



**MEETING DATE:** June 12, 2025

**FROM:** Debbie Ramirez

**RE:** Enhanced Infrastructure Financing District (EIFD) Update

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## **BACKGROUND:**

As presented to at the Joint meeting of the River and Coast MACs on September 25, 2024, The City of Sebastopol and Sonoma County are exploring the creation of an Enhanced Infrastructure Financing District (EIFD) to fund critical infrastructure projects in Sebastopol and unincorporated West Sonoma County. An EIFD is a funding mechanism that uses future property tax revenues from new developments to invest in local infrastructure, including roads, water and sewer systems, parks, recreational amenities, affordable housing, and climate resilience projects. Notably, an EIFD does not create new taxes but captures growth in property tax revenue to reinvest in community improvements.

The feasibility study for this EIFD is currently underway, led by Kosmont Companies, and includes public outreach, district boundary analysis, and identification of infrastructure funding needs. The project aims to address the aging infrastructure of West County, including improvements to roads, flood mitigation, recreational facilities, and other community needs.

Read the minutes from the 9/25/24 Special Joint MAC Meeting [here](#) and access the video [here](#) or on YouTube at <https://www.youtube.com/@sonomacounty5thdistrict>.

The Board of Supervisors' June 4, 2025 agenda item with supporting documents can be found [here](#). The recording of the consultant's presentation and board discussion begins around [2:48 here](#).

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## **UPDATE:**

Early work considered the formation of a single EIFD encompassing both the City of Sebastopol and surrounding unincorporated areas.

However, as the analysis and stakeholder engagement progressed, it became evident that forming a single EIFD encompassing both jurisdictions was not recommended. Key challenges included differing governance structures, complications around how property tax revenue would be allocated between jurisdictions, and uncertainty over how decisions would be made regarding project selection and funding priorities. As a result, the effort was formally divided into two distinct tracks: one focused on a potential EIFD within the City of Sebastopol, and the other exploring a standalone EIFD for unincorporated West County.

The City of Sebastopol has expressed interest in pursuing its own corridor-focused EIFD in the future but is currently prioritizing other immediate fiscal matters, including analysis and implementation of a recently passed local sales tax measure. Once those items are addressed, the City may revisit the EIFD discussion.

## **Current Status of West County EIFD Exploration**

Kosmont Companies presented draft findings at the June 3, 2025 Board meeting, following earlier outreach and research activities. These included participation in a joint meeting of the Lower Russian River and Sonoma Coast Municipal Advisory Councils on September 25, 2024, which served as an important forum for gathering community input on infrastructure priorities.

### **Key highlights of the West County analysis include:**

**Boundary and Scope:** A proposed district, focused on population centers, covering approximately 53,400 acres across unincorporated communities such as Guerneville, Forestville, Occidental, Bodega Bay, Monte Rio, Graton, and others.

**Funding Scenarios:** Modeled revenue allocations range from 20% to 25% of the County's share of property tax increment. At a 25% contribution level, the EIFD models and projections currently indicate that a bonding capacity of \$130 million+ over 50 years could potentially be supported.

**Potential Projects:** Based on initial community feedback and consultant recommendations, the following categories of infrastructure have been identified as potential funding priorities under a proposed EIFD. Note that this list is not final and will evolve based on needs, input and further analysis.

- Sheriff substation improvements
- Emergency access infrastructure
- Dock and coastal infrastructure resilient to sea level rise
- Community gathering spaces
- Ice House upgrades (Bodega Bay)
- Roadway improvements
- Sidewalk and bicycle infrastructure
- Affordable and workforce housing
- Recreational improvements, including parks and public restrooms

These types of projects align with statutory EIFD eligibility and reflect both urgent needs and long-term investment opportunities in unincorporated West County.

### **Next Steps of Current Phase**

**Finalize Fiscal Analysis** Consultants will complete present the full fiscal analysis to the Board of Supervisors to ensure long-term viability and positive impact.

### **Board of Supervisors Action**

Next, the Board of Supervisors would consider a resolution of intent, form a Public Financing Authority, and hold public hearings where further input on projects would be sought.