



2025 CALED TIF Primer Insert

This insert contains updates to Chapter 2 and the Appendix B of the Primer on California's Tax Increment Financing Tools 2nd Edition to reflect statutory changes made by legislation approved in the 2024 Legislative Session, which took effect January 1, 2025.

The format of this insert aligns with the main section headings included within Chapter 2. Amendments to the EIFD law relevant to each section are noted herein and should be considered additive or corrective to the language contained in Chapter 2.

Overview

In the 2024 California legislative session, the Legislature passed and the Governor signed two bills which both amend Enhanced Infrastructure Finance District (EIFD) statutes. One of these bills, SB 1140, also contained an amendment to Climate Resilience District (CRD) statute.

- SB 1140 (Caballero) Ch. 599, Statutes of 2024.
- AB 1819 (Waldron) Ch. 357, Statutes of 2024.

SB 1140 streamlined the EIFD creation process by reducing the number of public meetings and allowing an initial consolidated mailed notice to satisfy the 10-day mailed notice requirements in advance of each public hearing. This measure also clarified that projects intended to improve air quality may be financed by both EIFDs and CRDs, and made other related changes.

AB 1819 authorized EIFDs located at least partially in high or very high fire hazard severity zones designated by the State Fire Marshal to fund activities to underground electric utility lines and to use heavy equipment to clear vegetation, create fire breaks, and for equipment used for fire watch, prevention, and fighting activities.

Expands Eligible Projects to Include Air Quality and Wildfire Protection

SB 1140 added the authority for both EIFDs and CRDs to finance projects intended to improve air quality.

AB 1819 authorizes EIFDs located at least partially in high or very high fire hazard severity zones designated by the State Fire Marshal to fund:

- a) Undergrounding of local publicly-owned electric utilities against wildfires. Allows these expenses to be paid with bond funds.

- b) Heavy equipment to be used for vegetation clearance and firebreaks, and equipment used for fire watch, prevention, and fighting, including but not limited to helicopters, air tankers, and technological advancements to weather and wind science infrastructure, risk modeling, and prediction. Prohibits these expenses from being paid with bond funds.

Streamlined EIFD Formation

SB 1140 amended steps and noticing requirements related to EIFD formation that update language contained in the following subsections of Chapter 2.

Forming an EIFD

5. Series of Three Public Hearings:
6. Details on Public Hearings:
7. Adoption of IFP following Third Public Hearing:

Revised EIFD Formation Meetings/Hearings

Public Meetings:

SB 1140 reduced the required public hearings on a plan, following the required initial meeting, from three to two. As revised, the process:

- i. Requires a copy of the draft enhanced infrastructure financing plan to be made available on a designated website and at a meeting held at least 30 days prior to the first public hearing. At this meeting, staff may present the plan to the public financing authority, answer questions, and consider comments.
- ii. At the first public hearing, the authority may take action to amend, modify, or reject the plan. At the second public hearing, the authority shall conduct the protest process and adopt the plan consistent with the requirements in existing law.

Revised Notice Requirements:

SB 1140 amended the notice requirements as follows:

- 1) Allows the notice of the resolution by a local agency to form an EIFD to be sent electronically (as opposed to mailing) to affected taxing entities.
- 2) Authorizes the public entity, under newly added Sec. 53398.72, to mail a consolidated notice to landowners, residents, and taxing



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entities at least 40 days prior to the first meeting on the draft plan as 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 New Sec.53398.72, which replaces the prior alternative notice authority under Sec. 53398.64(b))

3) Requires the consolidated notice described in Sec. 53398.72 to contain all of the following:

- A) Summary of the plan, plus additional info
- B) Internet website where draft plan and any required CEQA documents are available
- C) Designated contact person
- D) Location, date, and time of the initial meeting, and two scheduled public hearings
 - a. Provides that if the first or second public hearing takes place at the location, date, and time indicated, it shall be deemed to comply with the 10-day mailed notice requirement for those hearings.
 - b. If the first of second public hearing is rescheduled for a later date than listed in the (consolidated) mailed notice, then the official designated to prepare the draft plan shall do all of the following, at least 10 days in advance of the rescheduled meeting:
 - i. Publish notice of the rescheduled hearing in the newspaper.
 - ii. Post information on the rescheduled hearing on the designated website.
 - iii. Email information on the rescheduled hearing to a contact list, that will be maintained by the designated official, of all landowners, residents, and other interested parties who have expressed interest in receiving information and materials.

E) Description of actions that may take place at the initial meeting and two public hearings

F) Description and process for accessing any amendments to the plan

G) Description and process for reviewing annual reports

- 4) Requires consolidated and mailed notices to be provided in English, and in all other languages spoken jointly by 20 percent or more of the population of the county of the proposed district, that speaks English less than “very well” and jointly speaks a language other than English, according to data from the most recent American Community Survey or data from an equally reliable source. This provision, however, excludes newspaper notices from being required to be in languages other than English.
- 5) Contains uncodified language stating that the changes made by this bill to the formation process shall not be interpreted to disrupt or delay the formation of a district that commenced prior to the effective date of SB 1140 (January 1, 2025), and any affected districts may choose to complete the formation in accordance with the timelines in effect on the date when the resolution of intention was adopted.
- 6) Deletes authority to address a required mailed notice to “occupant” for a mailed notice to landowners and residents regarding the adoption of the public financing authority’s annual report.

Appendix B: Expiration of Annexation of Unincorporated Disadvantaged Communities

The ability to annex unincorporated disadvantaged communities expired on January 1, 2025.

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