

Dear Council Members and City Staff,

In reading an article on the Woodmark apartments, I learned that the property owner is not paying property tax on its \$25,000,000 building because it is classified as affordable. The article noted that all 48 of its 2-3 bedroom apartments are now rented. This means that Sebastopol just gained at least 140 new residents but is not receiving any income to pay for City provided costs associated with living the City such as fire, police, public works, roads, water, sewer and other infrastructure.

Woodmark opened up its applications to non-farm workers and filled the apartments.

I am writing with important fiscal issues regarding City services and infrastructure.

- 1) If the property owner is not paying property tax, which on a \$25,000,000 building would be approximately \$295,000 annually who is paying for the City Services which will be utilized by the 140 plus new residents? Sebastopol is in a fiscal emergency. 140 new people will use roads, sidewalks, police, fire, parks, water and sewer and other City services and infrastructure. Property tax is supposed to cover the costs associated with people who live in property.
- 2) As the developer is not paying property tax, priority for apartments should have been given to people working or attending school in Sebastopol. For instance people working at schools within walking distance, people working on Main Street, volunteer firefighters, people working for the City. If the developer is not paying property tax, at the very least, priority should have been given to local teachers, administrators, city employees and people working in public safety.
- 3) Will Elderberry Commons, Gravenstein Commons and the Habitat for Humanity homes also be excluded from property tax? If so, how will the City pay for the services associated with these units, particularly Elderberry Commons and Gravenstein Commons which have high needs population?
- 4) Sebastopol has met all of its RHNA requirements for extremely low, very low and low income housing. In the future, when affordable housing projects are presented, there needs to be a fiscal consideration. Can the City afford to support "affordable" housing. If you can imagine, that 48 apartments with no property tax is similar to building 48 houses and collecting no tax even though the residents will be utilizing City infrastructure and City services.
- 5) If Woodmark builds a second building and does not fill the units with farmworkers, is there any way to make sure that Sebastopol's work force and students get priority.
- 6) The County should be reimbursing the City of Sebastopol for lost revenues associated with affordable housing which is a benefit to the County. This should be looked at in regards to the EFID.
- 7) Sebastopol should be receiving a larger share of property tax from the County in order to support affordable housing, recreation centers like Ives Pool, the Senior Center and the Community Cultural Center and Sebastopol's roadways which service West County. Currently, the County receives approximately 32% of property tax and the City receives

19% (numbers vary slightly depending on tax tract). Can the City argue to receive 22-24% to cover increased costs associated from non-taxed Affordable Housing and other services provided to West County residents? See attached for example of how property tax is allocated for one house and how it is allocated across the tracts located within Sebastopol.

Please address these financial issues and seek remedy from the County.

Thank you!