

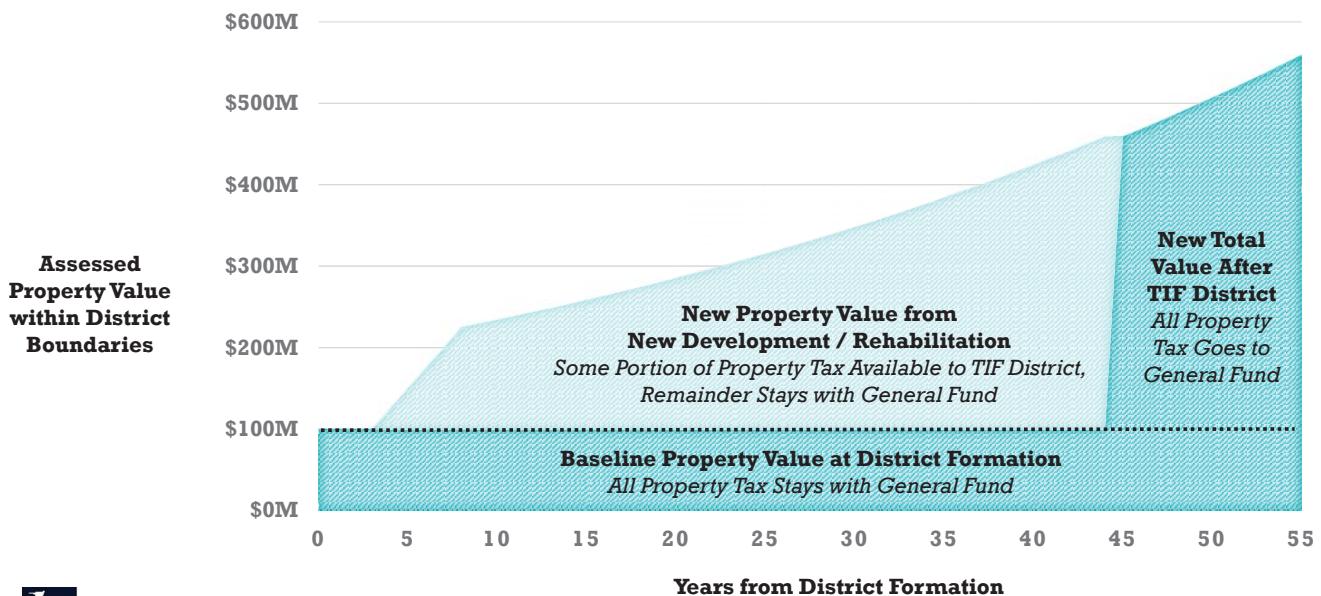


# REAP 1.0 Financing District Activity + Lessons Learned

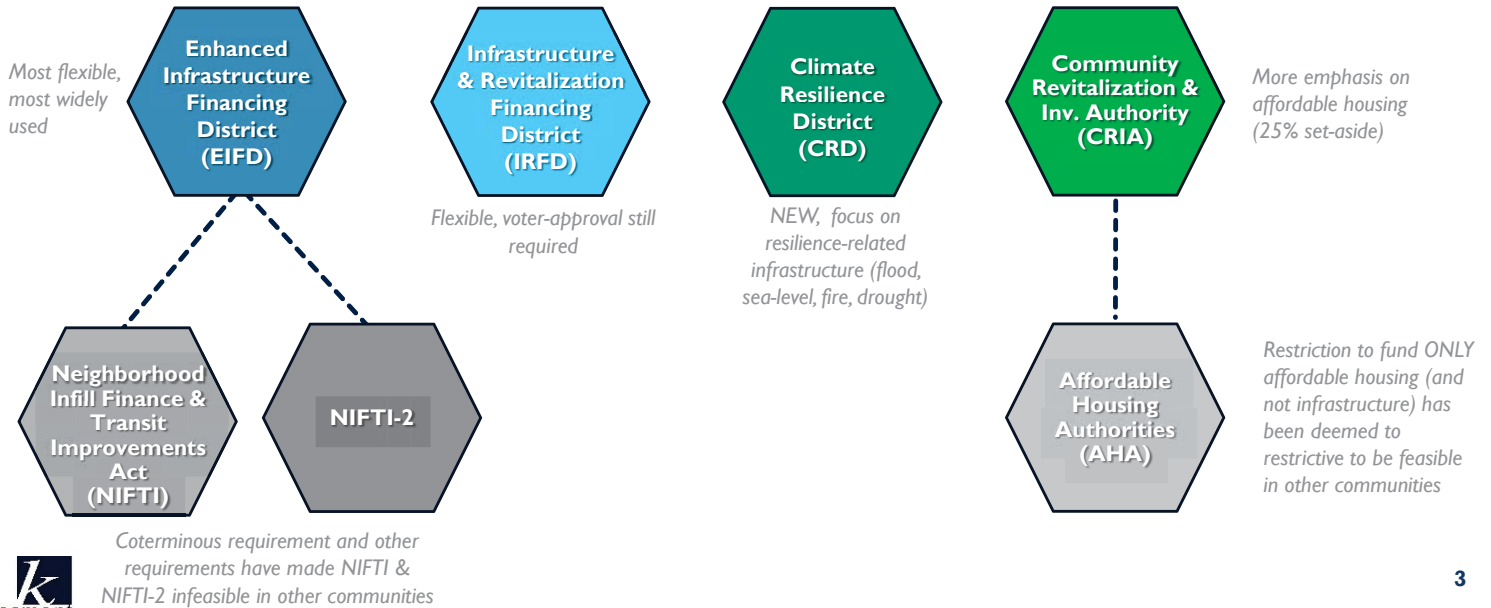
*Community, Economic and  
Human Development (CEHD) Committee  
December 5, 2024*

Prepared by:  
Kosmont Companies

## What is Tax Increment Financing (TIF) – Not a New Tax



# TIF Alternatives in California Today



## Types of Projects TIF Can Fund *Partial List*



Water / Sewer / Storm / Flood



Roadway / Parking / Transit



Parks / Open Space / Recreation



Childcare Facilities & Libraries



Brownfield Remediation



Affordable Housing



Broadband



Wildfire Prevention / Other Climate Change Response



Small Business / Nonprofit Facilities

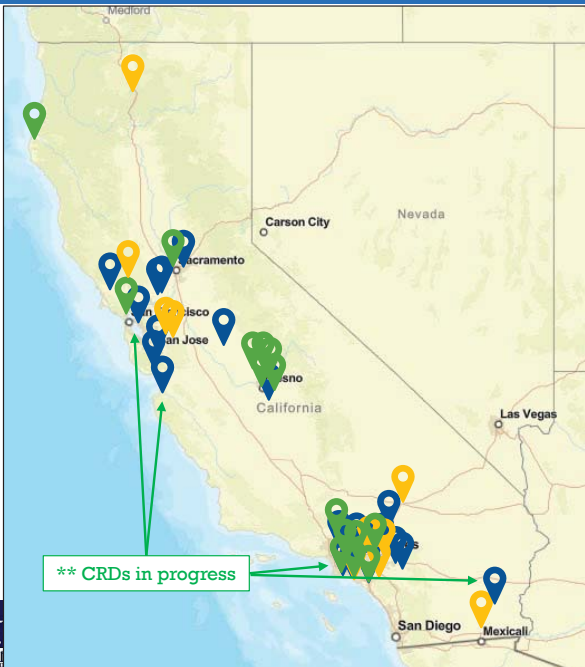


# Why are Public Agencies Authorizing TIF Districts?

1. **Return on Investment (“ROI”)**: Private sector investment induced by district commitment on a “but for” basis accelerates growth of **net fiscal revenues, job creation, housing production, essential infrastructure improvements**
2. **Ability to attract additional funds / other public money (“OPM”)** – tax increment from other entities (county, special districts), federal / state grants / loans (e.g., for TOD, water, housing, parks, remediation)



## Kosmont TIF Districts in Progress Statewide (Partial List of EIFDs/CRDs/CRIAs)



Jurisdiction	Purpose
Apple Valley	Industrial and housing supportive infrastructure
Banning (CRIA)	Downtown revitalization, industrial infrastructure
Barstow	Industrial and housing supportive infrastructure
Brentwood	Housing, employment, and transit-supportive infrastructure
Buena Park	Mall reimagination, tourism-supportive infrastructure
Calipatria (CRD)	Economic and climate resilience infrastructure
Carson + L.A. County	Remediation, affordable housing, recreation
Citrus Heights	Mall reimagination
Covina	Downtown housing and blended use supportive infrastructure
Fairfield	Downtown, housing, and transit-supportive infrastructure
Fresno	Downtown, housing and transit-supportive infrastructure
Fresno County	Industrial and commercial supportive infrastructure
Humboldt County	Coastal mixed-use and energy supportive infrastructure
Inglewood (CRD) **	Transportation and affordable housing
Imperial County	Renewable energy, housing and infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Lakewood + L.A. County	Mall reimagination, smart streets, affordable housing
Long Beach	Economic empowerment and affordable housing
Los Angeles (Downtown, San Pedro, other)	Affordable housing and transit-supportive infrastructure
Los Angeles County West Carson	Housing / bio-science / tech infrastructure
Madera County (3 Districts)	Water, sewer, roads and other housing infrastructure
Modesto + Stanislaus County	Downtown, housing, and recreation infrastructure
Mount Shasta	Rural brownfield mixed-use infrastructure
Napa	Downtown, housing, tourism supportive infrastructure
Norwalk + L.A. County	Affordable housing and infrastructure
Ontario	Airport-related, blended use, infrastructure
Palmdale + L.A. County	Housing, blended use, transit infrastructure
Pittsburg	Housing, commercial, and tech park infrastructure
Placentia + Orange County	Housing and TOD infrastructure
Rancho Cucamonga	Blended use and connectivity infrastructure
Redlands	Education related blended use, mall reimagination
Redondo Beach + L.A. County	Parks / open space, recreation infrastructure
Riverside County Thousand Palms	Housing, hospitality, medical supportive infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
San Rafael (EIFD + CRD) **	Blended-use and climate resilience infrastructure
Sanger	Commercial, hospitality, supportive infrastructure
Santa Cruz (EIFD + CRD) **	Downtown, blended use, and climate resilience infrastructure
Santa Rosa + County of Sonoma	Downtown investment, affordable housing, aging infrastructure
Selma	Water, sewer, and other housing supportive infrastructure
Vacaville	Housing and business park infrastructure
Yucaipa	Housing and commercial infrastructure

Fully Formed	In Formation Process	Under Evaluation
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# SCAG Financing Districts from REAP 1.0

## REAP 1.0 (2022-2023)

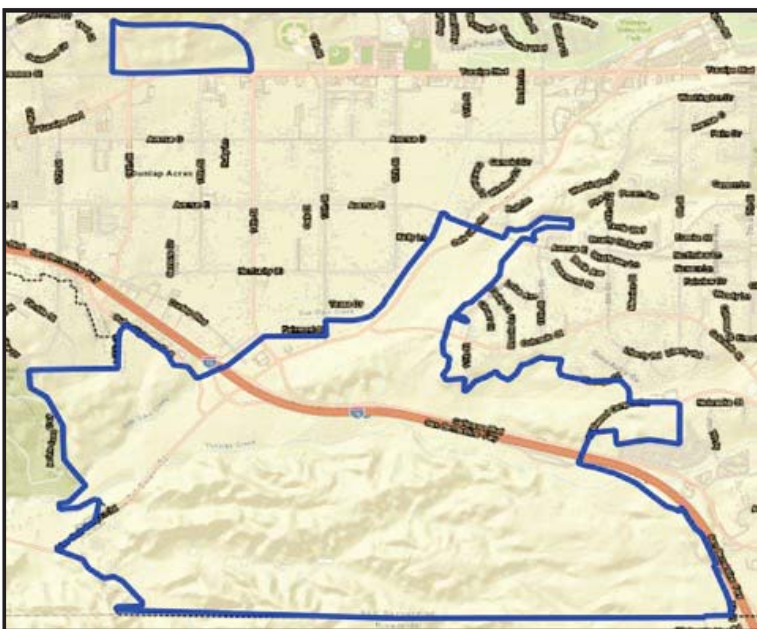
1. City of Covina (Formed September 2023)
2. City of Yucaipa (Formed March 2024)
3. County of Los Angeles + City of Los Angeles LAC USC Medical Center (feasibility analysis)
4. City of Los Angeles San Pedro (feasibility analysis complete – formation pending)
5. City of Los Angeles Hollywood Walk of Fame (feasibility analysis – formation pending)
6. City of Barstow (Resolution of Intention adopted December 2023)
7. County of Imperial (Resolution of Intention adopted December 2023)

## Previous SCAG Projects (2019-2021)

1. City of Placentia + County of Orange TOD EIFD (Formed July 2019)
2. County of Los Angeles Unincorporated West Carson EIFD (Formed January 2021)



## Yucaipa EIFD (Formed 2024)

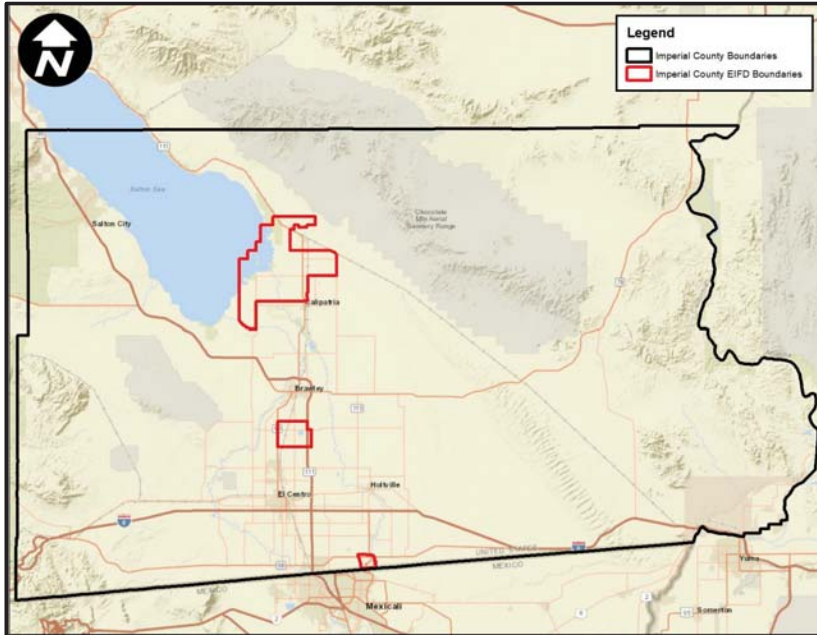


- Approx. 1,400 acres (~7% of Citywide acreage)
- Approx. \$34.0M in existing assessed value (~1% of Citywide A/V)
- ~\$96M in present value EIFD funding capacity
- 2,200+ housing units
- ~2,240 direct, permanent jobs + 830 indirect/induced jobs (total of ~3,000+ permanent jobs), representing ~\$156 million in annual wages
- ~15,600+ construction-related jobs\*, representing \$1.11 billion in wages
- Significant positive fiscal impact of \$56M+ to City general fund over 50 years (present-value)

Source: City of Yucaipa, San Bernardino County Auditor-Controller (2022)



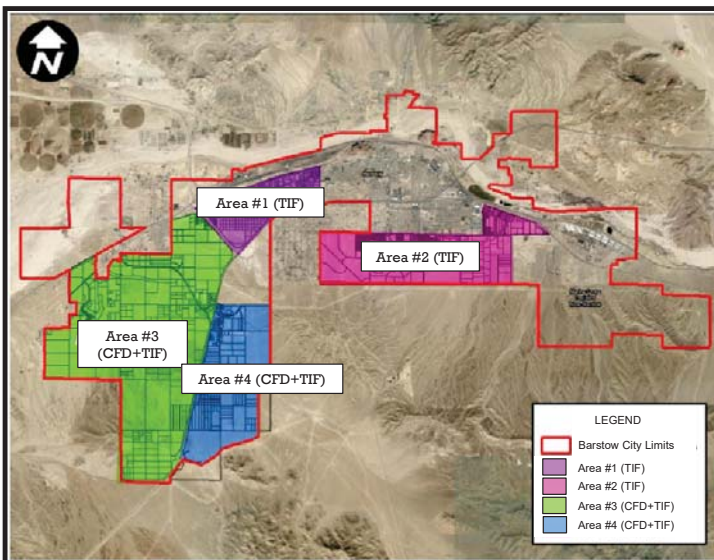
# Proposed Imperial County EIFD



Study Area	Acreage	Existing A/V
1) Lithium Valley / Known Resource Study Area	44,813 AC	\$285M
2) Inland Port	7,642 AC	\$36M
3) Mesquite Lake Specific Plan Area	7,378 AC	\$90M
4) Gateway to the America Specific Plan Area	1,830 AC	\$207M
<b>Total Study Area</b>	<b>61,658 AC</b>	<b>\$617M</b>

- Approx. 2.1% of Countywide acreage
- Approx. ~4.1% of Countywide assessed value (A/V)
- \$230M+ in present-value EIFD funding capacity
- 21,000+ permanent jobs

# Proposed Barstow EIFD



- Approx. 13,207 acres (~50% of Citywide acreage)
- Approx. \$566M in existing assessed value (~35% of Citywide A/V)
- Captures benefits of Barstow International Gateway (BIG) rail facility
- ~\$150M+ in present-value EIFD funding capacity
- 9,900+ permanent jobs
- ~\$70M in present-value City general fund fiscal benefit

## Lessons Learned / Best Practices

- Focus district on what needs to be funded and costs, work backward (boundary, percentage of increment contributed, district duration)
- Include potential partners (e.g., local county) early and transparently
- Project champion at each level of local government
- Defensibly analyze public agency and community “return on investment”
- Realistic “but for” test (what happens without the TIF district?)
- Incorporate planning that incentivizes desired land uses / density (up-zoning or density reserve approach)
- Complementary funding (e.g., grants, CFD, private sector investment)

## Legislative Updates

- **SB 1140 (adopted Sept 25, 2024):** Streamlines formation process and public noticing, emphasizes eligibility of air quality projects
- **SB 761 (adopted Sept 22, 2024):** Extends max EIFD lifetime to 75 years for Transportation Infrastructure Finance and Innovation Act (TIFIA) financing for transportation projects
- **AB 1819 (adopted Sept 22, 2024):** Ability of EIFDs and CRDs to finance equipment for prevention (e.g., vegetation clearance, firebreaks, undergrounding utilities)
- **Prop 4: Parks, Environment, Energy, and Water Bond Measure (\$10B for climate projects)**
- ~~**Prop 5 (ACA 1 / ACA 10):** Lowers voting threshold to 55% for affordable and public infrastructure~~

**THANK YOU**  
Questions?

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