

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the Enhanced Infrastructure Financing District (EIFD) establishment policy and Public Financing Authority (PFA) appointments.

Recommendations for Council action:

1. ADOPT the Citywide EIFD Establishment Policy, Attachment A of the Chief Legislative Analyst (CLA) report dated April 12, 2018, attached to the Council file, as amended to:

a. Require that any request for an exception from the 50 percent maximum contribution to an EIFD provide the following:

A proposal with two fiscal analyses: one with the contribution at 50 percent and another at the proposed greater percentage, including any findings to justify the contribution.

b. Require that any request for an exception from the 50 percent maximum contribution to an EIFD with a proposed Neighborhood Infill Finance and Transit Improvements (NIFTI) provide the following:

A NIFTI proposal with two fiscal analyses: one with the contribution at 50 percent and another at the proposed greater percentage, including any findings to justify the contribution.

c. Require that the final contribution amount be approved by the Council and Mayor, Section III of Attachment C of said CLA report.

d. Require that a Council Motion be approved to initiate an EIFD feasibility study, Section V of Attachment C of said CLA report.

e. Require that Council's public member appointees to a PFA be local to that area

2. INSTRUCT the Economic and Workforce Development Department (EWDD) to report within 60 days relative to any revisions needed to the Citywide EIFD Policy as a result of AB 1568, if necessary.

3. INSTRUCT the EWDD to monitor EIFD law and EIFD formation in other cities.

4. ADOPT an EIFD 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.

5. INSTRUCT the EWDD to monitor any changes in EIFD law relative to the PFA membership and report to Council on any proposed changes to the law.

6. INSTRUCT the CLA to report within 90 days with:

- a. A draft Resolution to support an amendment to EIFD law to allow the appointees of the EIFD to designate an alternative to the PFA.
- b. Recommended legislative changes to EIFD PFA requirements that would streamline oversight of EIFDs.

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

Community Impact Statement: None submitted.

### SUMMARY

At the meeting held on March 26, 2019, your Economic Development Committee considered CLA reports relative to an EIFD establishment policy and 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.

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. Staff from the CLA presented an overview of the matter and answered related questions concerning many aspects of the EIFD formation and governance. After an opportunity for public comment was held, the Committee moved to approve the CLA's recommendations as amended, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
BUSCAINO:	YES
RODRIGUEZ:	YES

ME 3/26/19

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**