

TRANSMITTAL

To:

THE COUNCIL

Date: 1/31/2018

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in blue ink, appearing to be 'Eric Garceiti', is written over the printed name.

(Ana Guerrero) for

ERIC GARCEITI
Mayor

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

JAN PERRY
GENERAL MANAGER

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

January 31, 2018

Council File: 15-1195
Council District No.: All
Contact Persons & Phone Numbers:
Samuel Hughes, (213) 744-9723

The Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall

Attention: Mandy Morales, Legislative Coordinator

COMMITTEE TRANSMITTAL: PROPOSED COMMUNITY REVITALIZATION AND INVESTMENT AUTHORITY (CRIA) ESTABLISHMENT POLICY

RECOMMENDATIONS

The General Manager of the Economic and Workforce Development Department (EWDD), or designee, respectfully requests that the Mayor and City Council:

1. ADOPT the proposed Community Revitalization and Investment Authority (CRIA) Establishment Policy as indicated in Attachment A.

FISCAL IMPACT STATEMENT

This report provides information relating to the establishment of a CRIA Policy. At this time, there is no impact to the General Fund.

SUMMARY

On October 26, 2016, the Los Angeles City Council adopted Council File No. 15-1195, which directed the EWDD to take steps necessary to prepare a CRIA Establishment policy, taking into consideration pre-establishment matters identified in the Chief Legislative Analyst (CLA) report dated March 25, 2016.

This report provides discussion and recommendations on the following components of the proposed CRIA establishment policy:

1. Outlines the City's preliminary assessment of whether to form a proposed CRIA;
2. Explains the City's approach to committing tax increment to a CRIA;
3. Provides an overview of CRIAs; and
4. Establishes the City's procedures and policies related to accepting and responding to requests to establish CRIAs within City boundaries.

BACKGROUND

Community Revitalization and Investment Authority is an economic development tool created in 2015, through passage of Assembly Bill 2 that allows California cities, counties, and special districts to finance specified types of projects with tax increment contributed by eligible consenting taxing entities. On September 23, 2016, Governor Brown signed Assembly Bill 2492, adding additional ability to qualify under a California Environmental Protection Agency designation as a disadvantaged community (based on geographic, socioeconomic, public health, and environmental factors).

Cities and counties may create one or more CRIAs, each of which functions as a legally constituted governmental entity separate and distinct from the city or county that established it, pursuant to Government Code Section 62001(f). CRIA geographical boundaries are well defined through a number of qualifications:

- At least 80% of the area must have a median annual income less than 80% of the Statewide, Countywide, or Citywide annual median income and must meet three of the four following conditions:
 1. Non-seasonal unemployment that is at least 3% higher than statewide median unemployment, as defined by the report on labor market information published by the Employment Development Department in March of the year in which the community revitalization plan is prepared.
 2. Crime rate is 5% higher than that statewide average based off violent or property crime and documented by records maintained by the law enforcement agency that has the jurisdiction in the proposed plan area.
 3. The area has deteriorated or has inadequate infrastructure such as streets, sidewalks, water supply, sewer treatment or processing, and parks.
 4. The area has deteriorated commercial or residential structures.

It should be noted that the term "deteriorated" is undefined and is open to interpretation.

CRIAs use tax increment contributed by consenting taxing entities to implement an economic revitalization financing plan within a defined area to construct, improve, and/or rehabilitate specified types of projects with community-wide benefits.

A summary of seven key components of CRIAs is provided below:

- **Established without voter approval**, although the adoption of the plan requires three public hearings that elaborate the project to the property owners.
- **May finance a wide-range of public and private economic revitalization projects in disadvantaged communities**, including assistance to businesses, brownfield remediation, infrastructure projects, and affordable housing.
- **Housing requirement** that 25% of tax increment revenues must be used for affordable housing. The legislation also includes relocation and replacement housing requirements.
- **Funded by property tax increment pledged by consenting taxing agencies** (no pass-through payments or set-asides are deducted; education districts may not consent; tax increment is available for up to 45 years from the date of approval of the first bond issuance or a public loan).
- **May be funded by additional sources**, including private sector partners, property tax allocations distributed to cities and counties in lieu of Vehicle License Fees (VLF), property tax revenue distributed to taxing entities after payment to successor agency debts, assessment for fee revenues, and loans from a city, county, or special district.
- **Governed by a board known as a “Community Revitalization and Investment Authority”** or “Authority” that is appointed by the legislative body of the city, county, or city and county that created the authority and shall include three members of the legislative body of the city, county, or city and county that created the authority and two public members. The appointment of the two public members shall be subject to the provisions of Section 54974. The two public members shall live or work within the community revitalization and investment area.
- **Power of Eminent Domain**, a CRIA may exercise eminent domain powers in the area for property acquisition within 12 years from adoption of the plan.

CONCLUSION

CRIA provides a new opportunity to use Tax Increment financing to address the City's Economic Development needs, including improving current infrastructure, revitalization of blighted areas, assisting businesses and supporting affordable housing. Adopting the

proposed CRIA Establishment Policy will enable EWDD to initiate the necessary steps to conduct assessments and make recommendations to the Mayor and City Council on whether forming the proposed CRIA is in the City's economic and fiscal interest.



JAN PERRY
General Manager

JP:SH:DH:JR

Attachment A: Proposed Community Revitalization and Investment Authority
Establishment Policy

CITY OF LOS ANGELES
PROPOSED COMMUNITY REVITALIZATION AND INVESTMENT AUTHORITY (“CRIA”)
ESTABLISHMENT POLICY

1. Overview

CRIAs are an economic development tool created in 2015 that allows California cities, counties, and special districts to finance specified types of projects with tax increment contributed by eligible consenting taxing entities. This proposed CRIA Establishment policy (“Policy”) establishes the procedures and policies of forming a CRIA in the City of Los Angeles (“City”) and committing a portion of the City’s Tax increment to a CRIA. The policy focuses on the City’s commitment of tax increment to CRIAs, however it is recommended that CRIA’s involve multi-agency investment, as CRIAs may be most appropriate (and successful) when multiple taxing entities participate.

The Primary City department responsible for implementing the Policy is the Economic and Workforce Development Department (“EWDD”). However, EWDD will actively collaborate with the Mayor’s Office, Council Offices, City Administrative Officer, Finance Department, and Chief Legislative Analyst to implement the Policy. As the lead agency, EWDD will coordinate the evaluation of CRIA formation and expenditures (investments), provide technical assistance to Council Offices and City departments, and otherwise ensure adherence to this Policy.

Without careful planning and sound investment in projects that would otherwise not occur, forming a CRIA risks unnecessarily reducing future General Fund revenues. Accordingly, this Policy was created in part to protect the General Fund.

This Policy presents the following:

1. Outlines the City’s Preliminary assessment of whether to form a proposed CRIA;
2. Explains the City’s approach to committing tax increment to a CRIA;
3. Provides an overview of CRIAs; and
4. Establishes the City’s procedures and polices related to accepting and responding to request to establish CRIAs within City boundaries.

2. Preliminary Assessment

Like all tax increment financing tools, CRIAs capture revenue that would have otherwise been distributed to eligible participating taxing entities. In other words, every dollar of tax increment above the base year that funds a CRIA is a dollar forfeited by consenting taxing entities. The intent of this policy is to provide a guide when making strategic trade-offs between General Funds revenue available for City operations and using CRIAs for highly selective public investment in catalytic projects.

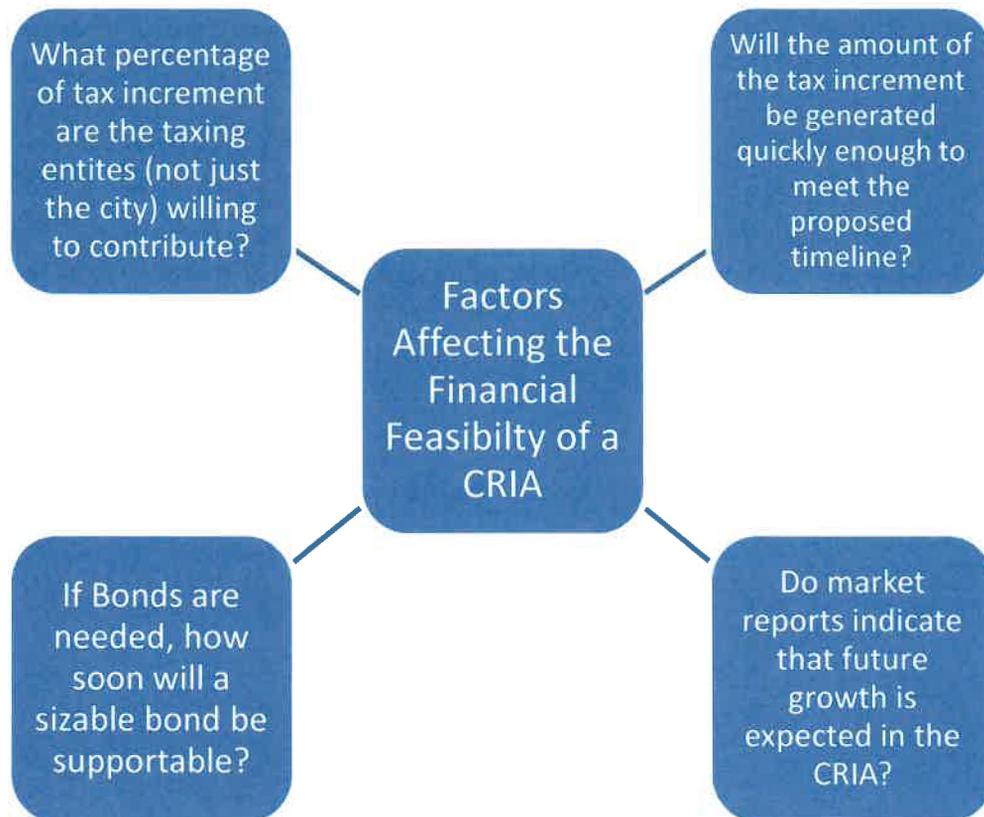
Prior to the City proceeding with the time-intensive and costly process to form a CRIA (this process is detailed later in the Policy), EWDD staff will conduct a preliminary assessment of the proposed CRIA and advise the Mayor and the City Council of its impact and whether it appears that forming the proposed CRIA is in the City's economic and fiscal interest. Ultimately, the Mayor and the City Council will determine whether to proceed with forming the proposed CRIA. Should they determine to proceed, a comprehensive feasibility study is legally required to be completed; this analysis would be entirely separate from EWDD staff's preliminary assessment.

EWDD staff will evaluate the following factors in their preliminary assessment:

- A. **Alignment with the City's Economic Development Strategy:** Do the goals proposed to be achieved by the CRIA align with City's current economic development strategy?
- B. **Alignment with the City's Fiscal Strategy:** Would the City's investment of funds in the CRIA align with the City's current fiscal strategy?
- C. **Leveraging of City-Owned Property:** Would the CRIA include underutilized City-owned property that is currently underleveraged and would be better leveraged as a result of the CRIA?
- D. **Greater Suitability for other Financing Tools:** Would the area or project be better suited for funding tools other than a CRIA?
- E. **Financial Feasibility:** Does it appear likely that financial goals proposed to be achieved by the CRIA will actually be achieved?

CRIAs are a unique economic tool that generate significant tax increment only in particular instances; thus, CRIAs may have limited application in the City. For instance, as mentioned above, CRIAs may be more effective when more than one taxing entity is willing to commit tax increment. The exhibit on the next page lists four specific factors that the EWDD staff will consider when preliminarily evaluating the financial feasibility of a CRIA (See Figure 1).

Figure 1: Potential Factors Affecting the Financial Feasibility of a CRIA



3. The City's Approach to Committing Tax Increment to a CRIA

Generally, the maximum tax increment that the City will commit to a CRIA is the lesser of:

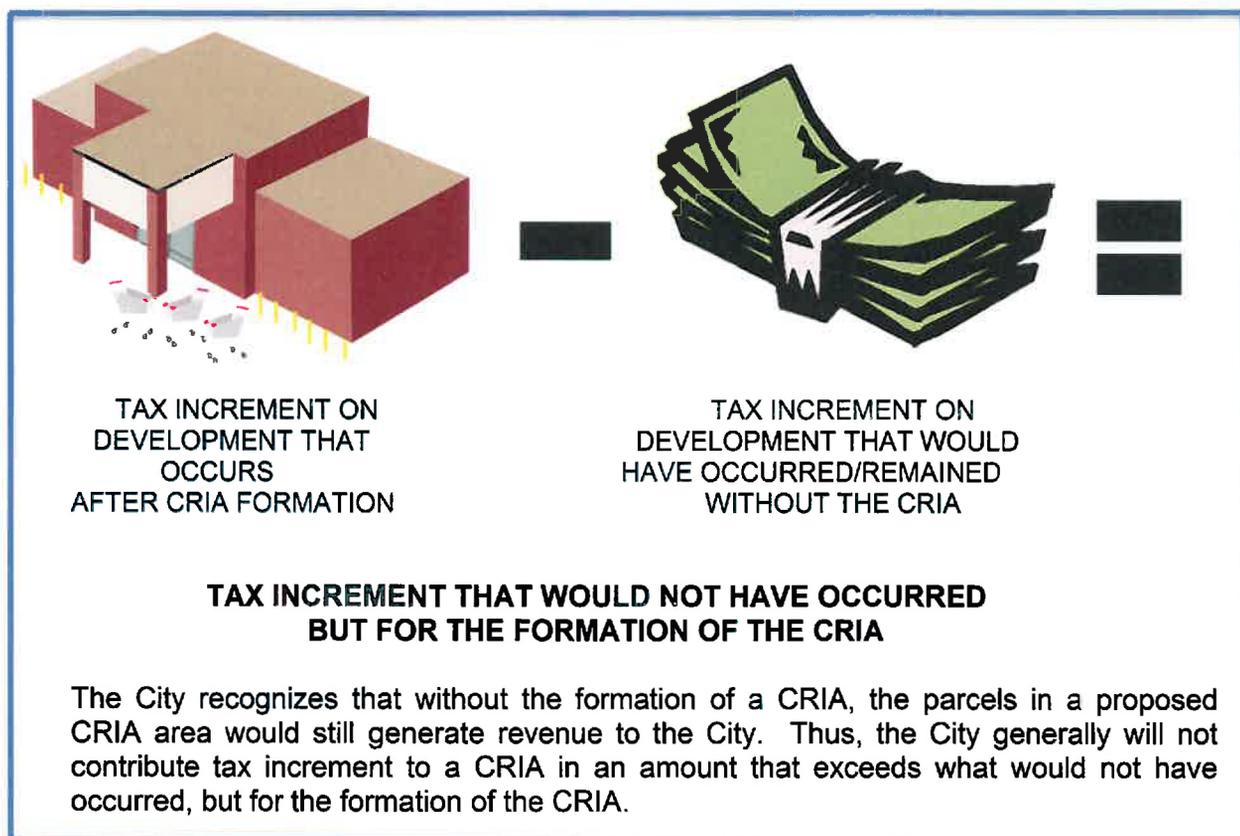
- a) 50% of its share to tax increment generated in the CRIA, or
- b) The portion of tax increment generated in the CRIA that would not have occurred but for the formation of the CRIA, less the costs of forming and operating the CRIA.

The 50% limit ensures that at least half of the City's share of tax increment above base generated within a CRIA accrues to the City's General Fund, where it is available for the provision of public services both within the CRIA and other areas in the City.

The exact percentage to be committed to the CRIA will be determined by the Mayor's Office and City Council, in consultation with the Office of the City Administrative Officer, the Office of the Chief Legislative Analyst, and EWDD. In some cases, the City may elect to contribute more than 50% of the City's share of tax increment generated in the CRIA. The following factors should be considered when determining the exact percentage to be committed to the CRIA:

- **Return on Investment:** Does it appear that the City's contribution to the CRIA will yield either a return on investment commensurate with the present-day private sector investment, or quantifiable progress in achieving one or more of the City's mission-driven goals (e.g., creation of affordable housing)?
- **Maximization of Private Funds:** Would tax increment generated by a CRIA truly serve as gap financing for the proposed development(s) in the CRIA? Have all other reasonable sources of financing been exhausted? How secure is the other funding?
- **Catalytic Potential:** Does careful analysis indicate that the CRIA will leverage significant private investment that, but for the formation of the CRIA, would likely not otherwise occur? Does the CRIA appear to have the potential to generate significant economic spin-off, particularly in disinvested areas?
- **Anticipated Job Creation:** How many temporary and permanent jobs are estimated to be created as a result of the CRIA?
- **Project Readiness:** How soon is the project expected to be developed? What major issues have yet to be resolved?

Figure 2: Benefits of CRIA formation



4. Overview of CRIAs

CRIAs were created by Assembly Bill No. 2, which is codified in California Government Code (“Government Code”) Section 62000 through 62208 and took effect on January 1, 2016. The Legislation was amended in 2016 by Assembly Bill 2492.

Cities and Counties may create one or more CRIAs, each of which functions as a legally constituted governmental entity separate and distinct from the city or county that established it, pursuant to Government Code Section 62001(f). CRIA geographical boundaries are well defined through a number of qualifications. The qualifications are as follows:

At least 80% of the area must have a median annual income less than 80% of the Statewide, Countywide, or Citywide annual median income and must meet three of the following criteria:

1. Non-seasonal unemployment that is at least 3% higher than statewide median unemployment, as defined by the report on labor market information published by the Employment Development Department in January of the year in which the community revitalization plan is prepared.
2. Crime rate 5% higher than the statewide average based off violent or property crime and documented by records maintained by the law enforcement agency that has the jurisdiction in the proposed plan area.
3. The area has deteriorated or inadequate infrastructure such as streets, sidewalks, water supply, sewer treatment or processing, and parks.
4. The area has deteriorated commercial or residential structures.

With these criteria in mind the term “deteriorated” is undefined and is open to interpretation. CRIAs use tax increment contributed by consenting tax entities to implement an infrastructure financing plan within qualifying areas to construct, improve, and/or rehabilitate specified types of projects with community-wide benefits. School districts may not participate.

A summary of seven key components of CRIAs is provided below:

- **Established without voter approval**, however, there is a Robust Procedure for Plan Adoption.
- **May finance specified types of public infrastructure facilities and private facilities.**
- **Housing requirement** of 25% of tax increment must be used for Low to Moderate income housing. All housing assisted with property tax increment funds must remain affordable for 55 years for rental units and 45 years for owner-occupied units. The legislation also includes relocation and replacement housing requirements.
- **Funded by property tax increment pledged by consenting taxing agencies** (no pass-through payments or set-asides are deducted; education districts may be able to participate; tax increment is available for up to 45 years from the date of approval of the first bond issuance or a public loan).

- **May be funded by additional sources**, including private sector partners, property tax allocations distributed to cities and counties in lieu of Vehicle License Fees (VLF), property tax revenue distributed to taxing entities after payment to successor agency debts, assessment for fee revenues, and loans from a city, county, or special district.
- **Governed by a board known as a “Community Revitalization and Investment Authority” or “Authority”** that is appointed by the legislative body of the city, county, or city and county that created the authority and shall include three members of the legislative body of the city, county, or city and county that created the authority and two public members. The appointment of the two public members shall be subject to the provisions of Section 54974. The two public members shall live or work within the community revitalization and investment area.
- **Power of Eminent Domain**, a CRIA may exercise eminent domain powers in the area for property acquisition within 12 years from adoption of the plan.

Community Revitalization and Investment Plan

Among other information, the Community Revitalization and Investment Plan or “Plan” guide the Authority’s implementation of each CRIA. The CRIA plan must include a statement of the principal goals and objectives of the plan including territory to be covered by the plan. This statement must include a description of the deterioration or inadequate infrastructure and a program for construction of adequate infrastructure or repair or upgrading of existing infrastructure. Also, the authority will have to create a program to meet the 25% housing requirements, giving estimates on 5 and 10 year housing creation for very low, low, and moderate income clientele. This plan must show a program to remedy or remove hazardous substance, if applicable. The plan must have a program to provide funding for or otherwise facilitate the economic revitalization of the area. This program requires a fiscal analysis setting forth the projected receipt of revenue and projected expenses over a five-year planning horizon, including the potential issuance of bonds backed by tax increment during the term of the plan. Time limits to establishing loans, advances and indebtedness and fulfilling all the authority’s housing obligations are also required by the Plan.

Once drafted, the following must occur:

- The authority shall consider adoption of the plan at three public hearings that shall take place at least 30 days apart. At the first public hearing, the authority shall hear all written and oral comments but take no action. At the second public hearing, the authority shall consider any additional written and oral comments and take action to modify or reject the plan. If the plan is not rejected at the second public hearing, then the authority shall conduct a protest proceeding at the third public hearing to consider whether the property owners and residents within the plan area wish to present oral or written protests against the adoption of the plan.

- The draft plan shall be made available to the public and to each property owner within the area at a meeting held at least 30 days prior to the notice given for the first public hearing. The purposes of the meeting shall be to allow the staff of the authority to present the draft plan, answer questions about the plan, and consider comments about the plan.
- Notice of the meeting required by subdivision and the public hearings required by this subdivision shall be given in accordance with subdivision. The notice shall do all of the following, as applicable:
 - Describe specifically the boundaries of the proposed area.
 - Describe the purpose of the plan.
 - State the day, hour, and place when and where any and all persons having any comments on the proposed plan may appear to provide written or oral comments to the authority.
- Notice of second public hearing shall include a summary of the changes made to the plan as a result of the oral and written testimony received at or before the public hearing and shall identify a location accessible to the public where the plan proposed to be presented and adopted at the second public hearing can be reviewed.
- Notice of the third public hearing to consider any written or oral protests shall contain a copy of the final plan adopted pursuant to subdivision (a), and shall inform the property owner and resident of his or her right to submit an oral or written protest before the close of the public hearing. The protest may state that the property owner or resident objects to the authority taking action to implement the plan.
- At the third public hearing, the authority shall consider all written and oral protests received prior to the close of the public hearing and shall terminate the proceedings or adopt the plan subject to confirmation by the voters at an election called for that purpose. The authority shall terminate the proceedings if there is a majority protest. A majority protest exists if protests have been filed representing over 50% of the combined number of property owners and residents in the area who are at least 18 years of age. An election shall be called if between 25% and 50% of the combined number of property owners and residents in the area who are at least 18 years of age file a protest.
- An election required pursuant to paragraph (2) of subdivision (c) shall be held within 90 days of the public hearing and may be held by mail-in ballot. The authority shall adopt, at a duly noticed public hearing, procedures for this election.
- If a majority of the property owners and residents vote against the plan, then the authority shall not take any further action to implement the proposed plan. The authority shall not propose a new or revised plan to the affected property owners

and residents for at least one year following the date of an election in which the plan was rejected.

- At the hour set in the notice required by subdivision (a), the authority shall consider all written and oral comments.
- If less than 25 percent of the combined number of property owners and residents in the area who are at least 18 years of age file a protest, the authority may adopt the plan at the conclusion of the third public hearing by ordinance. The ordinance adopting the plan shall be subject to referendum as prescribed by law.
- For the purposes of Section 62005, the plan shall be the plan adopted pursuant to this section.
 - The authority shall consider and adopt an amendment or amendments to a plan in accordance with the provisions of this section.
 - The authority shall post notice of each meeting or public hearing required by this section in an easily identifiable and accessible location on the authority's Internet Web site and shall mail a written notice of the meeting or public hearing to each owner of land and each resident at least 10 days prior to the meeting or public hearing.
 - Notice of the first public hearing shall also be published not less than once a week for four successive weeks prior to the first public hearing in a newspaper of general circulation published in the county in which the area lies.
 - Notice of the second public hearing shall also be published not less than 10 days prior to the second public hearing in a newspaper of general circulation in the county in which the area lies.
 - Notice of the third public hearing shall also be published not less than 10 days prior to the third public hearing in a newspaper of general circulation in the county in which the area lies.

Use of CRIA Funds

Pursuant to Government Code Section 62002, CRIAs may only finance public capital facilities or other projects of communitywide significance that provide significant benefits to the district or surrounding community, including but not limited to:

- Provide funding to rehabilitate, repair, upgrade, or construct infrastructure.
- Provide for low and moderate-income housing.
- Provide for brownfield remediation and clean-up.
- Provide for seismic retrofits of existing buildings in accordance with all applicable laws and regulations.

- Acquire and transfer real property including through eminent domain.
- Issue bonds.
- Borrow money, receive grants, or accept financial or other assistance or investment from the state or the federal government or any other public agency or private lending institution for any project or within its area of operation, and may comply with any conditions of the loan or grant. An authority may qualify for funding as a disadvantaged community pursuant to Section 79505.5 of the Water Code or as defined by Section 56033.5. An authority may also enter into an agreement with a qualified community development entity, as defined by Section 45D(c) of the Internal Revenue Code, to coordinate investments of funds derived from the New Markets Tax Credit with those of the authority in instances where coordination offers opportunities for greater efficiency of investments to improve conditions described in subdivisions (d) and (e) within the territorial jurisdiction of the authority.
- Adopt a community revitalization and investment plan.
- Make loans or grants for owners or tenants to improve, rehabilitate, or retrofit buildings or structures within the plan area.
- Construct foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights sites for buildings to be used for residential, commercial industrial, or other uses contemplated by the revitalization plan.
- Provide direct assistance to businesses within the plan area in connection with new or existing facilities for industrial or manufacturing uses, except as specified in this division.

Forming a CRIA

Completing the multi-step process of creating a CRIA in the City of Los Angeles may take as long as two years and cost as much as \$600,000 (exclusive of bond issuance costs). Table 1 summarizes the key activities that must be performed by the City and County staff, consultants, and legal counsel prior to CRIA formation. Appendix A shows a prototypical schedule of forming a CRIA in the City; the schedule sequentially provides details regarding required meetings, reporting, and public noticing. Note that cities and counties that previously created a redevelopment agency may form a CRIA only after:

1. The successor agency receives a “finding of Completion” from the State Department of Finance (“DOF”)
2. The city/county certifies to DOF that there are no former Redevelopment Agency assets under litigation that would benefit from a CRIA; and
3. The city/county has complied with the State Controller’s asset transfer review.

At the time of the writing of this Policy, the City meets each of these three requirements.

TABLE 1: Primary CRIA Formation Activities

PRELIMINARY ACTIVITIES	
Staff/Consultant Activities	
● Conduct Feasibility Analysis	
● Assemble and Consult with Bond Team	
● Consult Taxing Entities and Coordinate Community Revitalization and Investment Authority ("Authority") Membership	
● Draft Resolution of Intention, Resolution Forming Authority, Operational Documents, Relocation and Replacement Plan (if applicable), and Statement of Prepration	
● Prepare Legal Description and Map	
● Finalize List of Projects/Goals, Financial Projectors, and Financing plan	
Legal Counsel Activities	
● Draft Authority Formation Documents, Letter Regarding Conflict Law; and City/Authory Cooperation Agreement	
City Clerk Activities	
● Mail Resolution of Intention to Landowners, Taxing Entities, and the Authority	
Community Revitalization and Investment Authority Activities	
● Approve Operational Documents	
REPORT & PUBLIC NOTICING	
Staff/Consultant Activities	
● Draft and Transmit Notice of Prepration and Receive Comments	
● File Notice of Completion and Receive Comments	
● Draft and Circulate 1st and 2nd Administrative Draft Community Redevelopment and Investment Plan	
● Draft and Circulate Administrative Draft EIR, Draft EIR, Administrative Draft EIR and MVRP, and Final EIR and Receive Comments	
● Prepare for and hold EIR Scoping Meeting 1st Community Workshop, and Community Information Meeting (public notice & Material Preparation)	
● Prepare for Public Hearing(including public noticing and drafting meeting materials)	
● Meet with Affected taxing Entitiesupon Request	
Legal Counsel Activities	
● Determine Type of EIR Required	
City Clerk Activities	
● Prepare Public Hearing Materials	
Community Revitalization and Investment Authority Activities	
● Conduct Public Hearing Consider Approval of CRIA Adoption	
BOND ISSUANCE	
Staff/Consultant Activities	
● Mail Resolution of Bond Issuance to County Registrar-Recorder/County Clerk	
Legal Counsel Activities	
● Draft Authority Formation Documents, Letter Regarding Conflict Law; and City/Authory Cooperation Agreement	
City Clerk Activities	
● Mail Resolution of Intention to Landowners, Taxing Entities, and the Authority	
● Adopt Resolution Initiating Proceedings to Issue Bonds	

CRIA Operational Costs

Once created, a CRIA requires administration, including accounting, auditing, and coordination among multiple City departments. The amount of Administrative cost per CRIA could vary widely based on the number of operational CRIA's in the City and whether the administration is done by existing City staff, a new governmental entity created specifically to manage the City's CRIAs, consultants, or some combination of these options. City-specific policies (some of which may not yet be formed) would also affect administrative costs. For example, the City could require that staff in the Office of the City Administrative Officer serve as a support staff to the City's designated members of each CRIA's Community Revitalization and Investment Authority, if not members of the Community Revitalization and Investment Authority themselves.

California Government Code Section 62001(g) (1) specifies that CRIA's cost require the legislative body or bodies of the local government or governments that created the authority may appropriate the amounts the legislative body or bodies deem necessary for the administrative expenses and overhead of the authority. Additionally, Government Code Section 62001 (g) (2) allow the money that is appropriated may be paid to the authority as a grant or a loan to defray overhead and expenses. These loans/grants allow for administrative expenses which allow for but not limited to, expense of planning and dissemination of information. Therefore, administration cost can be on a case by case basis. If a project requires more planning or further administrative cost the governing body can adjust accordingly.

5. Accepting and Responding to Request to Establish CRIAs in the City

The City's process for determining whether to proceed with forming a proposed CRIA is as follow:

1. Mayor's Office, any City Council Office or EWDD, submits a CRIA Preliminary Assessment Request Form to EWDD to conduct a preliminary assessment of a proposed CRIA via e-mail.
2. EWDD staff conducts a preliminary assessment of the proposed CRIA; this assessment is detailed Table 1.
3. Based on EWDD staff's preliminary assessment, EWDD reports to Mayor and City Council on whether it appears that forming the proposed CRIA is in the City's economic and fiscal interest.
4. Mayor and City Council either (a) determine not to proceed with forming the proposed CRIA or (b) approve a motion to conduct a comprehensive feasibility study of the proposed CRIA, which is a legally required step in forming a CRIA. Should the City Council approve a motion to conduct a comprehensive feasibility study, the motion must include a description of the approximate boundaries of the proposed CRIA, as well as the goals to be achieved.
5. EWDD staff and/or consultants complete a comprehensive feasibility study of the proposed CRIA.
6. Based on the conclusions of the comprehensive feasibility study, the Mayor and the City Council determines whether to proceed with forming the proposed CRIA.

Accepting Request to Establish CRIAs in the City

The following information is required to be included in the request to initiate EWDD staff's preliminary assessment of a proposed CRIA.

REQUIRED CONTENTS OF REQUEST TO INITIATE CITY STAFF REVIEW OF A PROPOSED CRIA

1. Map of area(s) to be included in the CRIA, with boundaries clearly marked.

2. Statement regarding the need for the CRIA and the goals proposed to be achieved by the CRIA.
3. Description of the type of development proposed to be assisted by the CRIA and an estimate of the total cost and timing of these improvements (keeping in mind that the CRIA will begin generating tax increment about one full year after CRIA formation).
4. Statement regarding the percentage of City, County, and/or other taxing entities' share of tax increment proposed to be committed to the CRIA and a summary of any communications with those taxing entities concerning their willingness to contribute, (keeping in mind that: (a) educational districts may not contribute from their share of tax increment, (b) the percentage of taxing entities' share of tax increment need not be the same for all taxing entities and the percentage may change over time, (c) unless the City Council specifies otherwise, the City will not contribute more than the lesser of 50% of its share of tax increment or the portion of tax increment generated in the CRIA that would not have occurred but for the formation of the CRIA, less the costs of forming and operating the CRIA, and (d) taxing entities other than the City may not be willing to contribute from their share of tax increment).
5. Statement regarding the anticipated sources and amounts of CRIA funding in addition to tax increment.
6. Statement regarding whether a bond issuance will be sought.
7. Statement regarding the party of parties proposed to bear the formation and operational costs of the CRIA.

Responding to Request to Establish CRIAs in the City

Within 120 days of receiving all of the required information detailed above via e-mail, EWDD will report to the City Council with its recommendation on whether to proceed with the formation of the CRIA.

Note that proceeding with any steps of forming of a CRIA does not guarantee that the CRIA will ultimately be created, as this is dependent on a variety of factors, including the results of the comprehensive feasibility study required by law.