable housing projects. The Community Development Commission will recommend funding priorities to the Board during the annual budget process.~~

##### ~~D. Tourism Impact Fund, 10%~~

~~Funding will be distributed through grants or to County departments to meet the unique and urgent needs of areas within unincorporated Sonoma County. Funds in this category may be used for activities such as safety improvements, environmental impact mitigation, public safety, and other tourism mitigation activities, such as parking enforcement. Funds may be used for projects that benefit the community, or to support organizations that coordinate community improvements, such as the Municipal Advisory Councils.~~

~~Funds will be allocated to each Supervisorial District proportionate to the amount of TOT collected by the District in the previous fiscal year. The Board of Supervisors will consider these needs on semi-annual basis. Unused funds in a single fiscal year will be accounted for and available for use in following years.~~

~~E. Event Facilities Improvements, 9%~~

~~Funding will support operations, maintenance, and improvements of County owned facilities that enhance recreational activities, including, but not limited to Veterans Halls. The County Administrator's Office will recommend funding priorities to the Board during the annual budget process.~~

~~F. Code Enforcement and Compliance, 8%~~

~~No more than 8% of Measure L Funds may be used to enhance administration of this Program, including tax collection services, grantee audit services, and code enforcement and operator compliance activities. The County Administrator's Office shall recommend funding within the annual budget process to fund these activities.~~

**Table 1**

Table 1: Community Investment Fund Policy Allocations – Funding source and allocation dollar amount or percentage. See above for descriptions.

	<u>Community Investment Fund</u>	<u>Measure L Fund</u>
<u>Economic Development Collaborative</u>	<u>Adjusted annually (approximately \$4.3 million annually)</u>	<u>N/A</u>
<u>Permit Sonoma Fuels Reduction and Landscape Resiliency Campaign</u>	<u>\$900,000</u>	<u>N/A</u>
<u>Regional Parks</u>	<u>\$2,650,000</u>	<u>N/A</u>
<u>County Administrator's Office Strategic Initiatives Division</u>	<u>\$300,000</u>	<u>N/A</u>
<u>Public Infrastructure Road Repair and Improvement Fund</u>	<u>N/A</u>	<u>20% (approximately \$1.6 million annually)</u>
<u>Public Infrastructure Event Facilities Improvements</u>	<u>N/A</u>	<u>9% (approximately \$700,000 annually)</u>
<u>Community Development Commission Affordable Housing Fund</u>	<u>N/A</u>	<u>13% (approximately \$1 million annually)</u>
<u>Collections, Compliance, and Legal Services</u>	<u>\$550,000</u>	<u>8% (approximately \$600,000 annually)</u>
<u>District Priorities (see Appendix A for program requirements)</u>	<u>\$500,000</u>	<u>10% (approximately \$800,000 annually)</u>
<u>Chambers of Commerce (program coordinated by Economic Development Commission)</u>	<u>\$50,000</u>	<u>N/A</u>
<u>Sonoma County Tourism</u>	<u>1.25 percentage points of the first 9% of TOT revenue (approximately \$3.3 million annually)</u>	<u>N/A</u>
<u>Fire Services Fund</u>	<u>Regional Parks Camping TOT revenue (approximately \$300,000 annually)</u>	<u>40% (approximately \$3.2 million annually)</u>
<u>Public Infrastructure District Formation Fund</u>	<u>\$175,000</u>	<u>N/A</u>
<u>County Center Modernization and Satellite Service Centers</u>	<u>\$1,000,000</u>	<u>N/A</u>

## Appendix A

### POLICY STATEMENT –Community Grants and District Priorities Funding

#### ~~POLICY STATEMENT – Local Events, Organizations, District Priorities Grants~~

~~The funds available in this category include \$100,000 for each supervisorial district (\$500,000 total) from Per the Community Investment Fund Policy, \$500,000 will be allocated annually to events, organizations, and Supervisorial District priorities and 10% of Measure L revenue to be allocated to each supervisorial district proportionate to the amount of Transient Occupancy Tax collected by the district in the previous fiscal year. The funds available for this category are divided equally among Supervisorial Districts. Unused funds will be accounted for and available for use in future years. Organizations may make their requests annually to each Supervisorial District.~~

#### PROGRAM INTENT

The County of Sonoma invites non-profit organizations to apply for grant funding for local events that will support businesses or enhance culture, and organizations that provide a benefit to the community.

Funds in this category may be used for activities such as safety improvements, environmental impact mitigation, public safety, and other tourism mitigation activities, such as parking enforcement. Funds may be used for projects that benefit the community, or to support organizations that coordinate community improvements, such as the Municipal Advisory Councils.

The Board of Supervisors (Board) may award funding to County Departments or to Supervisorial Districts to complete priority projects. Funding may be used to cover salary and benefit costs associated with changed or additional staff, and other costs associated with added staffing such as office space.

#### GUIDELINES

District Supervisors will evaluate applications for Community Grants using the following criteria before bringing awards to the Board for approval.

- Events, organizations, and programs must meet at least one of the following criteria:
  - Enhance the cultural diversity and richness of Sonoma County
  - Provide a benefit to the community, the economy, or the environment
  - Promote Sonoma County and encourage visitors to frequent the County throughout the year
- Events must be held within the County of Sonoma

Applications are open year-round at on the [Community Investment Fund Program](#) website.

Funding for staffing must be related to a Supervisorial District priority which provides a benefit to the community.

- Funding may be used for enhanced or changed staffing such as interns, support staff, or administrative management positions; positions allocated to a Supervisorial District will remain/be at-will
- Standard County processes and timelines must be followed with regard to classification changes, position allocation changes, and budgetary adjustments