

Community Investment Fund Policy

Adopted 07/08/86

Revised 10/02/01; 10/08/02; 09/12/03; 02/03/04; 04/18/06; 04/17/07; 05/10/11; 03/27/12, 6/10/13, 9/16/14, 2/10/15, 5/3/16, 6/13/16, 10/3/17, 6/5/18

I. Source of Funds

The Transient Occupancy Tax (Hotel/Motel Tax or Bed Tax) is authorized under State Revenue and Taxation Code Section 7280 as an additional source of non-property tax revenue to local government. This tax is levied in Sonoma County at a rate of 12%. The code does not require any specific use of the Transient Occupancy Tax (TOT). Funds developed as a result of the TOT may be utilized for General Fund, Community Investment Fund, or other purposes. Activities performed utilizing Community Investment Fund grants provided to non-profits must also be consistent with Government Code Section 26227.

II. Policy Statement

The Board of Supervisors wishes to invest in the community by supporting economic and workforce development, community non-profit grants, community services and safety, and program integrity and administration. The Board of Supervisors also wishes to encourage tourism in the County by supporting a series of promotional, community, and cultural activities through the use of Community Investment funds for: regional and national advertising, support of the community's spirit and its art/cultural programs, and promotion of other special events as deemed, by the Board, consistent with this Policy.

Funding levels will be established annually based on collections. In 2016, voters approved Measure L which authorized a 3% increase to the tax, bringing the total TOT rate to 12%. Measure L funds shall be tracked separately as described below. The Board of Supervisors has established a policy that 33% of the first 9% of TOT funds are designated to the General Fund, and the remaining funds will be used for community investments within this policy.

Entities who receive funding through the Community Investment Fund will be required to include the County of Sonoma logo and/or statement indicating sponsorship and/or support on all printed and online promotional materials, unless otherwise requested or agreed upon with the County.

III. Activities Eligible For Community Investment Program Funds

A. **Economic and Workforce Development**

The Board desires to designate available funds towards projects and initiatives that stimulate and expand the county's economic vitality.

1. **Chambers of Commerce:**

Funding may be provided to Chambers of Commerce serving unincorporated areas of Sonoma County or who provide countywide services. Chambers located in the unincorporated area of the county and those serving the entire county will be given priority and fully funded prior to funding consideration of municipal Chambers of Commerce. Allocation of funds will be based upon an up to 10% match of membership dues and private cash contributions that are discretionary revenue to the chamber and are not associated with a particular event, function or position. A maximum of \$40,000 per year may be made available for Chambers of Commerce. Requests for funding can be made annually to the Economic Development Board.

2. **Visitors Centers:**

Funding for Visitor Centers within the county may be considered at the discretion of the Board of Supervisors. For purposes of funding, Visitors Centers will be distinct from the Tourism Marketing Program. Requests for funding can be made annually to the Economic Development Board.

3. **Economic Development Board:**

The Board of Supervisors has designated the Economic Development Board (EDB) to provide business assistance services to enable local businesses to maintain or expand their operations. The EDB will

request funds annually through the budget process and will be considered at the discretion of the Board of Supervisors.

4. **Tourism Marketing Program:**

As determined by the Board of Supervisors, the County will provide TOT funds for advertising and promotional efforts as provided by the Sonoma County Tourism Bureau (SCTB). Commencing with Fiscal Year 2018-19, the County's TOT contribution to SCTB shall be a sum equivalent of the first 1.25% of the 9% of TOT collected in the unincorporated Sonoma County. The county's TOT contribution is disbursed through the EDB budget.

5. **Visitor Way Finding and Signage:**

Funding may be provided for permanent signage related to visitor way finding and area identification. These funds are intended for the installment and maintenance of permanent identification signs, not temporary or event promotion signs. Visitor Way Finding and Signage projects located in the unincorporated area of the county will be prioritized. A maximum of \$100,000 per year may be made under this category. Requests for funding can be made annually to the Economic Development Board.

6. **Workforce Development and Scholarships:**

Acknowledging that a qualified workforce is essential to the growing needs of the tourism industry as well as the overall health of the community, the Board of Supervisors has designated funds to support workforce development and to increase access to educational opportunities through scholarships. Workforce Development and Scholarships projects serving the entire county will be given priority. A maximum of \$500,000 per year may be made under this category. Requests may be made annually for multi-year grants.

B. **Community Services and Safety**

The Board is committed to using a portion of TOT funds to improve community services as well as to mitigate the impacts of tourism in communities.

1. **Parks, Recreation, and Event Facilities:**

The Board of Supervisors desires to provide TOT funds to County departments for recreational activities that benefit local tourism activities and the tourist industry, including, but not limited to, the Regional Parks Department and the Fairgrounds and Exposition, Inc., and Veterans Halls (under contract or managed by the General Services Department). Funding provided to the Regional Parks Department is allocated for operations and maintenance of existing park facilities only. Requests for TOT funds from County departments will be reviewed annually on a case-by-case basis and will be considered at the discretion of the Board of Supervisors.

2. **Fire Services:**

The Board of Supervisors is committed to addressing potential impacts on visitors' and residents' safety as a result of high-impact tourism within the unincorporated areas of the county. See Section E(3) below which dedicates a total of 20% of Measure L revenue to be distributed to Fire Services within the unincorporated area annually.

3. **Affordable Housing and Homeless Services:**

The Board of Supervisors recognizes that vacation rentals and other impacts from tourism result in an increased need in affordable housing. See Section E(4) below which dedicates a total of 13% of Measure L revenue to be distributed for affordable and workforce housing partnerships within the unincorporated area for housing and rent stabilization as well as for homeless services. Funds shall be allocated to the existing County Fund for Housing (CFH) as well as to homeless services needs, administered by the Community Development Commission.

4. **Roads Funding:**

To mitigate the impact of increased vehicles on roads in the unincorporated area of Sonoma County, the Board of Supervisors commits a total of 20% of Measure L revenue to Transportation and Public Works (TPW) for improvements to local roads. Funding will support projects included in the annual TPW Roads Plan. See Section E(1) below.

5. **Tourism Mitigation Fund:**

This fund has been established to meet unique and urgent needs of areas within unincorporated Sonoma County who are most impacted by tourism. A total of 10% of Measure L revenue will be distributed to mitigate the impacts of tourism in communities. The Board of Supervisors will consider these needs on an

ongoing basis throughout the year. Unused funds in a single fiscal year will be accounted for and available in following years. See examples of use in Section E(7) below.

C. **Community Non-Profit Grants**

The Board of Supervisors wishes to invest in the community by supporting non-profit grants to promote arts and cultural activities, agricultural industry, historical preservation activities, promotional activities which enhance tourism and industry, and/or local community events which encourage a sense of community.

Community Investment Fund grant awards will be based upon an evaluation of all application materials, with a focus on the return on investment and benefit to be gained, including potential tourism and business revenue, from providing financial support to the event/organization. Events and organizations who demonstrate ability to receive and/or contribute match funding or grants as the result of receipt of Community Investment Funds will be given priority consideration in the application review process and in consideration of amount of grant award. County funds are not to be used for individual business promotion or advertisement.

The following grant opportunities are available:

1. **Agricultural Promotion**

The Board of Supervisors desires to support advertising campaigns and promotional activities directed by Sonoma County agricultural industries. Funds will be used to support advertising and promotional efforts of diverse organizations within the agricultural sector.

Requests for funding can be made annually by non-profits entities and a maximum of \$185,000 per year may be made available under this category.

2. **Historical Commissions**

The Board of Supervisors desires to support historical preservation of the county's culture and historical records and architecture. A maximum of \$60,000 per year may be made available for this category.

The County has designated the Sonoma County Landmarks Commission to advise on the distribution of funds for preservation and restoration of historically significant buildings. Funding may be provided to this Commission to accept grant applications for the renovation, restoration and/or preservation of historical facilities.

The Board has designated a Historical Records Commission to review and make recommendations regarding the maintenance and destruction and retention of records, which may be of historical significance. Funding under this category may be provided for these activities.

3. **Local Events, Organizations, and Economic Development Grants**

The Board has established this category to assist small cultural, artistic, and countywide events and organizations as well as events occurring during the off peak tourism season (November 15 through April 15) with funding for advertising and economic development efforts that promote Sonoma County and encourage visitors to frequent the county throughout the entire year. Funds can also be allocated for activities that support community organizations and will be made at the discretion of each Supervisorial District. Events and organizations will make requests annually to the Supervisorial District in which their event/organization exists.

\$250,000 has been allocated for this category and will be divided equally among supervisorial districts to be used at the discretion of each district.

4. **Major County Events and Organizations**

The Board of Supervisors desires to promote major events and cultural and artistic organizations which draw countywide, regional, state and national interest as evidenced by widespread media promotion and which can demonstrate a significant population of participants and visitors from outside the county. A maximum of \$300,000 per year may be made available for advertising and promotion of major events and organizations within this category. The following general guidelines apply to this category:

- a. Must demonstrate overall attendance either at a single event or through a series of events in excess of 15,000, with significant (20% or more) demonstrated attendance from out of the county.

- b. Must demonstrate extent of out-of-county attendance and demonstrate link to overnight stays from attendees.
- c. Must demonstrate advertising expenses exceeding \$25,000, of which the Advertising funds being requested must not exceed 50% of total advertising expenses for the event or organization.
- d. Must demonstrate a major advertising campaign plan focused outside of the county.
- e. Must demonstrate the extent to which the event, season series, exhibit, or marketing effort will support the county's economic development in the form of local job promotion, local education contribution, and/or local business-chambers of commerce-visitors centers partnerships.
- f. In addition to advertising and promotional efforts, funds may also be used to support Sonoma County based documentary films that document and promote or maintain a historical record of the region, culture, community and arts. The following general guidelines will apply:
 - Must demonstrate historical, current social issues, cultural, regional or specific human experiences in Sonoma County that raise awareness and create an impact upon the viewing audience.
 - Must have real, factual situations and circumstances which leave audiences better informed.
 - Must provide detail of advertising/promotional campaign activities, including the type of advertising and region(s) of promotion.
 - Must be able to demonstrate that the film will be exhibited publicly, including but not limited to broadcast and cable television, and Internet transmission.
 - Applicant must provide a production timeline including release date of film and the cost of the activity in relation to the amount of grant funds requested.

The maximum advertising fund contribution which can be applied for is \$50,000. Funds are only to be used for advertising and promotion of the events and not towards the cost of event production.

The following will be requested as part of the application process for all events and organizations who apply for advertising funds under this category. This information is not required and failure to provide will not result in disqualification, however, the information will be used to determine grant awards and amounts based on demonstrated ability to most effectively promote tourism, agricultural, and/or economic development.

- a. A complete Community Investment Fund grant application (form provided by the County);
- b. A completed post-program/event report containing results and benefits of prior year activities and events, if the entity received Community Investment Funds in the previous fiscal year (form provided by the County);
- c. Detail the advertising/promotional campaign for which advertising funds are being requested, including the type of advertising and region(s) of promotion;
- d. Detail how these activities will promote attendance, including expected attendance, overnight stays, and visitor spending; and
- e. Detail how the County of Sonoma organization will be promoted as an organization/event sponsor in advertising materials, available event/booth attendance, and other such activities. Information should also be provided on available sponsorship packages.
- f. Must include details of other funding support from local organizations or local government entities.

5. **Seasonal and Off Peak Programs**

The Board of Supervisors desires to promote seasonal programs, events, and cultural and artistic organizations as well as events that occur during the off peak tourism season (November 15 through April 15) which draw countywide and regional interest and which can demonstrate participants and visitors from within and/or outside the county. The program will pay for the direct cost of advertising. A maximum of \$50,000 per year may be made available under this category.

The maximum advertising fund contribution which can be applied for is \$5,000. The following general guidelines apply to this category:

- a. Must detail overall attendance from in and/or outside of the county.

- b. Must demonstrate local and/or out of county advertising campaign plan.
- c. Must demonstrate the extent to which the event, seasonal program, exhibit, or marketing effort will support the County's economic development in the form of local job promotion, local education contribution, and/or overnight stays from attendees.
- d. Must provide a budget of total advertising expenses in relation to the amount of grant funds being applied for.
- e. Must include details of other funding support from local organizations or local government entities.

D. Program Integrity and Administration

The Board of Supervisors desires to provide Community Investment funds for certain county departmental activities that benefit local tourism activities and the tourist industry, and which preserve and promote Sonoma County history. Community Investment funds may be used for salaries of County employees when participating in activities funded by Community Investment funds. Administrative costs (including collection, audit, program coordination, consultant, and legal services) should not exceed 10% of the estimated and/or budgeted TOT revenues. Request for Community Investment funds from departments will be reviewed annually on a case-by-case basis

1. Collections/Audit Services:

Revenue and tax collection services and program and grantee audit services are provided for this Program. Funding shall be recommended by the County Administrator's Office annually to fund these activities.

2. Legal Services:

Legal guidance, advice, interpretation and other related services are provided for this Program. Funding shall by recommended be the County Administrator's Office annually to fund these activities.

3. Program Administration Services:

Administration of this Program, including policy management and review, budget management and review, application review and recommendation, contract management, claims processing, and other related activities are provided by the County Administrator's Office. Funding shall by recommended be the County Administrator's Office annually to fund these activities.

E. Measure L Revenue

The Board of Supervisors will track and distribute the 3% "Measure L increase" to TOT separately. The categories established for Measure L funding distribution are based on the educational information provided to voters as part of the Measure L campaign. Amendments to these funding commitments will be considered at the discretion of the Board of Supervisors.

1. Roads Repair and Improvement, 20%

To mitigate the impact of increased vehicles on roads in the unincorporated area of Sonoma County, the Board of Supervisors commits a total of 20% of Measure L revenue to Transportation and Public Works (TPW) for improvements to local roads. Funding will support projects included in the annual TPW Roads Plan.

2. Regional Parks, 20%

A total of 20% of Measure L funds will be used to fund Regional Parks, effective for Fiscal Year 2017-18 and Fiscal Year 2018-19. Funding in this area for the Regional Parks Department will be prioritized to increase public access and support the development of new park facilities.

3. Fire Services, 20%

It is in the interest of the county to provide for the safety and emergency care of residents and visitors. The tourism industry, while beneficial for the health and economy of the county, can strain the agencies responsible for emergency response. To help alleviate this strain and to encourage greater regional consolidation within the county's fire system, funds will be directed at the discretion of the Board of Supervisors to the Fire and Emergency Services Department for distribution. The Department will make recommendations for investment in the county fire and emergency response system based on input from the Fire Services Advisory Council and county-wide needs. The Board of Supervisors will prioritize recommendations that further regional consolidation, provide equipment and personnel support in high risk areas, and provide increased response coverage in underserved/high risk areas of the county.

4. **Affordable Housing, 13%**

The Board of Supervisors recognizes that vacation rentals and other impacts from tourism result in an increased need in affordable housing. A total of 13% of Measure L revenue will be distributed for affordable and workforce housing partnerships, for housing and rent stabilization, and for homeless services. Funds shall be allocated to the existing County Fund for Housing (CFH) as well as to homeless services needs, administrated by the Community Development Commission.

5. **Code Enforcement and Operator Compliance, 8%**

A total of 8% of Measure L funds will be used to enhance administration of this Program, including revenue and tax collection services and program and grantee audit services as well as code enforcement and operator compliance related activities. Funding shall be recommended by the County Administrator's Office within the annual budget process to fund these activities.

6. **Event Facilities Improvements, such as Veteran's Halls, 9%**

The Board of Supervisors desires to provide 9% of Measure L funds to County owned facilities that enhance recreational activities that benefit local tourism and the tourist industry, including, but not limited to Veterans Halls (under contract or managed by the General Services Department).

7. **Tourism Impact Fund, 10%**

This fund has been established to meet unique and urgent needs of areas within unincorporated Sonoma County that are most impacted by tourism. A total of 10% of Measure L revenue will be distributed to mitigate the impacts of tourism in communities. The Board of Supervisors will consider these needs on semi-annual basis. Funds will be allocated to each Supervisorial District proportionate to the amount of TOT collected by the District in the previous fiscal year. Unused funds in a single fiscal year will be accounted for and available in following years.

Funds in this category may be used for activities such as safety improvements (e.g. lighted and/or marked crosswalks, traffic calming devices), environmental impact mitigation (e.g. removing trash from beaches, waterways, and areas with high tourist traffic), public safety (e.g. Fire Services), and other tourism mitigation activities, such as parking enforcement in heavily trafficked areas. Requests for funding will be processed through the County Administrator's Office on a semi-annual basis. Staff will present recommendations for funding to the Board of Supervisors for approval.

Contact Information

Community Investment Fund Program

County Administrator's Office
County of Sonoma

Accessibility Assistance

Contact Us

Email: CommunityInvestment@sonoma-county.org

Contact us by Phone

Phone: (707) 565-2431

CA Relay Service: 711

Fax: (707) 565-3778

Address

575 Administration Drive

Suite 104A

Santa Rosa, CA 95403

[Google Maps™ Directions](#)