

RESOLUTION NO. RES-2025-092

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ROSA ADOPTING THE DRAFT INFRASTRUCTURE FINANCING PLAN OF THE CITY OF SANTA ROSA ENHANCED INFRASTRUCTURE FINANCING DISTRICT (DOWNTOWN BUSINESS CORRIDOR)

WHEREAS, the City of Santa Rosa (the “City”) wishes to further the development of quality infrastructure and amenities related to the Downtown Business Corridor; and

WHEREAS, the City Council of the City (the “City Council”) is authorized to initiate the process to establish an enhanced infrastructure financing district pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53398.50 (the “EIFD Law”); and

WHEREAS, in accordance with Government Code Section 53398.54, the City has complied with the prerequisites to initiate the creation of, or participate in the governance or financing of, an enhanced infrastructure financing district; and

WHEREAS, the California Legislature (see California Government Code Section 53398.74) has determined that the allocation and payment to an enhanced infrastructure financing district of the portion of property tax revenues for the purpose of paying principal of, or interest on, loans, advances, or indebtedness incurred by the district, shall not be deemed the receipt by a district of proceeds of taxes levied by or on behalf of the district within the meaning or for the purposes of Article XIII B of the California Constitution, nor shall that portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to limitation of, any other public body within the meaning or for purposes of Article XIII B of the California Constitution or any statutory provision enacted in implementation of Article XIII B of the California Constitution; and

WHEREAS, pursuant to the EIFD Law, the City Council adopted Resolution No. RES-2023-076 (“Resolution of Intention”) on April 25, 2023, which resolution was signed by the Mayor on May 25, 2023, pursuant to which the City Council, among other things, (i) declared that the City Council proposed and intended to cause the establishment of an enhanced infrastructure district to be known as the “City of Santa Rosa Enhanced Infrastructure Financing District (Downtown Business Corridor)” (“EIFD”) over the boundaries shown on the map of the EIFD attached as Exhibit B thereto to finance public capital facilities and projects of communitywide significance as described in Exhibit A thereto (the “Facilities”), and (ii) declared that, pursuant to the EIFD Law, if the EIFD is approved by the EIFD Public Financing Authority (defined below) in accordance with the EIFD Law, and if the IFP (defined below) is approved by resolution of the City Council and by resolution of the Board of Supervisors of the County of Sonoma (the “County”) pursuant to Government Code Section 53398.68, in each case after any public hearings required by the EIFD Law, the incremental property tax revenue that is allocated by the City and the County to the proposed EIFD may be used to finance the Facilities and other authorized costs and to pay debt service on bonds and other debt of the EIFD; and

WHEREAS, pursuant to Resolution No. RES-2023-077, which was passed by the City Council on April 25, 2023, and signed by the Mayor on June 6, 2023, the City Council established the Downtown Business Corridor EIFD Public Financing Authority (“EIFD Public Financing Authority”), as the governing board of the proposed EIFD, to be responsible for directing the preparation and implementation of the infrastructure financing plan for the EIFD (“IFP”); and

WHEREAS, on October 19, 2023, pursuant to Resolution No. 23-005, the EIFD Public Financing Authority directed David Taussig and Associates, Inc., dba DTA (the “Designated Official”), to work with the necessary City staff and professionals to prepare a draft of the IFP and make such IFP available to interested parties as required by the EIFD Law; and

WHEREAS, on April 2, 2025, the EIFD Public Financing Authority held a public meeting at which the draft IFP was presented; and

WHEREAS, on May 8, 2025, the EIFD Public Financing Authority held its first public hearing on the draft IFP and considered any written and oral comments, at which the PFA continued the meeting to May 15, 2025; and

WHEREAS, on May 15, 2025, the EIFD Public Financing Authority held the continued first public hearing, after which the PFA adopted a resolution modifying the draft IFP; and

WHEREAS, the IFP, which is included as Exhibit A to this Resolution and is incorporated herein in its entirety by this reference, has been presented to the City Council for its review and approval; and

WHEREAS, in accordance with the Resolution of Intention, the City Clerk of the City Council published a notice of public hearing in the Press Democrat; and

WHEREAS, the City Council has held a noticed public hearing relative to the draft IFP on the date hereof, all interested persons desiring to be heard on all matters pertaining to the draft IFP were heard, and a full and fair hearing was held; and

WHEREAS, in accordance with Section 53398.68 of the EIFD Law, the City Council desires to adopt the IFP pursuant to which, among other things as more fully described in the IFP, incremental property tax revenue from the City within the boundary of the EIFD will be used to finance the activities of the EIFD, subject to, and in accordance with, the terms and conditions of the IFP; and

WHEREAS, in accordance with Section 53398.57 of the EIFD Law, the EIFD Public Financing Authority and/or the City may file an action in the Sonoma County Superior Court to determine the validity of the creation of the EIFD, the adoption of the IFP, including the division of taxes thereunder, and related matters.

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Santa Rosa orders as follows:

1. Recitals. The foregoing recitals are true and correct.
2. Conformity with Applicable Law. The City Council further finds and determines that all prior proceedings taken by the EIFD Public Financing Authority and the City with respect to the proposed establishment of the EIFD and the adoption of the IFP are valid and in conformity with applicable law.
3. IFP and EIFD. The City Council hereby adopts the Draft IFP in the form attached hereto as Exhibit A and incorporated herein.
4. Purpose. Pursuant to the Draft IFP, incremental property tax revenue from the City within the boundary of the EIFD will be used to finance the activities of the EIFD, subject to, and in accordance with, the terms and conditions of the Draft IFP.
5. California Environmental Quality Act. The City Council hereby finds that adoption of this Resolution is not a “project” under the California Environmental Quality Act, because this Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4). Future actions, such as the approval of infrastructure improvements using funding from the EIFD, will be subject to environmental review in accordance with CEQA.
6. Authorized Officers. The City Council hereby authorizes the Mayor, the City Manager, the Chief Financial Officer and the Planning and Economic Development Director, or such other official of the City as may be designated by such officials (each, an “Authorized Officer”), to make such changes to the IFP in the form attached hereto as Exhibit A as such Authorized Officer determines are consistent with and further the purposes of the EIFD and the IFP and do not materially increase the City’s liability under the IFP or otherwise change the core purposes of the EIFD, subject to approval as to form by the City Attorney.
7. Judicial Validation. The City Attorney, in consultation with bond counsel, is hereby authorized and directed to initiate a judicial validation action with respect to the creation of the EIFD, the adoption of the IFP, the allocation of incremental property tax revenue from the City within the boundary of the EIFD to the EIFD for the purpose of financing the activities of the EIFD, all the proceedings relating thereto, and such other matters as the City Attorney, in consultation with bond counsel, deems appropriate in order to carry out the purposes of the IFP, pursuant to Section 53398.57 of the EIFD Law and Section 860 et seq. of Code of Civil Procedure.
8. Additional Authorization. The City Clerk and any and all other officers of the City are hereby authorized, for and in the name of and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance,

warrants and documents, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes of this Resolution, subject to approval as to form by the City Attorney; provided however that any such actions be solely intended to further the purposes of this Resolution, and are subject in all respects to the terms of the Resolution.

9. Ratification. All actions authorized and directed by this Resolution, consistent with any documents presented herein, and heretofore taken are hereby ratified, approved and confirmed by the City Council.

10. Effective Date. That this Resolution shall take effect from and after the date of approval and adoption thereof.

IN COUNCIL DULY PASSED this 3rd day of June, 2025.

AYES: (6) Mayor Stapp, Vice Mayor Alvarez, Council Members Bañuelos, Fleming, MacDonald, Rogers

NOES: (0)

ABSENT: (1) Council Member Okrepkie

ABSTAIN: (0)

RECUSE: (0)

ATTEST: _____ APPROVED: _____
Deputy City Clerk Mayor

APPROVED AS TO FORM: _____
City Attorney

Exhibit A – Draft Enhanced Infrastructure Financing Plan