

MEASURE U – BACKGROUND & STATISTICS

REDEVELOPMENT FACTORS

- Former Redevelopment Agency encompassed 40% of the City of Sonoma property area
- Total Property Tax combined for General Property and Redevelopment Property Tax declined from \$6.9 million in to \$2.7 million since 2011 due to the elimination of redevelopment
- As a part of the dissolution of redevelopment, the City was required to return over \$5.7 million in property taxes collected by the CDA to be redistributed to other taxing agencies. These monies would have been spent on future construction and public service projects.

ECONOMIC FACTORS

- While the City has seen some healthy increases in some revenue sources (TOT and Sales Tax) these increase have not matched up to the decline in revenue resulting from the loss of redevelopment.
 - TOT has posted an overall increase of \$1 Million since 2011
 - Sales Tax has posted an overall increase of \$600,000 since 2011
- It needs to be noted, these are the TOTAL increases over the 5 year period, not the annual increase. Some may interpret that this \$1.6 Million dollars in TOT and Sales Tax should make up for the \$2.2 million in Measure J taxes that would be lost if Measure U does not pass but that \$1.6 million dollars is growth over 5 years and the Measure J figure is an annual figure. Annual increase in Sales Tax and TOT have approximately \$300,000 per year and for TOT, this number is expected to flatten beginning in 2017.

COSTS ABSORBED INTO THE GENERAL FUND DUE TO THE DISSOLUTION OF REDEVELOPMENT

The Redevelopment Agency was a separate entity from the City as required by governmental law but acted in parallel responsibility. For small cities, this means that employees “wore two hats” and covered responsibilities for both entities (City & Agency). Employees that were in Redevelopment as of FY 2011 were transferred to the General Fund as they were critical to other areas of public services.

Former Personnel Allocations in Redevelopment

> PW Maintenance Worker	100%	Graffiti Abatement
> Accountant	20%	CDA Administration
> Asst City Manager/Finance Director	50%	Housing / CDA Administration
> Associate Planner	10%	Housing / LMI
> Planning Director	60%	Housing / CDA Administration
> City Manager	35%	CDA Administration
> Admin Asst	20%	Housing / CDA Administration
> City Clerk	25%	CDA Administration
> Account Technician	20%	CDA Administration
> Building Official	5%	Housing / CDA Administration

OTHER REDEVELOPMENT EXPENDITURE CATEGORIES

In addition to Personnel, Redevelopment Funding was utilized for significant Public services and Capital projects within the "Project Area" (40% of the City limit area) but created benefits Citywide.

GAS TAX: Transfers to the Gas Tax Fund to sustain streets maintenance due to the flattening of Gas Taxes have nearly doubled. (Gas tax has increased since 2011 but declined between 2014 and 2015.) Street maintenance was formerly augmented by redevelopment funding but is now supported by the General Fund.

STREET CAPITAL PROJECTS: All major street capital reconstruction and infrastructure were funded through redevelopment including traffic safety, bike path, and sidewalks. The Agency spent upwards of \$1-2 million per year on street and infrastructure projects. After the dissolution, the City has budgeted a minimum of \$200,000- 900,000 for capital and infrastructure projects.

PUBLIC SERVICE PROJECTS: Redevelopment provided funding for numerous public service projects such as business loans and development projects such as the Community Center \$2 million for building restoration and \$500,000 for Historic Preservation Easement; SV Visitors Bureau annual contract, community activities (Jazz Festival, Film Festival); loans to local businesses (up to \$100K). The HAVEN was also supported by redevelopment.

AFFORDABLE HOUSING: Redevelopment provided funding for housing projects and programs (including Housing Element updates). It also provided for Silent Second mortgage write downs for affordable units.

GENERAL ADMINISTRATION: Redevelopment provided funding for a percentage of administrative costs including legal costs for review of documents and general operating costs.

HOW HAVE MEASURE J FUNDS BEEN USED? WHAT WILL BE IN JEOPARDY WITH THE LOSS OF FUNDS?

Since 2012, the City was diligent in maintaining its promise to the voters and using the resources provided by the original sales tax measure wisely to provide funding to support essential services. Overall, our local sales tax has provided a stabilizing local economic foundation for the City's provision of public services and contributed to funding the expenditures illustrated below. Measure J and by extension Measure U will continue to provide coverage for all city services over and above those which were former redevelopment responsibilities.

Police

- Continued level of police enforcement services including Chief, 2 sergeants, 10 deputies, 2 community service officers, 1 administrative assistant, and part-time administrative clerk.
- Police K-9 Program (Officer Dickie).
- Partially funds School Resource Officer.
- Partially funds School Crossing Guard Program
- Code Enforcement Program (initiated February 2016)

Fire & Emergency Medical Services (EMS)**

- Completion of agreement with Valley of the Moon Fire Protection District establishing the Sonoma Valley Fire and Rescue Authority including daily staffing on fire apparatus including 3 engine companies, 2 ambulances, and a command vehicle.
- Purchase of New Fire Engine replacing aging apparatus

***Due to the upgrades made to equipment and organization, the City received the highest rating from the Insurance Services Organization (ISO rating) of a CLASS 1; this will have a direct benefit to property owner's insurance rates.*

Street and Road Maintenance

- Replacement of City Street Lights with LED Lighting to improve lighting and reduce future electric costs (approximately \$70,000 annually) and further addressing the Climate Action 2020 Plan.
- Slurry Seal Projects 2011, 2012, 2014, 2015 and 2016 to maintain street surfaces (no potholes)
- Annual Sidewalk Repairs (\$50,000 per year)
- Major Street & Signal and intersection Improvements at Broadway, Napa and Leveroni Rd
- Reconstruction & Repaving on Sections of Church Street, Curtin Lane, Studley Street, Oregon Street, Sixth Street, Seventh Street, Patten Street, Mallet Street, and Napa Road; including the construction of ADA-compliant curb ramps at intersections.
- Completed Improvements at Depot Park
- Chase Street Bridge Replacement (ongoing)

Public Works

- Addition of in-house City Engineer / Public Works Director creating savings for consulting engineering firm
- Stormwater Specialist to comply with State requirements

Redevelopment Expenses

- Absorb Administrative Expenses from former Redevelopment Agency including legal costs as well as Personnel costs
- Absorb contracts including lease costs for Sebastiani Theatre, agreement with Visitor's Bureau, and Economic Development and Business retention services provided by Sonoma Valley Chamber of Commerce (\$125,000 annually)
- Provide utility costs and support for The HAVEN Emergency Shelter
- Payment of CREBS bond for solar panels at Police Department & Public Works
- Housing activities including future studies and programs
- Gas Tax off-set of expenses not covered by revenues (est \$150,000/yr)
- Graffiti Abatement Program under Public Works

General Community Services

- Replacement of City Hall Bell Tower including addition of hourly chime.
- Replacement of Historical Directional Sign on City Plaza
- Reinstated annual transfers for internal service programs such as the Long Term Building Maintenance to fund larger building repair and maintenance needs.
- Updated telephone system to improve service to the public.
- Established Business Loan Program including forgivable loans for physical improvements to businesses in the City (this program was completely eliminated with the loss of Redevelopment)
- Establish Special Events Coordinator position to assist in Plaza event management
- Establish stand-alone Finance Department to improve transparency and timeliness of financial reporting.
- Completion of Circulation Element and activities related to Housing Element of General Plan.
- Increase in funding for Community Activities including:
- Establishment of Community Fund Grant Program (1.5% of designated General Fund revenues including Measure J which would be reduced if Measure U were not passed)
- Increase in total funding for non-profit organizations providing services to community from \$123,200 in Fiscal Year 11/12 to \$194,385 in 16/17.
- Provided \$15,000 annually for "City-Sponsored" days for use of the Veteran's Building.
- Establishment of Pool Fund for Scholarships for the Sonoma Splash program

Cemetery

- General Fund has absorbed the responsibility for general maintenance of the City's cemeteries (average \$50,000- \$100,00 per year)
- General Fund has assumed coverage for prior \$1.6 million in operational debt for capital and maintenance costs for years when cemetery revenue did not cover expenditures