



# **Enhanced Infrastructure Financing District**

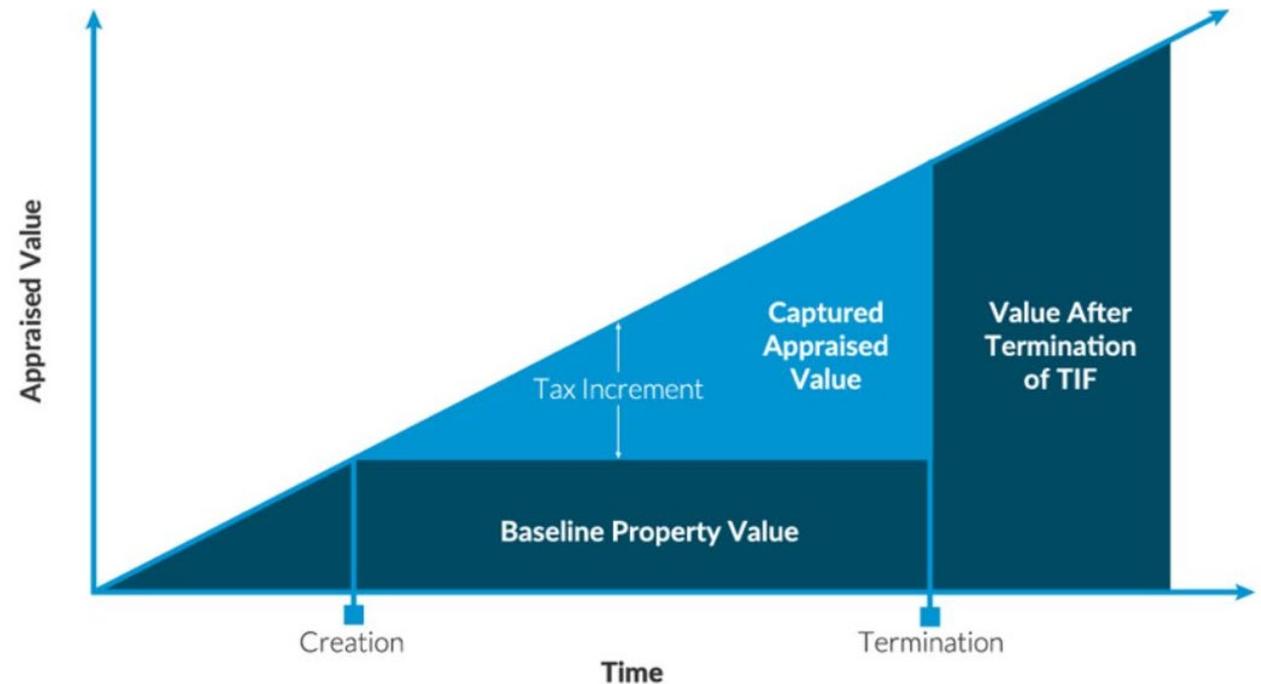
Infrastructure Financing Plan & Project List

**April 30, 2024**

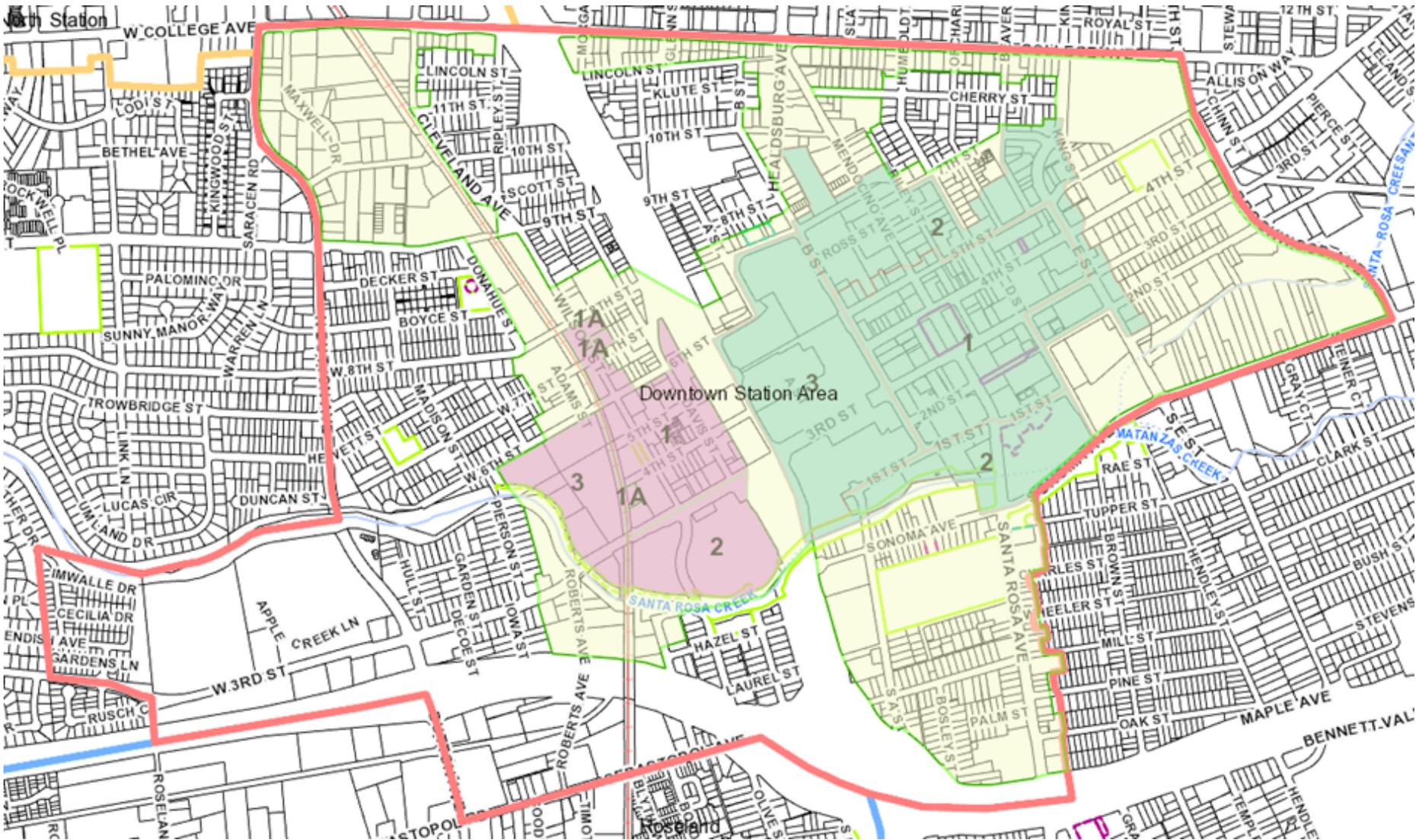
Board of Supervisors

# EIFD: Enhanced Infrastructure Financing District

- Financing tool for public infrastructure and private property improvements
- **Source of tax increment:**  
Cities, counties and special districts may allocate all or a portion of tax increment generated by existing 1% ad valorem property tax and increases in assessed property value (AV) in the EIFD above the base year AV.
  - **NO NEW TAXES.**
  - **NO additional property taxes imposed**
- Cannot use increment from educational agencies (e.g. school districts; community college district).



# EIFD: Boundary



-  Downtown Station Area Specific Plan
-  Downtown Community Benefit District
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# Downtown Development Momentum

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## ENTITLED

- **Ross Street Development**  
109 units - 8 stories
- **SMART Village, Phase I**  
114 units - 6 stories
- **DeTurk Winery Village**  
185 units - 4 stories
- **Avenue 320 Apartments**  
36 units - 3 stories
- **The Flats** - 24 units - 5 stories

## IN PLAN REVIEW

- **425/431 Humboldt Street**  
88 units, 7 stories

## UNDER CONSTRUCTION

- **The Cannery**  
129 units, 6 stories
- **Pullman Lofts Phase 2**  
40 units, 5 stories
- **420 Mendocino Ave**  
161 units, 8 stories

## COMPLETED

- **Pullman Lofts Phase 1**  
74 units, 3 stories
- **888 4<sup>th</sup> Street**  
90 units, 6 stories



# EIFD: Project List (Exhibit A - ROI)

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The district shall finance only public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community, including, but not limited to, the following:

- Roads, highways, streets/streetscapes, parking facilities, and transit facilities
- Affordable housing
- Internet access services
- Childcare facilities
- Libraries
- Parks, open space, and recreational facilities
- Improvements related to fighting climate change
- Brownfield restoration and other environmental mitigation
- Transit priority facilities
- Sewer, reclamation, and water facilities
- Solid waste facilities
- Flood control facilities, retention bases, and drainage channels



# EIFD: Eligible Projects Under EIFD Law

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- Facilities are not required to be located inside the EIFD boundaries
- Facilities located outside of the EIFD shall have a tangible connection to the district
  - Must be detailed in the infrastructure financing plan
- Projects are often funded through reimbursement to a developer who builds improvements
- Housing financed by the EIFD must be restricted to affordable housing
- Improvements can cover both public and private projects
- EIFD funded projects either need to stimulate economic development/AV growth or leverage anticipated economic development/AV growth



# EIFD: Potential Project List (Discussed with PFA)

Project Type	Amount	City Property	Private Property
Railroad Square/Downtown Connectivity	\$22,000,000	✓	✓
Reprogramming and Activation of Comstock Mall	\$7,000,000	✓	
Activation and Beautification of Existing Right of Way	\$7,000,000	✓	
Affordable Housing	\$9,000,000		✓

**Total: \$45,000,000**

Alternate Project Type	Amount	City Property	Private Property
Conference, Performing Arts or Entertainment Ctr.	\$45,000,000		✓



# EIFD: Project List Options for Discussion

## 1. Improving Connectivity Between Downtown and Railroad Square

### 3<sup>rd</sup> Street Alignment – Existing Configuration

- Underpass lighting
- Murals
- Air purifying
- Coordinated lighting connecting to Courthouse Square and lower 4<sup>th</sup> Street
- Wayfinding
- Raised walkway

**Preliminary cost estimate - \$8 to 10 million**



# EIFD: Project List Options for Discussion

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## 1. Improving Connectivity Between Downtown and Railroad Square

### **3<sup>rd</sup> Street Alignment – Redevelopment**

- Raised roadway section and associated utility modifications
- Improving bike and pedestrian connectivity and experience
- Public art
- Landscaping
- Wayfinding
- Coordinated lighting connecting through corridor to Courthouse Square and Lower 4<sup>th</sup> Street
- City initiated project or reimbursement to developer
- Can be coordinated with a large redevelopment of the mall site

**Preliminary cost estimate: \$18 - 20 million**



# EIFD: Project List Options for Discussion

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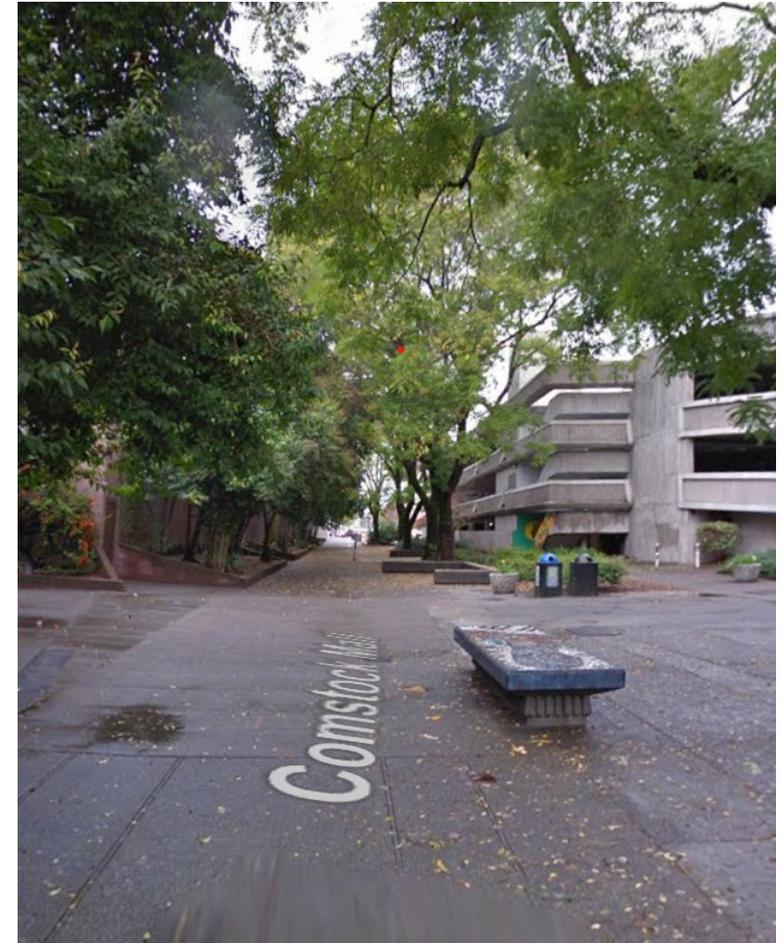
## 2. Activating Existing Public Space – Comstock Mall

- City initiated project or private development
- Lighting
- Landscaping
- Public art
- Surface improvements and utilities
- Recreational options

**Preliminary cost estimate: \$3 to 5 million**

Projects proposing surface improvements and utility modifications

**Preliminary cost estimate: \$5 - 10 million**



# EIFD: Project List Options for Discussion

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## 3. Activation and Beautification of Existing Public Right-of-Way

- General Landscaping and Lighting Improvements throughout district or within defined areas – cost varies
- Public parklets - \$40,000 to \$50,000 per parklet
- Public art – cost varies
- Sidewalk bulb outs for outdoor seating – cost varies



# EIFD: Project List Options for Discussion

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## 4. Affordable Housing

- Supports the private development of affordable housing projects
- Reimbursement to developer
- Can fund affordable housing inside and outside of the district
- Funding level consistent with redevelopment percentages



# EIFD: Project List Options for Discussion

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## Large Scale Development Project (Alternate)

- Entertainment facility
- Performing art center
- Conference center
- Likely to occur on privately owned property
- Total construction cost unknown



# EIFD: Project List Options for Discussion

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## Economic Benefits

### 1, 2 & 3. Connectivity, Activation and Beautification Projects

- Improved business activity
- Increased sales tax
- Job creation
- Can spur housing development with additional commercial activity

### 4. Affordable Housing

- Property tax increase
- Can support market rate meeting inclusionary requirements

### Large Scale Development Projects (Alternate)

- Improved business activity
- Increased sales tax and Transit Occupancy Tax
- Job creation
- Can spur housing development with additional entertainment
- Additional property tax on development site
- Economic benefit study unique to use



# EIFD: Infrastructure Financing Plan (IFP)

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## IFP Elements

- a. A map and legal description of the proposed EIFD;
- b. A description of the public facilities and other forms of development or public assistance to be undertaken within the EIFD.
- c. A finding that the improvements to be funded are of communitywide significance and provide significant benefits to an area larger than the EIFD;
- d. A financing section containing a series of elements, including projected EIFD tax revenues and construction revenues, a limit on revenues collected, and the period of time the EIFD will be in existence (not to exceed 45 years after the approval of a bond measure by the PFA), and an analysis of the fiscal impacts of the EIFD on the local public agencies participating in the EIFD;
- e. A plan for financing costs incurred for properties within the EIFD that qualify for the State's Transit Priority Project Program and
- f. The EIFD's goals for each public improvement financed by the EIFD.



# EIFD: Infrastructure Financing Plan (IFP)

	Calculation provided with both City and County @ 50%	RDA Properties	NON-RDA Properties
<b>Cumulative EIFD Tax Increment</b>	\$86,057,860	\$74,415,053	\$11,642,807
<b>Base Year Value</b>	\$941,756,096	\$829,999,411	\$111,756,685
<b>Maximum Bond Term</b>	130.68%	130.66%	131.24%
<b>% of City Tax Increment</b>	50%	50%	50%
<b>% of County Tax Increment</b>	50%	50%	50%
<b>Cumulative Bond Construction Proceeds plus Pay-Go</b>	\$62,899,788	\$54,354,682	\$8,545,106



# EIFD: Next Steps

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- 1. City/County identify projects to be funded by EIFD and percentage of tax increment allocated to EIFD**
- 2. Introduction of draft IFP at PFA public meeting**
  - IFP must be posted 10 days prior to meeting
- 3. PFA Public Hearing #1**
  - No action, receive comments
  - At least 30 days after introduction meeting
  - May require meeting dates inconsistent with regular frequency
- 4. PFA Public Hearing #2**
  - Reject or modify IFP based on comments
  - At least 30 days after Public Hearing #1
  - May require meeting dates inconsistent with regular frequency



# EIFD: Next Steps

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## **4. City Council and Board of Supervisors**

- Council and BOS approve or reject IFP

## **5. PFA Public Hearing #3**

- Approve IFP and Adopt Resolution of Formation
- At least 30 days after Public Hearing #2
- May require meeting dates inconsistent with regular frequency

## **6. Request for Jurisdictional Boundary Change**

- Board of Equalization

