

March 26, 2019  
Honorable Paul Krekorian, Chair of Budget and Finance Committee  
City of Los Angeles, City Hall,  
200 N. Spring Street, Los Angeles, CA 90012  
Attention: City Clerk, Michael Espinosa  
Dear Councilmember Krekorian:

cc: Councilmember Curren D. Price, Jr., Chair  
Councilmember Joe Buscaino  
Councilmember Monica Rodriguez

Date: 3-26-19  
Submitted in EDC Committee  
Council File No: 14-1349-S1, S2, S4  
Item No.: 2  
Deputy: public

Dear Members of the Economic Development Committee / Budget and Finance Committee;

RE: Council File #14.1349-S1  
#14.1349-S2  
#14.1349-S4

As representative and longtime community member of Elysian Valley, I totally oppose the file mentioned above, feeling shared by the vast majority of Elysian Valley residents.

In May 2018, CD13 Mitch O'Farrell briefly introduce or I would say described a 32 mile Enhance Infrastructure Financing District to a big audience of many neighborhoods, neighborhood councils, community members, activist and grass-root community groups, it in an effort to gain support from all of them. A tax increment financial district, focused only on the financial, development and recreational interest, and not on environment, displacement, extremely-very-low income housing, or any of the priorities of our communities.

The way that was introduced was very briefly, missing facts and lack of input and participation from the public, also the public was denied the opportunity to ask questions addressing negative impact and concerns when O'Farrell refuse to take and answer any of their concerns and questions.

Under the California State Law the City is not allowed to adopt an EIFD if input from River adjacent communities, a List of specific project/s EIFD will be use or implemented on, a clear budget, financial analysis including cost vs benefits, a list of future tax increments and assessments, full social displacement analysis, boundaries, economic analysis, how EIFD will be use, used for, and what would be the positive and negative impact on our communities of color in a short, medium and long term.

Also a clear list of roles, duties and responsibilities, to include and meet State and County policy, what exactly this group will be doing, for how long, the criteria used to chose or appoint members, why appoint instead of let the tax payers chose whom they want to be responsible for it, no mentioned of the operation and maintenance costs and or who will be in charge of it, does the EIFD will fuel even more Gentrification ? EIFD will be use in other districts outside our boundaries ? why? how? to what rate?

We feel the implementation of a not well planed EIFD such as this one, lacking of constituents input, state and county policy, transparency and inclusiveness, not appropriately designed to benefit all community members but to create yet another huge problem that will affect negatively the environment, health, safety and welfare, also creating a mass displacement of Angelenos, worsting the current homelessness state of emergency that has not been yet addressed appropriately. This and many other huge concerns from constituents/tax payers has not been

addressed by Councilman O'Farrell, and his the lack of interest and availability to discuss them and bogus plans/narrative make us challenge even more any EIFD implementation.

There is no precedent in California, for an Enhanced Infrastructure Financing District encompassing 17 cities, and 23 Los Angeles City Neighborhood Councils. The size and scope is unmanageable and impossible for local residents to have a say in. Tax increment financing is expensive. IT DOES NOT COVER THE COST TO OPERATE OR MAINTAIN. An LA River EIFD will increase the pace and scale of market rate development. EIFD's would fuel gentrification, by increasing property values. Let's not have an EIFD without first analyzing the effects. How much will this cost? How long before so much money is raised? How much will go to affordable housing? How much to public infrastructure? How much for environmental clean up?

Instead of this framework, I urge you to focus on updating our plan in Elysian Valley. The Q conditions promoted by our councilman, and the property owners he represents, actually prohibit the construction of affordable rental housing. The zoning code prohibits rental housing, in favor of live-work units, which are expensive to purchase for the entry level, and middle-income worker as well as the working class family.

State Enterprise Zone exempted all parking yet the state law expired in 2014, Ensure local zoning codes are updated so that the conversion of former industrial uses to commercial and residential does not occur WITHOUT PARKING, environmental impact studies, local design review or conditional use permits when alcohol is sold within 500 feet of a residence, or sensitive uses or affordable housing. Our land use plans need to be updated immediately with transparency, civic engagement and respect for our community values. This certainly cannot be left to a public financing authority that extends into 22 different cities.

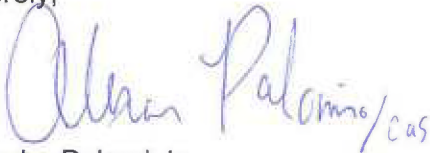
EIFD's are the wrong approach. We need strong and enforceable affordable housing mandates not EIFD subsidies for market rate housing.

EIFD's will affect negatively and cause a mass displacement of longtime residents from all the communities involved,

EIFD's should include all of the NCs that are or may be affected by it, to ensure a transparent and inclusive process where constituents/tax payers are 100% aware of the pros and cons, and that it may affect them in a negative way.

We are aware of the high possibility that our taxes used for this EIFD could be used to enhance or worsen the Gentrification of the same communities included on it.

Sincerely,

Handwritten signature of Alejandro Palominio in blue ink, with the initials 'CAS' written at the end of the signature.

Alejandro Palominio  
Funder of F.R.O.G.  
Frogtown Residents Opposing Gentrification  
Los Angeles, CA  
(323) 574 6582

Tuesday March 26, 2019

Councilmember Curren D. Price, Jr., Chair  
 Councilmember Joe Buscaino  
 Councilmember Monica Rodriguez

Dear Members of the Economic Development Committee:

**RE: Council File #14.1349-S1  
 Council File #14.1349-S2  
 Council File #14.1349-S4**

The LA River EIFD, part of A proposed 32-mile Enhanced Infrastructure Financing District, including one mile on either side of the river would have a negative impact on the health and safety of families who live in the river communities in homes they own, or rent. The habitat of the soft bottom portion of the LA River would also be impacted by new high-rise development and infrastructure, without LA River Restoration goals and plans that we've been talking about for 20 years and are still not codified in the City's land use plan. ~~The~~ Gentrification, which is the number one issue facing the City and the County would be augmented, without adequate controls, to protect the residential areas.

This affects me personally and hundreds of thousands of small home owners in the <sup>EIFD -</sup> "wipe-out zone."

The 2015 EIFD law requires Cities analyze and study the feasibility of formation; a list of specific projects, a budget, a financial analysis of cost versus benefit and of future tax increases and assessments. LA County must sign off. Why doesn't the city adopt a ~~policy?~~ <sup>policy?</sup> The County currently requires affordable housing and social displacement impact analysis before adopting an EIFD. They also require a full plan, a full financial analysis and a full pass through of their share. Please wait to take this action today until you:

1. Set up a working group to study the EIFD: The Economic Workforce and Development Department should work with the City Planning Department, the neighborhood councils, LA County LA River Master Plan, the G-2 parcel community advisory group, the Upper LA River Watershed Group, the Regional and Open Space District, and City-County Cooperative Groups: collect and analyze taxing entities infrastructure needs, brownfield clean-up costs; improvements to governance to address: security, maintenance and flood protection (See 2007 LA River Revitalization Master Plan.
2. Find an alternative to Tax increment financing for the LA River: Tax increment financing is expensive and will not fund river operations or maintenance. The bike paths, waterways and natural habitat and pocket parks require funding, yet the EIFD, if adopted will takes funding away from



the City, County and taxing entities. Because An LA River EIFD will increase the pace and scale of market rate development will continue to fuel gentrification (just as the LARRMP has done)

3. Vet EIFD policy and Feasibility Study for the LA River EIFD with the public and interested stakeholders; including: a boundary map, a discrete list of development projects, a list of infrastructure project, bond and administrative expenses, tax revenue expected after the pass-through agreement with the County and other taxing entities; with neighborhood councils, stakeholders, and alliances.

Sincerely,



Carrie Sutkin, DPPD  
2438 Gatewood Street  
Los Angeles, CA 90031

cc: Honorable Los Angeles City Councilmembers  
Honorable Hilda Solis, LA County Supervisor, First District,  
Hall of Administration 500 W. Temple St. LA 90012

**REPORT OF THE  
CHIEF LEGISLATIVE ANALYST**

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DATE: January 14, 2019

TO: Honorable Members of the City Council

FROM: Sharon M. Tso *SMT*  
Chief Legislative Analyst

Council File No.: 14-1349-s1, -s2  
Assignment No. : 19-01-0016

SUBJECT: Enhanced Infrastructure Financing District (EIFD) Public Financing Authority  
Appointments

*policy.*

**SUMMARY**

On May 22, 2018, the Economic Development Committee (EDC) considered this Office's report (dated April 12, 2018) relative to the establishment of an Enhanced Infrastructure Financing District (EIFD) Policy. The EDC approved the report and instructed this Office and the Economic and Workforce Development Department (EWDD) to report with recommendations on the appointment process to a Public Finance Authority (PFA). Pursuant to EIFD law, a PFA is the administrative body that oversees an EIFD. In response to the EDC's instructions, this Office and EWDD reviewed the City Charter and met with the City Attorney to discuss potential appointment processes. This report describes a PFA's membership requirements and recommends that Council adopt a policy whereby the Mayor and Council appoint members of a PFA, consistent with State law and the City Charter.

**RECOMMENDATIONS**

That the City Council:

1. Adopt an Enhanced Infrastructure Financing District (EIFD) Public Finance Authority (PFA) appointment process whereby the Mayor appoints the Council members who serve on a PFA and Council appoints the public members to a PFA, with the appointment process policy subject to Council's approval of an EIFD Policy.
2. Instruct EWDD to monitor any changes in EIFD law relative to the PFA membership and report to Council on any proposed changes to the law.

**BACKGROUND**

State law authorizes local jurisdictions to form an EIFD to finance community revitalization and infrastructure projects, primarily through the use of tax increment financing in a defined geographic area. Prior to forming an EIFD, a local jurisdiction, alone or with other participating taxing entities, must form a PFA. More specifically, State law requires that the legislative body establish a PFA at the same time that it adopts a resolution of intention to form an EIFD. The

PFA, a separate legal entity, would be tasked with the actual formation of an EIFD project area and, among other duties, be responsible for the use of funds collected in the area, securing voter approval for any bond issuance, and maintaining long-term oversight over the EIFD.

#### PFA Membership and other Requirements

State statute prescribes a PFA's composition and specifies other requirements as noted below.

#### *Membership*

(a) The PFA shall have a membership consisting of one of the following, as appropriate:

- (1) If a district has only one participating affected taxing entity, the PFA's membership shall consist of three members of the legislative body of the participating entity, and two members of the public chosen by the legislative body.
- (2) If a district has two or more participating affected taxing entities, the PFA's membership shall consist of a majority of members from the legislative bodies of the participating entities, and a minimum of two members of the public chosen by the legislative bodies of the participating entities.

The appointment of PFA public members under special circumstances, including unscheduled vacancies and emergencies, are subject to certain noticing and timing requirements under the State's Government Code Section 54974.

#### *Other Requirements*

EIFD law stipulates that PFA members shall not receive compensation but may receive reimbursement for eligible expenses. In addition, the members of a PFA are subject to penalties resulting from the misuse of public funds. Further, a PFA is considered a local public financing agency subject to the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974 requirements.

*Conflict of interest? / ethics.*

#### Recommended Appointment Process

Should Council adopt an EIFD Policy and wish to include a section on the appointment process, our Office recommends a process consistent with State law and the City Charter, whereby the Mayor appoints members from the City Council to serve on a PFA, and Council appoints the public members who serve on a PFA. Described below is the minimum composition of a typical PFA with the City as the single participating affected taxing entity. Should the City partner with another entity, additional members would be appointed by the partnering entity.

- *Legislative Body (Three Members)*
  - To minimize any potential conflict with the City's Charter, this Office recommends that the Mayor appoint Council members to a PFA, including the Council member who represents the geographic area of the EIFD.
- *Public Members (Two Members)*
  - It is recommended that Council appoint the two public members to a PFA.

Additional Considerations Relative to the Appointment Process and PFA Composition

There are additional requirements that Council may wish to consider in its PFA membership policy and future EIFD legislation.

*Legislative Body Members*


The proposed EIFD Policy does not cap the number of EIFDs the City can form. Given the potential to form numerous EIFDs, each requiring the participation of three City Council members, there may be significant time constraints that would result by forming multiple EIFDs.

Council could consider sponsoring or supporting a change to State law to permit a legislative body to designate representatives to a PFA, rather than elected officials. This would allow Council to appoint designated representatives to a PFA rather than requiring City Council members to serve on multiple PFAs throughout the City.

*Public Members*

EIFD law does not require public members to have certain expertise or reside in a specified geographic area. A similar tax increment financing tool, Community Revitalization and Investment Authorities (CRIA), requires that the public members of its oversight board either live or work in the CRIA district. Generally, the City's citizen oversight boards/commissions require that members live within City limits. Some boards require members with expertise in various fields or are appointed by the Chair of a specified policy committee.

Council could consider amending the PFA membership policy to require that public members be residents of the City, with a preference for residents or stakeholders of the proposed EIFD geographic area.

  
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Dora Huerta  
Analyst



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**AVNC Officers:** Co-Chairs: Torin Dunnavant; Courtney Morris • Treasurer: Julia Mewbourne • Secretary: Karen Knapp

Council File Number: 14-1349

Council File Title: Enhanced Infrastructure Financing District (EIFD) / Creation / Los Angeles River / Support Restoration and Maintenance

Honorable City Council  
c/o Office of the City Clerk  
Los Angeles City Hall  
200 North Spring Street, Room 395 Los Angeles, California 90012

The Atwater Village Neighborhood Council requests a delay of vote until community wide outreach to the public and AVNC is provided explaining EIFD structure: projects, boundaries, bonds et al, prior to landowner mailing and public meeting

**Community Impact Statement:**

This new state law allows the cities to create/form financing districts, which can use incremental property taxes and bonds for various projects including, but not limited to brownfield restoration, infrastructure, low-income housing, commercial corridors and more. Funds cannot be used for maintenance.

This funding structure could be used for LA River restoration. The projects, scope and oversight of possible "river" district need to be defined and presented to the community/public. Including accountability for local projects using these tax and/or bond funds.