

CITY OF SANTA ROSA
CITY COUNCIL

TO: PUBLIC FINANCING AUTHORITY

FROM: GABE OSBURN, DIRECTOR, CITY OF SANTA ROSA PLANNING
AND ECONOMIC DEVELOPMENT DEPARTMENT

SUBJECT: MODIFICATIONS TO THE DRAFT INFRASTRUCTURE
FINANCING PLAN OF THE CITY OF SANTA ROSA ENHANCED
INFRASTRUCTURE FINANCING DISTRICT (DOWNTOWN
BUSINESS CORRIDOR)

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Downtown Business Corridor Enhanced Infrastructure Financing District (EIFD) Public Financing Authority (PFA) by resolution, modify the draft Infrastructure Financing Plan for the City of Santa Rosa Enhanced Infrastructure Financing District (Downtown Business Corridor) (District).

EXECUTIVE SUMMARY

An EIFD is a financing tool that supports public infrastructure and development that in turn supports and incentivizes private investment into specific areas where mixed-use development is desired. In April of 2023, the City Council adopted a Resolution of Intention to form the Downtown EIFD District (District) and adopted a Resolution to establish the PFA as the governing board of the District. The Infrastructure Financing Plan (IFP) describes the boundaries of the District, the public facilities and other projects of community wide significance to be financed by the District, and the tax revenue allocated by the City of Santa Rosa (City) and the County of Sonoma (County) to the District, and must be adopted by the City and the County prior to the PFA's adoption of the IFP and formation of the District.

RESOLUTION – MODIFICATION OF INFRASTRUCTURE FINANCING PLAN PAGE 2 OF 4

On April 2, 2025, the PFA held a public meeting at which the draft IFP was presented and members of the PFA, the City and the County present proposed certain changes to the draft IFP. The modified draft IFP is on file with the Secretary of the PFA, attached under the associated Resolution and is posted on the PFA's website.

At this meeting, the PFA will hold the first of two public hearings on the modified draft IFP. After holding the public hearing and considering any written and oral comments, the PFA may take action to modify or reject the modified draft IFP. The City's Planning and Economic Development Department recommends that the PFA adopt the modified draft IFP.

BACKGROUND

On April 25, 2023, Santa Rosa City Council passed RES-2023-076 (Resolution of Intention) for the purpose of initiating the process of analyzing and potentially forming the District in the downtown business corridor with a goal of helping to address a shortfall in funding for the provision of public capital facilities and other projects of significant communitywide benefit. If established, the District would be a governmental entity separate and apart from the City with the limited authority to finance public facilities or other projects authorized by Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53398.50 (EIFD Law).

On the same date Council passed RES-2023-077 establishing the PFA (Resolution Establishing PFA). The PFA is the governing board of the District, and is the responsible authority for causing the preparation of the IFP, which will describe, among other things, the allocation by the City and the County of certain incremental property tax revenue to the District, and the issuance by the District of bonds and other debt.

On October 19, 2023, the PFA, by resolution, directed staff to prepare the IFP.

In the Resolution Establishing PFA, the City Council authorized City staff and other resources to assist the PFA in carrying out the formation and implementation of the District including contracting for consultant services. Additionally, in the Resolution Establishing PFA, the City Council authorized the City Manager to assign a "Designated Official" to prepare the IFP. Through a competitive RFP process, David Taussig and Associates, Inc., dba DTA, was selected for this purpose.

The draft IFP, presented to the PFA on April 2, 2025, provides that the public capital facilities and projects of communitywide significance to be financed by the EIFD include (1) a performing art, sports entertainment or conference center, (2) streetscaping, which includes projects that support connectivity between Downtown Santa Rosa and Railroad Square, (3) placemaking, which includes projects that support connectivity between Downtown Santa Rosa and Railroad Square, and (4) affordable housing, which includes units that must be restricted at specific affordability levels.

ANALYSIS

During the April 2, 2025 PFA meeting, members of PFA, the City and the County proposed certain changes to the draft IFP, and such modified draft IFP is on file with the Secretary of the EIFD Public Financing Authority, attached as Resolution/Exhibit A and is posted on the PFA's website:

The proposed modifications to the Draft IFP fall within the following categories (capitalized terms are defined in the IFP):

1. Modifications to Table 2 titled "Prioritization of Public Capital Facilities and Affordable Housing Costs" to modify the proposed prioritization.
2. Revisions to the limitations on and methods for determining the improvements financed by the District, including, among other factors, the proximity of the improvements to the District, the economic impact of the improvements and the approval rights of the City and County.
3. Addition of a requirement for PFA staff to consult with the County Auditor-Controller-Treasurer-Tax Collector before the District issues bonds.
4. Miscellaneous corrections to provide additional clarity

During the May 8, 2005 Public Hearing, the PFA will (1) hold the first of two public hearings on the modified draft IFP and considering any written and oral comments and (2) modify or reject the modified draft IFP .

FISCAL IMPACT

There is no fiscal impact to the PFA's budget by modifying the IFP.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

See Background

ATTACHMENTS

- Resolution/Exhibit A – Draft Infrastructure Financing Plan of the City of Santa Rosa Enhanced Infrastructure Financing District (Downtown Business Corridor)

PRESENTER

Gabe Osburn, Director
Planning and Economic Development