



Infrastructure Financing Districts

City of Santa Rosa

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Legislative History

- ◆ Originally passed in the early 1990's
- ◆ Seldom used because of availability of redevelopment
- ◆ Redevelopment dissolved in 2011
- ◆ Enhanced Infrastructure Financing Districts approved in 2014, and amended several times subsequently
- ◆ A number of districts have been created; no bonds issued so far



EIFD Summary of Key Terms

1. Enhanced Infrastructure Financing District (EIFD)
 - Governmental entity established by a city or county that carries out a plan within a defined area to construct, improve and rehabilitate infrastructure
2. Public Financing Authority (PFA)
 - Legislative body that governs the EIFD
3. Infrastructure Financing Plan (IFP)
 - Plan adopted by city and/or county. Describes public facilities & development to be financed by the EIFD
 - Implemented by Public Financing Authority (PFA)



Opportunities for Investment

- ◆ Purchase/construction/improvement property
- ◆ “Public capital facilities” OR other “projects of communitywide significance” – need not be within district as long as the project has a “tangible connection” to the work of the district
- ◆ Examples include (but are not limited to):
 - **Transportation facilities** including highways, parking and transit facilities
 - **Community parks**, open space and recreational facilities
 - **Brownfield** restoration and other environmental mitigation
 - Construction or repair of **industrial structures** for private use
 - Projects which implement a **Sustainable Community Strategy**, and
 - **Transit Priority Projects**
 - Affordable housing



Use of Multiple Revenue Sources

Local Funding Sources:

- Private investment
- Redevelopment Property Tax Trust Fund (RPTTF)
- CFD taxes
- Sales/Use taxes
- Development Agreement / Impact Fees
- User fees
- City / county / special district loans
- Hotel TOT
- Benefit assessments
- Contribution from Special District
- Levied by EIFD
- Vehicle License Fee (VLF) prop. tax backfill increment

Potential to apply State funding sources:

- Proposition 1 bond funds
- Cap-and-trade proceeds

Federal & State Grants:

- Greenhouse Gas Reduction Funds
- Federal DOT/EPA/DOE funding programs



Process of Approval

1. Resolution of Intension approved by City Council and other participating entities

2. Public Financing Authority is created by the participating entities

3. ROI is mailed to every affected taxing entity

4. Sales tax revenues and motor vehicle in lieu fees can be included

5. Plan is prepared



Plan Requirements

- Map and Legal Description
- Description of public facilities and other forms of development or financial assistance
- Specification of maximum amount of tax increment projected annually
- Limit on total number of dollars
- A financing plan, including debt
- Expiration date
- Fiscal impact analysis



Completion of Plan Approval

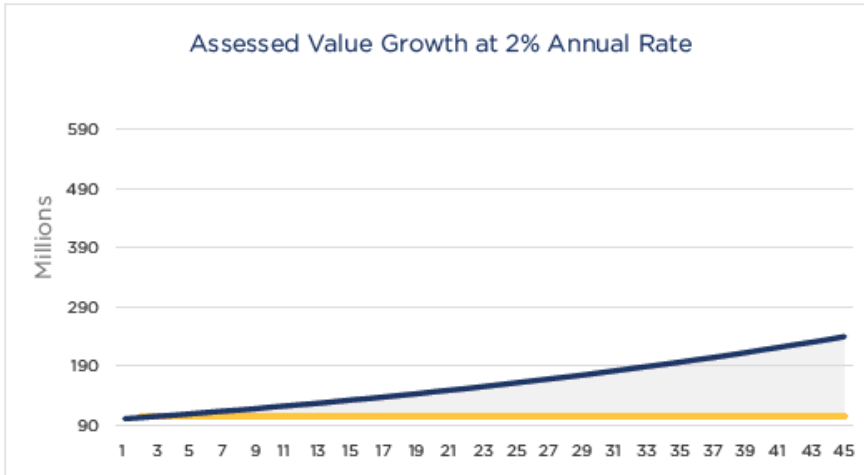
- Three public hearings are held at specified intervals

- At the third hearing, protests will be heard, and the PFA will terminate the proceedings if a majority of landowners and residents protest
- If 25-50% protest at the third hearing, an election is required.

- Otherwise, the PFA may adopt a resolution approving the plan and formation of the IFD



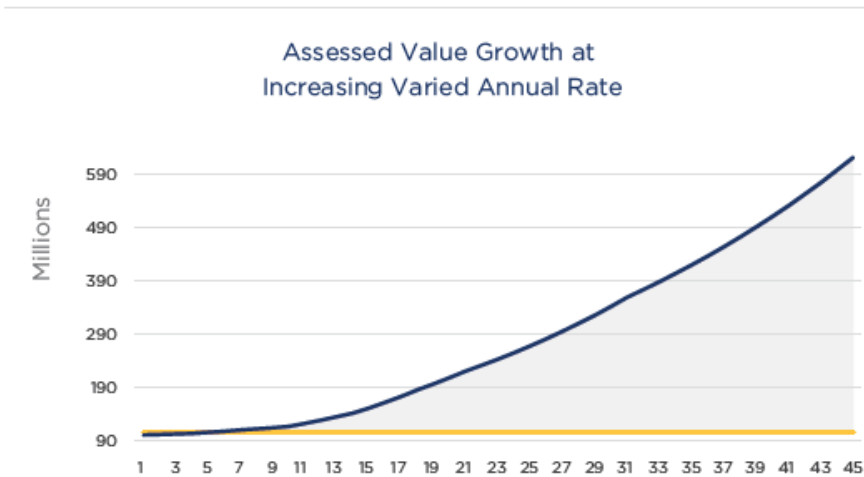
Tax Increment Growth



Base Year Value:
\$100,000,000

Assessed Value Growth:
2% Per Year

Total Tax Increment Revenue in 45 Years:
\$25 Million



Base Year Value:
\$100,000,000

Assessed Value Growth:
Varied, with New Growth

Total Tax Increment Revenue in 45 Years:
\$80 Million



Leveraging of Revenues through Debt

- ◆ No IFD bonds issued yet
- ◆ Similar in credit quality to redevelopment debt
- ◆ May be more effective combined with CFDs and other mechanisms
- ◆ Only requires approval of the PFA
- ◆ Tax increment may need to accumulate for several years before issuing debt