

EIFD AD HOC COMMITTEE REPORT OUT  
For City Council Meeting of December 19, 2023

**EIFD AD HOC COMMITTEE REPORT - ONE WEEK INTO OUR ASSIGNMENT**

The EIFD Ad Hoc was created on December 5th. In the week since then, the Ad Hoc has collected initial information on that issue, which is summarized here. The Ad Hoc will continue its work over the next month, in order to report out at the January 16 City Council meeting. The goal is to collect as much information as possible to respond to the various questions the Council presented to us. Key focus points for a full report at the January 16 meeting will be (1) the total cost of establishing an EIFD, (2) the potential revenue from EIFDs defined by different boundaries, (3) the timeline and steps for an EIFD, and (4) the potential infrastructure projects for an EIFD. The comments below are preliminary.

**COST OF FORMING AN EIFD**

\$50,000 Estimate for Formation of an EIFD: Initial information (based on the costs incurred by Santa Rosa) suggests that the minimum expense for formation of an EIFD would be \$50,000, and that there would be additional required expenses following official formation, for example to survey the parcels within the EIFD (Santa Rosa budgeted an additional \$52,000 for survey expenses).

The Santa Rosa Example: Santa Rosa contracted with David Taussig and Associates (DTA) for EIFD consultation, and spent a total of \$49,500 for a feasibility study and formation of its EIFD. This included \$20,000 for Phase 1 - the feasibility study (EIFD boundaries, revenue study, bonding analysis, infrastructure needs, and next steps memo with timeline and tasks), plus \$29,500 for Phase 2 - the subsequent formal steps needed to finalize the EIFD (drafting Council resolution and Public Financing Authority formation documents plus Infrastructure Financing Plan, property owner meetings, and completion of documents required by State Board of Equalization). Santa Rosa is the only Sonoma County jurisdiction to have formed an EIFD. Santa Rosa also allocated an additional \$102,000 to pay for subsequent tasks, including \$52,000 for surveys of all parcels within the EIFD and \$50,000 for additional future anticipated consulting support.

Possible County Assistance with Consultant Costs: Mayor Rich and Vice Mayor Zollman spoke with Supervisor Hopkins to get general direction and explore the possible contribution of County resources to cover the costs of establishing an EIFD. The bottom line is that the best way to maximize County assistance in forming an EIFD is to maximize the portion of unincorporated West Sonoma County that is included within the EIFD boundaries. To the extent the EIFD is limited to the City of Sebastopol only, County assistance in covering formation costs is unlikely.

**POTENTIAL REVENUE FROM AN EIFD**

Facilitated by Supervisor Hopkins, the County has provided initial projections for potential revenue from an EIFD. Two scenarios were considered: an EIFD for the City of Sebastopol only and an EIFD including all properties in West Sonoma County. Using a 30 year projection, assuming the County would commit 25% of its tax increments, the potential contribution from the County alone would be \$82.7M. By contrast the potential contribution from the County if limited only to properties within the City limits would be \$9.9M. These projections are based on a 2% annual increase in property value. Neither of these projections include contributions from the City's incremental tax increases. Please note these are initial

numbers offered to give the Council a general understanding of the different potential revenue results from these two different EIFDs.

#### TIMELINE & NEXT STEPS

The Ad Hoc has limited information regarding timelines and next steps, but this is definitely a multi-year process. More information will be provided at the January 16 City Council meeting. For Santa Rosa, according to the staff report from the Council's April 25, 2023 meeting, it appears that the initial RFP for consultant services was issued in August 2022, and that this month - December of 2023 - was the expected completion time for phase 1 (the feasibility study) as well as phase 2 (culminating in submittal of EIFD boundaries to the Board of Equalization). As a reminder, the survey of properties within the EIFD comes after the submittal to the Board of Equalization. The Santa Rosa City Council Staff Report from April 25, 2023, provides a summary of Santa Rosa's process and timeline, as well as their next steps.

#### POTENTIAL INFRASTRUCTURE PROJECTS

The Ad Hoc reiterates that an EIFD can be used to support a broad range of infrastructure projects. Examples include roads, highways, streets/streetscapes, parking facilities, transit facilities, affordable housing, internet access services, childcare facilities, libraries, parks, open space, recreational facilities, improvements related to fighting climate change, "brownfield" restoration and other environmental mitigation, transit priority facilities, sewer, reclamation, and water facilities, solid waste facilities, flood control facilities, retention bases, and drainage channels.