How to create an Enhanced Infrastructure Financing District (EIFD)

MUNICIPALITY (CITY/COUNTY)

1. Form Team
   - Municipality (city/county)
   - Legal Counsel
   - Financial Advisor

2. Evaluate EIFD Feasibility
   - Define/refine Boundaries
   - Estimate Future Assessed Property Values
   - Estimate Increment for Potential Taxing Agencies
   - Identify Public Facilities and Programs
   - Identify Funding Sources in Addition to Tax Increment

   **Best Practices Tips**
   - Focus on areas with significant growth potential
   - Maximize area
   - Explore available RPTTF and MVLF revenues to kick-start the EIFD
   - Consider establishing project areas to maximize EIFD revenue

3. Conduct Outreach
   - Electeds
   - Other Taxing Entities
   - Affected Residents and Property Owners

   **Best Practices Tips**
   - Explore potential projects to be funded by the EIFD that would entice participation of the County or other taxing agencies
   - Educate stakeholders about EIFDs – not a new tax, not a lien on property
   - Identify property owners who will advocate for formation

4. Initiate Formal Process
   - Select members of Public Financing Authority (PFA)
   - Establish PFA and adopt Resolution of Intention to establish proposed EIFD
   - Mail Resolution of Intention (or alternate one-page notice) to PFA, each affected taxing entity, and property owners
You have now formed your PFA!
PUBLIC FINANCING AUTHORITY

Pre-Adoption
1. Send IFP to all affected taxing entities and property owners
2. Notice initial PFA information meeting (10 days before meeting)
   o Present Draft IFP
   o Consider Comments

Public Hearings and Protest Proceedings
1. Notice 1st Public Hearing (No sooner than 30 days after initial PFA meeting)
2. Hold 1st Public Hearing (after 4 weeks of noticing) - No action
3. Notice and hold 2nd Public Hearing (at least 30 days after 1st hearing) - Consider comments, action to modify or reject IFP
4. If IFP not rejected, notice 3rd Public Hearing and provide copy of IFP
5. Hold 3rd Public Hearing (at least 30 days after 2nd hearing) - Consider all protests and proceed as follows:
   o If majority protests, terminate EIFD proceedings
   o If between 25% and 50% protest, then notice and hold Protest Election
   o If less than 25% protest, the PFA may adopt the IFP at the close of the hearing
6. If Protest Election is held and majority votes against formation, then proceedings terminate. If majority does not vote against formation, the PFA may adopt the IFP.

Approvals & Formation
1. All participating Taxing Entities must approve the IFP prior to PFA forming the EIFD (can be done before 3rd PFA Public Hearing)
2. PFA enacts resolution forming the EIFD at close of 3rd Public Hearing (if less than 25% protest) or at close of Protest Election (if less than majority votes against formation)

Best Practices Tips
1. Provide comprehensive list of projects and programs
2. Projects listed in General Plan are good starting point
3. Tax increment limits should provide large buffer above projections to minimize risk of need to amend limits

THE OVERALL ADOPTION PROCESS TYPICALLY TAKES 12-18 MONTHS, HOWEVER EVERY COMMUNITY WILL BE DIFFERENT BASED ON LOCAL POLITICAL CONSIDERATIONS AND RESOURCES

This chart was created by CALED’s Economic Development and Real Estate (EDFRE) Committee. Learn more about EDFRE at https://caled.org/everything-ed/caleds-economic-development-finance-real-estate-committee/