

Support Material Agenda Item No. 11

Transit Committee Meeting

October 13, 2016

9:00 a.m.

Location

San Bernardino Associated Governments

First Floor Lobby

1170 W. 3rd Street, San Bernardino, California 92410

Discussion Calendar

Transit/Rail

11. SCAG Enhanced Infrastructure Financing Districts (EIFD) Pilot Project - Redlands Passenger Rail Project

That the Transit Committee recommend the Board, acting in its capacity as the San Bernardino County Transportation Authority:

A. Receive a presentation from the Southern California Association of Governments on their Enhanced Infrastructure Financing District Pilot Project for the Redlands Rail Corridor.

B. Oppose the Southern California Regional Rail Authority, also known as Metrolink, taking any action on behalf of San Bernardino County related to Enhanced Infrastructure Financing District efforts.

Attached is the Powerpoint Presentation.



SCAG EIFD/CRIA Project: Status Report Screening Tool, Pilot Projects and Next Steps

October 2016

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Background and Introduction

- “Economic Development 2.0: New financing mechanisms in the post-RDA:
 - EIFD – Enhanced Infrastructure Financing Districts (SB 628)
 - CRIA – Community Revitalization and Investment Act (AB 2)
- SCAG Objectives:
 - Inform and promote applications of recently approved funding mechanisms for sustainable infrastructure and housing investment, create jobs/stimulate economic growth
 - Provide sustainable infrastructure to achieve the goals of the RTP/SCS
 - Identify/define SCAG’s role in pre-screening evaluation services and technical assistance to member cities considering EIFD/CRIA formation
 - Illustrate the analytical and implementation process of EIFDs/CRIAs with sample pilot projects
- Next step is completion of Pilot Project analyses, outreach to relevant agencies / stakeholders, and initiation of EIFD/CRIA training workshops

Types of Projects EIFDs & CRIAs Can Fund



Industrial Structures



Aff. Housing / Mixed Use



TOD/TRD Projects



Wastewater/Groundwater



Light / High Speed Rail



Civic Infrastructure



Parks & Open Space



Childcare Facilities



Brownfield Remediation

- 1. SCAG's Role in Enabling EIFDs / CRIAs**
- 2. Potential District Screening**
- 3. Pilot Project Selection**
- 4. Next Steps for Implementation**

1. SCAG's Potential Roles for EIFD and CRIA

1. **Screening Tools**: To determine whether projects may use infrastructure financing tools such as EIFD and CRIA
2. **Formation Assistance / Regional Coordination**: SCAG members need a regional entity to assist coordination, planning, and implementation of multi-agency infrastructure projects
3. **Technical Assistance**: When preparing EIFD Infrastructure Financing Plans, CRIA Plans, and submitting applications for programs such as Greenhouse Gas Reduction Funds (e.g. Cap and Trade), federal grants (TIFIA, EPA)
4. **Financial Assistance**: Start-up loans and/or funding sources to help member cities to form and resolve EIFD/CRIA funding shortfalls in early years

The Need for SCAG Assistance

- EIFDs and CRIAs can help SCAG member cities to provide financing to build required sustainable infrastructure.
- EIFDs and CRIAs have different criteria for formation and different requirements once formed. CRIAs focused on affordable housing as well as infrastructure.
- EIFD and CRIA startup requirements are complex and costly. Most districts will require cooperation between public agencies with histories containing conflicts.
- Member cities may need **technical, political & financial assistance** to implement EIFDs & CRIAs.

2. Potential District Screening

SCAG Objective: Provide member cities with initial screening to determine whether a sustainable infrastructure project could utilize EIFD or CRIA for funding / financing

Primary Screening Criteria and Sample Required Data:

Screening Criteria	Sample Required Data	Relevant SCAG Resources
1. EIFD/CRIA Successor Agency Prerequisites	<ul style="list-style-type: none"> Receipt of Finding of Completion from DOF 	NA/DOF Web site: http://www.dof.ca.gov/Programs/Redevelopment/Finding_of_Completion/Finding-of-Completions_Letters/
2. Economic Development Potential	<ul style="list-style-type: none"> Planned projects Existing parcel values 	<ul style="list-style-type: none"> GIS land use data Parcel data by County
3. Current Zoning and Density in Project Area	<ul style="list-style-type: none"> Existing zoning / specific plan boundaries 	<ul style="list-style-type: none"> GIS data, incl. general / specific plans, existing land use
4. Project Location and Infrastructure Needs	<ul style="list-style-type: none"> Location in High-Quality Transit / Transit Priority Area 	<ul style="list-style-type: none"> GIS data, HQTA / TPP / TPAmaps
5. Potential Infrastructure Financing Solutions	<ul style="list-style-type: none"> Property tax capture rate Eligibility for grant funding 	<ul style="list-style-type: none"> Property tax data (in process) GIS data, TPA, Disadv. Comm. maps
6. CRIA Eligibility	<ul style="list-style-type: none"> Income / crime / unemp. Disadv. Comm. designation 	<ul style="list-style-type: none"> Socioeconomic data (NHI, Unemployment rate, crime rate) GIS data, incl. Disadv. Comm. Maps
7. Technical Screening	<ul style="list-style-type: none"> Former RDA project areas Existing ROPS obligations 	<ul style="list-style-type: none"> N/A (City finance departments)

Example Required Data: Property Tax Increment Capture

SCAG Cities' Share of Property Tax Increment by County

Amount of Increment Captured (per \$1)	LA	Orange	San Bernardino	Riverside	Ventura	Imperial
25 Cents+	1	1	3	2	0	6
20 to 25 Cents	7	0	4	3	1	0
15 to 20 Cents	10	11	9	7	3	1
10 to 15 Cents	23	14	5	8	3	0
5 to 10 Cents	47	4	1	8	3	0
< 5 Cents	0	4	2	0	0	0
Total	88	34	24	28	10	7

- **69 cities capture 15 cents or higher:** Generally able to form district on their own
- **122 cities capture less than 15 cents:** May have to find partners or supplemental funds

Source: HdL Companies.

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

SCAG Member Cities that Generally Capture More than 15 Cents of Property Tax Increment

SCAG Cities with >15 Cents of Property Tax Capture

Alhambra	El Centro	Los Angeles	Redondo Beach
Avalon	Fillmore	Mission Viejo	San Bernardino
Banning	Fontana	Monrovia	San Clemente
Beaumont	Fullerton	Monterey Park	San Marino
Beverly Hills	Grand Terrace	Moreno Valley	Santa Ana
Big Bear Lake	Hemet	Needles	Santa Paula
Blythe	Hermosa Beach	Newport Beach	Seal Beach
Brawley	Hesperia	Norco	Sierra Madre
Burbank	Highland	Ontario	South Pasadena
Calexico	Holtville	Oxnard	Twentynine Palms
Calipatria	Huntington Beach	Palm Springs	Upland
Cathedral City	Imperial	Pasadena	Ventura
Colton	La Habra	Placentia	Victorville
Corona	La Verne	Pomona	West Hollywood
Costa Mesa	Laguna Beach	Rancho Cucamonga	Westmoreland
Covina	Lake Elsinore	Rancho Mirage	Yorba Linda
Desert Hot Springs	Long Beach	Redlands	Yucaipa
			Yucca Valley

3. Pilot Project Selection & Purposes

- “Pilot Projects” are designed to illustrate key assumptions, methodology, and other considerations for EIFD/CRIA feasibility analysis and implementation

Three (3) potential Pilot Projects were selected utilizing the District Screening Tool for further evaluation:

- METRO L.A. Crenshaw Station** – Along Metro Expo Line Corridor (Union Station to Santa Monica; connectivity improvements, bike lanes, sidewalk & crosswalk widening
- Santa Ana Regional Transportation Center (SARTC) station expansion and the Santa Ana/Garden Grove Streetcar Project (OC Streetcar)** – New transit station/bus services, bicycle/pedestrian connectivity improvements, new streetcar service
- San Bernardino-Redlands Light Rail Project** – Use of existing right-of-way for rail service (downtown San Bernardino to University of Redlands); connectivity improvements, utility upgrades, surface parking, limited flood control improvements

Evaluation in progress, pending outreach to affected jurisdictions

Project Screening Matrix

Sample Considerations

Screening Criteria	Sample Considerations	METRO Crenshaw Station	SARTC & OC Streetcar	S.B.- Redlands Light Rail
1. Successor Agency Prerequisites	<ul style="list-style-type: none"> Finding of Completion from D.O.F.? 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Economic Development Potential	<ul style="list-style-type: none"> Catalytic infrastructure? Significant new development anticipated in immediate vicinity in near future? 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. Current Zoning and Density in Project Area	<ul style="list-style-type: none"> Higher density / mixed-use zoning? Specific plan overlays? 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4. Project Location and Infrastructure Needs	<ul style="list-style-type: none"> RTP project? Significant regional benefit? 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5. Potential Infrastructure Financing Solutions	<ul style="list-style-type: none"> Property tax capture rate 	HIGH	HIGH	HIGH
6. CRIA Eligibility	<ul style="list-style-type: none"> Qualification by income / crime / unemployment / Disadvantaged Community? 	<input checked="" type="checkbox"/> (in some areas)	<input checked="" type="checkbox"/> (in some areas)	<input checked="" type="checkbox"/> (in some areas)
7. Technical Screening	<ul style="list-style-type: none"> Ongoing RDA dissolution activities? 	<input checked="" type="checkbox"/> (in some areas)	<input checked="" type="checkbox"/> (in some areas)	<input checked="" type="checkbox"/> (in some areas)

4. Next Steps for Implementation

- Complete Pilot Project analyses and marketing materials;
 - Refine infrastructure and other public improvement costs, phasing, etc.
 - Refine proposed/planned development and tax increment projections
 - Outreach to Pilot Project jurisdictions and partners
- Conduct regional workshops to introduce requirements of EIFDs/CRIAs
- Develop and promote SCAG technical assistance, including existing database & District Screening Process to facilitate EIFD/CRIA formation
 - ✓ SB 743 web application: to allow project proponent to identify whether the projects are fall into TPAs, Specific plan areas, and Disadvantaged Communities Areas (DAC)

<http://scag.maps.arcgis.com/apps/webappviewer/index.html?id=bba117488ab04262bc19ffd16ec91b28>

- ✓ AB 2 web application: to help whether qualified census tracts are within AB2 requirements on median household income, unemployment rates, and or crime rates.

http://maps.scag.ca.gov/AB2_CRIA_Criteria/

Thank You / Questions?



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