

California Economic Development Financing Tools



Several tax increment financing tools are available today in California to assist local communities partner with other taxing agencies and invest in infrastructure, affordable housing, and other economic development projects. The most commonly known are Enhanced Infrastructure Financing Districts (EIFDs), Community Revitalization Investment Authorities (CRIAs), and the most recently introduced Climate Resilience Districts (CRDs). This handout provides a brief summary of the key differences with these tools, some recent changes in state law, and examples of where these have been established around the state.

The California Association for Local Economic Development (CALED) is the recognized leader in promoting these tools to the legislature, local officials and economic developers, and has prepared this handout to provide basic information on these tools today. CALED continues its mission to pursue changes to the law where appropriate so that more communities have access to the needed tools to reinvest in their local economies.

TAX INCREMENT FINANCING TOOLS COMPARISON CHART

POWERS

TOPIC	EIFD	CRIA
Infrastructure Financing	<input checked="" type="radio"/> Yes — for public capital facilities and projects of community-wide significance	<input checked="" type="radio"/> Yes
Land Acquisition	<input type="radio"/> Yes — finance acquisition only	<input checked="" type="radio"/> Yes — may acquire itself or finance acquisition
Eminent Domain	<input type="radio"/> Under Gatto only for environmental remediation	<input checked="" type="radio"/> Yes — 12 year limit
Land Conveyance	<input type="radio"/> No	<input type="radio"/> Yes — may convey surplus properties
Environmental Remediation	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes
Affordable Housing	<input checked="" type="radio"/> Yes — no set-aside but any housing units assisted must be affordable	<input checked="" type="radio"/> Yes — 25% set-aside
Maintenance, Operations and Services	<input checked="" type="radio"/> Yes — maintenance of improvements financed by EIFD	<input type="radio"/> No

FINANCING

TOPIC	EIFD	CRIA
Property Tax Increment	<input type="radio"/> Yes — Only for consenting taxing agencies based on shares designated in plan. Education districts may not consent	<input checked="" type="radio"/> Yes — Only for consenting taxing agencies based on shares designated in plan. Education districts may not consent
Other Tax Revenues	<input type="radio"/> Yes — only for consenting agencies to fund housing and infrastructure	<input type="radio"/> No
Issuance of Tax Allocation Bonds	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes — no voter approval required
Term	<input checked="" type="radio"/> Up to 45 years from issuance of bonds	<input checked="" type="radio"/> Up to 45 years after annual receipts exceed \$100k

FORMATION

TOPIC	EIFD	CRIA
Former Redevelopment Areas	<input checked="" type="radio"/> Yes — with Finding of Completion	<input type="radio"/> Yes — with Finding of Completion
Blight Requirements	<input type="radio"/> No	<input checked="" type="radio"/> Yes — in some cases
Statutory Requirements	Gov't Code Sec 53398.5-53398.88	Gov't Code Sec 62000-62208

Full Power Limited Power No Power

Senate Bill 852 Introduces Climate Resilience Districts (CRDs)

Effective January 1, 2023, Senate Bill 852 (Dodd, 2022) introduced CRDs as a form of EIFD with greater emphasis on capital projects that address climate change mitigation, adaptation, or resilience, including, but not limited to:

- Sea level rise mitigation;
- Flood control;
- Extreme heat protection;
- Wildfire prevention;
- Drought mitigation.

CRDs abide by most of the same regulations governing EIFDs (chart to the left), with a few notable exceptions:

- CRDs can fund both maintenance and operations;
- CRDs can levy a benefit assessment or special tax;
- CRDs can apply for and receive grants;
- CRDs can hire staff.

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New Legislation Continues to Improve the Development Finance Toolkit



- **SB 1140 (adopted Sept 25, 2024):** Streamlines formation process (one less public hearing) and public noticing (option for consolidated mailing notice), and emphasizes eligibility of air quality projects
- **SB 761 (adopted Sept 22, 2024):** Extends the maximum EIFD lifetime to 75 years for Transportation Infrastructure Finance and Innovation Act (TIFIA) financing for transportation projects
- **AB 1819 (adopted Sept 22, 2024):** Enables the ability of EIFDs and CRDs to finance equipment for fire prevention (e.g., vegetation clearance, firebreaks, undergrounding utilities)

CRIs are now seen as more compelling economic development tools with the changes implemented through SB 780:

- **At least 70% (previously 80%) of the land in a CRIA is characterized by:**
 - o Unemployment rates that are at least 3% higher than the statewide average
 - o Crime rates that are at least 5% higher than the statewide average
 - o Deteriorated or inadequate infrastructure
 - o Deteriorated commercial or residential structures
- **A CRIA can also be established if ANY of the following conditions are met:**
 - o The area is established within a former military base
 - o Census tracts are within a disadvantaged community
 - o (NEW) Sites deemed suitable for housing development in approved Housing Element
 - o (NEW) Parcels zoned to allow transit priority projects, meeting the criteria of a Sustainable Communities Strategy
- Commences the 45-year time limit for financing improvements after \$100,000 in annual tax increment accumulates in each project area (previously: 45 years from creation).
- CRIs can now assist with funding the conversion of underutilized office and retail space for housing.
- The protest period has increased from 10 to 15 year and allows for amendments. Adopted protests are limited to new projects, and do not prohibit the completion of previously approved projects, repayment of debt, or other obligations.

EIFDs in California as of January 2025

TIF District Name	Location	County						
West Sacramento EIFD No. 1	City of West Sacramento	Yolo	●	●	●	●	●	●
San Diego Otay Mesa EIFD	City of San Diego	San Diego	●	●	●	●	●	●
Riverstone EIFD No. 2018-3	County of Madera	Madera	●	●	●	●	●	●
Tesoro Viejo EIFD No. 2018-1	County of Madera	Madera	●	●	●	●	●	●
Gonzales EIFD	City of Gonzales	Monterey	●	●	●	●	●	●
Sacramento Stadium Area EIFD	City of Sacramento	Sacramento	●	●	●	●	●	●
Crows Landing Industrial Bus. Park EIFD	County of Stanislaus	Stanislaus	●	●	●	●	●	●
La Verne EIFD	City of La Verne	Los Angeles	●	●	●	●	●	●
Fresno EIFD	City of Fresno	Fresno	●	●	●	●	●	●
Placentia EIFD	City of Placentia	Orange	●	●	●	●	●	●
West Carson EIFD	County of Los Angeles	Los Angeles	●	●	●	●	●	●
Riverwalk EIFD No. 2020-1	County of Madera	Madera	●	●	●	●	●	●
Carson EIFD	City of Carson	Los Angeles	●	●	●	●	●	●
Aggie Square EIFD	City of Sacramento	Sacramento	●	●	●	●	●	●
Temecula Valley Wine Country EIFD	County of Riverside	Riverside	●	●	●	●	●	●
Palmdale EIFD	City of Palmdale	Los Angeles	●	●	●	●	●	●
Samoa Peninsula EIFD	County of Humboldt	Humboldt	●	●	●	●	●	●
Metro Air Park EIFD	Sacramento County	Sacramento	●	●	●	●	●	●
Napa Downtown & Oxbow EIFD	City of Napa	Napa	●	●	●	●	●	●
Rancho Cucamonga EIFD	City of Rancho Cucamonga	San Bernardino	●	●	●	●	●	●
Mossdale Tract EIFD	Stockton, Lathrop, Manteca	San Joaquin	●	●	●	●	●	●
Sanger EIFD	City of Sanger	Fresno	●	●	●	●	●	●
Power Station EIFD	City of San Francisco	San Francisco	●	●	●	●	●	●
E Coachella Valley EIFD (incl. Salton Sea)	County of Riverside	Riverside	●	●	●	●	●	●
Covina EIFD	City of Covina	Los Angeles	●	●	●	●	●	●
Yucaipa EIFD	City of Yucaipa	San Bernardino	●	●	●	●	●	●
Highway 74 EIFD	County of Riverside	Riverside	●	●	●	●	●	●
Lakewood EIFD	City of Lakewood	Los Angeles	●	●	●	●	●	●



Transport & Parking
 Housing
 Water, Sewer & Drainage
 Parks & Rec.
 Public Safety
 Other