



Enhanced Infrastructure Financing District

D O W N T O W N S A N T A R O S A

September 19, 2024

PUBLIC FINANCING AUTHORITY

EIFD: Sonoma County EIFD Policy

1. The City's contribution of property tax increment as a percentage must be greater than or equal to the County's **property tax increment contribution**.
 - EIFDs typically do not collect more revenue in dollars from the County.
2. The County will not contribute 100 percent of its property tax increment.
3. A fiscal analysis must be conducted by the City and must demonstrate a positive net impact to the County General Fund that is attributable to the tax revenue generated from the proposed EIFD and should account for avoided costs resulting from EIFD-funded projects.

EIFD: Sonoma County EIFD Policy

4. In addition to supporting economic development, projects in the proposed EIFD must align with established Board strategic priorities in one or more of the following areas: a) affordable housing, b) climate adaptation and resilience, c) transit-oriented development, d) active transportation, or e) advancing racial and social equity.
5. An EIFD proposal must be consistent with Division 2 of Title 5 of the California Government Code (Section 53398.5 - 53398.88), which authorizes the formation of EIFDs.

EIFD: Tax Percentages

August 20, 2024 – Board of Supervisors Meeting

- Board provided support for 25% tax increment commitment to Downtown EIFD

Tax Increment Revenue Collected (1% of assessed value(AV))

- 19.83% of increment secured by the County
- 11.98% of increment secured by the City

Property Tax In-lieu of Vehicle License Fee by the City (VLF)

- 5.43% of increment secured by the City

Tax Increment Revenue Collect (VLF Adjusted)

- 19.83% of increment secured by the County (1% AV)
- 17.41% of the increment secured by the City (1% AV plus VLF)

EIFD: Revenue Assumptions

Percentage of Increment Directed To District

- County – 25% of increment secured within district (Board of Supervisor direction)
- City – 50% of increment secured within district
 - 50% is being used as a **placeholder** to develop draft revenue projections. City Council will provide guidance regarding actual increment commitment prior to releasing draft Infrastructure Financing Plan

Growth Assumptions within the District

- 4% increase in assessed value of residential land uses
- 3% increase in assessed value of Non-residential land uses

EIFD: Revenue Assumptions

		2023-24 2024	2024-25 2025	2025-26 2026	2026-27 2027	2027-28 2028
<u>V. TAX INCREMENT REVENUE</u>						
COUNTY SECURED PROPERTY TAX INCREMENT	19.83%	\$0	\$0	\$51,938	\$105,537	\$160,850
CITY SECURED PROPERTY TAX INCREMENT	11.98%	\$0	\$0	\$31,390	\$63,783	\$97,212
CITY PROPERTY TAX IN-LIEU OF VLF	5.43%	\$0	\$0	\$14,211	\$28,877	\$44,011
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GROSS TAX INCREMENT ("TI")		\$0	\$0	\$97,539	\$198,197	\$302,074
<u>VI. TI REVENUE TO EIFD</u>						
COUNTY TAX INCREMENT	25.00%	\$0	\$0	\$12,335	\$25,065	\$38,202
CITY TAX INCREMENT	50.00%	\$0	\$0	\$22,016	\$44,735	\$68,182
LESS: COUNTY / PFA ADMIN FEES	5.00%	\$0	\$0	(\$4,166)	(\$8,466)	(\$12,903)
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TOTAL TI REVENUE TO EIFD		\$0	\$0	\$30,185	\$61,334	\$93,480

EIFD: Revenue Assumptions

		2033-34 2034	2034-35 2035	2035-36 2036	2036-37 2037	2037-38 2038	2038-39 2039
<u>V. TAX INCREMENT REVENUE</u>							
COUNTY SECURED PROPERTY TAX INCREMENT	19.83%	\$531,986	\$600,967	\$672,164	\$745,649	\$821,496	\$899,782
CITY SECURED PROPERTY TAX INCREMENT	11.98%	\$321,514	\$363,204	\$406,233	\$450,645	\$496,484	\$543,797
CITY PROPERTY TAX IN-LIEU OF VLF	5.43%	\$145,561	\$164,435	\$183,916	\$204,023	\$224,776	\$246,196
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GROSS TAX INCREMENT ("TI")		\$999,060	\$1,128,607	\$1,262,314	\$1,400,316	\$1,542,756	\$1,689,776
 <u>VI. TI REVENUE TO EIFD</u>							
COUNTY TAX INCREMENT	25.00%	\$126,347	\$142,730	\$159,639	\$177,092	\$195,105	\$213,698
CITY TAX INCREMENT	50.00%	\$225,499	\$254,740	\$284,919	\$316,068	\$348,218	\$381,402
LESS: COUNTY / PFA ADMIN FEES	5.00%	(\$42,675)	(\$48,209)	(\$53,920)	(\$59,815)	(\$65,899)	(\$72,179)
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TOTAL TI REVENUE TO EIFD		\$309,171	\$349,261	\$390,638	\$433,345	\$477,424	\$522,921

Year 2069-2070 - **\$2,967,251** to the district
\$52,826,743 total in 2069-270

EIFD: Potential Project List

Project Type	Amount	City Property	County Property	Private Property
Railroad Square/Downtown Connectivity	\$22,000,000	✓		✓
Reprogramming and Activation of Comstock Mall	\$7,000,000	✓		
Activation and Beautification of Existing Right of Way	\$7,000,000	✓		
Affordable Housing	\$9,000,000	✓	✓	✓
Total	\$45,000,000			
Redevelopment of Fairgrounds (multiple uses)	TBD		✓	
Conference, Performing Arts or Entertainment Ctr.	TBD	✓		✓

EIFD: Potential Project List

- Keep project categories broad
- Priority and selection criteria in the IFP
- Possible to restrict spending until bond debt can be secured

EIFD: Fiscal Impact Analysis (FIA)

An analysis of the costs to the city or county of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the district.

- Draft FIAs have been produced and delivered to both the City and the County
- City staff are actively working with DTA to better understand fiscal impacts

EIFD: County EIFD Policy

- 1. City/County identify projects to be funded by EIFD and percentage of tax increment allocated to EIFD**
 - Board of Supervisors provided feedback on August 20th
 - City Council action anticipated in November 2024

- 2. Introduction of draft Infrastructure Financing Plan (IFP) at Public Financing Authority (PFA) public meeting**
 - December 2024

- 3. PFA Public Hearings (receive comments and modify, reject or accept IFP)**
 - First quarter of 2025

- 4. City Council and Board of Supervisors (accept or reject IFP)**
 - April/May of 2025

- 5. PFA approves IFP and adopts Resolution of Formation**
 - June of 2025

Questions and Comments

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