

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



**ITEM: 3.5**  
(ID # 21076)

**MEETING DATE:**  
Tuesday, January 24, 2023

**FROM :** EXECUTIVE OFFICE AND OFFICE OF ECONOMIC DEVELOPMENT :

**SUBJECT:** EXECUTIVE OFFICE and OFFICE OF ECONOMIC DEVELOPMENT: Adopt Resolution No. 2023-051, a Resolution of Intention to Establish the Eastern Coachella Valley Enhanced Infrastructure Financing District, and Adopt Resolution No. 2023-052, a Resolution to Establish the Eastern Coachella Valley Enhanced Infrastructure Financing District Public Financing Authority; Not a project under CEQA or CEQA Exempt pursuant to State CEQA Guidelines sections 21065, 15738, and 15061(b). District 4. [\$0] (Clerk to file Notice of Exemption; Clerk to Publish and Post)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt Resolution No. 2023-051, a Resolution of Intention to Establish the Eastern Coachella Valley Enhanced Infrastructure Financing District;
2. Adopt Resolution No. 2023-052, a Resolution to Establish the Eastern Coachella Valley Enhanced Infrastructure Financing District Public Financing Authority;
3. Find that formation of this Enhanced Infrastructure Financing District is not a project under the California Environmental Quality Act (CEQA) or is exempt from CEQA pursuant to State CEQA Guidelines sections 21065, 15378, and 15061(b)(3);
4. Direct the Clerk of the Board to file a Notice of Exemption with the County Clerk for posting upon approval of Resolution Nos. 2023-051 and 2023-052;
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;
6. Direct the Clerk of the Board to mail a summary copy of Resolution No. 2023-051 to Each Owner of Land Within the Proposed District in accordance with Government Code Section 53398.60(b);
7. Direct the Clerk of the Board to mail a copy of Resolution Nos. 2023-051 and 2023-052 to each affected taxing entity pursuant to Government Code Section 53398.61;
8. Direct the Clerk of the Board to send a copy of Resolution Nos. 2023-051 and 2023-052 to the Eastern Coachella Valley Enhanced Infrastructure Financing District Public Financing Authority pursuant to Section 53398.62(a) of the Government Code;
9. Direct the Clerk of the Board to mail a copy of Resolution No. 2023-051 to the Department of Finance;
10. Direct the Clerk of the Board to notice meetings of the Public Finance Authority in accordance with Section 53398.66 of the Government Code; and,
11. Direct the Clerk of the Board to set a public hearing before the Board of Supervisors for August 29, 2023.

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**ACTION:Policy**

*Suzanne Holland*  
Suzanne Holland, Director of Office of Economic Development

1/17/2023

*Rania Odenbaugh*  
Rania Odenbaugh, Director of Constituent Services

1/19/2023

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

Enhanced Infrastructure Financing Districts (EIFDs) were introduced by the California Legislature from 2014-2015, enabling a new model for financing infrastructure and economic development in California. Government Code Sections 53398.50 through 53398.88 (EIFD law) authorize EIFDs to finance public capital facilities. The available revenue is the increment of property tax and vehicle license fees resulting from growth within the established boundary, starting from the Fiscal Year after the ordinance to form the EIFD is passed. An EIFD is therefore not a new tax imposed on property owners, and incremental tax revenues from school districts and community college districts are not available for use; however, all other affected taxing entities may participate upon completion of a tax sharing agreement. As stated in detail in the attached Notice of Exemption, establishing an EIFD is not a project under the California Environmental Quality Act (CEQA) or is exempt from CEQA, pursuant to State CEQA Guidelines Section 21065, 15378, and 15061(b)(3).

EIFD law provides that EIFDs shall be governed by a public financing authority (PFA), which is established by Board of Supervisors resolution. The PFA consists of three members of the Board of Supervisors and two public members; the term of PFA members is four years. The PFA is a separate legal entity, and their meetings and other actions are subject to the Brown Act, Public Records Act, and Political Reform Act. The PFA, not the Board of Supervisors, determines future decisions pertaining to an EIFD.

By passing attached Resolution Nos. 2023-051 and 2023-052, the County Board of Supervisors begins the process of creating the Eastern Coachella Valley EIFD. The following steps outline the process:

1. The first phase is the preparation of a draft infrastructure financing plan (IFP), which outlines the estimated tax revenue of the district as well as the use of the monies. Regional or communitywide benefits such as infrastructure for water and wastewater, transportation, utilities and telecommunication, in addition to Salton Sea improvements, will be considered within the EIFD boundary.
2. The County Finance team distributes the draft IFP to all property owners within the EIFD boundary and holds a public meeting with property owners to present the EIFD.
3. The PFA conducts its first public hearing with the presentation of the IFP and hears all written and oral comments but takes no action.

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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. Legislative bodies of any 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, 2023.

If all these steps are completed by December 1, 2023, Fiscal Year 23-24 will be the base year for the Eastern Coachella Valley EIFD, and all increases in assessed valuation starting in Fiscal Year 23-24 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, 2023 deadline and instead makes the December 1, 2024 deadline, then the base year for the EIFD will be Fiscal Year 24-25.

**Eastern Coachella Valley Background**

The Eastern Coachella Valley is in the southeastern portion of Riverside County, including the northern portion of the Salton Sea, and extends to the Imperial County border. On October 23, 2018 (Agenda Item 3.32), the Board of Supervisors adopted Resolution Nos. 2018-203 and 2018-204, which respectively, declared intent to establish the Salton Sea Enhanced Infrastructure Financing District, and established the Salton Sea Enhanced Infrastructure Financing District Public Financing Authority. The proposed scope and purpose of the Salton Sea Enhanced Infrastructure Financing District included financing the planning, design and construction of an earthen dam in the Riverside County territory of the Salton Sea to provide for community, environmental and ecological benefits.

Feedback received from communities within the Eastern Coachella Valley has informed the need for expanded public infrastructure, potentially including but not limited to infrastructure for water and wastewater, transportation, utilities, and telecommunication, in addition to improvements to the Salton Sea. The Salton Sea Enhanced Infrastructure Financing District was not formally established pursuant to Government Code sections 53398.68 and 53398.69. Through adoption of attached Resolution Nos. 2023-051 and 2023-052, the Board of Supervisors would rescind previous Resolution Nos. 2018-203 and 2018-204, thereby rescinding intention to create the Salton Sea Enhanced Infrastructure Financing District, and proposing the Eastern Coachella Valley Enhanced Infrastructure Financing District to supersede and supplant the Salton Sea Enhanced Infrastructure Financing District. Attached Resolution No. 2023-051 sets the boundary of the Eastern Coachella Valley Enhanced Infrastructure Financing District, which are the same boundaries as the previously proposed, but not formed, Salton Sea Enhanced Infrastructure Financing District.

**Impact on Residents and Businesses**

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Establishment of the Eastern Coachella Valley Enhanced Infrastructure Financing District will not result in any new taxes or fees to the area's 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:**

- Attachment A - Resolution No. 2023-051, Resolution of Intention to Establish the Eastern Coachella Valley Enhanced Infrastructure Financing District
  
- Attachment B - Resolution No. 2023-052, Resolution to Establish the Eastern Coachella Valley Enhanced Infrastructure Financing District Public Financing Authority
  
- Attachment C - Notice of Exemption

  
Scott Bruckner 1/18/2023

  
Aaron Gettis, Deputy County Counsel 1/18/2023