

Dear Council Members,

In regard to Item 9, enhanced infrastructure financing district, I would ask the Council to consider the following:

- 1) If property tax increases are diverted to the County, will the City have the revenue to keep up with inflationary costs. Property tax increases in California are extremely low due to Prop. 13 and do not cover inflation which means that governments are overly reliant on sales tax to cover rising costs associated with normal inflation rates. If you remove even small amounts of property tax increases, which are reliable sources of income, will the budget be able to withstand normal increases associated with annual inflation?
- 2) Will you be able to use EIFD fund for Sebastopol specific projects like water and sewer if Sebastopol is only 50% voting within an extremely large area. Sebastopol is less than 2 square miles. For instance, District 5, Hopkins district has 524 miles of road, the most miles of any district in Sonoma County. It seems that only projects which relate to the rest of the district would be funded with EIFD monies such as connecting roads, parks, library, community cultural center, Ives's Pool, Arts Center, Senior Center. There would be no motivation for other people on the panel to fund Sebastopol specific projects like water and sewer, City sidewalks and City roads that are located in residential neighborhoods.

Supervisor Hopkins will have all of the costs associated with basic services for District 5 coming from the County's general fund, which is over \$2,000,000,000. She does not have to worry about inflation and making budget cuts if more of the County's property tax is diverted to her district. She has the County's money to pay the critical services that are associated with District 5 constituents. An EIFD which includes Sebastopol and extends into District 5 is an easy way for Supervisor Hopkins to divert more County funds to her constituents without impacting funding for the Sheriff's Department and other services. This is not the case for Sebastopol. Diverting property tax will impact the City's revenue and has the potential to have a very negative impact its budget.

If Council moves forward, would suggest using the consultants to determine the following:

- 1) If property tax revenue is reduced, will Sebastopol be able to pay its bills;
- 2) What projects would actually qualify if Sebastopol only has a 50% vote and how likely would it be that City specific water, sewer, sidewalk and road projects would be funded?

Supervisor Hopkins has a history of dumping very costly projects onto the residents of Sebastopol. She took away the only downtown hotel and has not replaced the revenue from that.

She directed funds to the operation of Horizon Shine, which is a failed operation that cost close to \$2,000,000 and still has a majority of residents without housing despite having 2 years to help people transition. The hotel and Horizon Shine increased the homeless population which increased costs in regard to police, fire and public works. She has not reimbursed the City for these increases. What percentage of police, fire and public works time goes toward homeless related issues. I would conservatively guess 20% which amounts to over \$1,000,000 per year of

the \$11,000,000 budget, which is not going toward citizen services but to calls that relate to less than 200 homeless people, a very small subset of the population.

Supervisor Hopkins has not given Sebastopol any money for its citizens, for its roads and for its infrastructure. She has not done anything to help residents and businesses in Sebastopol.

In fact, she has done the opposite by placing all her “charity” projects within City limits so the citizens of Sebastopol have to absorb the costs while she gets to claim the “good deed.” It is sly and duplicitous of her to use the City of Sebastopol’s checkbook to fund her philanthropy.

When Supervisor Hopkins dumps her projects here, she removes them from the County’s bankrolls – County staff and Emergency Services no longer deal with them. Sebastopol now has a homeless outreach coordinator, a staff person working on homeless issues, a dedicated Council person to the homeless – this is out of proportion with the size of our town and our budget. Council just declared a fiscal emergency. No other town of ours size has this much focus and resource allocation to the homeless and this is all thanks to Supervisor Hopkins, who preserves her District 5 budget by dumping her resource intensive projects on Sebastopol.

Projects that are to Hopkin’s benefit and Sebastopol’s detriment.

I would ask that you be aware of this dynamic if you move forward with the EIFD.

Best,
Kate Haug