

How to create an Enhanced Infrastructure Financing District (EIFD)

MUNICIPALITY (CITY/COUNTY)

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Form Team

1. Municipality (city/county)
2. Legal Counsel
3. Financial Advisor

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Evaluate EIFD Feasibility

1. Define/refine Boundaries
2. Estimate Future Assessed Property Values
3. Estimate Increment for Potential Taxing Agencies
4. Identify Public Facilities and Programs
5. Identify Funding Sources in Addition to Tax Increment

Best Practices Tips

1. Focus on areas with significant growth potential
2. Maximize area
3. Explore available RPTTF and MVLF revenues to kick-start the EIFD
4. Consider establishing project areas to maximize EIFD revenue

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Conduct Outreach

1. Electeds
2. Other Taxing Entities
3. Affected Residents and Property Owners

Best Practices Tips

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

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Initiate Formal Process

1. Select members of Public Financing Authority (PFA)
2. Establish PFA and adopt Resolution of Intention to establish proposed EIFD
3. 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

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Prepare Infrastructure Financing Plan (IFP)

1. Map and Legal Description
2. List of Facilities and Programs
3. Tax Increment Revenue Projections
4. Financing Plan
5. Fiscal Impacts on Affected Taxing Entities
6. Date District will Cease
7. Replacement Housing Plan
8. District Goals
9. Tax Increment Limits

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

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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
- *Requires 10-day mailed notice but allows these notice requirements to be addressed via a consolidated notice provided 40 days prior to the initial PFA information meeting. This notice would be an alternative to providing mailed notices to:
- i. Landowners re: the infrastructure finance plan and CEQA docs. Sec. 53398.64
 - ii. 10-day mailed notices related to the two public hearings. Sec. 53398.66.
- (See Sec.53398.72 for specifics of what should be included in the consolidated notice.)

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Public Hearings and Protest Proceedings

1. Notice 1st Public Hearing (mail notice can be consolidated with initial PFA information meeting above, but still requires 4 weeks of newspaper noticing)
2. Hold 1st Public Hearing at least 30 days after information meeting – No action
3. Notice 2nd Public Hearing (mail notice can be consolidated with initial PFA information meeting above, but still requires 1 newspaper notice 10 days in advance)
4. Hold 2nd and final Public Hearing (at least 30 days after 1st hearing) – Consider all protests and proceed as follows:
 1. If majority protests, terminate EIFD proceedings
 2. If between 25% and 50% protest, then notice and hold Protest Election
 3. If less than 25% protest, the PFA may adopt the IFP at the close of the hearing
5. 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 and form the EIFD

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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)

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