

Dear Council Members and City Staff,

Regarding the pursuit of the EFID, Sebastopol's current inventory of property which pays extremely low or NO property tax due to its status as affordable housing needs to be brought into financial analysis.

From my layperson's observation, Sebastopol is providing the lion's share of affordable and permanent supportive housing in West County and needs to receive financial acknowledgement and credit for this.

Any financial analysis needs to bring the Sebastopol's large amount of existing affordable housing into the conversation as the Citizens of Sebastopol are basically subsidizing approximately 1,000 residents as the properties in which they live pay no property tax or extremely reduced property tax.

Habitat for Humanity will be building additional low-income housing on Main Street, which will also be exempt from property tax. If St. Vincent builds Gravenstein Commons, permanent support housing, which is City Service intensive, that will also be exempt from Property Tax.

Sebastopol is less than 2 square miles. When its limited land is developed to have zero revenue, it has huge consequences for the City's economy. In addition, affordable housing sites bring in a lot of new residents who use all the City services such as fire, police, roads, parks, water and sewer. Thus affordable housing increases population without increasing revenue to support it.

Prior to any serious analysis, the Planning Department needs to make a list of all the properties with extremely low or exempt property tax status. This needs to be part of any financial discussion for the EFID. Sebastopol is already revenue compromised due to its large amount of affordable housing. It is unclear if losing any more property tax would benefit the City.

At this point, the City should be seeking a higher portion of property tax from the County to reimburse for the loss of property tax due to affordable housing projects and to support the community services Sebastopol provides such as Ives Pool, the Senior Center, the Community Cultural center. All these nonprofits support West County residents but Sebastopol does not receive any County funding. Sebastopol should ask the County for a 2-5% increase of property taxes to cover the loss of funding from affordable housing, to reimburse for additional City services that are required when you have Permanent Supportive Housing (Sebastopol has two sites) and to fund nonprofits which provide vital social and recreational services to West County.

Here is a list of affordable housing in Sebastopol not including Habitat for Humanity or Gravenstein Commons.

These include but are not limited to:

- 1) Woodmark – 48 2&3 bedroom units
- 2) Burbank Apartments at 699 Gravenstein Highway 60 units
- 3) Burbank Senior Housing on Bodega Avenue 198 Units
- 4) Elderberry Commons – 31 units
- 5) Hollyhock Homes at 961 Gravenstein Hwy S.
- 6) Park Village – Homeless housing, owned by the City, over 80 residents

For additional information see:

<https://sonomacounty.ca.gov/development-services/community-development-commission/divisions/community-development/affordable-housing-inventory>

The Planning Department should have a full inventory. I know that Two Acre Wood on Robinson and Petaluma Avenue Homes also have a non-traditional property tax status.

Best,
Kate Haug