

BUDGET AND FINANCE COMMITTEE REPORT relative to the Enhanced Infrastructure Financing District (EIFD) establishment policy and public financing authority appointments.

Recommendations for Council action:

1. CONCUR with the Economic Development Committee report dated March 26, 2019.
2. INSTRUCT the Economic and Workforce Development Department (EWDD) to include in the feasibility studies of a proposed EIFD to include an analysis of the potential economic development, job creation, blight reduction, changes in housing vacancy rates, and changes to taxes in all categories.
3. INSTRUCT the EWDD to submit the feasibility studies of a proposed EIFD, before the creation of the proposed EIFD, to the Economic Develop and the Budget and Finance Committees.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst (CLA) has completed a financial analysis of this report.

Community Impact Statement: None submitted.

## SUMMARY

At a regular meeting held on June 17, 2019, the Budget and Finance Committee considered CLA reports and a report from the Economic Development Committee, dated March 26, 2019, relative to an EIFD establishment policy and Public Financing Authority (PFA) appointments. The CLA reports that 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.

During consideration, Councilmember O'Farrell presented the Economic Development Committee's Report and CLA staff presented their reports and answered the Budget and Finance Committee's questions. After providing an opportunity for public comment, the Budget and Finance Committee concurred with the recommendations of the Economic Development Committee and provided additional recommendations for additional analysis to be conducted in the EIFD feasibility study. Additionally, the Budget and Finance Committee recommended that the studies are submitted to both the Economic Development and Budget and Finance Committees. This matter is now forwarded to Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN	YES
PRICE	YES
KORETZ	YES
BLUMENFIELD	YES
BONIN	YES

AC 6/17/19

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**