



HOUSING PROGRAM / REAP 1.0

# Enhanced Infrastructure Financing Districts

Enhanced Infrastructure Financing Districts (EIFDs) offer cities and counties a flexible tool to fund infrastructure, housing, and climate adaptation projects. Through state-allocated funding, SCAG has supported local jurisdictions in exploring the feasibility and, in some cases, the successful formation of EIFDs.



# SCAG Regional Housing Program

SCAG brings expertise in housing systems and a proven track record of developing cross-cutting solutions that align actions across disciplines and sectors to achieve shared regional goals.

Housing challenges do not stop at jurisdictional boundaries—they are regional in nature and require coordinated, scalable responses. SCAG's regional programs offer the opportunity to build local capacity, leverage economies of scale, and deliver tailored support that meets the unique needs of communities.

SCAG's work program reflects the interconnectedness of the region's greatest challenges—housing, environment, mobility, resilience, and equity—and seeks to address them through integrated, collaborative approaches.



## Housing Barriers

SCAG supports efforts to meet regional housing needs and advance state policy goals. Achieving these outcomes requires dedicated funding and technical assistance to address key barriers to housing production.

### Land Use and Availability

To meet our housing need, available and developable land must be identified, leveraged, and coupled with prohousing policies to reduce high land costs and development constraints, which creates challenges to building housing where it's needed most.

### Need for Financing

Financing resources are critical to funding housing development from site acquisition, community engagement, design, permitting and approvals, and construction. Making inroads in tackling the housing crisis requires dedicated resources to finance housing delivery.

### Insufficient Infrastructure

New infill housing often comes with costs tied to upgrading or replacing existing utilities infrastructure to support new demand, which increase project costs and delay production. Infrastructure investments are critical to helping us meet our housing goals.

## REAP 1.0

Funded with \$47 million in state planning grants, REAP 1.0 focused on implementing Connect SoCal 2020 by providing technical assistance and resources to local jurisdictions, subregional partners, and community-based organizations.

The program supported efforts to:

- Increase housing supply and affordability
- Improve housing equity and accessibility
- Advance policy through engagement
- Expand financial tools and planning capacity

REAP 1.0 resulted in adopted land use plans, development streamlining tools, and innovative planning strategies that set the stage for broader implementation through REAP 2.0.

## REAP 2.0

REAP 2.0 builds on REAP 1.0's success and expands its focus to include climate goals.

With \$560 million available statewide—\$231.5 million of which is allocated to the SCAG region—REAP 2.0 invests in transformative planning and infrastructure projects that implement regional and local plans and promote equitable, sustainable housing development.

In addition to addressing the housing barriers listed above, the program aims to:

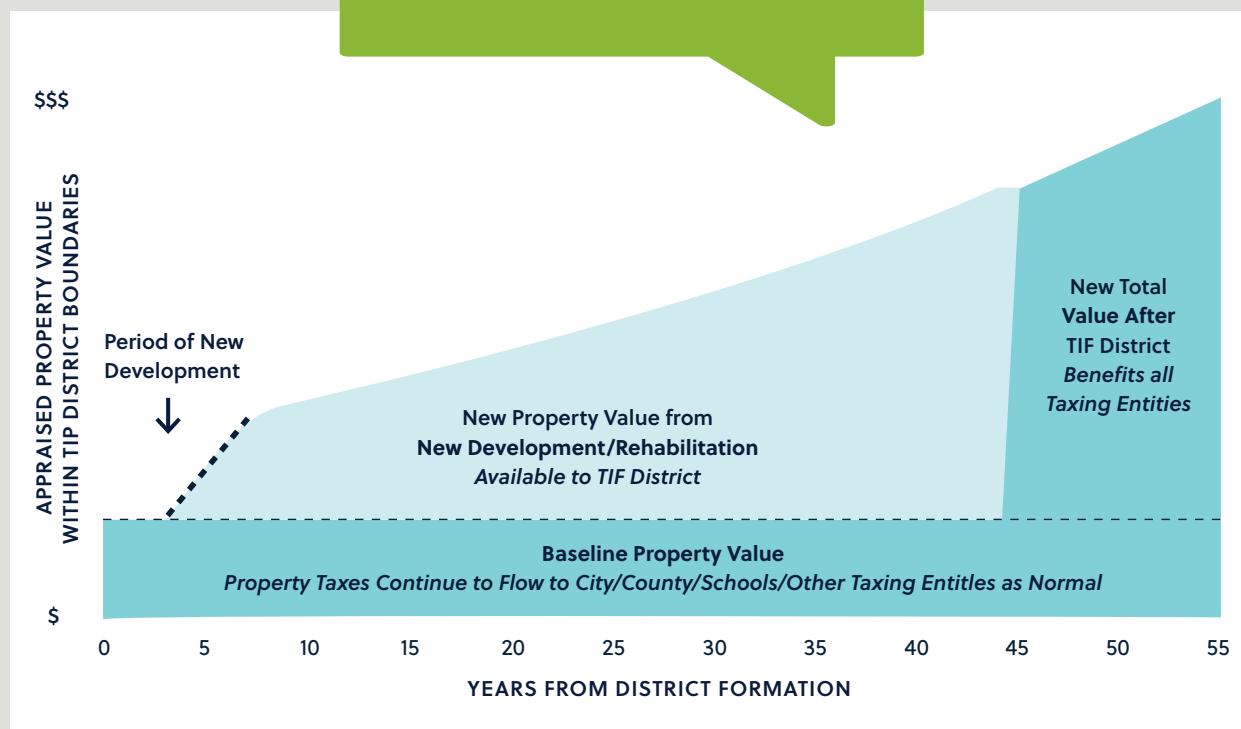
- Accelerate infill development
- Reduce vehicle miles traveled (VMT)
- Affirmatively further fair housing

## Enhanced Infrastructure Financing Districts (EIFDs)

In the face of California's ongoing housing crisis, local governments are exploring innovative tools to finance housing and critical infrastructure needed to support sustainable growth. Enhanced Infrastructure Financing Districts (EIFDs) are one such tool, offering a unique opportunity to fund housing and critical infrastructure projects such as roads, transit, and water systems—by capturing the incremental increase in property tax revenue generated from new development. EIFDs do this without raising taxes on existing properties.

The Southern California Association of Governments (SCAG) supports the formation of EIFDs throughout the region. By providing technical assistance, resources, and guidance, SCAG helps local governments create EIFDs that address housing and infrastructure needs that align with regional goals.

EIFDs capture the incremental increase in property tax revenue generated from new development.



## Benefits of EIFDs



### Economic

EIFDs stimulate local economies by attracting new businesses, creating jobs, and facilitating development of housing and infrastructure. With dedicated funding for public improvement projects, EIFDs make areas attractive to private investment, thereby boosting the local tax base.



### Infrastructure

EIFDs can pay for critical infrastructure such as water, sewer, public right of way, parks, brownfield remediation, libraries, and childcare facilities that are essential for complete and thriving communities. The self-sustaining financing mechanism—capturing property tax increments from new development—ensures that projects remain financially viable without burdening taxpayers or increasing debt.



### Housing

EIFDs encourage development near other amenities, that is efficient and environmentally responsible. By promoting infill development and transit-oriented projects, EIFDs support walkable communities and make the most of existing infrastructure, all while minimizing the impact on the surrounding environment.

## EIFD Lessons Learned

### Focus on Areas with Strong Growth Potential

Target locations where significant growth and development are anticipated to maximize the district's long-term revenue generation.

### Maximize EIFD Boundary Area

Establish district boundaries that capture the full potential of future development and tax increment growth.

### Pursue City-County Partnerships

City/County collaboration can significantly increase revenue potential and strengthen the overall financial viability of the EIFD.

### Leverage City-County Cooperation to Enhance Grant Competitiveness

Joint City/County EIFDs are more likely to secure state grant funding due to their broader scope and shared commitment.

## SCAG Funding EIFD REAP 1.0 Projects



- REAP 1.0 Formed: Covina
- REAP 1.0 Formed: Yucaipa
- REAP 1.0 Proposed:  
Barstow/Imperial Counties

SCAG funded 7 EIFD studies that indicated potential to capture \$3.1 billion for housing, infrastructure, parks, and economic growth.

### REAP 1.0 – FORMED

#### City of Covina, Covina Downtown Enhancement EIFD

- Established as a funding mechanism for public infrastructure improvements and affordable housing.
- Estimated lifetime value of \$27 million.
- Includes six identified potential projects, including the Town Center Specific Plan Area and the Citrus Avenue Mixed-Use Corridor.

### REAP 1.0 – FORMED

#### City of Yucaipa, Enhanced Infrastructure Financing District

- Estimated lifetime value of \$32 million.
- Supported a study to develop an EIFD for funding public infrastructure and affordable housing.
- Study identified housing-supportive infrastructure projects for future development.

## REAP 1.0 – PROPOSED

### **City of Barstow, Infrastructure Financing District Pilot Study**

- The city of Barstow conducted a feasibility assessment for an EIFD and determined that establishing an EIFD is feasible.
- Focuses on implementing housing-supportive infrastructure and expanding housing supply.

### **Imperial County Enhanced Infrastructure Financing District**

- Updated feasibility analysis to support the creation of an EIFD for the county.
- Aims to improve infrastructure and expand the County's housing supply.

## REAP 2.0 – PROPOSED

### **City of Desert Hot Springs, Downtown Infill Tax Increment Financing Program for Housing Supportive Infrastructure**

- Grant Amount: \$200,000
- Purpose: Study feasibility and establish an EIFD.
- Focus: Fund infrastructure improvements (water, sewer, streetscape, open space) to accelerate housing development.
- Expected Outcome: Increase in local affordable housing supply, connectivity, and sustainability.

### **City of Montebello, Transformative Corridors Project**

- Grant Amount: \$190,000
- Purpose: Study feasibility and establish an EIFD.
- Focus: Support affordable housing and economic development strategies.
- Expected Outcome: Advance improvements for affordable housing and economic growth.

## **SCAG's Next Steps for EIFDs**

**Building on work completed to date, SCAG will continue to share lessons learned, tools, and best practices with interested jurisdictions across the region. We remain available to provide guidance, share resources, and connect cities and counties with examples of successful EIFD planning efforts to help accelerate project development and foster long-term community benefits.**





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