

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.19
(ID # 18699)

MEETING DATE:
Tuesday, May 24, 2022

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Adopt Resolution No. 2022-094 of Intention to Establish the Highway 74 Enhanced Infrastructure Financing District, and Resolution No. 2022-095 to Establish the Highway 74 Enhanced Infrastructure Financing District Public Financing Authority. District 1. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2022-094, a Resolution of the Board of Supervisors of the County of Riverside of Intention to Establish the Highway 74 Enhanced Infrastructure Financing District; and
2. Adopt Resolution No. 2022-095, a Resolution of the Board of Supervisors of the County of Riverside to Establish the Highway 74 Enhanced Infrastructure Financing District Public Financing Authority; and
3. Find that the formation of this Enhanced Infrastructure Financing District is exempt from the California Environment Quality Act pursuant to State CEQA Guidelines Section 21065, Section 15378; and Section 15061(b) (3) (The Commonsense Exemption); and
4. Direct the Clerk of the Board to file a Notice of Exemption with the County Clerk for posting upon approval; and
5. Direct the Clerk of the Board to cause a certified copy of both resolutions and the EIFD boundary map to be recorded in the office of the Recorder of the County of Riverside, California, and file the EIFD boundary map in the office of the Clerk; and
6. Direct the Clerk of the Board to mail a Summary copy Resolution No. 2022-094 to each owner of land within the proposed district pursuant to Section 53398.60 of the Government Code; and;
7. Direct the Clerk of the Board to mail a copy of Resolution No. 2022-094 and 2022-095 to each affected taxing entity pursuant to Section 53398.61 of the Government Code; and;
8. Direct the Clerk of the Board to send a copy of Resolution No. 2022-094 and 2022-095 to the Highway 74 Enhanced Infrastructure Financing District Public Financing Authority pursuant to Section 53398.62(a) of the Government Code; and
9. Direct the Clerk of the Board to mail a copy of Resolution No. 2022-094 to the Department of Finance; and
10. Direct the Clerk of the Board to public notices of PFA meeting pursuant to Section 53398.66 of the Government Code; and
11. Direct the Clerk of the Board to set the public hearing on the proposal for September 13, 2022.

ACTION:Policy

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA

Suzanne Holland
Suzanne Holland, Director of Office of Economic Development 3/31/2022

MINUTES OF THE BOARD OF SUPERVISORS

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: N/A			Budget Adjustment: N/A	
			For Fiscal Year: N/A	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Enhanced Infrastructure Financing Districts (EIFDs) were introduced by the California Legislature in 2014-2015, enabling a new model for financing infrastructure and economic development in California. Government Code Sections 53398.50 through 53398.88 (EIFD law) authorizes EIFDs to issue bonds to finance public capital facilities. The available revenue for bonding is the increment of property tax and vehicle license fees within the established boundary, starting from the Fiscal Year after the ordinance to form the EIFD is passed. An EIFD is not a new tax imposed on property owners. Additionally, school districts and community college district incremental tax revenues are not available for use; however, all other affected taxing entities may participate upon completion of a tax sharing agreement. The public financing authority (PFA) will seek all available contributions from entities such as flood, fire protection, library, and vehicle license fees. The resolution of intention sets the boundary of the EIFD. (Exhibit A)

The EIFD law provides that each EIFD shall be governed by a PFA, which is established by resolution. The PFA consists of three members of the Board of Supervisors and two members of the public. If there is more than one taxing agency participating in the EIFD, all taxing agencies mutually select the three public agency representatives and two members of the public. The terms of the PFA members are four years. The Director of the Office of Economic Development, or their designee, will serve as the Executive Director of the PFA.

Upon creation of the PFA, a date is to be set for the first meeting of the PFA. Once formed, the PFA will be a separate legal entity and their meeting and other actions are subject to the Brown Act, Public Records Act, and Political Reform Act. If the EIFD is formed, the PFA Board, not the Board of Supervisors, will determine future decisions pertaining to the EIFD. The EIFD will be directed by its own distinct PFA Board.

By passing the attached Resolution Nos. 2022-094 and 2022-095, the County Board of Supervisors begins the process of creating an EIFD. The following steps outline the process:

1. The first phase is the preparation of a draft infrastructure financing plan (IFP). The infrastructure financing plan outlines the estimated tax revenue of the district as well as the use of the monies (project description). Regional or communitywide benefits such as

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

infrastructure, public safety facilities, sewer, flood control, transit facilities, signage and beautification will be considered within the EIFD boundary.

2. The County Finance team distributes the Draft IFP to all EIFD property owners and holds a public meeting with property owners to present the EIFD.
3. The PFA conducts its first public hearing and hears all written and oral comments but takes no action.
4. The PFA conducts its second public hearing and hears all written and oral comments, agreeing to revise the draft IFP, if it deems necessary.
5. The PFA conducts its third public hearing, approves the IFP, if appropriate and adopts the Resolution of Formation. No election of the public is required unless at least 25% of the combined number of property owners and residents in the EIFD have signed a written protest.
6. The legislative bodies of the participating agencies adopt separate resolutions approving the IFP.
7. The County Assessor's Office creates a new Tax Rate Area(s) and files a Request for Jurisdictional Boundary Change with the State Board of Equalization by December 1, 2022.

If all these steps are completed by December 1, 2022, Fiscal Year 2023-24 will be the base year for the EIFD, and all increases in assessed valuation starting in Fiscal Year 2023-24 will be included in the *ad valorem* property tax increment and the motor vehicle license fee increment. If the County is unable to meet the December 1, 2022 deadline and instead makes the December 1, 2023 deadline, then the base year for the EIFD will be Fiscal Year 2024-25.

Impact on Residents and Businesses

The establishment of the EIFD will not result in any new taxes or fees to the property owners. Increase in property value from resale and development of properties will be used for future infrastructure projects with community-wide and economic benefits.

Attachments:

- Resolution No. 2022-094
- Resolution No. 2022-095
- Exhibit A EIFD Boundary Map
- CEQA Notice of Exemption


Rania Odenbaugh, Director of Constituent Services

5/12/2022


Rania Odenbaugh, Director of Constituent Services

5/18/2022