• Background and EIFD Basics

• EIFD Policy Issues and Recommendations

• EIFD Formation Schedule

• Council Q&A and Direction
**Measure G**
- 87% approval
- $5 million/year for CI activities

**Tax Increment Financing**
- IFDs
- Legislation: AB 471 & SB 628

**Other Outcomes**
- CDBG Entitlement
- IH Program Amendments
- AB 806
- Port-City Real Estate Strategy
BASE PROPERTY VALUE
(TO GENERAL FUND)

APPRAISED VALUE

TAX INCREMENT
(TO TIF DISTRICT)

FORMATION (BASE YEAR)

TIME
Enabling Legislation: SB 628 (Beall) in 2014

Purpose: TIF tool to fund a variety of public infrastructure & other projects of “communitywide significance”

EIFD Prerequisites:

- Voluntary participation of taxing entities & choice to allocate all or portion of TIF
- School & college districts may not participate
- RDA finding of completion from DoF, State Controller review, & no pending State litigation
- May be used in former RDA areas, but Successor Agency debts are “senior” until satisfied
<table>
<thead>
<tr>
<th></th>
<th><strong>EIFDs</strong></th>
<th><strong>RDA</strong>s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Qualifying Criteria</strong></td>
<td>None</td>
<td>Blight Findings</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>Public Finance Authority</td>
<td>City Council</td>
</tr>
<tr>
<td><strong>Voter Approval for Bonding</strong></td>
<td>55% of district property owners/voters</td>
<td>None</td>
</tr>
<tr>
<td><strong>Planning Document</strong></td>
<td>Infrastructure Financing Plan</td>
<td>Redevelopment Plan</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>45 years from bond issuance</td>
<td>RDA expired in 2037</td>
</tr>
<tr>
<td><strong>Housing Set-Aside</strong></td>
<td>None</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Inclusionary Housing</strong></td>
<td>None</td>
<td>1.5% of all units developed/rehabilitated</td>
</tr>
<tr>
<td><strong>Geographic Limits on Funding</strong></td>
<td>None (communitywide significance)</td>
<td>Projects must be inside the RDA area</td>
</tr>
<tr>
<td><strong>Replacement Housing</strong></td>
<td>Required, including long-term affordability covenants</td>
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</table>
EIFD scenarios studied:

• Entire city
• Former RDA area
• RDA + major growth areas

17 sub-areas analyzed:

• TI projections based on General Plan growth assumptions
• Non-RDA areas have adverse impact on EIFD fiscal analysis
• Measure G allocates TI from former RDA area
RECOMMENDATION 1:
Include these sub-areas in EIFD
RECOMMENDATION 2:
Explore CRIA feasibility in portions of former RDA area
RECOMMENDATION 3:
Form a single EIFD
Public Capital Facilities & Projects of Communitywide Significance:

- Streets, sidewalks, & streetscape
- Bike lanes & paths
- Bridges
- Highway interchanges & ramps
- Parking facilities
- Transit facilities
- Parks & recreational facilities
- Sewer & water treatment facilities
- Storm water facilities
- Solid waste facilities

- Flood control
- Child care facilities
- Libraries
- Broadband & telecommunications
- Public art
- Brownfield remediation
- Affordable housing
- Industrial building improvements
- Port infrastructure
- SCS/TPA projects

**RECOMMENDATION 4:** Include comprehensive potential project list in EIFD Plan
Ineligible Uses of EIFD Funds:

- Infrastructure studies
- Specific Plans
- Land acquisition/assembly for development
- Business recruitment & retention activities
- EIFD administration
- Operations & maintenance

RECOMMENDATION 5: Continue to allocate Measure G revenue to the CI Fund
RECOMMENDATION 6: Consider using Measure G funds to support EIFD borrowing
PFA Board Requirements:

- 3 members of City Council
- 2 “members of the public” chosen by City Council
- Subject to Brown Act, Public Records Act, & Political Reform Act
- PFA board must be appointed when City adopts ROI

Meeting Frequency:

- 2-3 PFA meetings needed to form EIFD
- Post-formation, meetings will be infrequent (EIFD budgets, EIFD Plan amendments, etc.)
- PFA meetings could precede City Council on non-Port Commission nights

RECOMMENDATION 7: Appoint initial PFA board to one-year term
**EIFD Plan CEQA Requirement:**

- EIFD Plan must reference CEQA document that pertains to proposed EIFD uses
- General Plan EIR incorporates references to EIFD
- EIR will be certified by end of 2016

**EIFD Formation:**

- PFA will also file CEQA notice of exemption upon district formation

**RECOMMENDATION 8:** Reference General Plan EIR as CEQA report for EIFD Plan
<table>
<thead>
<tr>
<th>Event Description</th>
<th>PFA or City Council</th>
<th>Meeting Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adopt ROI &amp; Establish/Appoint PFA</td>
<td>City Council</td>
<td>November 16</td>
</tr>
<tr>
<td>Direct City to Prepare EIFD Plan</td>
<td>PFA</td>
<td>December 14</td>
</tr>
<tr>
<td>Approve Resolution Adopting EIFD Plan</td>
<td>City Council</td>
<td>April 5</td>
</tr>
<tr>
<td>Public Hearing on EIFD Plan &amp; Resolution/Ordinance Approving EIFD Plan &amp; District Formation</td>
<td>PFA</td>
<td>April 19</td>
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